



✦ Hg

Keeping the cash flowing

Juan Campos, Partner and member of the Realisation Committee

PE exits sank to their lowest level in a decade over the last two years

Change in exit value,
2021-2023



BAIN & COMPANY

With

\$3.2 trillion

in unexited assets
sitting in their portfolios, buyout funds face a critical challenge:
generating liquidity

FINANCIAL TIMES

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Opinion Lex **Added**

Private equity's capitulation is delayed, not cancelled

Efforts to delay exits may help firms avoid worst of a crunch, but the day of reckoning still beckons

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Why Last Year Was a Bust for Private Equity Dealmaking

The Big Read Private equity **Added**

Private equity: higher rates start to pummel dealmakers

The firms that used the era of cheap money to become the new financial titans are wrestling with rising interest costs

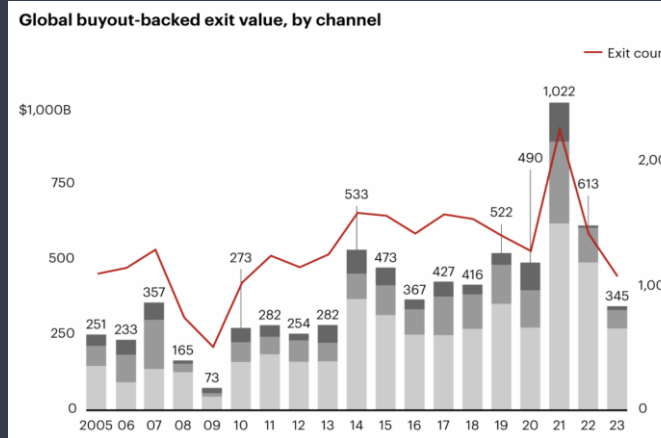
Buyouts

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LPs

LPs plan to reduce PE commitments as distribution fallout looms: report



Since early 2022, Hg's focus has been on cash back to clients; with strong exit activity despite a turbulent market

34
liquidity events

>70%
of Hg portfolio¹

~\$12bn
Aggregate proceeds

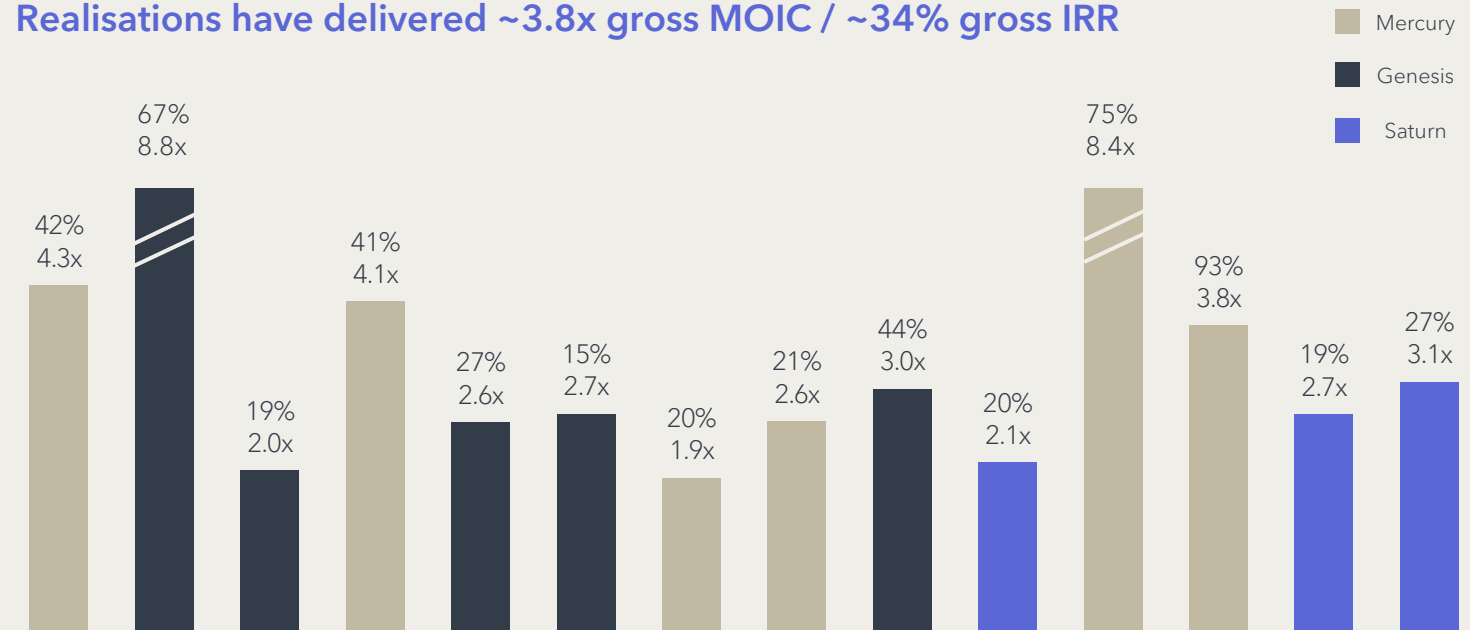
~125%
of overall capital raised in 2020 vintage

~20%
Average uplift to book value in LTM

vs 35%
long-term average uplift to prior book value

Realisations since the start of 2022²

Realisations have delivered ~3.8x gross MOIC / ~34% gross IRR



Realisations



Refinancings



Past performance is not indicative of future performance. Returns presented are gross and do not include the effects of fees, commissions and other charges.

