

# Bridgepoint Group

## Bridgepoint Group plc 2025 Full Year Results, March 12, 2026

### **Moderator:**

Good day ladies and gentlemen, and welcome to Bridgepoint Group PLC 2025 full year results.

(Operator Instructions) Please note this call is being live streamed to a webcast for a wider audience and will be recorded. (Operator Instructions)

I would now like to hand over to Raoul Hughes, Chief Executive, to open the presentation.

### **Raoul Hughes:**

Thank you, Luke. Good morning, everybody and welcome to Bridgepoint's 2025 results. I'm Raoul, Bridgepoint's Chief Executive, and I'm joined today by Ruth, our CFO.

As you'll hear throughout the presentation, 2025 was yet another impressive year for the Bridgepoint Group, both in terms of our fund performance and indeed the management company's performance. But before we dive into the detail, I wanted to start with a quick word on the current geopolitical context.

The world is facing yet another period of increased uncertainty with the war and corresponding human agony ongoing. As we navigate this, I'm pleased to say that we have a business that is structurally very well positioned. And will remain so, particularly given our long-term locked in fund capital and continued support from our world leading institutional client base.

So turning back, 2025 was another impressive year for the group, with funds across the entirety of our platform continuing to deliver leading returns. That performance, along with our differentiated position as the global diversified leader in mid-market investing, has meant that we've been seeing a further acceleration in interest and allocation from the world's top institutional investors.

As a reminder, Bridgepoint today benefits from the support of 38 of the world's top 50 LPs. Last year, you may remember that we upgraded our fundraising guidance from EUR20 billion by the end of '26 to EUR24 billion. Given fundraising success to date, I remain confident in hitting this current guidance.

All being well, once finalized, probably in early '27, we anticipate that we will have raised in the region of EUR20 billion for the next investment cycle of our three flagship funds, an increase of over 40% compared to the EUR14 billion in the current cycle.

Consistent with our historic track record, 2025 was another strong year for capital deployment and exits across the group, with a good pipeline in place as we look ahead to '26 and beyond. We also made further progress in diversifying and growing our platform by both entering the fast-growing secondary space in a really efficient way and by launching our wealth platform, Bridgepoint Generations. And I'm confident there'll be more diversification to come.

Importantly, for all of us as shareholders, this performance flows through to our company's 2025 financial results, which exceeded market expectations. First, and without wishing to stray too much into Ruth's area, one slide on financial performance. 2025 saw us beat market expectations across FRE, PRE, and EBITDA.

AUM grew by 24% in USD terms. Excluding catch-up fees in both '24 and '25, management fees grew by 13%, FRE by 21%, and EBITDA by 14%. And 2026 looks to be equally as strong for a number of reasons, the first of which is fundraising.

We are an entrepreneurial investment business. We pride ourselves in being the partner of choice in our verticals of expertise for the world's leading investors, trusting us to invest their capital diligently and well. I'm thrilled that with a combination of the attractions of the middle market, Europe, US energy transition, and the strength of our investment performance, together with the investment we've made in our investor services team, that trust is increasing.

In excess of 30% of the capital so far raised in ECP VI and BE VIII is from investors either new to that vertical or indeed new to the Bridgepoint Group. Additionally, we're seeing increased commitments from returning LPs, on average around 20% increase in BE VIII to date.

Raising money has always been hard. LPs have a choice, and we are consistently grateful for their support and think that we continue to value our commitment to only ever raise the correct amount of capital for each fund that we are confident in deploying well over the optimal investment period. The trust they have in us, together with our consistent performance has positioned us well in what is undoubtedly a bifurcating market.

Diversified platforms that have invested well in the value creation resources needed for this market cycle are continuing to attract a greater proportion of capital, particularly in added value verticals like ours. A key driver of our success is our 40-year track record of consistently delivering returns for fund investors. This consistency is really acting as a differentiator in a market of two halves.

Our flagship private equity and infrastructure funds are all ranked highly, while our credit funds are delivering resilient, risk adjusted returns across our three strategies. And importantly in the current market, this is not just the money multiples which are top rank. We also have a strong track record of cash returns with leading DPI multiples for their vintages, with a total of EUR26 billion returned to fund investors in the last five years.

At 80% DPI, both BE VI and ECP IV were among the leaders for their vintages, while ECP V is in an outstanding position of having returned half of investors' capital even before completing its investment period.

Now, let's turn to the investing activity which underpins fund performance. Deployment continued on plan in '25, with our P/E funds on track to deploy over a four-year investment period and infrastructure, given the size of capital needs in the sector, on track to deploy over a slightly more accelerated three-year period. In total, we deployed EUR7.8 billion in '25.

