

Get connected

to a universe of software and service businesses

Share price

at 30 September 2019 was £2.30,
a total return YTD of:

+32%

NAV per share

at 30 September 2019 was £2.50,
a total return YTD of:

+18%

NAV now in excess of £1 billion

Top 20 of the portfolio continuing to see
double-digit sales and EBITDA growth

Over the quarter, 2 realisations and 2 refinancings
delivering £39 million back to the Company

2 further investments deploying £4 million made
into businesses known well by the Manager

Strong earnings growth and exits at uplifts to book
value will continue to drive NAV performance

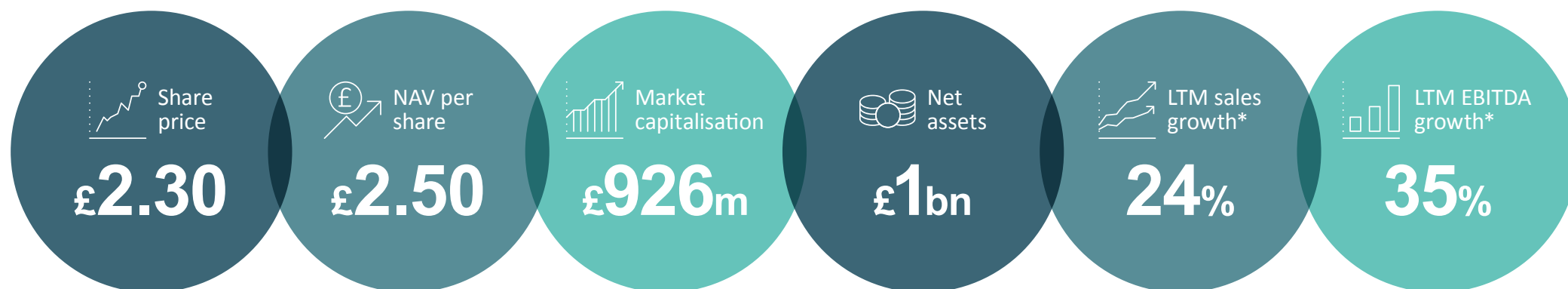


“ The Company continues to benefit from consistently strong trading across its network of investments, generating further value creation for shareholders as well as protection against the risks of economic downturn or volatility. ”

Roger Mountford
Chairman, HgCapital Trust plc

References in this document to HgCapital Trust plc have been abbreviated to ‘HgCapital Trust’ or ‘the Company’. Hg refers to the trading name of Hg Pooled Management Limited and HgCapital LLP. Hg Pooled Management Limited is the ‘Manager’. References in this document to ‘total return’ refer to a return where it is assumed that an investor has re-invested all historic dividends at the time when they were paid.

Financial highlights



Based on the Company's share price at 30 September 2019 and allowing for all historic dividends to be reinvested, an investment of **£1,000** twenty years ago would now be worth **£15,524** a total return of **+1,452%**. An equivalent investment in the FTSE All-Share Index would be worth **£2,840**.

Investment objective

HgCapital Trust plc (the 'Company') is listed on the London Stock Exchange (HGT.L). The objective of the Company is to provide shareholders with consistent long-term returns in excess of the FTSE All-Share Index by investing predominantly in unquoted companies where value can be created through strategic and operational change.

Investment opportunity

The Company provides investors with the opportunity to share in the growth in value of a network of more than 30 investments brought together by Hg. Value is created by leveraging the network and expertise of Hg to support management teams to deliver the full potential of their respective businesses.

By applying this philosophy to software and service businesses, Hg has delivered consistently strong growth in sales and EBITDA, with high levels of conversion of profits into cash. The top 20 businesses, representing 91% by value of the Company's investments, reported

aggregate sales of £3.7 billion and EBITDA of £1.0 billion over the last twelve months, with EBITDA margins of 28%.

Hg brings to the Company an experienced team of 170 employees, including more than 90 investment and other professionals, supported by a network of close to 20 Operating Partners, all of them seasoned senior managers from across industry, who work with management teams to create value for shareholders. At the centre of this network, Hg builds and shares knowledge and expertise by facilitating the active collaboration of management teams across sectors and geographies.

