



13 May 2024

## Closed End Investments



Source: LSEG, 2024

## Market data

EPIC/TKR	NBPE/NBPU
Price (£)	16.30/\$21.00
12m high (£)	17.14/\$22.00
12m low (£)	14.39/\$18.22
Shares (m)	46.2
Mkt cap (£m)	754
NAV (Mar'24)	£21.61/\$27.30
Disc. to £ NAV (%)	-25
Free float	100%
Ctry/Ccy of listing	UK - GBP/\$
Market	FTSE 250, STMM

## Description

NB Private Equity Partners (NBPE) leverages the platform of its manager, the PE division of Neuberger Berman (NB), including NB's relationships, deal flow and expertise, and has built a portfolio of 85 direct investments diversified by manager, sector, geography and size. It focuses on investing in companies that benefit from secular tailwinds and/or lower cyclicality, with high barriers to entry, or the delivery of mission-critical products or services.

## Company information

Chair	William Maltby
NEDs	Trudi Clark, Pawan Dhir, John Falla, Louisa Symington-Mills, Wilken Von Hodenberg
Key NB Manager	Peter von Lehe, Paul Daggett

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[www.nbprivateequitypartners.com](http://www.nbprivateequitypartners.com)

## Key shareholders (31 Dec'23)

Quilter Cheviot	12.4%
Evelyn Partners	8.3%
Schroders	7.0%
Treasury shares	6.8%
City of London IM	5.6%
New Jersey Div. of Inv.	5.3%

## Diary

Mid-May	April Factsheet
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## Analyst

Mark Thomas [mt@hardmanandco.com](mailto:mt@hardmanandco.com)

Discloser: the relevant analyst is a shareholder in NBPE

## NB PRIVATE EQUITY PARTNERS

## Wider operating company EBITDA margins in 2023

We reviewed NBPE's business model in our initiation, [Co-investments generating superior performance](#). We noted the high-secular-growth and downside-resilient investee companies, the value added by GPs, the good co-investing cashflow and return profile and the value added by the NB. The [2023 results](#) confirmed all these trends. The key numbers were i) NAV p/sh \$28.07 (£22.02), ii) private portfolio +5.3% in 2023 on a constant currency basis, iii) EV/LTM EBITDA 14.9x, and iv) debt/EBITDA 5.3x. The portfolio company weighted average LTM growth in revenue and EBITDA was 11.4% and 15.2%, respectively, with margins widening despite market challenges.

- **Model offsetting rate pressure:** In our note, [Value creation in a higher-rate environment](#), we examined how NBPE's GPs' unchanged target returns could be achieved despite a higher-rate environment. In essence, the GPs have to deliver superior EBITDA growth through organic and inorganic means. In this note, we detail 2023 progress in expanding EBITDA margins and delivering such growth.
- **Positive NAV return despite market challenges:** In our view, the core driver to long-term outperformance is improving underlying companies' performances. Exit premiums indicate the current NAV is conservative but, for returns, provide icing on the cake. 2023 NAV growth, despite slower exits, supports our view.
- **Valuation:** The 25% discount is narrower than most direct peers (average 28% exc. HGT), but it rose sharply in 2022, to well above historical levels (10%-15%). In this note, we consider what may lead to a reversion to these levels. The discount appears absolutely and relatively anomalous with a resilient, conservative NAV.
- **Risks:** Sentiment to costs, the cycle, residual positions in highly rated listed companies following IPOs in 2020-21, the duration of the discount and valuation are the key issues for NBPE, as they are across the whole listed sector. As we detail, below, they are sentiment issues, and do not reflect reality, as we see it. The benefits from the current strategy may not yet be fully appreciated.
- **Investment summary:** With over 93% of the portfolio invested in direct equity, co-investments, NBPE is the most focused listed vehicle in the low-cost, attractive co-investment subsector of the market-beating PE sector. The company and GP selection have proved resilient in downturns, and consistent, large premiums on exit should give investors comfort in the NAV. Its portfolio is diversified by name, sector, GP and geographically, but it has enough concentration for individual investments to add value. The discount is anomalous with long-term, market-beating returns.

## Financial summary and valuation

Year-end Dec (\$m)	2020	2021	2022	2023	2024E	2025E
Interest and dividend income	10	6	5	7	13	13
Net fin. assets/liab. gains (FVTPL)	224	532	(76)	58	198	225
Total expenses	48	75	38	38	47	51
Net asset change from ops.	185	463	(109)	27	164	186
PE invest.	1,255	1,569	1,401	1,321	1,497	1,643
Net debt (incl. ZDP)	(189)	(46)	(66)	(120)	(52)	(55)
NAV per share (\$)	22.49	31.65	28.38	28.07	30.88	33.96
NAV per share (£)	16.45	23.37	23.59	22.02	24.85	27.33
S/P prem./disc. (-) to NAV*	-29%	-21%	-33%	-24%	-34%	-40%
Dividend p/sh (\$)	0.58	0.72	0.94	0.94	0.94	0.94
Yield	3.3%	4.8%	4.5%	4.4%	4.6%	4.6%
Year-end exch. rate (£:\$)	1.367	1.354	1.203	1.275	1.243	1.243