Critically, we delivered a stream of important exits across our private equity business, with six investments realized through the year, including a standout return for Brevo and a great result for Vermaat, as some of you will have heard me say previously.

It's a similar story in our infrastructure vertical, with a couple of exits which are nothing short of outstanding. With Symmetry exited at over 6x money multiple and Cornerstone at 4.4x, the latter after just one year of ownership. And that is before we come to Calpine, which as the Wall Street Journal called it, is likely the most profitable private equity deal ever. Calpine closed in January and will deliver cash returns in '26 and '27 as we sell Constellation Energy shares. In total, in 2025, we returned EUR8.1 billion to our fund investors, following the EUR8.5 billion returned in '24.

So why are we able to deploy and return capital so consistently? It's a product of our long-standing position in the global middle market. Our deep origination engine feels a really broad range of opportunities and allows us to be selective. The authority derived from expertise across specific sectors and geographies helps us to invest well.

On top of that, we have a large number of proven value creation levers at our disposal to drive growth. And when it's time to realise investments, we have the ability in the middle market to exit through cycles because we're not dependent on the IPO market, instead selling regularly to trade buyers and large cap sponsors. When you get all these pieces right, the flywheel of fundraising continues, particularly in a more selective market.

In Europe, we have 150 people across our network of offices. Each of them sits in a three-dimensional matrix of a sector team as well as a geographic team and a product. Similarly, in the US, we have an investment team which covers the electricity and sustainable infrastructure market across North America. The teams are totally immersed in their sectors and geographies with track records to match.

We are sector specialists, but we are also individual stock pickers. Our origination funnel means that we see plenty of opportunities to deploy capital, and we are really disciplined about buying businesses at good prices. This slide shows the 10-year sector multiple range for each realised platform investment across BE V and VI as well as ECP IV and V.

You can see from the green and light blue horizontal lines that we buy in the bottom third of the vertical line, which shows the long-term valuation range. We can step away from moments of overheated markets in a way that less diversified businesses can't. But also, we can seek to benefit from pricing opportunities caused by periods of volatility.

Having worked hard at creating value during our ownership, the result is that we exit at higher multiples shown in the red and dark blue horizontal lines. Overall, the average multiple uplift achieved by this consistent and disciplined approach is 4x.

As well as being able to deploy capital within the existing business, we've also grown by diversifying new verticals and strategies. Having started as a monoline P/E manager with a single flagship strategy, today, we have nine strategies across four verticals. As a result, our largest fund currently generates only 20% of our management fee income, a figure that is set to decline further into the low teens by the end of the next fund cycle, even without the benefit of the further diversification M&A will bring.

Our growth is not capped by remaining in the middle market as the definition is not static. It grows over time, and that allows us to significantly scale existing funds without losing the middle market ethos. And as flagship funds scale, that creates room to add additional strategies alongside them and through ancillary vehicles such as SMAs. If we take a two-investment cycle view, our three flagship fund strategies would have together scaled around 75% and our total capital by circa 4x.

Now, not least to save a few questions later, I thought I'd say a few words about the current market focus areas and the portfolio health across our group.

Firstly, on the conflict in the Middle East. Across our portfolio, the aggregated revenues generated in the region are tiny, and while capital we manage from the region represents 9% of total AUM, we've continued to close new capital commitments from the region into our current fundraising.

So whilst there will inevitably be some secondary consequences relating to current events in the region, particularly in respect of the price of oil and corresponding inflationary pressures, I believe we're as well positioned as we could be for any impact. We have a diversified portfolio across sectors in European private equity and credit. But with a core thematic in all sectors of backing high margin, cash generative, committed revenue, AI positive businesses bought well by our private equity business and conservatively financed by credit.

Added to that, our US added value infra business owns hard assets whose value increases in an inflationary environment. And finally, we are well positioned across our businesses, including our new secondaries platform to benefit from more buying opportunities created by volatility.

Secondly, our investments across software amount to 7% of our AUM. This exposure is diversified across business models and geographies and is focused on mission critical, high growth, recurring revenue platforms which we still have real conviction over, rather than higher multiple early-stage assets. There are four software assets out of 35 platform investments in our two most recent flagship P/E funds, and they have revenue growth of over 20% per annum.