The Company's funds are invested pro rata alongside those of Hg's large institutional clients, enabling shareholders to invest, on similar terms, with some of the world's most sophisticated institutions in businesses that would otherwise be inaccessible. This allows the Company to achieve diversification across markets and geographies and gain exposure to businesses at different stages of their development and size, from an enterprise value of £50 million to over £5 billion.

Balance sheet analysis



Liquid resources¹
(15% of NAV)

£153m



Outstanding commitments²
(30% of NAV)

£298m

¹Liquid resources are supported by an undrawn bank facility of £80 million.

²Commitments will be drawn down over the next two years (2019-2021), an average cash outflow of c. £150 million p.a. The Company can opt out of a new investment without penalty, should it not have the cash available to invest.

*Based on the top 20 companies representing 91% of the portfolio

20-year performance

+1,452%
Total share price return

+15% p.a.
Annualised share price total return

+14% p.a.
Annualised NAV per share total return

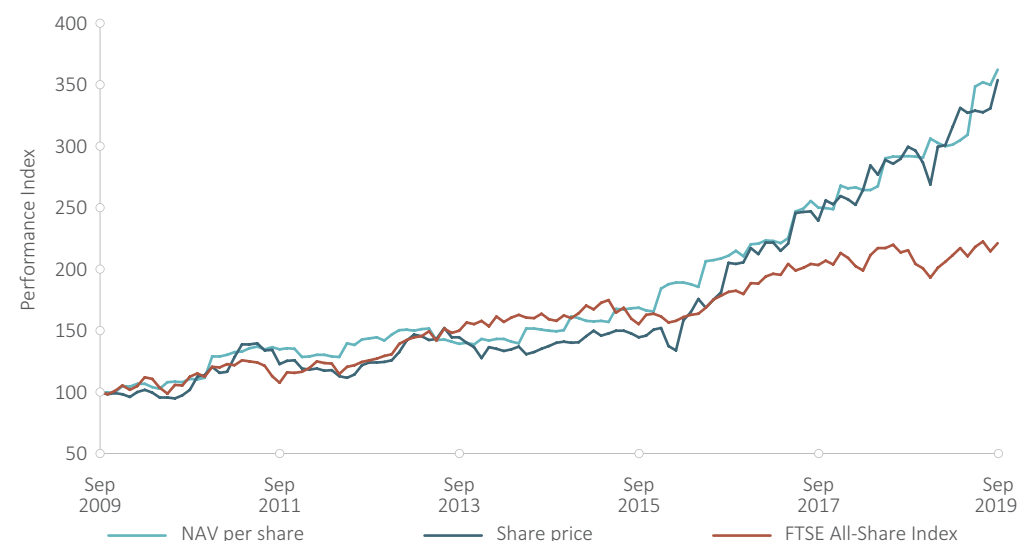
+9% p.a.
Share price performance relative to the FTSE All-Share Index

Historical total return performance

	Three months %	Year to date %	One year %	Three years % p.a.	Five years % p.a.	Ten years % p.a.	Twenty years % p.a.
Share price	7.6	31.7	18.2	20.0	20.8	13.5	14.7
NAV per share	3.9	18.4	24.1	19.7	19.3	13.7	13.6
FTSE All Share	1.3	14.4	2.7	6.8	6.8	8.3	5.4
Share price performance relative to FTSE All-Share Index	6.3	17.3	15.5	13.2	14.0	5.2	9.3
NAV per share performance relative to FTSE All-Share Index	2.6	4.0	21.4	12.9	12.5	5.4	8.2

