



# **Bridgepoint Group Plc** 2022 Half Year Results

26 July 2022





# William Jackson

Chairman



## Key highlights today

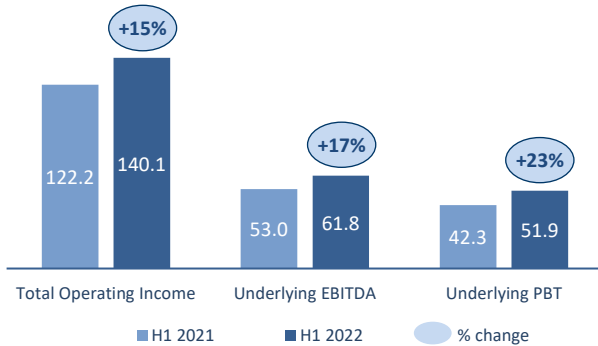
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- Financial performance ahead of expectations
- Fund raising making good progress
- Fund performance strong at June 2022
- Outlook for 2022 unchanged
- Business well positioned for current times with multiple routes to delivering performance

# Bridgepoint H1 2022 results: performance snapshot



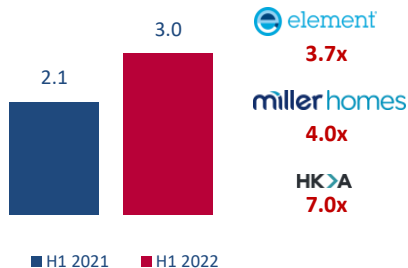
## H1 financial performance<sup>1</sup> (€m)



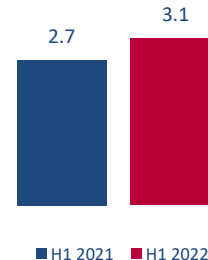
## Fundraising update

- BE VII first close at €4 billion in Q2 2022
- Further closings since and now in final third of its fundraising
- Transition from BE VI to BE VII formalised with May 2022 date likely
- Exact date to be confirmed on receipt of competition clearance for BE VI's final investment which is expected shortly

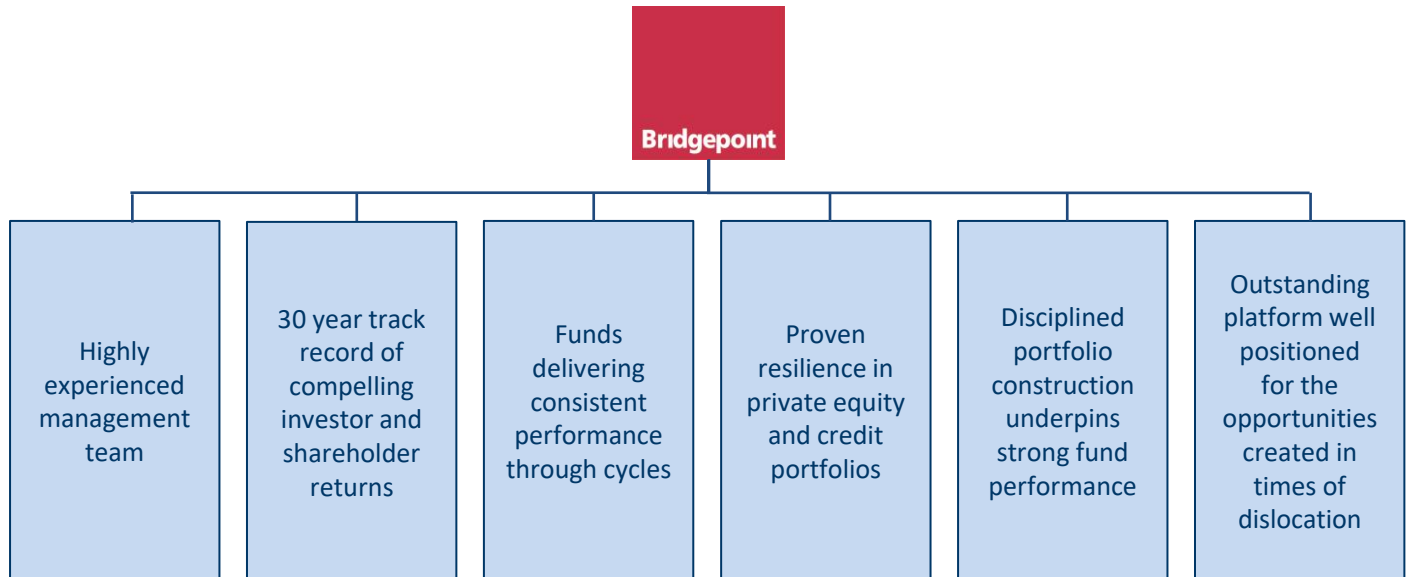
## 2022 exit highlights to date (€bn)