Thirdly, on fund structures, I can confirm that we have almost no exposure to open-ended funds. Our capital is locked up, committed, and long-dated. We don't face redemption risk. When it comes to the portfolio, 40 years in the business means that we've lived through many periods of volatility, which gives you a bit of muscle memory. You can see that if we take the '21 and '22 vintages for our private equity business, where people were paying high prices during the tail end of COVID and the start of the Ukraine war, the discipline that's been drummed into us is proven out when you look at our own vintages which continue to perform well. Our European credit portfolio also continues to perform well. The annualized default rate across direct lending since 2015 is just 0.1% compared to a net unlevered IRR of 9%. The number of credits on our watchlist remains within the normal long-term range. Our most recent direct lending fund was underwritten with an average LTV of 37%, average EBITDA margin on entry of 31%, and interest cover of 3x. So it has significant equity cushion before capital would be at risk with interest payments well covered.

And finally, our CLOs are in good shape, with CLO X successfully priced last month and the broader portfolio having little exposure to cyclical, consumer, and energy dependent names. Lastly, at the platform level, I'm not sure you could find a better business to benefit from the AI build out than our

energy transition infrastructure arm, which plays the tailwinds via demand for electricity, underpinned by long-term contracts and without exposure to the risk of significant AI CapEx obligations.

So I thought I'd wrap up with an update on where we are in our strategic development. The addition of the team from Newbury allows us to expand into one of the fastest growing asset classes within private markets, secondaries, in a most cost-efficient way. The 14-person team, with its nearly two decades of proprietary data and track record, formally joined us last month. We are focused on small- to mid-sized secondary transactions, both LP-led and GP-led, where the market is less competitive and less efficient, making them a good fit for our wider platform.

They will manage the most recent fund and will act as a sub-advisor to the predecessor funds on a fee sharing basis with its prior owner. Importantly, we will receive a share of fees sufficient to cover the cost of the team.

The Newbury Bridgepoint team will start fundraising for the next flagship fund, their first as part of the Bridgepoint family in the next few months. It's great that we now have the right opportunity to rapidly and organically scale a secondaries platform and we'll aim to broaden out this offering as we go forward. As I've outlined, there is still huge growth potential in the institutional market, which will always be the primary partner group for our firm.

However, I do see real opportunities for the firm in the wealth channel. So after a deliberately measured approach, in October, we launched our first dedicated wealth product, Bridgepoint Generations. As a reminder, this is a distinctive product offering differentiated middle market exposure for professional and high net worth investors to invest pro rata alongside our private equity and infrastructure funds.

And I'm pleased to say that we've now signed five distribution agreements spanning the UK, France, Spain, Germany, and the Middle East, and there's more to come.

Turning to inorganic growth opportunities, you can see that having added secondaries, we now operate across all but one of the key alternative asset classes, with real estate therefore a clear future focus area where we to find the right partner firm. In addition, in due course, there is white space where we can extend existing strategies into new geographies.

In conclusion, we have a significant opportunity as the middle market platform of choice for many of the world's largest LPs. We're well positioned with a long track record of delivering market leading returns. Our strategic focus is on scaling and diversifying the existing verticals, as well as continuing to look for platform enhancing M&A.

We expect this to deliver mid-teens revenue growth at an EBITDA margin of 55% to 60% at the conclusion of this fundraising cycle. Plus, as Ruth will talk about in a minute, we're pregnant with cash generation, given the increased share of management company owned performance fees in recent funds.

And with that, I'll hand over to Ruth.

**Ruth Prior:**

Thank you, Raoul, and good morning. So today I'll take you through our fund performance, underlying '25 financial performance, and then I'll run through the guidance for '26 and '27.

My summary for the year is that we have delivered performance ahead of guidance and are confident in the outlook for 2026.

Our management fees grew by 13% year-on-year, excluding catch-up fees in both '24 and '25. Underlying EBITDA was GBP305 million with a margin of 53%, the second year in a row, it has exceeded 50% and well within the guidance range of 52% to 55%.

We have a promising exit pipeline for 2026, and with Calpine having closed in January this year, we have already received and distributed the cash element of the consideration. So the funds now hold 50 million shares in Constellation. And lastly, our free float and trading liquidity, which we know has been a focus for some shareholders, and potential shareholders, have improved in the last few months. And I'll come back to this after reviewing the numbers.

So firstly, let me start with fund performance which as we all know, over time underpins the group's financial results. Our measured deployment of capital across all investment strategies continued in 2025. We are disciplined to invest over a four-year period into sectors we understand deeply and within concentration parameters.

BE VII has now committed 87% of its capital across 18 investments so has one or two more investments to make until it is fully deployed. 13 of its investments have been off market or through bilateral processes, drawing on our network of sector teams and local offices to identify and convert opportunities. BDC V is now 45% deployed and credit has continued to deploy well with BDL III fully deployed and BDL IV now 34% committed.