\*2024-25E NAV to current s/p; Source: Hardman &amp; Co Research

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# Results summary

## 2023 results to end-December 2023

NBPE and benchmark annualised total returns (%)				
As @ 31 December 2024	1 year	3 years	5 years	10 years
NAV TR (\$)	2.3	11.1	12.9	11.9
MSCI World TR (\$)	24.4	7.8	13.4	9.2
Share price TR (£)	9.4	17.7	15.6	16.2
FTSE All-Share TR (£)	7.9	8.6	6.6	5.3

Source: NBPE, Report and Accounts, Hardman & Co Research

- ▶ NAV per share of \$28.07 (£22.02) reflected a 2.3% NAV total return in 2023, driven by an increase in private valuations and FX, offset by quoted holdings. The private portfolio valuations increased by 5.3% in 2023 on a constant currency basis while listed holdings (10% end-2023 portfolio fair value) were down 2.6%, on the same basis.
- ▶ Portfolio company weighted average LTM to 31 December 2023 operating performance was 11.4% and 15.2% for revenue and EBITDA growth, respectively. To see wider margins on double-digit revenue growth in the current environment is hugely encouraging. We discuss in the section below the opportunities to incrementally grow EBITDA to offset the pressure of higher interest rates.
- ▶ \$171m of proceeds from realisations received during 2023, 12% of the opening portfolio value (against a 16% five-year average).
- ▶ NBPE has the resources to fully exploit investment opportunities with \$376m of cash and undrawn credit line available at the year-end.
- ▶ \$0.94 per share of dividends were paid during 2023.
- ▶ The five-year gross IRR on direct investments has been 14.8%, with a 2.5x multiple to cost and an average uplift on exit of 39.0% (updated to end-March 2024). Management commented that the below-average 11% uplift seen in 2023 reflected the nature of the companies its GPs were willing to sell (many were older, smaller positions but retaining larger, more value-creating businesses for more opportune market conditions).
- ▶ Private portfolio LTM/EBITDA valuation multiple was 14.9x at end-2023, a modest decrease from 15.2x at 31 December 2022 and now represents a price/EBITDA to growth (PEG) ratio of below 1x. In our view, the latter is supportive of a conservative valuation.
- ▶ Weighted average net debt was 5.3x, a decrease from 5.5x at 31 December 2022. Strong LTM EBITDA growth generating cash was partially offset by debt to finance M&A in a number of companies.

## March 2024 NAV update

The key issues are:

There has been an NAV TR decrease of 1.4% YTD in 2024, with 31 March 2024 NAV per share at \$27.30 (£21.61). The YTD NAV fall has been driven by declines in quoted holdings and FX headwinds.

### Realisations from the portfolio in 2024 well ahead of 2023 run-rate

\$64m of proceeds were received in the first three months of 2024, including receipts from the previously announced sales of Melissa and Doug and FV Hospital (total \$43m), the full sale of Safefleet in 2024, sales of public stock (inclusive of the full exit of one public holding total \$13m), and other partial realisations. A further \$42m of proceeds, from previously announced realisations in process, is expected in the coming months. The \$106m YTD is an acceleration on the 2023 run-rate (total in the whole year was \$171m).

### Robust liquidity - well positioned to take advantage of opportunities

\$44m of investments have been funded in 2024, including \$38m to two new investments and \$6m of additional new and follow-on investments. The manager notes an additional \$28m was committed to a third investment, which is expected to close in the coming months. The overall investment level is 102% of NAV.

At end-March 2024, NBPE had \$362m of available liquidity (including \$210m of credit line). A key feature of the co-investment model is that it does not incur long-term commitments, and NBPE has huge flexibility on when to invest.

### Portfolio valuation

The fair value of NBPE's portfolio, as of 31 March 2024, was based on the following information: i) 13% of the portfolio was valued as of 31 March 2024 (9% in public securities, 4% in private direct investments); ii) 1% of the portfolio as of 29 February 2024; iii) 2% of the portfolio as of 31 January 2024; and iv) 84% of the portfolio was valued as of 31 December 2023.

The portfolio breakdown is given in the section below.