## H1 capital commitments (€bn)



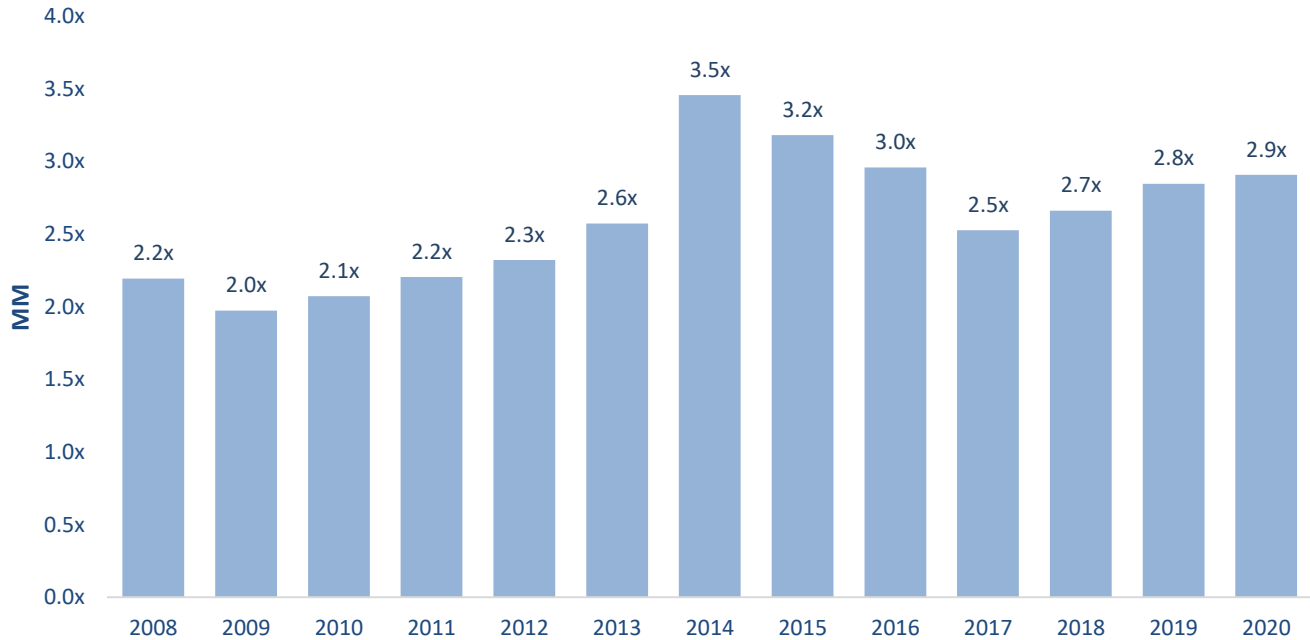
# Robust business model well positioned for the times



# Consistent performance over time



**Bridgepoint Europe 3-year rolling vintage money multiple returns for all investments (gross) <sup>2</sup>**



# Building fund resilience: gatekeeping metrics



- Proven, high quality **middle market businesses**
- Domestic or pan-European **champions in attractive niches** with strong and sustainable end-market growth
- Attractively valued companies with **operationally-led value creation potential**
  - **International expansion**    – **Consolidation**    – **Improved efficiency**    – **Repositioning**