And lastly, in infrastructure, ECP V is 85% deployed, with ECP VI having become fee-paying in May '25 and reaching 5% deployed by year end, with a strong pipeline for the year ahead. In addition to this strong deployment, we have continued to return significant amounts of capital to our fund investors, a pre-condition currently for successful fundraising, with LPs so focused on the distributed to paid in ratio, or DPI.

We returned EUR8.1 billion to investors across all strategies in 2025, bringing the total capital return to EUR16.6 billion over the last two years. Note that the Calpine transaction closed in January of this year, so it is not included in the '25 figure. To date, in 2026, \$4.1 billion has been returned to investors from this close, and I'll say more about this when I come to guidance.

Ultimately, strong fund performance underpins our business model and allows us to raise successor funds. I'm pleased to say that across our three verticals, our funds continue to be top performers. Valuation uplifts in our private equity funds were trading driven, with 88% of unrealized valuation multiples either flat or reduced over the period, which underscores the strength of earnings growth within the portfolio companies.

And thinking about valuation, it is also worth remembering that over the last five years, a 30% step up in value has been achieved on exit, demonstrating the appropriate and prudent nature of our fund valuations.

Now, I will reiterate that over the longer-term, there is no FRE without PRE. Our fund performance is underpinning successful fundraising. We are confident of delivering the remaining EUR10 billion in order to achieve our target of EUR24 billion by the end of this year. In total, we raised EUR8 billion last year, which combined with the EUR6 billion we raised in 2024 means we have now raised a total of EUR14 billion towards the target.

BE VIII has strong momentum, and since the year end, commitments closed and IC approved total EUR5.4 billion, and a formal first close is expected in Q2 before it becomes fee-paying mid-year. Fundraising for Generations is ongoing, and the team has made excellent progress with the ECP's next flagship fund against the backdrop of continued strong investor appetite for exposure to the growth in US electricity demand.

ECP VI became fee-paying in May, made its first investment in November, and has raised \$3.7 billion of commitments to date, compared to its cover number of \$5 billion and a hard cap of \$7.5 billion. Given the strength of appetite for ECP VI, we now expect it to conclude fundraising by the end of this year, rather than keeping it open into the first half of '27.

ECP Evergreen Yield is expected to deploy \$500 million from its anchor investor in the first half and then begin fundraising from other institutions in the second half before subsequently entering the wealth channel. In credit, BDL IV had closed EUR4.2 billion by year end and BCO V has started fundraising with the first close expected in mid '26.

In our syndicated debt strategy, we raised over EUR2 billion from issuing two new CLOs and repricing a further three. And as Raoul said, this has continued. We priced CLO X two weeks ago and expect to price one further CLO later this year. And lastly, we will begin raising capital for Newbury Bridgepoint V in the next few months.

In 2025, we delivered growth on both AUM and fee-paying AUM. Assets under management grew by 25% to \$94.1 billion. Over the last 12 months, we raised a total of \$8.7 billion across our strategies and delivered \$8.5 billion of divestments. Valuation gains in our funds added a further \$12.1 billion and finally FX was a tailwind of \$6.2 billion and consequently AUM finished 25% ahead of 2024 at \$94.1 billion.

Turning to fee-paying AUM, in the last year, we raised \$4.3 billion and deployed \$4.2 billion of new fee-paying capital across our credit strategies. Set against this, the reduction in fee-paying assets from divestments was \$3.7 billion and step-downs came to another \$3.2 billion. Lastly, FX represented a tailwind of a further \$3.8 billion. So by the end of December, fee-paying AUM was 14% higher at \$45.5 billion. This will step up in '26, with ECP VI completing its fundraising. BE VIII becoming fee paying, and with further deployment in our credit strategies.

So turning now to financial performance. In addition to the growth in management fees of 13%, excluding catch-up fees which were material at GBP30.4 million in '24, our current portfolio had an average management fee margin which remained stable at 118 basis points.

PRE in '25 of GBP151.6 million was slightly above our guidance of 25% of total income. This is driven by strong growth in co-investment profits, thanks to further value creation in our funds, as well as the recognition of further carry.

Despite where we are in the fundraising cycle, with ECP VI partially fee-paying and BE VIII not yet fee paying in '25, we maintained our EBITDA margin for the full year in the target range of 52% to 55%. And we are well on track to meet the target of 55% to 60% EBITDA margin on conclusion of the current fundraising cycle through improvements in FRE margin.

Turning to our capital allocation policy, to recap, it is firstly to support organic growth. Secondly, to invest in our funds through GP commitments, and seeding new funds and strategies. Thirdly, to invest in inorganic growth and then return capital to shareholders. Between dividends and the share buyback, we will have returned GBP95 million to shareholders in the 2025 financial year.