# Key theme 1: value creation in a higher-rate environment

Unchanged long-term return targets with near-term noise from higher rates offset by higher EBITDA growth

We believe the key driver behind the sector discount to NAV being above long-term averages is that some investors perceive risks about PE performance in a higher-rate environment. We examined the reality in our note, [Value creation in a higher-rate environment](#), published 7 March 2024. We noted how NBPE's GP partners are expected to generate, organically and inorganically, incremental EBITDA growth to offset higher interest costs. While the sources of value creation have evolved, the long-term target returns for new deals on the NB platform are unchanged, despite the short-term interest rate noise. This note built on a review of historical superior EBITDA growth (see [2023 CMD: value creation from growing companies](#)). Investors should note that interest rates are just one of the many factors that GPs manage over the long-term investment of PE investment. NB's views on value creation were also outlined in its piece, [Navigating value creation in private equity](#).

EBITDA growth accelerated and margins expanded at same time as gearing reduced

## 2023 update

In 2023, we note:

- ▶ Our March report emphasised how incremental EBITDA generation was required to offset higher financing costs. The 15.2% is an acceleration on the 11.9% seen in 2021 and is ca.2% ahead of the 2017-21 reported average level (noting the 2022 methodology change). With EBITDA growth of 15.2% against revenue growth of 11.4% in 2023, margins were expanded.
- ▶ Across the whole portfolio, we note there has been a fall in overall gearing to 5.3x, with strong operating company cash generation more than offsetting the incremental debt for bolt-on and a limited number of transformational deals.
- ▶ The overall portfolio statistics, in our view, are indicative of the type of business that passes NBPE's investment criteria. However, each company is managed to its own growth and cashflow expectations and NBPE's segmental disclosure gives further insights into the growth of the businesses relative to their debt.

### Sector leverage and commentary

Sector	Net debt/LTM EBITDA (x)	Comment
Technology, Media & Telecom (23% fair value)	6.4	80% of TMT portfolio value grew revenue over the LTM, with seven companies growing revenue 10% or more. 79% of TMT portfolio value experienced positive EBITDA growth, with nine (out of 17) companies growing at 15% or more. Growth was driven by continued momentum of some businesses, strong renewals or bookings, as well as M&A.
Consumer/E-commerce (18% of fair value)	3.8	83% of companies by sector value grew revenue year over year, with 64% of value growing greater than 10%. Six companies, representing 4% of fair value, experienced revenue declines and/or year over year declines in EBITDA
Financial Services (13% of fair value)	4.7	Positive revenue growth from all the companies in the sector, with five companies (78% of sector value) growing revenue greater than 10%. All companies grew LTM EBITDA, and 70% of sector fair value growing LTM EBITDA by 10% or more. Organic growth and M&A.
Business Services (11% of fair value)	5.1	A number of companies experienced revenue declines year over year with no single driver of negative performance: Impacted by challenging market conditions, slower recoveries, delays in new business wins and declines in certain product categories. 100% of sector is EBITDA positive by value
Industrials (14% of fair value)	6.1	Strong revenue and EBITDA growth in sector, driven by significant and transformative M&A at one company; seven other companies growing LTM revenue both organically and through add-ons. LTM EBITDA growth outpaced revenue growth in the sector

Source: NBPE [results presentation](#) slides 20-24, Hardman & Co Research

## NBPE-specific opportunities/management

NB track record of identifying opportunities with value drivers

NBPE has delivered, in the 10 years to December 2023, a cumulative NAV total return of 190%, well ahead of the MSCI World Index's 159%. The 10-year cumulative share price total return is 284%, against 75% for the FTSE ALL share index.

Manager selection more critical than ever and returns suggest NBPE good at picking managers

- ▶ We, and NBPE, are expecting greater divergence in GP performance with the good managers outperforming weaker ones by a greater degree than in the past. In terms of evidencing good manager selection and value added to date, we note the five-year to end-March 2024 annualised gross IRR (15%) and the 2.5x gross multiple of cost on realisation. We note the strong portfolio investee company operating metrics. These evidence the continued value added by the GPs during the initial stages of the higher-rate environment.

Majority of top 30 completed M&A during NBPE's period of ownership

- ▶ In terms of M&A, a number of NBPE's top 30 private companies have completed M&A during ownership, including both of those whose business case included small-scale roll-up and a few with more opportunistic transformational deals.

Choosing to re-invest in winners

- ▶ Another element of positioning for the recent environment, management noted, was that it continues to back winning investments by maintaining or re-investing into five existing portfolio companies, when they had options to realise all or a proportion of the holdings.

Sector and subsector choices provide good risk, return, growth balance

- ▶ In the portfolio section that follows, we show the sector diversity. While it indicates a focus on companies in sectors, it does not give the full picture. If we took the analysis one stage further and looked at subsectors, we believe that the growth resilience would be even more evident. Consumer/e-commerce is a very good example of such an allocation, with some subsectors showing strong secular growth and others very much more challenged.

Range of managers

- ▶ NBPE's strategy sees it partner with 53 managers (at end-March 2024), thus introducing diversification. It is not dependent on one manager but instead has a range of GPs with expertise in their specific sector or niche.