	Bridgepoint Europe IV	Bridgepoint Europe V	Bridgepoint Europe VI
<b>Exceptional Revenue Visibility</b> <i>% of Assets within Portfolio with 80%+ Revenue Visibility at Entry</i>	<b>58%</b>	<b>50%</b>	<b>78%</b>
<b>High EBITDA Margins</b> <i>Average EBITDA Margin at Entry</i>	<b>18%</b>	<b>26%</b>	<b>29%</b>
<b>Strong Cash Conversion</b> <i>Average Cash Conversion Rate at Entry</i>	<b>89%</b>	<b>89%</b>	<b>88%</b>

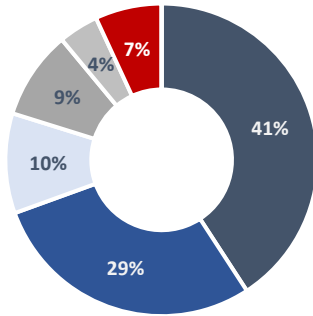
# Disciplined fund construction

Geographic Diversification (HQ)

Sector Diversification

## BE V

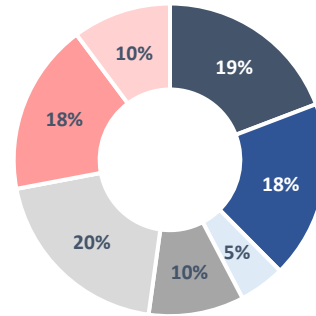
Asset Diversification 16  
Asset as % of Total Capital Max 12%



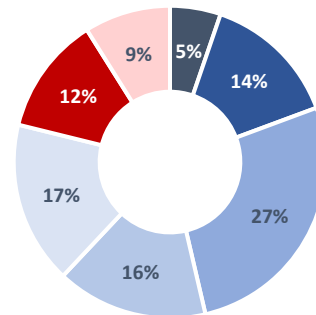
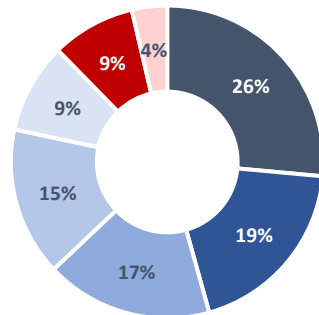
- UK
- France
- US Global
- Nordic
- Iberia
- Poland & Turkey
- DACH
- Netherlands

## BE VI

Asset Diversification 18  
Asset as % of Total Capital Max 11%



- Consumer
- Business Services
- Technology
- Advanced Industrials
- Healthcare
- Financial Services
- Media & Sports Rights





# Strong fund performance illustrated by high quality metrics



## Key features of Bridgepoint Fund performance:

- Bridgepoint private equity performance strong **across all three metrics** of net IRR, TV/PI and D/PI
- Reported performance based on a **high level of realised value** – not just paper gains
- **Consistent** exit premium to unrealised valuation – average uplift on exit of 40% over past 5 years and 64% over past 12 months compared to previous valuation
- Valuation increase driven predominantly by **earnings growth** rather than multiple expansion
- **Multiple breakout returns in each Fund:** realised multiple is at **3.7x for BE V, 3.4x for BDC III**
- Diversification and underwriting approach delivers attractive risk profile – **loss ratio of <1%**

## The right kind of returns

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- Our approach to ESG is about constant improvement: we invest in businesses at all stages of their ESG maturity curve and we make a difference
- Recent Bridgepoint progress includes:
  - Became carbon neutral in 2021
  - All offices now operate on 100% renewable electricity
  - Appointed a new head of sustainability
  - Became a founding member of the Private Equity Sustainable Markets Initiative
  - Funds aligned with SFDR article 8 and BE VII's financing facility will be sustainability linked