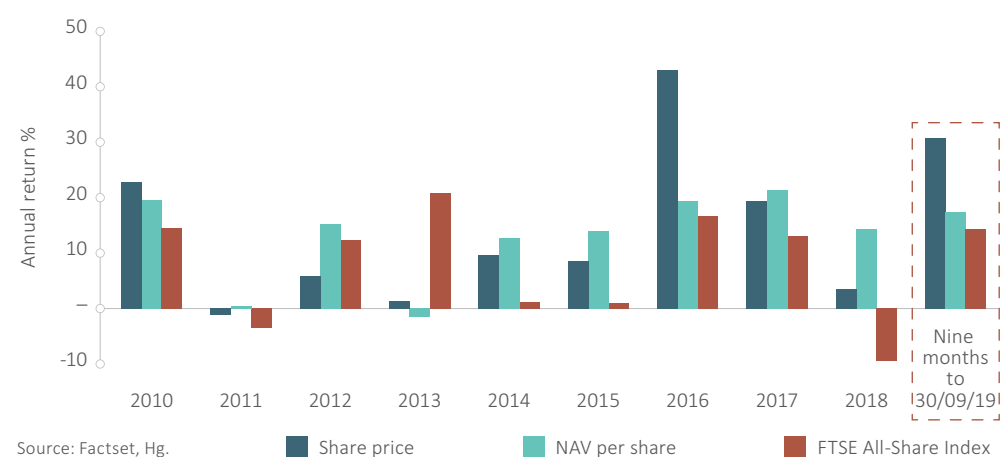
Source: Factset, Hg.

Long-term performance – ten year share price total return: +13.5%



Performance record rebased to 100 at 30 September 2009.
Total return assumes all historic dividends have been reinvested.
Source: Factset, Hg.

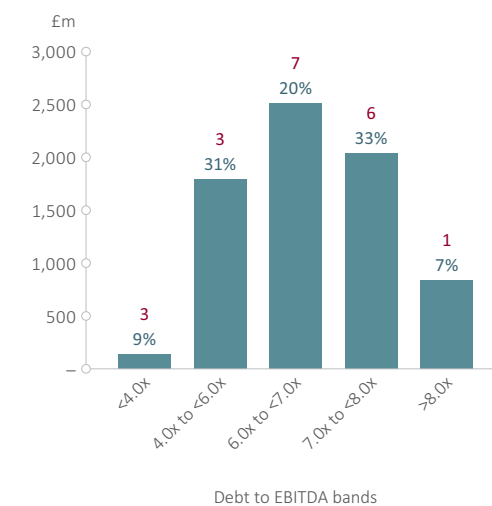
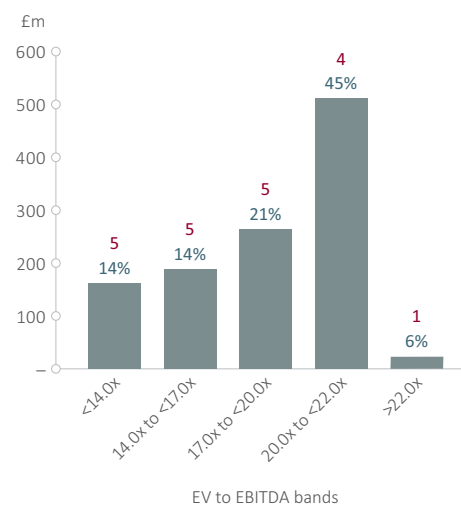
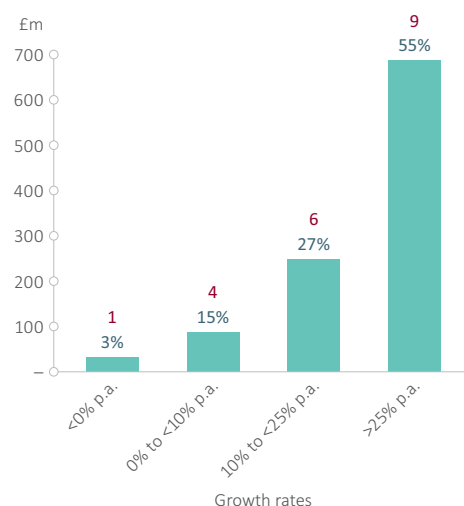
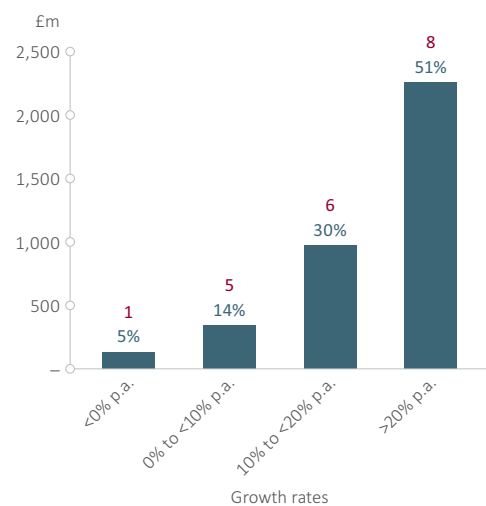
Discrete annual total return performance vs FTSE All-Share Index



Source: Factset, Hg.