Choice to invest in established, profitable businesses with less rating volatility than venture

- ▶ The vast majority of NBPE investee companies are EBITDA-positive, as it is investing in established, profitable businesses. It is not present at the venture capital stage, where valuation ratings are most vulnerable to the discounting of future cashflows at higher discount rates.

Despite slower market activity, NB platform seen acceleration in deal opportunities and activity

- ▶ Higher rates have affected market activity, and a continued period of uncertainty and high rates could see this continue. However, NBPE's strategy has moderated the effects: i) NBPE has continued to see exits at uplifts to carrying value, reflecting its choice of attractive businesses and being in the mid-market, which has slowed at less of a pace than large deals; and ii) the number of opportunities for co-investment across the NB Platform has been rising as GPs seek greater equity support in deals.

## Key theme 2: confidence in NAV valuation

Range of factors support view that NAV is realistic/conservative, including exit uplifts, organisational culture, value drivers, listed holdings and multiple layers of review

In our view, key factor is that buyers, after extensive due diligence, have paid an average 39% over carrying value

We have written extensively in previous notes about why we consider the NAV to be realistic (see for example pp27-30 of our initiation [\*Co-investments generating superior performance\*](#)). The key points are:

- ▶ After buyers have generally conducted extensive due diligence, they have been willing to pay large premiums above the level of NBPE's carrying value (at the prior year-end). Over the five years to 2023, NBPE saw an average 39% uplift on exit to the prior year-end.
- ▶ In our view, GPs have no incentive to inflate the valuations. NB knows its GPs well and sits on more than 410 advisory boards, giving enhanced insights into the methodologies used and culture of the GPs.
- ▶ NAV growth has been driven, primarily, by investee company EBITDA and revenue growth.
- ▶ The underlying ratings are below the growth sectors in which NBPE operates. They generate a conservative PEG of below 1x and, in our view, are well below comparable markets, in which many valuations are ahead of current earnings growth.
- ▶ At end-March 2024, listed holdings accounted for \$128m, 10% of the portfolio, and these are marked-to-market.
- ▶ Valuations are verified by GP fund auditors, NB's valuation committee, NBPE's board and its auditors.

In our view, by far the most important factors are the conservative corporate culture with the proof of the pudding being the prices that others are willing to pay, often after extensive due diligence on the asset. This number may fluctuate in any given year (NBPE commented that some GPs were unwilling to sell their best assets into depressed markets and that the 2023 disposals had been smaller, less core ones). The five-year average uplift (39% to March 2024) looks through such distortions and is indicative of the conservative nature of NBPE's NAV.

## Key theme 3: resilience to downturn

### We addressed, in our initiation, the resilience of NBPE investments to downturns

We believe another factor weighing on sector-wide discounts is whether PE-backed businesses will be resilient to an economic downturn, potentially resulting from a higher-for-longer interest rate environment. This sentiment is not assisted by press reporting of Bank of England comments on the risks to banks from PE (see, for example, FT article [here](#)). On pp31-33 of our initiation, [Co-investments generating superior performance](#), we reviewed why, in our view, NBPE's NAV should prove resilient to any downturn. This reflects the incremental value of PE as a whole to investee companies with committed capital, strategic optionality, operational support, long-term focus and defensive sector positioning. This market-wide resilience is enhanced by incremental risk reduction adopted by NB and NBPE. Its strong outperformance through COVID-19 and, more recently, in 2022 with valuations increasing 4.4% (ex-FX), despite a decline of more than two turns in the multiple, is ample proof that the theory works in practice. The manager's views on resilience were provided in a December 2022 review called [Private Equity in the economic headwinds](#) and a detailed analysis entitled [The historical impact of economic downturns on private equity](#), published in May 2022.

### Further evidence in 2023 supports our view

In terms of further evidence from the 2023 results, we note:

- ▶ the reduction in portfolio leverage, with strong operating company cashflow generation offsetting incremental debt for M&A;
- ▶ widening average EBITDA margins, despite the pressures from inflation; and
- ▶ NB Private Markets platform continues to see an increasing number of co-investment opportunities (11.4 per week in 2023 against 10.9 in 2022 and just 4.4 in 2017) – in considering what happens in a downturn in 2020, it fell to 6.5 per week from 7.3 in 2019.

### Sub-whole portfolio analysis provides further support for this opinion

We recognise that portfolio statistics do not tell the whole picture, as there may be individual companies within the portfolio that are especially stressed, even if the portfolio as a whole is robust. In considering that point, we note there is lower average gearing in the top 30 exposures (average 4.8x vs. portfolio 5.3x) and, on average, they have also demonstrated faster revenue (12.7% vs. 11.4%) and EBITDA (18.3% vs. 15.2%) growth. Based on this, in our opinion, it appears likely that the companies facing the most challenging conditions with higher gearing are thus smaller.

