

## HgCAPITAL TRUST PLC

### ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019

**London, 9 March 2020:** HgCapital Trust plc (“HGT”), which provides investors with a listed vehicle that invests primarily in unquoted software and service businesses, across Europe, managed by Hg, today announces its annual results for the year ended 31 December 2019.

The objective of HGT 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.

### CONTINUED STRONG NAV PERFORMANCE PRIMARILY DRIVEN BY ROBUST DOUBLE-DIGIT REVENUE AND EARNINGS GROWTH

#### SUMMARY PERFORMANCE

	29 February 2020	31 December 2019	31 December 2018	% Total return <sup>1</sup>
Share price	£2.39	£2.58	£1.79	+47.5%
NAV per share	£2.55	£2.55	£2.16	+20.8%
FTSE All-Share Index				+19.2%
				2019 Movement
Net Asset Value	£1.04bn	£1.04bn	£805m	+£235m

<sup>1</sup> Total return assumes reinvestment of all historic dividends

Note: All figures have been adjusted for the 10:1 share-split in May 2019

Source: Hg, Factset

#### KEY HIGHLIGHTS 2019

- **Net assets of more than £1 billion, with continued outperformance of the FTSE All-share over one, three, five, ten and twenty-year periods**
  - Share price total return of 47.5% to 31 December 2019.
  - NAV per share of £2.55, a total return of 20.8%.
  - Proposed final dividend of 3 pence per share (full year dividend of 4.8 pence per share).
  - An investment of £1,000 twenty years ago would now be worth £15,516, a total return of 1,452%. An equivalent investment in the FTSE All-Share Index would be worth £2,569<sup>1</sup>

<sup>1</sup> Based on HGT's share price at 31 December 2019 and allowing for all historic dividends being reinvested.

■ **Strong growth from the realised and unrealised portfolio**

- Revenue and EBITDA growth of 24% and 35% respectively across the top 20 investments (92% of the portfolio) over the last twelve months.
- £117 million of cash returned to HGT through realisations at uplifts to book value and refinancings.
- Valuation multiple (EV/EBITDA) of 19.8x and net debt to EBITDA ratio of 6.2x for the top 20 investments.

■ **Continued investment and commitments to drive future value**

- £117 million invested on behalf of HGT into companies that the Manager has known for many years.
- New commitment to Hg Saturn 2 of \$400 million announced, which will be deployed over the next four to five years.

■ **Increased focus on liquidity, more regular and transparent reporting**

- First placing of new shares for nine years, at a premium to NAV, raising £75 million (after all expenses) of equity over 2019. This will be used to fund future commitments to Hg funds and further co-investment in Hg portfolio companies.
- Introduction of quarterly valuations to improve market transparency.
- Ten for one share-split in May 2019 to help increase share liquidity.

■ **Roger Mountford will step down as Chairman and will be succeeded by Jim Strang**

- Jim Strang will be appointed as Chairman with effect from the end of the AGM, after he is re-elected as a Director.
- The process of selecting a Chairman was led by Anne West, Senior Independent Director.
- A recruitment process to fill the vacancy created by the Chairman's retirement is under way.

**POST PERIOD EVENTS AS AT 29 FEBRUARY 2020**

- NAV per share of £2.55.
- Share price of £2.39, year-to-date performance of -7.2%.

- Pro-forma liquid resources post-completion of all announced transactions and the proposed dividend payable in May 2020, are £82 million (8% of 29 February NAV).
- Pro-forma outstanding commitments of £536 million (52% of 29 February NAV). We expect these to be drawn down over the next four to five years.

## THE MANAGER'S OUTLOOK

- A very strong year of performance for HGT with the portfolio seeing consistent double-digit growth.
- Hg continues to invest in “sweet-spot” businesses in eight end-markets, or “clusters”, where it has many years’ knowledge.
- A focus on operational improvement continues to drive performance and deliver significant network benefits.
- Further liquidity events expected over the next twelve months through both exits and refinancings.
- Robust double-digit trading performance underpins confidence in the ongoing growth of a strong portfolio.

Strong earnings, realisations at uplifts to book value and supporting the management teams of the underlying portfolio businesses will continue to drive value for shareholders in HGT.

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## Roger Mountford, Chairman of HGT, commented:

*“2019 not only saw excellent results but was a transformational year for HGT. I remain confident that, thanks to the skill and resources of Hg, the outstanding performance HGT has delivered will continue under Jim Strang.”*

- Ends -

The Company’s 2019 Annual Report and a video from the Manager to accompany the results are available to view at: <http://www.hgcapitaltrust.com/>.

## For further details:

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### **About HgCapital Trust plc**

HgCapital Trust plc is an investment company whose shares are listed on the London Stock Exchange (HGT.L). HGT gives investors exposure, through a liquid vehicle, to a portfolio of high-growth unquoted companies, managed by Hg, an experienced and well-resourced private equity firm with a long-term track record of delivering superior risk-adjusted returns for its investors.

For further details, see [www.hgcapitaltrust.com](http://www.hgcapitaltrust.com) and [www.hgcapital.com](http://www.hgcapital.com)