

RESILIENT NAV PERFORMANCE AND CONTINUED REALISATION ACTIVITY IN A CHALLENGING MACRO ENVIRONMENT

London, 18 September 2023: HgCapital Trust plc ('HGT'), today announces its interim results for the period ended 30 June 2023.

HGT provides investors with a listed vehicle to invest in unquoted businesses managed by Hg, Europe's largest investor in software & technology-enabled services businesses.

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.

Highlights over the first half of 2023 include:

- **Strong portfolio trading continued to be the main driver of performance, contributing to a total return NAV increase of 4.6%, closing the period at 473.1p NAV per share and net assets of £2.2 billion**
- **Share price total return of +7.1% over the period, closing at 370.50p per share and a market capitalisation of £1.7 billion**
- **Against an uncertain macro environment, Hg maintained a disciplined approach to new investment, deploying £33 million on behalf of HGT, including one new investment and several follow-on investments in the portfolio to finance bolt-on M&A**
- **£229 million returned to HGT, including the full realisation of Transporeon**
- **Continued and significant long-term NAV outperformance of the FTSE All-Share**
- **Performance provided through access to Hg's investments, which would in aggregate represent the second largest and the fastest growing technology firm in Europe¹**

An investment of £1,000 made 20 years ago in HGT would now be worth £24,963, a total return of 2,396%. An equivalent investment in the FTSE All-Share Index would be worth £4,208²

Jim Strang, Chairman of HGT, commented:

"Your Company has delivered a resilient performance over the first six months of the year. The portfolio continued to deliver strong underlying performance with sales and EBITDA across the top 20 investments (76% of the portfolio) growing at 29% and 30% respectively. Investment activity

¹ By Enterprise Value, Source: Hg, Factset

² All references to total return allow for all historic dividends being reinvested

Please note: Past performance is not a reliable indicator of future results. The value of shares and the income from them can go down as well as up as a result of market and currency fluctuations and investors may not get back the amount they originally invested.

was noticeably slower in the first half of 2023 as the Manager took a cautious stance on adding to the portfolio. Conditions for transactions in the second half of the year appear more supportive.”

David Toms, Head of Research at Hg, commented:

“Our portfolio continues to be driven by growth from existing customers, itself supported by strong renewal rates, cross and up-sell. We enhance this with consistent M&A, which remains a powerful accelerant of our performance.”

SUMMARY PERFORMANCE

	31 August 2023	% Total return	30 June 2023	31 December 2022	% Total return
NAV per share	473.3p	+4.7%	473.1p	456.6p	+4.6%
Share price	389.0p	+12.4%	370.5p	350.5p	+7.1%
FTSE All-Share Index		+2.7%			+2.6%
		YTD 2023 Movement			H1 2023 Movement
Net Asset Value	£2.2bn	+£77m	£2.2bn	£2.1bn	+£76m

Source: Hg, Factset. All references to total return allow for all historic dividends being reinvested

Note: Hg undertakes full revaluations of the portfolio on a quarterly basis, the next process being 30 September 2023, therefore the movement in unrealised value of the portfolio to the end of August 2023 is attributable to post-period transactions and FX only.

PERFORMANCE OVERVIEW

Net assets of £2.2 billion, with continued long-term outperformance of the FTSE All-Share over one, three, five, ten and twenty-year periods:

- NAV per share of 473.1p, a total return of +4.6% for the six months to 30 June 2023.
- Share price total return of +7.1% over the year
- Proposed interim dividend of 2.0p per share

Strong double-digit growth from the realised and unrealised portfolio:

- Revenue and EBITDA growth of 29% and 30% respectively across the top 20 investments (76% of the portfolio) over the last twelve months.
- £229 million of cash returned to HGT primarily through the realisation of Transporeon and secondary fund transactions
- Valuation multiple (EV/ LTM EBITDA) of 26.2x and net debt to LTM EBITDA ratio of 7.4x for the top 20 investments (76% of the portfolio)

Continued investment and commitments to drive future value:

- £33 million invested on behalf of HGT into one new platform investment, and several follow-on investments to support the growth of existing portfolio companies
- New commitment of €125 million to Hg Mercury 4. Total outstanding commitments at 30 June 2023 of £1.1 billion (December 2022: £1.2 billion). These will be deployed over the next three to four years
- HGT's strong liquidity position coupled with commitments across the most recent vintage of Hg funds ensure that the company is well-positioned to take advantage of investment opportunities as they arise

Credit facility increase:

- The Board of HGT agreed a c.£60 million increase to the multi-currency revolving credit facility bringing the total facility to £350 million, the full balance of which was available at period-end

POST PERIOD EVENTS

- NAV of 473.3p at 31 August, YTD performance of 4.7% reflecting post-period transactions and FX movements.
- Net assets of £2.2 billion at 31 August.
- Share price of 389.0p at 31 August, YTD performance of +12.4%.
- Estimated gross proceeds of £55 million from the full exit of Commify, and partial exits of Azets and TeamSystem to be received post period, at an average uplift to carrying value of 39%.
- New investment of £6m in Nomadia
- Further €50m commitment to Hg Mercury 4 (€175 million total commitment)
- Available liquid resources (including the credit facility) post-completion of all announced transactions and the interim dividend payable in October 2023, are £657 million (30% of 31 August pro-forma NAV).
- Outstanding commitments of £1.1 billion (49% of 31 August pro-forma NAV). We expect these to be drawn down over the next three to four years.

OUTLOOK

Commentary from Hg (the Manager):

We believe the combination of the long-term nature of listed private equity investment with the types of business that Hg invests in, and robust double-digit growth in trading, can continue to drive long-term performance

- Against a challenging macro environment, Hg's portfolio has demonstrated resilient performance

- The portfolio companies remain focused on selling business-critical and non-discretionary software and services to their underlying business customers, delivering predictable levels of recurring revenue
- Positive trading outlook underpinned by long-term drivers for workplace automation and digitisation which are set to transform the workplace for professionals for decades to come
- While we continue to screen a number of attractive investment opportunities, we remain cautious given the ongoing macro uncertainty. Bolt-on M&A remains a key focus to deploy capital and create incremental equity value in the portfolio
- During the first half of 2023, we remained focused on returning capital to Hg clients, distributing c.£1 billion of liquidity, including £109 million to HGT. This followed an exceptionally strong 2022, when we returned a total of £4 billion, of which HGT's share was £404 million. Further liquidity events are expected over the next twelve months

- Ends -

The Company's 2023 Interim Report and an animated presentation from Hg to accompany the results are available to view at: <http://www.hgcapitaltrust.com/>.

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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 and www.hgcapital.com