### BoE comments were about bank risk controls and concentration risk

We also note that the Bank of England's comments were about the risks to banks and, in our view, appear significantly focused on bank risk controls (e.g. aggregation of PE exposures) and concentration in exposure rather than the asset class itself.



## Other issues

### Capital allocation – dividends & buybacks

NBPE has done buybacks when a high discount to NAV means good investment return from doing so

To date, NBPE's return of capital has been focused on dividends over buybacks (of more than \$400m of capital returned to shareholders since inception, \$338m has been by way of dividends paid). Of the \$65m of buybacks since inception, \$10m has been within the past 12 months showing that there is a willingness to buy back when the discount makes such an option attractive compared with new investment returns. The board commented that *"Alongside allocating capital to NBPE's investment programme, the Board is committed to NBPE's long-term dividend policy (to pay out annualised yield of 3.0% or greater on NAV) and regularly reviews capital allocated to the buyback policy"*.

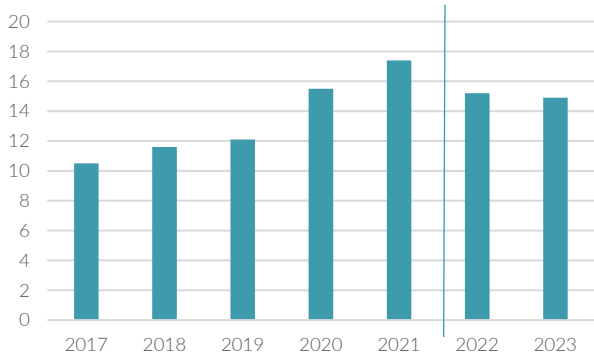
Dividend maintained

NBPE has recently maintained its annual dividend at \$0.94 and been willing to pay out more than 3% of NAV to ensure stable returns for investors.

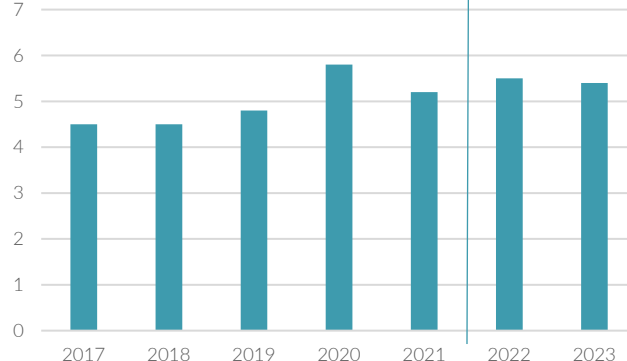
## Key portfolio metrics

The charts below show some of the key metrics for NBPE.

EV/EBITDA (x)

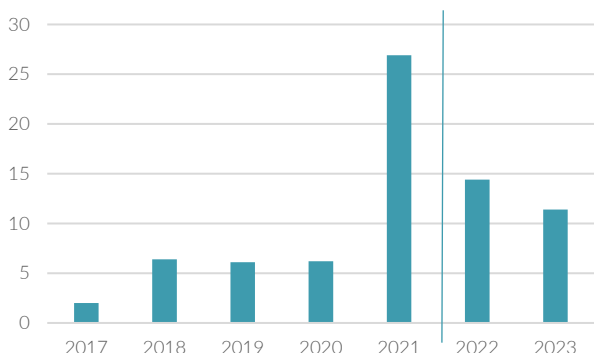


Debt to EBITDA (x)

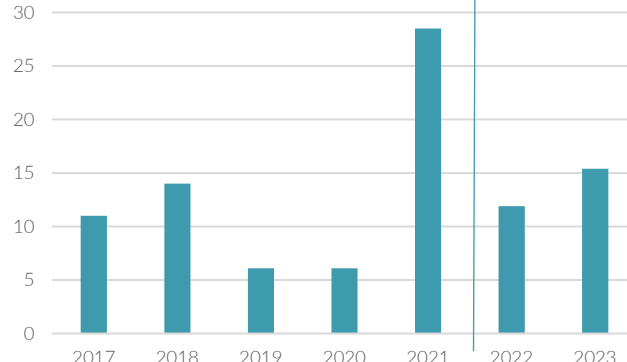


Note: unadjusted for 2022 methodology change, which stripped out some (high) outliers. Source: NBPE Report and Accounts, Hardman & Co Research

Reported average LTM revenue growth (%)

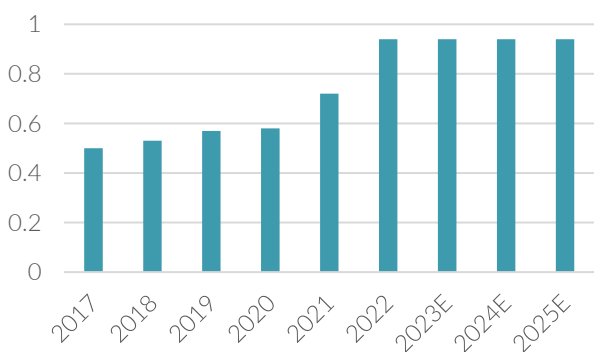


Reported average LTM EBITDA growth (%)