Now, As Raoul indicated, we are pregnant with cash. We're at the start of a period of significant cash generation. Cash generation improved materially in 2025 and will continue to do so in the next few years as we benefit from co-investments in our funds and begin to realize the increased share of carry from more recent funds.

After operating cash flows and distributions to shareholders through dividends and buybacks, co-investment drawdowns by funds were comfortably exceeded by cash returns from carry and from co-investment distributions totalling GBP125 million. And I'll come back to that number on the next slide.

So, following on the theme of cash, on this slide, I wanted to give you more of an insight into the future cash flows embedded in the balance sheet from our existing funds. At the December 2025 fund valuations, and releasing the prudent discount we apply to carry recognition, the value of co-investments and carry on the balance sheet amounts to almost GBP1.1 billion. So if all we did was realize our existing investments at current value, we would generate GBP1.1 billion of cash.

Now in reality, over the next five years, we expect to generate a further GBP0.9 billion of value from the maturation of the existing portfolio. Value which will be received as cash as those funds divest. So the total cash expected from existing investments is GBP2 billion.

And then on the far-right hand side, it's a bit more blue sky. But we would also expect to deliver in the order of GBP1.1 billion of further value and cash from investments we will be making in the next vintage of funds which we are currently fundraising for.

In a second, I'll come on to guidance, but before that, I wanted to update you on some positive changes in our share register, free float and trading liquidity. Over the last 12 months, our register has become increasingly diversified with the addition of over 50 new institutional shareholders. There has also been a noticeable improvement in our average daily trading volumes, which have increased 4.1x year-to-date compared to the full year average for '25.

ATDV is now 6.9 million shares per day across all venues. And this year, we'll see the final unlock of IPO shares, which are held in the same proportions by the same group of individuals whose holdings have unlocked in each of the last two years. And they still hold almost 80% of them. Our colleague

shareholders are investment professionals, and they are well aware of the intrinsic value of the shares, given the growth prospects for the business over the next few years.

So finally, to guidance. We remain confident in our fundraising target for the end of this year. We expect to hold a formal first close for BE VIII in Q2, and to date, EUR5.4 billion has closed or been IC approved. No hard cap has yet been agreed, and we expect BE VIII to become fee-paying in mid '26. The current consensus assessment for fund size looks reasonable to me.

Based on closed and IC approved commitments of EUR4.2 billion BDL IV has exceeded its cover number of EUR4 billion, and we anticipate achieving a 20% to 25% uplift to that. BCO V is in the market and we intend to price one more CLO this year. ECP VI has raised \$3.7 billion to date and is now expected to complete its fundraising in the second half of the year, has a cover number of \$5 billion and a hard cap of \$7.5 billion.

The addition of Newbury Bridge closed in February and the strategy is expected to be break-even for the first two years.

We expect consistent revenue growth of between 13% and 16% through the next cycle. And there'll be continued investment in platform capabilities necessary for growth, and this will result in expenses growing at a high single-digit percentage each year.

We expect PRE to be 20% to 25% of total income in '26 and '27 and given the current exit pipeline, weighted to the second half of the year in '26. As always, the exact profile within and between years will be subject to the timing of further carry recognition, in particular for BE VI, as well as the timing of the sale of Constellation Energy shares.

To give you a bit more detail on the Calpine exit, following completion, cash consideration of \$4.5 billion was paid and 50 million Constellation Energy shares were received, which were worth \$17 billion based on the share price at that time of \$338. As a reminder, the PLC only has investment exposure to ECP IV and the Calpine Continuation Fund, where it owns around 5% and 24% respectively.

In terms of further PRE recognition in the P&L, around \$12 million was recognized upon the initial receipt of cash on completion in January, which de-risks the first half PRE delivery. Recognition of the remaining PRE will be subject to the timing of the sale of Constellation shares, 50% of which are locked up until the end of June '26 and 50% until the end of June '27.

Plus, of course, the share price on sale. And selling these shares underpins our confidence in delivering our 20% to 25% PRE guidance in '26 and '27. While some PRE has already been recognized because of the superb Calpine result, there is a material cash benefit to the group following the sale.

To illustrate, if the Constellation shares were sold at \$300 per share, the total cash received by the group from carry and co-investment would be more than \$150 million. And to be clear, we will sell the shares when it is right to do so. We won't simply place them the day after the lockups expire.

AUM has stepped down in the first of this year by \$4.1 billion due to the sale of Calpine and will step down again as and when the shares are sold. The fee paying AUM of \$3.1 billion has decreased by \$0.3 billion in this half, and the great majority of the balance will remain fee paying until the final shares are sold.