Top 20 investments

(representing 91% of the portfolio value)



LTM sales

LTM EBITDA

LTM EBITDA

Debt

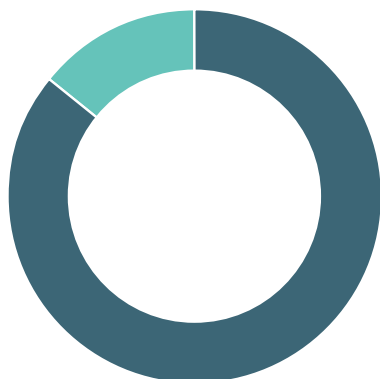
Number of investments within associated band

% of top 20 by value within associated band

Portfolio

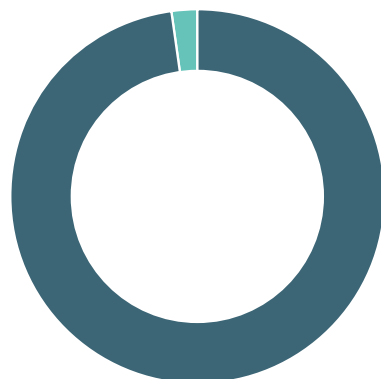
Sector by value

- 86% Software
- 14% Services



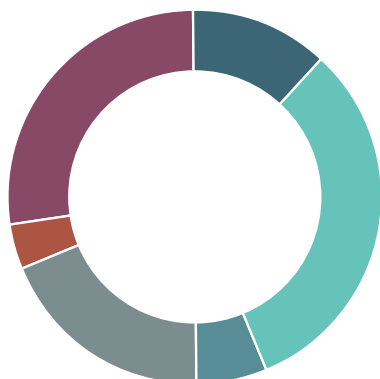
Analysis by value of investment return relative to its original cost

- 98% Above
- 2% Below



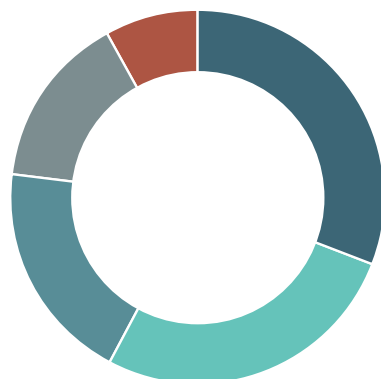
Investment vintage by value

- 12% 2019
- 32% 2018
- 6% 2017
- 19% 2016
- 4% 2015
- 27% pre 2015



Geographic spread by value

- 31% UK
- 27% Scandinavia
- 19% North America
- 15% Germany
- 8% Other Europe



Net asset value

Twenty largest investments	Total valuation ¹ £'000	Net asset value %
1 Visma	214,060	21.3%
2 Sovos Compliance	87,557	8.7%
3 IRIS	56,123	5.6%
4 Access	50,271	5.0%
5 Transporeon	45,324	4.5%
6 CogitalGroup	42,266	4.2%
7 Mobility Holding	38,793	3.9%
8 Litera	36,950	3.7%
9 Mitratch	23,444	2.3%
10 IT Relation	20,799	2.1%
11 FE fundinfo	20,480	2.0%
12 team.blue	20,171	2.0%
13 Citation	19,485	1.9%
14 A-Plan	18,856	1.9%
15 Rhapsody	18,274	1.8%
16 Allocate Software	17,784	1.8%
17 Commify	17,486	1.7%
18 BrightPay	15,766	1.6%
19 TeamSystem	15,359	1.5%
20 MediFox	14,006	1.4%
Total	793,254	78.9%
Other buyout investments	75,996	7.5%
Renewable energy investments	1,877	0.2%
Total all investments	871,127	86.6%
Provision for carried interest	(55,789)	(5.6%)
Cash and other liquid assets	191,741	19.1%
Net current assets/(liabilities) ²	(1,219)	(0.1%)
Net asset value	1,005,860	100.0%

¹including investment valuation and accrued interest.