# Adam Jones

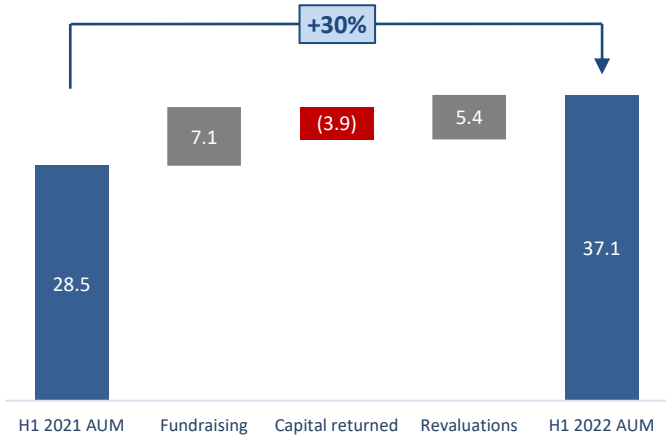
Chief Financial Officer



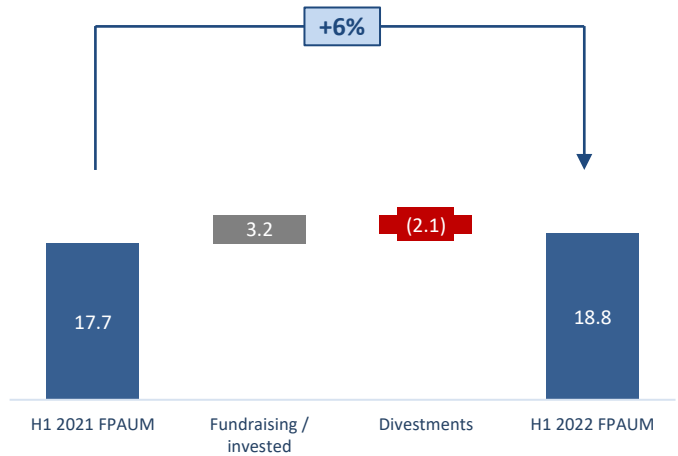
# Growth of AUM & FPAUM...



## AUM (€bn)



## FP AUM (€bn)



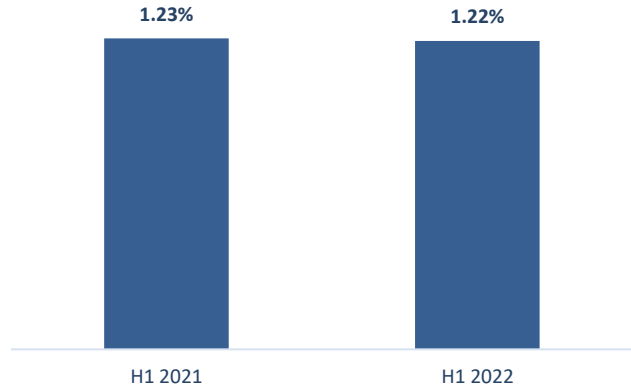
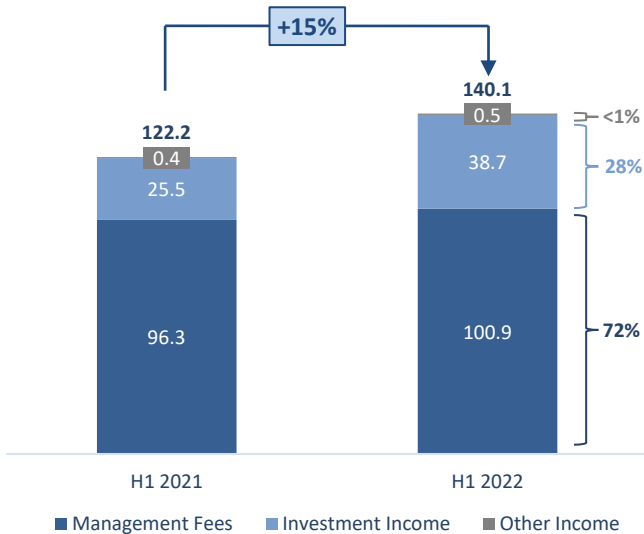
**FP AUM will step up in the second half  
once the date of transition to BE VII has been confirmed**