And finally, we expect our EBITDA margin to be in the range of 55% to 60% in '26, '27 on conclusion of the current fundraising cycle. Now, we are not usually this front-footed, but we saw this chart recently and had to share it. This is calculated using consensus estimates for us and our listed European peers. Clearly, this is beginning to be well understood by some of our shareholders, as our register diversifies. And with that, let me hand back to Raul to conclude before we take your questions.

**Raoul Hughes:**

Thanks, Ruth. Well, that was a great slide to finish on, which really does demonstrate to me that the growth opportunity in the business continues to be undervalued by the wider market. That said, actually, I'm firmly of the view that the recent macro industry noise that has weighed indiscriminately on share prices throughout our sector now significantly undervalues the strength of private market fundamentals more generally.

So to wrap up, Bridgepoint enjoys superior positioning in the attractive middle market in Europe and the US and is delivering market leading returns for the world's leading fund investors. The combination of our middle market positioning and compelling fund performance has resulted in strong progress against our fundraising target of EUR24 billion, which we still expect to hit by the end of '26.

In line with our strong historic trend, we continue to deploy capital and exit investments in 2025 and have a good pipeline for '26. We continue to deliver on our growth strategy, most recently by adding secondaries and generations, and I remain convinced that there will be more diversification to come. Lastly, once again, we delivered financial performance in 2025 ahead of market expectations.

Taken together, I strongly believe that we are well positioned to deliver sustainable value creation for shareholders. So now, let's go to Q&A.

**Arnaud Giblat, BNP Paribas**

Good morning. I've got three questions, please. If I can start with Newbury. So you've taken on the track record, you've got the data. I'm just wondering how fast or what sort of sizing do you envisage for the first round of fundraising? Historically, Newbury has had multi-billion-dollar size funds. Do you get that in the first leg or does that take several funds to get back to where they were? And within that, do you plug Newbury into the Generations product?

My second question is with regards to exits and deployment. You talked about a strong pipeline. I mean, you're making these comments cognizant of the fact that there's quite a lot of macro instability. So I assume that those comments are valid given the volatility. I'm just wondering if there are any other risks that we should be aware of that could derail that?

And my third question is on ECP VI. I mean, clearly there's a lot of demand for energy infrastructure from the LP side and doesn't seem like there's any shortage of investment opportunities. So, I'm just wondering why we're not talking about reaching the hard cap here?

**Raoul Hughes:**

Right, thank you very much. In order, Newbury. Let's start with Newbury. Newbury we think is a really - I think it hopefully came across in the presentation. We think Newbury's a really interesting way for us to enter a high growth secondary space, which we've done in a capital efficient manner. The intention is absolutely that we plug Newbury into both the Generations product and also into our sort of global sales force.

So the plan will be during the sort of -- at some point during the first half of the year we will launch the next fundraising for Newbury. It will benefit from the wider relationships of the Bridgepoint Group and the global sales force that we have. At the moment, there's a lot of conversations going on with the Newbury team and our sales team about the tactics and the process of doing it.

As far as the quantum of the fund, I think their previous funds were a couple of billion dollar type range. I think it'd be overoptimistic to assume that we raised that much in the first fund. Sorry, it'll be Newbury Bridgepoint VI. But the first fund post them joined the Bridgepoint family. So I think if you're putting a number in your model Arnaud, I'd be a bit more cautious than that, I would have said. But we'll see how it goes.

And it's a really interesting space. It's a space that we think you can scale very quickly with the right sales team, the right opportunity and the right relationships with investors. So we're excited about it. But you know what we're like, we want to be slightly cautious until we've delivered. So I'll be a bit more cautious about the number to start with.

ECP, we're on fundraising. So you do the third question next, ECP VI.

**Ruth Prior**

We thought this might be your first question actually

**Raoul Hughes:**

Do you want to answer that one?

**Ruth Prior**

Look, ECP VI is going extremely well. We closed -- first closed was pre-Christmas, as you know at USD3.7 billion. I think we're now into the tactics of how we close the fund during this year and at what level, and you will have heard from Doug himself that he is absolutely at the USD7.5 billion, which is the hard cap.

I think you will have also heard from us over the years how important it is to size the funds correctly so that you can deploy well. So I think that's the conversation we're having at the moment internally. Would you say that's fair?

**Raoul Hughes:**

That's fair, yeah. I wouldn't read into anything into the fact we're at EUR3.7 billion at the end of the year rather than more than EUR3.7 billion. I mean EUR3.7 billion was a really good number in the context of a first close for the fund. Having had the first close, having locked that in, and the first close being a

material proportion of the cover number of the fund, the process now is a corralling people and landing on what we ultimately we want to raise. So we are highly confident about ECP VI.