²including interim dividend paid in October 2019.

Q3 investments

Further investments in the three months to 30.09.19



Rhapsody

£2m invested on behalf of the Company

In September, the Hg Mercury 2 Fund made a further bolt-on investment in Rhapsody. Headquartered in Boston, USA, Rhapsody is a global leader in healthcare interoperability and data liquidity solutions. Their software serves public and private hospitals, health systems, Health Information Exchanges, OEM vendors, public health departments and federal government organisations.



team.blue

£1m invested on behalf of the Company

In September, team.blue (formerly Combell Group), a leading mass hosting business in Belgium and Denmark, acquired Register (formerly DADA), a pan-European mass hosting company headquartered in Italy. On completion, team.blue will be the third largest shared hosting business in Europe with more than 2 million customers across 10 countries.

New investments since the period end



argus

£32 million invested on behalf of the Company

In October 2019, Hg announced an investment in Argus Media, a leading global provider of energy and commodity price reporting. Hg will become a joint shareholder in Argus, alongside Adrian Binks, Chief Executive and Chairman, General Atlantic (GA) and the management team. This transaction is subject to regulatory approval.

Q3 realisations

Exits in the three months to 30.09.19



() REGISTER

£16m returned to the Company

In September, team.blue (formerly Combell Group), a leading mass hosting business in Belgium and Denmark, acquired Register (formerly DADA), a pan-European mass hosting company headquartered in Italy.

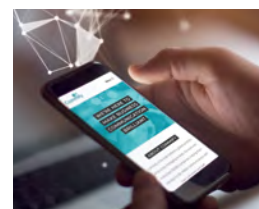


ASPER

£11m returned to the Company

In September, the Company agreed the sale of the Asper RPP II fund interest to two strategic buyers, as part of a wider secondary sale process. Additional consideration is deferred and due to the Company on the anniversary of the sale.

Refinancings in the three months to 30.09.19



Commify

£9m returned to the Company

In September, the Mercury team completed the refinancing of Commify, a leading Application to Person messaging service in Western Europe.



EIDOSMEDIA

£1m returned to the Company

In September, the Genesis team completed the refinancing of EidosMedia, a global leader in Enterprise Content Management software serving media and Financial Services verticals.

Q3 investments and realisations

Investments made during the quarter

Company	Sector	Geography	Activity	Cost £'000
Rhapsody	Software	N. America	Software provider to the healthcare sector	2,467
team.blue	Software	Netherlands	European hosting services for SMEs	1,275
Other				(220) ¹
Further investments				3,522
Total investments on behalf of the Company				3,522

¹ Figure is negative due to a refinancing which is accounted for as a reduction of original cost if completed within 18 months of original acquisition.

Realisations made during the quarter

Company	Sector	Exit route	Proceeds ² £'000
Register	Software	Trade sale	16,089
Asper RPP II	Renewable energy	Secondary sale of interest	11,462
Full realisations			27,551
Commify	Software	Refinancing	9,185
EidosMedia	Software	Refinancing	1,445
Brightpay	Software	Dividend received	640
Other			400
Partial realisations			11,670
Total proceeds from realisations received by the Company			39,221

² Includes gross revenue received during the period ended 30 September 2019.

Outlook

Investments

We continue to have an active pipeline of investments and over Q3 2019 this has been demonstrated with the investment into Argus Media announced in October. Over the period we have put further money to work into team.blue to fund further M&A. A total of £4 million has been deployed during the period on behalf of the Company.

We believe that, especially in the current market environment, the clarity and distinctive focus of our strategy as a disciplined investor provides us with several clear advantages. Specifically, we will continue to concentrate on companies that provide non-discretionary, business-critical products or services, to fragmented customer bases, and which benefit from strong contracted or recurring revenues. This should enable us to identify opportunities that will generate strong, risk adjusted returns for our clients across market cycles.