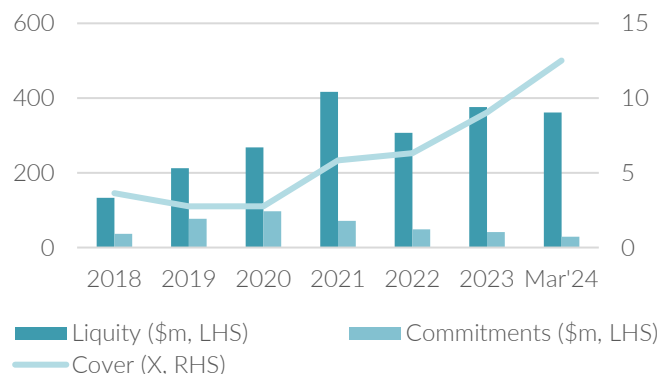


Note: unadjusted for 2022 methodology change, which stripped out some (high) outliers. Source: NBPE Report and Accounts, Hardman & Co Research

Dividend (c)



Available liquidity, commitments and cover (\$m)

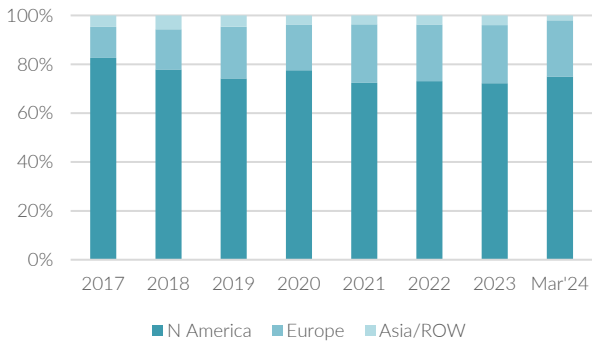


Source: NBPE Report and Accounts and March 2024 Factsheet, Hardman & Co Research

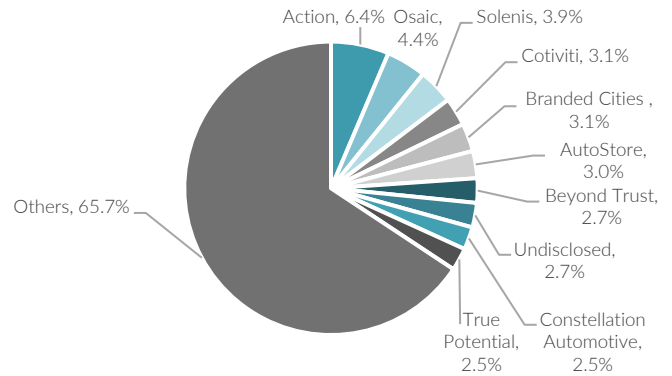
# Portfolio summary (Mar'24)

The charts below show some of the trends in the portfolio. There has been a continuation of trends, rather than anything dramatic, which is not surprising, given the long-term nature of NBPE's investments.

Geographical mix of assets (% portfolio value)

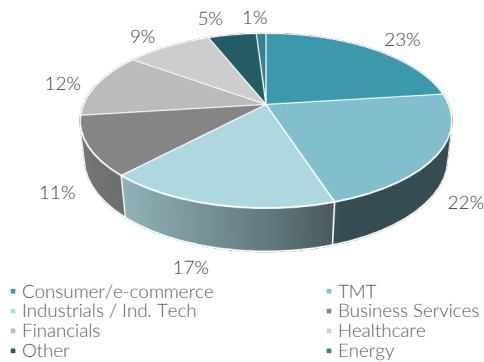


Largest holdings (% NAV)

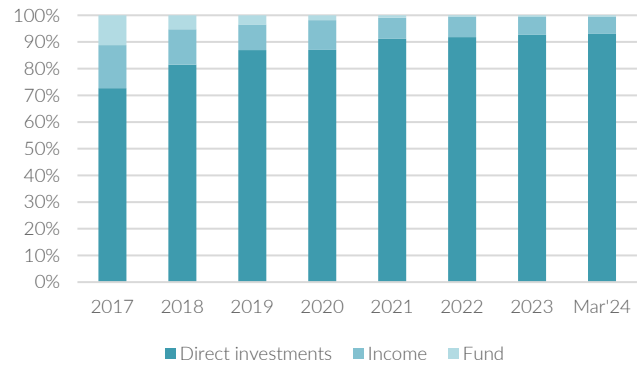


Source: NBPE Report and Accounts and March 2024 Factsheet, Hardman & Co Research

Sectoral mix of investments (% portfolio value)