The ECP bis [business] -- our infrastructure bis [business] is absolutely flying. I mean the investment opportunities for them and also the exits that they are achieving, there's nothing sort of outstanding. So I think that part of our business is in a -- well, the whole of our business is in a great shape. That part of our business is in a particularly great shape and we're very, very confident about the fundraise of ECP VI.

Exits and deployments. I think it's an interesting one -- there's always a difference and I'm sure you've heard this from sort of fellow peers of ours in our space. There's also a difference in the alternatives world and the public market world. We, as I said in the presentation, we are very much stock pickers. We buy individual assets. We buy individual assets that have characteristics that sit within a thematic of a fund and a product.

And we -- as you also sort of see in our presentation, tend to buy businesses well within sort of average, long-term pricing metrics. And so we have the ability to step away from periods of over excitement and bubbles in pricing. And so when you look at the nature of our businesses and the valuations that we're holding them at and the prices that we paid for them, and the trading performance of those businesses, it tends to be much smoother than you'd expect in a public market environment.

And so undoubtedly, we are in uncertain times. As I said at the start, there's likely to be -- we're assuming some sort of secondary impacts of what's going on in the Gulf. Implications for sort of oil prices and inflation and everything else, and we will navigate that through -- the best way of navigating it through -- is having a diversified portfolio of really good businesses sitting in, in interesting places.

And you look within our equity business, you've got -- we are buying businesses that are high EBITDA, repeatable revenues, good cash generation. They are businesses that typically can withstand periods of volatility and continue to grow, and in our infra business, we are really benefiting from the AI -- the positives. And so, you look at it on a balanced basis, I think we feel in what is an uncertain world, we still feel as confident as we did before that as Bridgepoint as a group has got the right assets and the right place to withstand it.

I mean, it's -- so I mean the software sell-off and software that I am -- I'm wittering a bit too much. So we bought our software businesses well and say, the extent to which there's been some element of sell-off in multiples across the software space, what that's probably done is just dampen some of the buffer between the market prices and the prices that we've bought the businesses at. So I think that answers the question.

### **Nicholas Herman, Citi**

Yes, good morning both. Hope you're both well. Just I -- couple of -- three questions from my side as well. You said scope for SMAs and co-investments. I'd be grateful if you could provide some more quantitative guidance on expectations there, please?

On activity and PRE, I appreciate that the Calpine exit has highly de-risked the PRE guidance here, but what further exit volumes and I guess the number of exits kind of underpin that guidance? You could kind of -- if you could give us some colour there, that would be helpful.

And then finally, on cash and M&A or cash and cash optionality, presumably those cash receipts will be used to support inorganic growth rather than capital return. Is that fair? And I guess -- I appreciate that there's the deal that you would like to do and the deal that you can do now. So, the slide 14, is that the rank order of expansion of preference or likelihood, please? Thank you.

**Raoul Hughes:**

We had to find that we had to find slide 14. It's just up on the screen. So it's like -- right. Do you want to go?

**Ruth Prior:**

Yes. So, cash. Yes, it will be -- M&A will be the preference for the utilization of the cash, so in organic growth. Do you want to say which?

**Raoul Hughes:**

I'm a big believer, and this may not sit with a business school logic, but I'm a big believer that in looking at M&A and how we grow this group, you set out the parameters of the things that we're interested in doing, and then you are very opportunistic about which ones come along.

In the same way as within our investing activity, again, unlike the public markets, within our investing activity, we can only buy what people are prepared to sell. From a sort of group management perspective, we can only partner with, merge with, bring in founders and/or businesses that that are really excited about the prospect of joining this family and this group.

And therefore, our strategy for M&A is we're very, very clear about the areas that we want to move into, and then we are opportunistic about the timing and the size and the scope and the method of getting into those sort of areas. And so if you look at slide 14, I think that -- oh, it's now on the screen for us. So slide 14 effectively gives you the parameters of the sort of things that we're interested in doing and looking at.

And what we've tried to do here is differentiate between, which ones are more likely to be done through organic team lifts and infills, which are the ones on the left, and which ones are probably more likely to be more material in organic M&A. But I wouldn't have said either of the two are mutually exclusive.

And I think the messaging that we're getting across on the left hand side of the slide here is one that very much is the diversity that we now have, and we're going to continue to build diversity, if we're successful on moving into the other areas on the right, particularly sort of -- real estate is the obvious one that we're not in now, now that we're in secondaries.