Despite the persisting heat of the current market, we do continue to see attractive investment opportunities in our target clusters, just as we did in the closing stages of the last period of high valuations, in 2005 to 2008. Hg will continue to invest selectively, capitalising on situations where we have a specific angle and have built many years of knowledge of the business and its end market clusters, and strong relationships with the founders and management teams.

Indeed, the relative de-risking of our existing portfolio over the past two years gives our investment teams more time and space to consider attractive new investments in our core areas of focus, across our funds and the size spectrum.

We also remain highly focused in this market environment on making accretive bolt-on acquisitions into our existing portfolio companies. In Q3 2019, we have supported bolt on activity at Rhapsody and team.blue. We expect this portfolio M&A activity to continue in line with recent activity levels.

Realisations

Over the third quarter of 2019, Hg has returned over £27 million to the Company through the sale of Register and a partial sale of the renewable assets. In addition, we have seen further returns from the refinancings of Commify and EidosMedia.

Going forward we will continue to focus on opportunities to crystallise value across our portfolio, with further exit and refinancing processes currently underway.

Prospects

The portfolio is in good health overall and growing strongly. Trading over the last twelve months has continued to generate double digit sales and EBITDA growth across almost all the businesses we are invested in. Given their defensive growth characteristics and our focus on protected business models, we believe our current investments are well positioned to continue to create value on both an absolute and relative basis going forward, even if macro-economic conditions deteriorate.

Top 10 investments (representing 71% of the value of the Company's investments)



01 **VISMA**

Web:	www.visma.com
Investment sector:	Software
Cluster:	Tax & Accounting
Location:	Scandinavia
Investment date:	Aug 2014
Hg clients' total equity:	60.4%
Unrealised value (£'000):	214,060

Visma is a leading provider of business-critical software to SMEs and the public sector in the Nordic region. Headquartered in Oslo with significant revenues in Norway, Sweden, Finland, Denmark and the Netherlands, the company provides the following services to its customer base of above 900,000 enterprises: accounting; resource planning and payroll software; and transaction process outsourcing, such as debt collection and procurement services.



02 **SOVOS** Compliance

Web:	www.sovos.com
Investment sector:	Software
Cluster:	Tax & Accounting
Location:	North America
Investment date:	Mar 2016
Hg clients' total equity:	91.4%
Unrealised value (£'000):	87,557

Sovos is a leading global provider of tax compliance software solutions. These solutions include sales and use tax determination and filing, 1099 and 10 series tax information reporting, alcoholic beverage compliance reporting, VAT compliance reporting, e-invoice filing and reporting, and Automatic Exchange of Information ('AEOI') reporting (FATCA, CDOT & CRS). Sovos is headquartered in Boston, Massachusetts and also has a presence in Europe and Latin America. The majority of revenue is generated from a US customer base of c. 4,500, which are predominantly large enterprises.



03 **IRIS**

Web:	www.iris.co.uk
Investment sector:	Software
Cluster:	Tax & Accounting
Location:	UK
Investment date:	Sept 2018
Hg clients' total equity:	65.0%
Unrealised value (£'000):	56,123

IRIS is a UK-based software company, serving over 100,000 customers in the Accountancy, human capital management, Education, and Bookkeeping segment. It is a leading provider of core application software to UK accountants and payroll applications to UK SMEs. Over 4 million parents or guardians use IRIS apps each year to connect with their child's school, 2.3 million employees are paid using IRIS payroll software and 15 million payment transactions are made per month using IRIS solutions. The business operates a highly recurring business model with >85% of revenues from software subscriptions.



04 **access**

Web:	www.theaccessgroup.com
Investment sector:	Software
Cluster:	ERP & Payroll
Location:	UK
Investment date:	June 2018
Hg clients' total equity:	32.1%
Unrealised value (£'000):	50,271

Founded in 1991, the Access Group ('Access') is a leading UK mid-market Enterprise Resource Planning ('ERP') business, providing financial management systems and human capital management software; as well as industry specific software solutions. Access's software helps over 12,000 UK businesses and not-for-profit organisations to work efficiently, with expertise across numerous industries. When Hg invested in the business in June 2018, the prior owners of Access, TA Associates, elected to roll a material proportion of their existing investment alongside Hg due to their ongoing belief in the business's potential.



