

**Electra Private Equity PLC**  
***Full Year Results 2015/16: Chairman's Introduction***

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*9 December 2016*



## Electra Private Equity PLC – Full Year Results 2015 / 2016

- Financial performance has continued to be strong:
  - Net assets of £2.1 billion at the year end
  - NAV per share of 5,149p
  - NAV total return of 35%
  - Share price total return of 36% versus FTSE All-Share return of 17%
- £218m invested and £903m realised
- Delivered first, full year benefits of our policy to distribute 3% of NAV to shareholders, and
  - Directors today declared a second interim dividend of 110p per share – payable to tendered shares
  - Total dividend for the year of 122p per share

## Active management of portfolio / strong balance sheet

- Active investments
  - Buyout and co-investments - £137m
  - Secondary portfolio - £7m
  - Debt portfolio - 42m
- Significant buyout investments in Photobox Group and Grainger Retirement Solutions
- Realisations
  - Partial realisation on the successful floatation of Hollywood Bowl
  - Exits from Daler-Rowney, Kalle and Elian
  - Partial realisations from Allflex and Axio
- Simplified balance sheet
  - Mandatory conversion of Company's Convertible Bonds
  - Redemption of ZDP shares
  - Cancellation of multi-currency revolving credit facility
- Cash at year end of £659m – no borrowings

## Strategic Review

- Announced full review of investment policy and structure, the first for 10 years
- Canvassed views across a range of stakeholders
- Announced a series of decisive actions to strengthen corporate governance and optimize shareholder returns
  - Notice of termination of Management Investment Guidance agreement
  - Appointment of executive team
  - Published recommendations of Phase I of the Review
  - Simplified balance sheet through redemption and cancellation of legacy debt facilities
  - Announcement of £200 million tender offer
  - Changes to Board composition

## Strategic Review – key recommendations

- Return control of all functions to Board of directors
  - More robust and sustainable corporate governance structure
  - Internal management team directly accountable to Board
  - New capital allocation policy
  - Add operating improvement emphasis
- Migrate to corporate structure and financial reporting
  - Provides transparency on underlying operating performance
  - Addresses various discounts
  - Reduces expense drag on shareholder returns
  - Permits greater capital allocation flexibility

## Next steps

- Complete transition to internal management
- Complete expense reduction programme
- Initial capital return to shareholders
- Consultation with shareholders - circular and approvals as required
- Complete portfolio operating review
  - Phase II of the review: After 31 May 2017 contract expiration or earlier if possible