1. Excluding investments less than 1 year old and including liquidity events signed but not yet closed.
2. As at 31 March 2024; adjusted pro forma for events post-period end. Showing investments that have returned more than 1x gross DPI.
3. Partially realised investments.

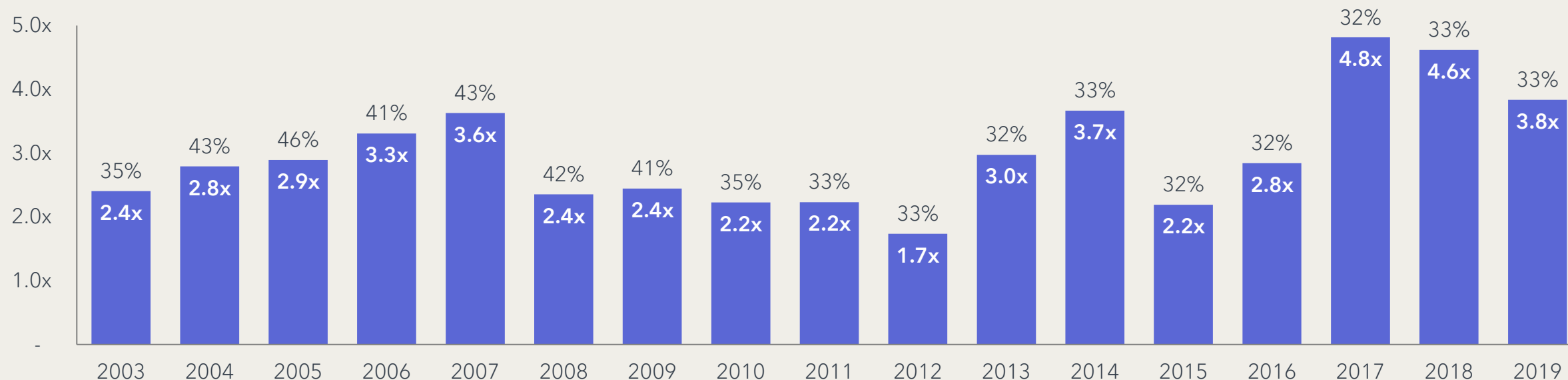
Multi-layered investment processes to drive net fund returns and cash-back to clients