05 **TRANSPOREON GROUP**

Web:	www.transporeon.com
Investment sector:	Software
Cluster:	ERP & Payroll
Location:	Germany
Investment date:	March 2019
Hg clients' total equity:	75.3%
Unrealised value (£'000):	45,324

Transporeon is a cloud-based logistics network and transport management software provider for road freight in Europe. The platform enables trucks to be booked and tracked as they haul freight across Europe. The business benefits from strong network effects, connecting 100,000 users across >90,000 carriers and >1,200 shippers to serve over 100 countries, in 24 languages. It offers customers a business-critical cloud software platform for more efficient tendering, dispatching, scheduling and better communication between hundreds of enterprises looking to move freight by road and thousands of SME operators (carriers).

Top 10 investments (representing 71% of the value of the Company's investments)



06 Cogital GROUP

Web:	www.cogitalgroup.com
Investment sector:	Services
Cluster:	Tax & Accounting
Location:	UK
Investment date:	Oct 2016
Hg clients' total equity:	76.3%
Unrealised value (£'000):	42,266

CogitalGroup was launched in December 2016 through the acquisitions and merger of Nordic based Azets (formerly named Visma BPO) and UK based firms Baldwins and Blick Rothenberg.

The Group's focus is the provision of critical business support, BPO and advisory services to the entrepreneurial and private company business segments together with their owners and managers. In total, the Group now has c. 110,000 customers with more than 5,500 employees operating from 184 offices in the UK, Norway, Sweden, Denmark and Finland, with nearly 800 employees based in Romania and Lithuania.



07 MOBILITY HOLDING

Web:	www.mobility-holding.de
Investment sector:	Services
Cluster:	Automotive
Location:	Germany
Investment date:	May 2018
Hg clients' total equity:	84.2%
Unrealised value (£'000):	38,793

Mobility Holding ('MH') is a platform investment for B2B and B2C car leasing and online distribution. Products range from vehicle purchasing and leasing, to innovative flat rate offers. It focuses on marketing subscription-based car offerings to SMEs and consumers, as well as the digitisation of car distribution channels and product delivery processes. MH is the combination of MeinAuto, a German online car sales platform acquired in 2017, Mobility Concept, a B2B leasing company acquired in 2018, and Athletic Sport Sponsoring, a provider of flat rate car subscriptions to members of closed-user groups acquired in 2018.



08 LITERA MICROSYSTEMS

Web:	www.litera.com
Investment sector:	Software
Cluster:	Legal & Compliance
Location:	North America
Investment date:	May 2019
Hg clients' total equity:	87.0%
Unrealised value (£'000):	36,950

Litera is a provider of end-to-end document lifecycle solutions to the legal and life sciences industries globally. Litera offers an integrated suite of document productivity applications used by lawyers to create, check and compare high quality documents more efficiently. Based in the US and London, Litera is used by c. 1,500 customers globally. In July, Litera acquired Workshare, a provider of secure enterprise file sharing and collaboration applications, creating a leader in document productivity tools and transaction applications for law firms. In August, Litera acquired Doxly, a legal transaction management platform.



09 MITRTECH

Web:	www.mitrtech.com
Investment sector:	Software
Cluster:	Legal & Compliance
Location:	North America
Investment date:	Apr 2017
Hg clients' total equity:	53.7%
Unrealised value (£'000):	23,444

Mitrtech is a global provider of Enterprise Legal Management software to corporate legal departments. The core products are Matter Management software (Enterprise Resource Planning software to in-house legal teams,) and e-billing solutions (e-invoicing capabilities between law departments and external counsel). Mitrtech serves c. 1,000 global corporate customers, including 40% of the Fortune 500. Over 650 law firms use the e-billing platform to transmit invoices to clients, including 99% of the Global 100 Law Firms. The company is based in Austin, Texas with offices in the US, UK and Australia, employing c. 360 people.