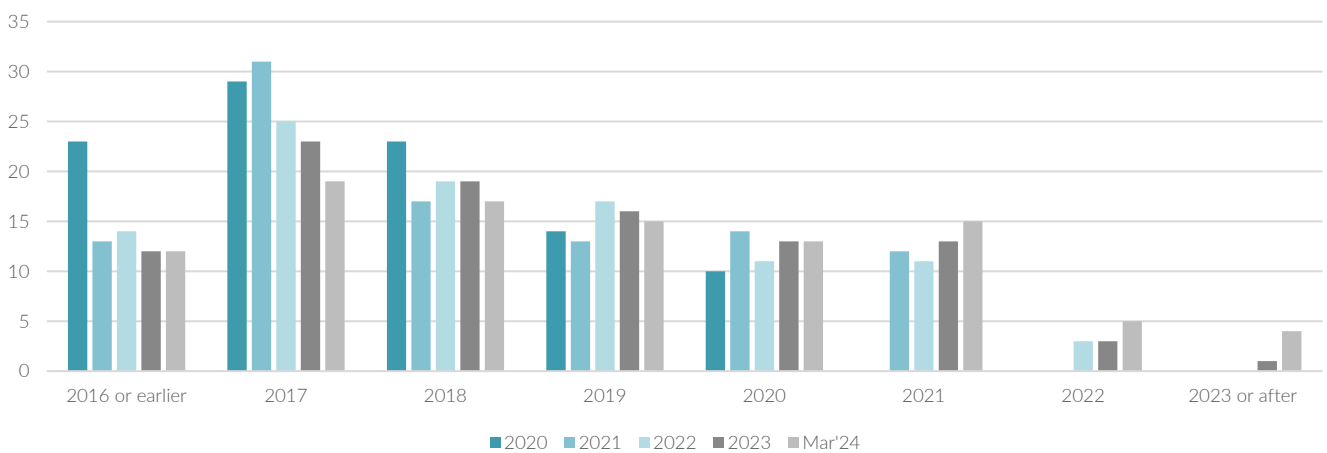


Mix by type of investment (% portfolio value)



Source: NBPE Report and Accounts and March 2024 Factsheet, Hardman & Co Research

Mix of investments by vintage at each period-end (% portfolio value)



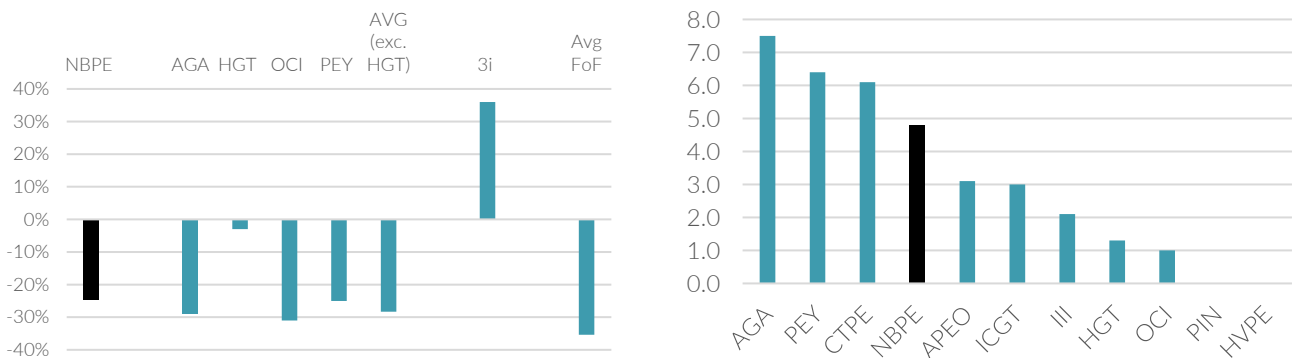
Source: NBPE Report and Accounts and March 2024 Factsheet, Hardman & Co Research

# Valuation

Discount is below most direct investing PE names

As the chart below shows, NBPE’s current reported discount to NAV (25%) is at the lower end of the direct investing listed PE trusts, excluding HGT. Its dividend yield is appreciably above the sector average.

Current share price discount to latest NAV (LHS, %), and dividend yield (RHS, %) for narrow and wider peers



Source: Company websites, factsheets and presentations, Hardman & Co Research, priced at 13 May 2024

Sector-wide concerns about the validity of the current NAV and its resilience have been addressed in earlier sections and appear to be more sentiment issues than reality.

If NBPE were a trading company, we would use a GGM model to reflect the value added by management. Using this model, it should trade on a multiple appreciably above NAV, given returns are a long way above cost of capital and that it has grown strongly over the medium term.

## What could lead to a re-rating?

We reviewed in detail, in [our initiation](#), our view that there are two possible elements to a re-rating.