# ... combined with stable fee margins and strong investment performance drives significantly enhanced revenue



## Revenue (£m)

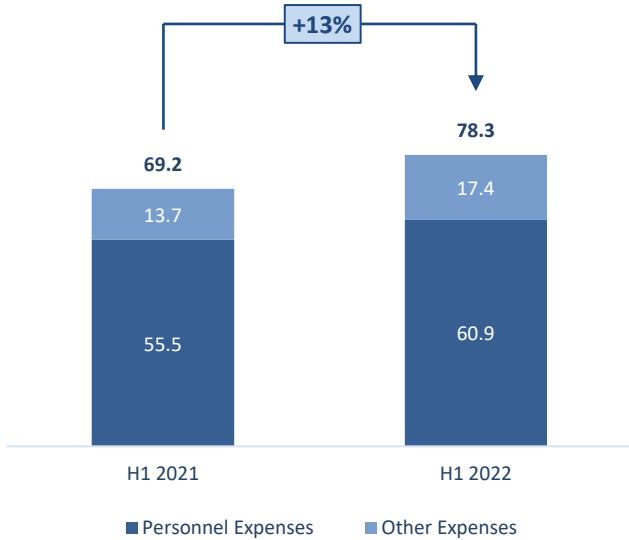
## Annualised management fee margin (%)



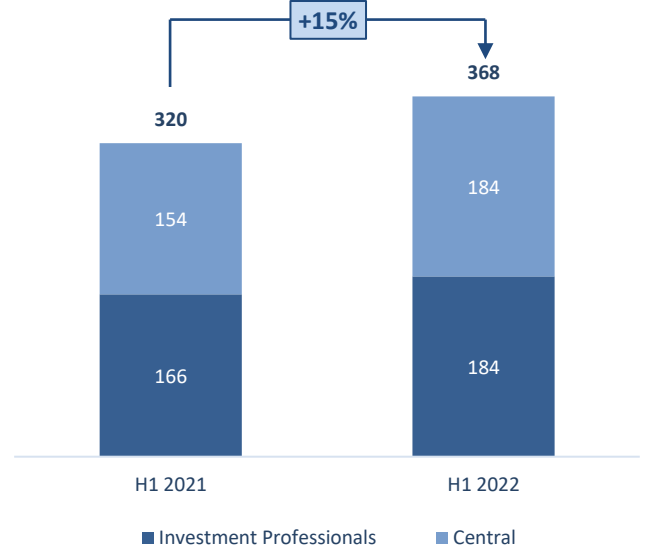
**We expect fee margins to remain stable**

# Investment in the platform in line with plan

**Breakdown of operating expenses<sup>3</sup> (£m)**

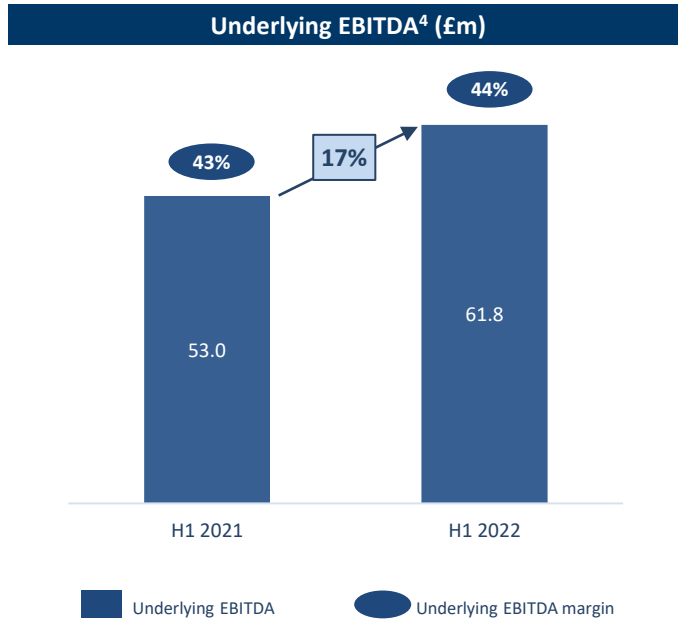


**FTE growth**



**Investment in Equity, Credit, IR and Specialist teams since 2021, including plc roles, will conclude in 2022. More modest growth in headcount and personnel costs planned after 2022 given recent investment in central functions.**