10 ITRelation

Web:	www.itrelation.dk
Investment sector:	Services
Cluster:	SME Tech Services
Location:	Scandinavia
Investment date:	Aug 2018
Hg clients' total equity:	72.8%
Unrealised value (£'000):	20,799

Founded in 2003, IT Relation provides services which allow SMEs to move their IT infrastructure and operations into the cloud, as well as providing end user support and consulting as part of a full-service IT offering. The company has more than 520 employees supporting thousands of customers and tens of thousands of users in Denmark and around the world. This investment is consistent with Hg's focus on SME Technology Services in Europe. Hg will support the management team to build a clear industry champion based on IT Relation's excellent customer service and operating platform.

Further information

Environmental, social and governance matters – Socially responsible investment

The Board has endorsed Hg's policy to invest the Company's funds in a socially responsible manner. The Company's focus is on identifying high-quality and sustainable businesses, and supporting their growth for the benefit of shareholders and wider society. The Board monitors investment activity to ensure they are compatible with these policies. The Company has no employees and has limited direct impact on the environment. The Company aims to conduct itself responsibly, ethically and fairly and has sought to ensure that Hg's management of investments takes account of social, environmental and ethical factors where appropriate. The sectors in which the Manager invests do not generally raise material ethical issues.

Key financials

NAV per share:	249.8p
Share price:	230.0p
Share price premium (discount) to NAV:	(7.9%)
Index:	FTSE 250

Net assets:	£1,005.9 million
Market capitalisation:	£926.0 million
Shares in issue:	402,599,808
Continuation vote:	2020
Ticker code:	HGT

Calendar

Full-year	31.12.19
Final results	09.03.20
Q1 quarterly report	11.05.20
AGM	12.05.20
Half-year	30.06.20

Company information

Board of Directors

Roger Mountford (Chairman)
Richard Brooman
Peter Dunscombe
Jim Strang
Guy Wakeley
Anne West

Manager

Hg Pooled Management Limited
www.hgcapital.com

Management fee arrangements

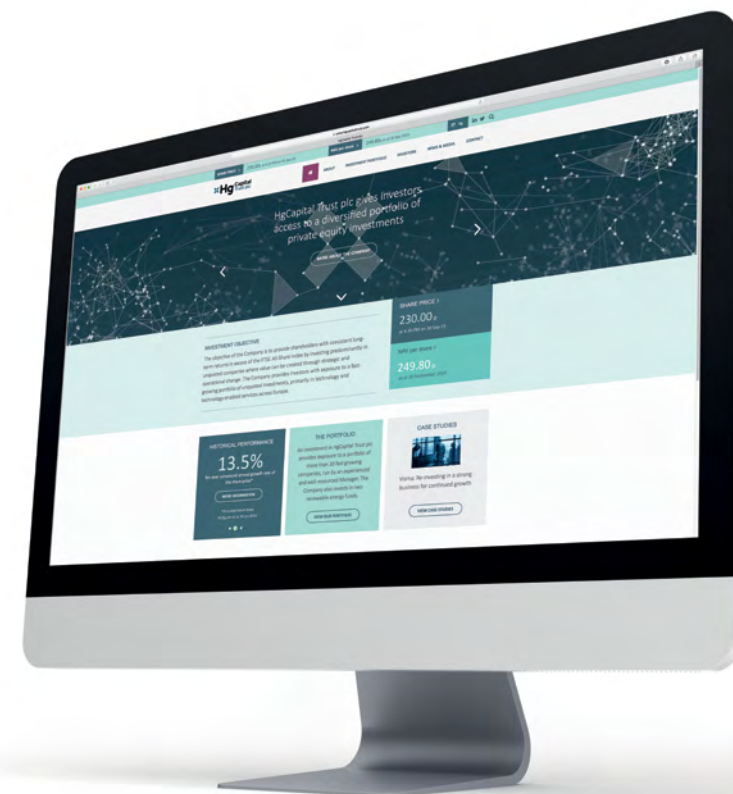
For more information on the structure and fee arrangements for HgCapital Trust plc, please refer to the HgCapital Trust Annual report and accounts, available at www.hgcapitaltrust.com

Broker

Numis Securities Ltd
The London Stock Exchange Building
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Website

www.hgcapitaltrust.com is constantly updated to ensure that the you can always access the Company's latest data and information on your computer or mobile device in a transparent, convenient and intuitive manner.

If you have any suggestions on improvements we can make to the site, please do get in touch at investorrelations@hgcapitaltrust.com

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