First element is sector re-rating, which, arguably, has already started

The first element of a re-rating would be a reversal of the 2022-1Q'23 increase in sector-wide discounts. This requires more confidence in NAV and economic resilience, driven by i) continued exit uplifts and returns, which could give investors this confidence, and ii) a risk-on rather than risk-off environment, which will help. This may coincide with further confidence that a US recession has been avoided or a market view that interest rates have peaked.

Second element is final 10%-15% of the discount to par. NBPE requires delivery of returns but may take more time.

At the end of 2018, the discount was 21%, falling to 16% at the end of 2019. This rose to 29% at the end of 2020 on COVID-19, before falling again, at end-2021, to 21%. The group’s transition to being a co-investment vehicle has evolved (end-2017 nearly a third of PE investments were in income investments and funds, against just 7% at end-2023), so a migration from a fund-of-fund comparative valuation to a direct one has also been seen. Within this noise, and adjusting for the current business mix overall, we would characterise the trust as having an historical sustained discount of around 10%-15%. Given the returns in underlying companies driving market-beating investor returns, and the strong capital structure inherent in a co-investing vehicle, any discount appears to be a fundamental anomaly. In our view, eliminating it over the longer term is about delivery of returns, which, at some stage, is likely to be recognised by the market.

## Financials

Following the results, our forecasts are broadly unchanged:

Change to estimates (£000)									
Year-end Dec	2023			2024E			2025E		
	Old	New	Change	Old	New	Change	Old	New	Change
Interest and dividend income	5.5	7.1	29%	13.0	13.0	0%	n/a	13.0	n/a
Net gains on fin assets /liabilities at FVTPL	0.0	58.4	n/m	197.0	198.2	1%	n/a	224.6	n/a
Total expenses	36.9	37.6	2%	45.6	47.4	4%	n/a	51.3	n/a
Net change in net assets from operations	(31.4)	27.1	-186%	164.4	163.8	0%	n/a	186.2	n/a
PE invest. (\$m)	1313.3	1,321.3	1%	1,555.6	1,497.1	-4%	n/a	1,643.0	n/a
Net debt (inc. ZDP)	(4.6)	(119.8)	n/m	(119.1)	(52.4)	-56%	n/a	(55.0)	n/a
NAV per share (\$)	28.1	28.1	0%	30.8	30.9	0%	n/a	34.0	n/a
NAV per share (£)	22.0	22.0	0%	24.2	24.9	3%	n/a	27.3	n/a
Dividend p/sh (\$)	0.94	0.9	0%	0.9	0.9	0%	n/a	0.94	n/a

Source: H&T Report and Accounts, Hardman & Co Research

Profit and loss									
Year-end Dec (\$m)	2018	2019	2020	2021	2022	2023	2024E	2025E	
Interest and dividend income	16.5	17.4	12.5	9.5	5.7	7.1	13.0	13.0	
Expenses									
Inv. mgt. and services	11.9	14.3	15.3	16.7	22.5	20.5	19.3	21.9	
Carried interest	7.9	-	6.9	15.2	37.2		7.4	8.4	
Finance costs									
Credit facility	3.2	4.5	8.5	6.3	4.1	8.9	13.0	13.0	
ZDP shares	3.4	4.8	6.0	6.4	6.9	3.3	2.4	2.4	
Administration and professional fees	4.0	3.6	3.7	3.5	4.3	4.9	5.2	5.6	
Total expenses	30.4	27.3	40.4	48.1	75.1	37.6	47.4	51.3	
<b>Net investment income (loss)</b>	<b>(13.9)</b>	<b>(9.9)</b>	<b>(27.9)</b>	<b>(38.6)</b>	<b>(69.3)</b>	<b>(30.5)</b>	<b>(34.4)</b>	<b>(38.3)</b>	
Net realised gain (loss) on inv. and fx	89.4	64.4	33.8	90.2	212.4	(0.7)			
Net change in unrealised loss	23.9	(7.8)	72.1	133.3	319.7	(31.3)	(34.4)	(38.3)	
Net realised and unrealised gain (loss)	113.3	56.6	105.9	223.5	532.1	82.5	66.1	74.9	
<b>Net change in net assets from ops.</b>	<b>99.4</b>	<b>46.6</b>	<b>78.0</b>	<b>184.9</b>	<b>462.7</b>	<b>(24.1)</b>	<b>132.1</b>	<b>149.7</b>	
Non-controlling interest	(0.1)	-	(0.1)	(0.4)	(0.5)	58.4	198.2	224.6	
Net change in net assets	99.2	46.6	77.9	184.6	462.2	27.1	163.8	186.2	
Average no shares (m)	48.8	48.8	47.5	46.8	46.8	46.5	46.4	46.2	
EPS (\$)	2.03	0.95	1.64	3.95	9.88	0.58	3.52	4.02	
DPS (p)	0.50	0.53	0.57	0.58	0.72	0.94	0.94	0.94	

Source: NBPE, Report and Accounts, Hardman & Co Research

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