Consistent investment performance across all vintages in L20Y

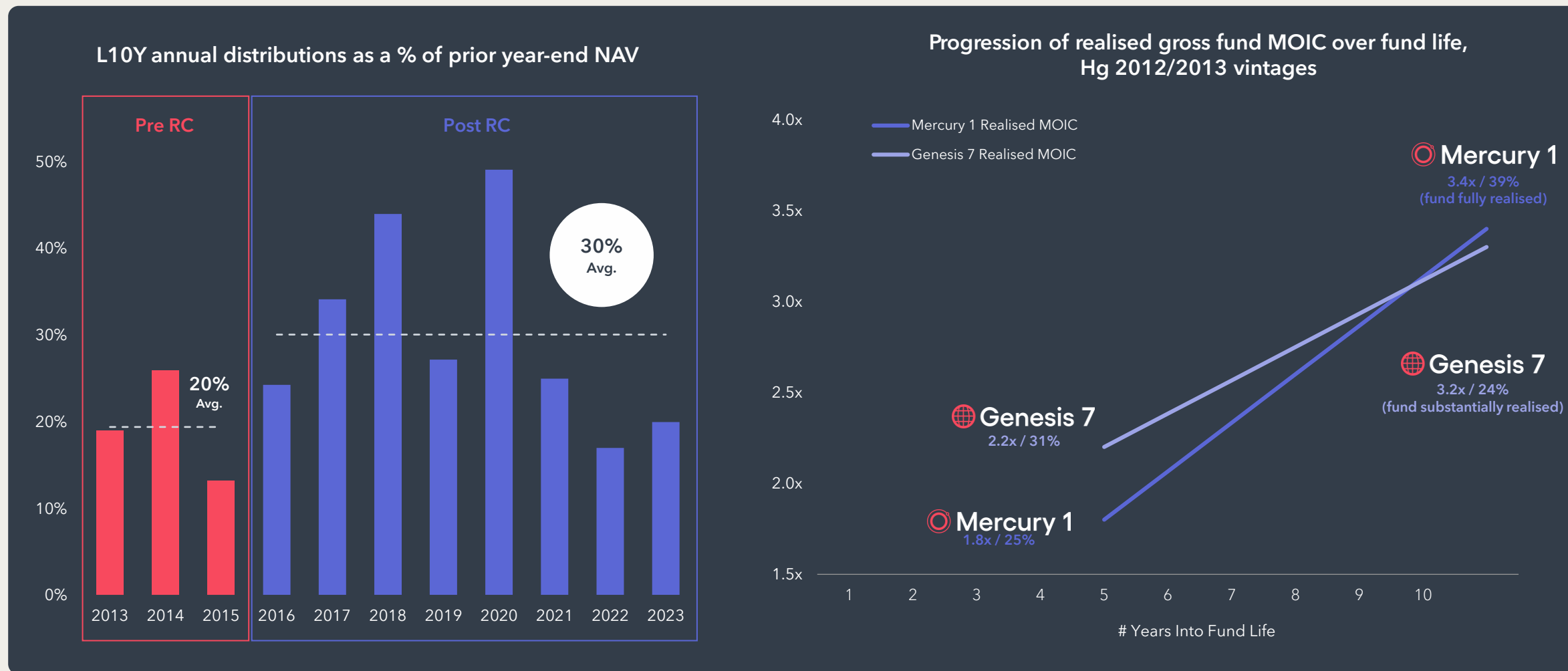


Realised Gross MOIC and IRR by Investment Vintage



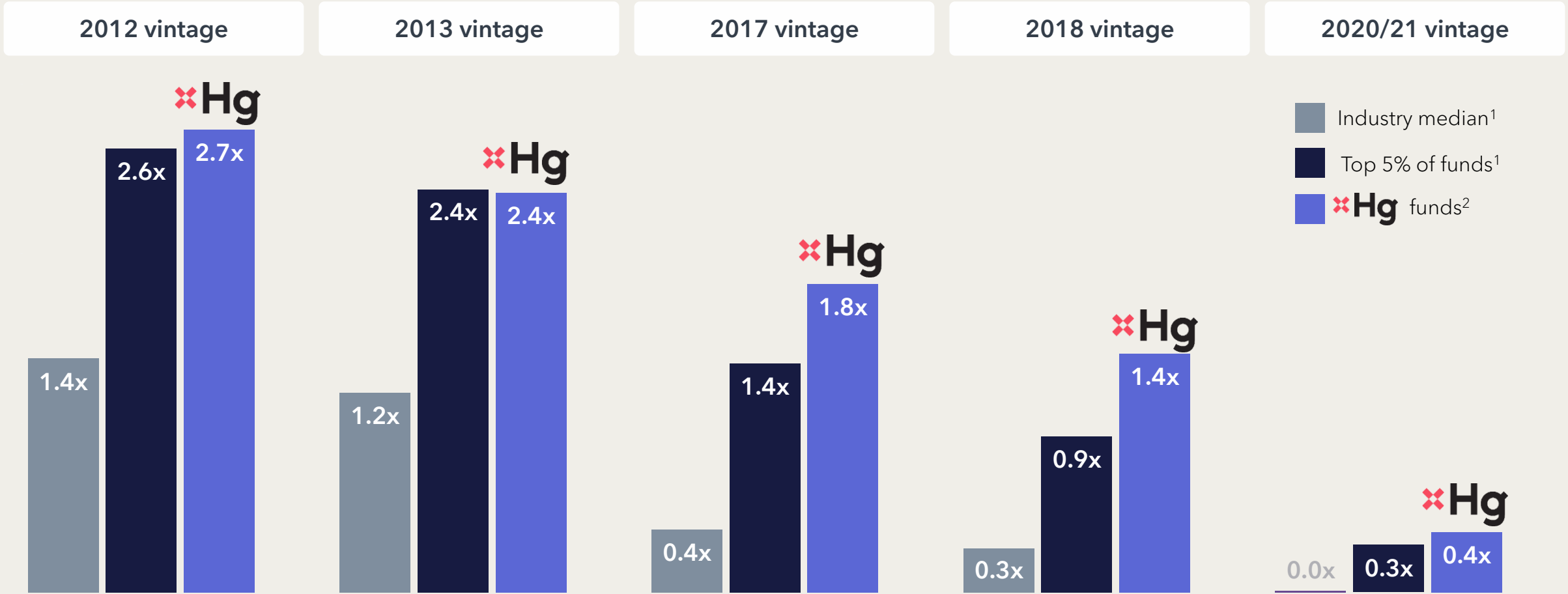
Source: Hg analysis. Past performance is not indicative of future performance. Returns presented are gross and do not include the effects of fees, commissions and other charges

Realising a material proportion of Hg portfolio NAV each year, while holding onto the best investments the longest



Source: Hg analysis of cost-weighted Gross MOIC and Gross IRR for all fully realised investments from 2012/2013 vintages. Past performance is not indicative of future performance

Hg is in the top 5% of all buyout firms globally for cash returned to clients, on every fund since 2012



Note: Net DPI figures for Hg as of 31 March 2024 adjusted pro forma for post-period transactions. Past performance is not indicative of future performance

1. Average of the top 5%, Median and vintage benchmark data based on Q4 2023 data available from Cambridge Associates (ex US PE) benchmarks
2. Average for 2017 vintages includes Mercury 2 and Genesis 8. 2018 vintage includes Saturn 1; average for 2020/1 vintages includes Mercury 3, Genesis 9 and Saturn 2
3. PF estimates for recent exits signed but not yet closed

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