# Increased EBITDA driven by revenue growth

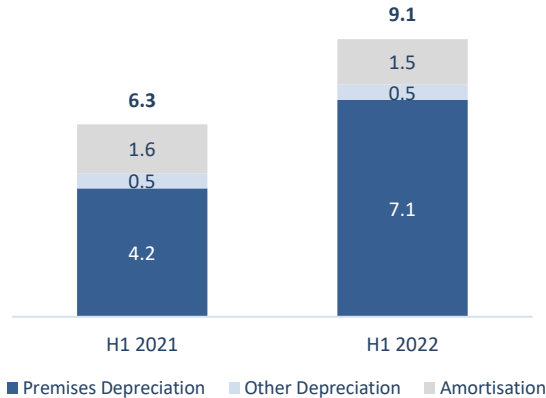


**First revenue from BE VII in H2 2022 will drive significant progress towards longer term FRE margin of 45-50%**

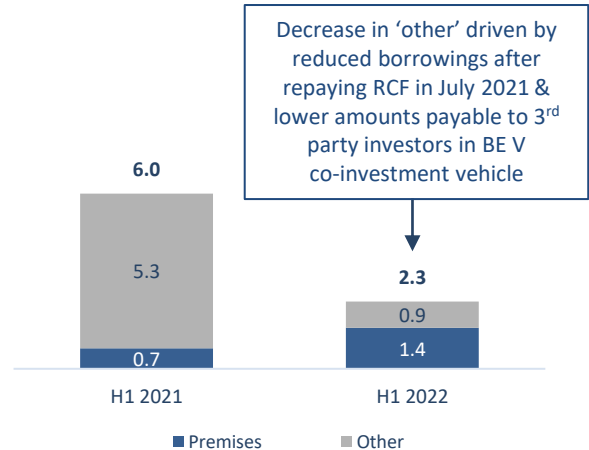
# Limited costs below EBITDA



## Depreciation & Amortisation (£m)



## Finance costs<sup>5</sup> (£m)

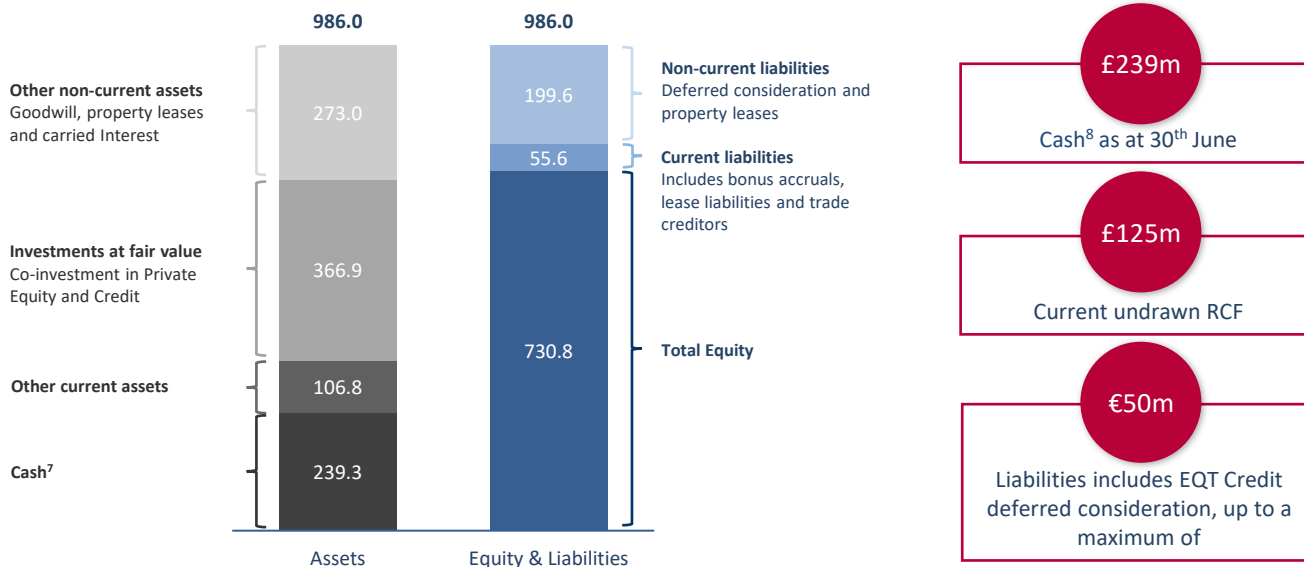


**Increased premises costs reflect impact of transition year for London premises: expected to peak in 2022 and then normalise in 2023**



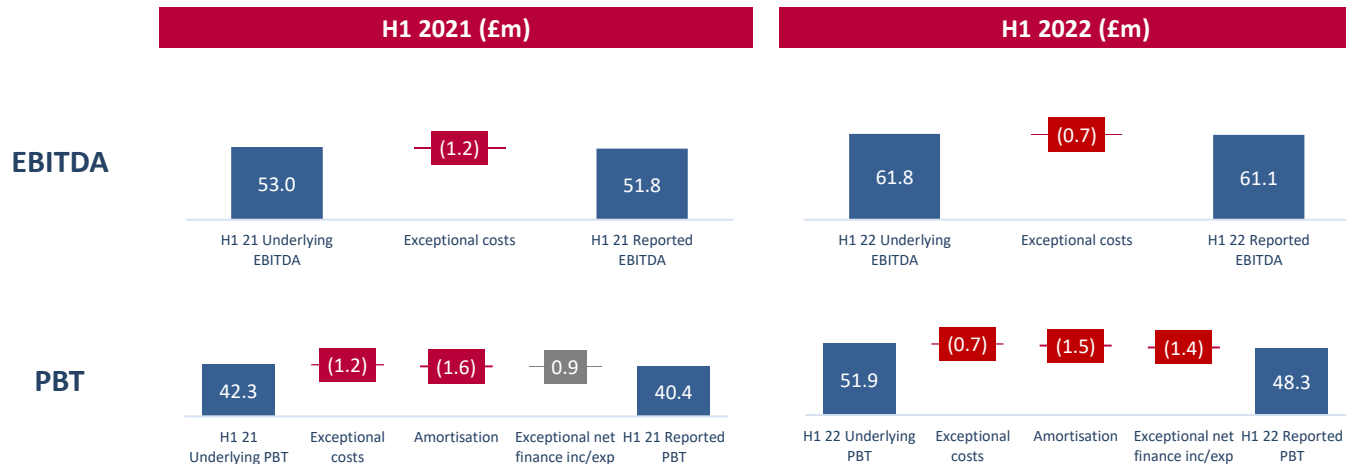
# Simple and capital light balance sheet

## High level overview of the underlying balance sheet<sup>6</sup> (30 June 2022 excluding CLOs)



**Asset light model – co-investments represent 1.2% of AUM**

## Statutory P&L and exceptional items



**Underlying PBT excludes exceptional costs, the amortisation of EQT Credit customer relationship asset and exceptional finance income/expense**

- H1 22 exceptional costs include those relating to the EQT Credit acquisition (£0.6m) and strategic M&A costs (£0.1m)
- Exceptional finance expense is remeasurement of EQT deferred consideration

# Dividend and guidance

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## Dividend

- Interim dividend of 4.0 pence per share, a 10 per cent increase from the 2021 final dividend
- We expect to grow our dividend progressively as our business scales

## Guidance

- Transition to BE VII, subject to competition clearance, likely took place in mid May 2022
- Additional income from BE VII in second half of 2022 to benefit profits and margins
- Management fee rates expected to continue to remain stable across our businesses
- Investment income guidance unchanged at ca. 20-25% of total revenue for the medium term
- Target of 2-3% co-investments in future funds
- Expect modest growth in headcount and personnel costs (relative to fee rate growth) over medium term
- Full year guidance for 2022 costs remains unchanged at high single digit percentage growth
- FRE margin expected to reach 45-50% in longer term
- Effective tax rate guidance remains unchanged at ca. 7.5% in the medium term
- Well placed to deliver current expectations for FY 2022



# William Jackson

Chairman



# Outlook for H2 2022



**Q&A**



# End notes



Page number	Note	Reference
Page 4	1	EBITDA and PBT are underlying and exclude exceptional costs, amortisation and exceptional net finance income and expense
Page 6	2	Assets shown are the current footprint which excludes deals from Bridgepoint's discontinued offices; unrealised BE V & VI assets include the expected sale multiple
Page 14	3	Excludes investment linked bonus
Page 15	4	Underlying EBITDA excludes exceptional costs
Page 16	5	Finance Costs, excluding exceptional income and expense
Page 17	6	Excludes consolidated CLOs
	7	Cash including term deposits but excluding cash from CLOs

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