But the interesting thing is as we become more diversified, so the opportunity for infill and inorganic development and inorganic development of products that sit across a couple of our strategies is increasing. And that is the message that we want people to take away from the left hand side of this slide, which is we feel we're now in the position with the sales force that we have, the diversification we have, the structure we've got as a business, that we -- as well as focusing on material inorganic M&A and inorganic stuff and moving into new verticals, there's a great opportunity across the platform to bring in additional products.

**Ruth Prior**

PRE guidance, I think was one. So, in terms of PRE, the guidance we've given is 20% to 25% of [total] income. That will be at the top end of the range, I think for the next two years. It is underpinned, as you say, by the exit of Calpine and the sale of the Constellation shares. We've also got a strong exit pipeline in both our infrastructure business and private equity. We've already seen Cornerstone exit in Q1, which is another large, very, very successful exit through our infrastructure team.

We've also got the carry recognition of BE VI and potentially, if you noted ECP V is going to be -- we believe, one of the standout funds ever. So we've got a lot that underpins that guidance for this year and next year.

**Raoul Hughes:**

And maybe one other way to answer the question. So Calpine is an outlier. As I said, it's probably the most profitable private equity deal ever done by anybody. And the vast majority of that sits within the funds obviously and in the co-invest vehicles, not the management company. But nonetheless because it is so large and so successful, the proportion of that, that sits in the management company is still quite a large number.

There isn't another Calpine in the organization, that sort of size or quantum. So when you think about the progression of Ruth's guidance of PRE, Calpine absolutely underpins it for the next -- for '26-'27. Hence the confidence about being in the top end of the range, but the range and in the long-term [the] range is a function of multiple individual exits and multiple individual transactions and individual funds.

**Ruth Prior**

Yes. And also, the carry percentages to the PLC increases from '27, '28, '29.

**Raoul Hughes:**

So we've got bigger shares of stuff we're sitting within it. And if you think about it logically, our private equity funds typically invest in sort of 16- to 20 platform investments in a fund. So it's set in -- I think 18-, 19 on average. We've got three funds. The growth fund does a bit like -- a bit more concentrated. ECP probably invests in -- so our infrastructure probably invests in 12- or 13 in a fund.

And so if you -- and if you think about a fund cycle being sort of four years and you're investing that, you're buying those, you should also be selling them in a similar sort of number, in a similar sort of time frame. So there are multiple assets that will come and will be sold that build up into the number rather than reliant on any one, individual one, other than Calpine as an outlier.

**Nicholas Herman:**

That's helpful. If I could just follow-up on that quickly. I mean I guess you've returned EUR8 billion to EUR8.5 billion of capital to LPs. I don't -- I can't remember what the gross exits is relating to that. But or maybe I got, But it's just -- given that the Calpine underpin, does the volume of exits that needs to be

completed from here need to therefore be significantly below what you've kind of done in the last year in order to hit that 25%? I guess that's the way to kind of ask the question.

**Ruth Prior**

Do we need to do less exits?

**Raoul Hughes:**

Well. Do we need to do less exits than we have done in order to hit the guidance, given that Calpine's going to be in the next couple of years? I think I get intuitive. The answer is probably, yes.

**Ruth Prior**

We've got lots of new funds to deploy, so that works. And then SMAs and co-invests. I think the way to think about this and the reason we've kind of given the revenue guidance for the first time is our flagship funds will give us 10% to 12% revenue growth and the rest will come from SMAs, co-invest, and the new sort of product strategies that we're talking about on this slide on the left-hand side.

**Nicholas Herman:**

That's very helpful. Thank you.

**Operator**

We have a further question from Nicholas Herman

**Raoul Hughes:**

Are you allowed to come back again? Is there some protocol in this?

**Nicholas Herman:**

Not that I'm aware of, to lay the groundwork, the ground rules first. I wanted to give my colleagues another chance. But since there doesn't seem to be anyone to asking questions, I thought I'd give it another go.

I just -- I'm not aware of any specific guidance from the KKR and ADQ partnerships. I mean, is there anything you can say now -- provide in terms of a proper colour to give, help investors, and ourselves understand the impacts of some of those larger partnerships?

And I guess a related question. Would you expect ECP VI to be equally kind of deployed to the data centre or partnership opportunity, regardless of whether that fund is at the cover figure or at the hard cap or you can scale that part of that investment accordingly.

And I totally -- and then on ECP V, I can understand the enthusiasm and the high level of the strong performance in light of very strong appetite and demand for AI assets, assets to support the AI boom. But I guess, when you see a fund mark up its positions by almost 80% in a year, it does kind of stand out. So just what can you say to reassure investors that these marks are indeed prudent?

## **Ruth Prior**

Right. So do we do ECP first?

## **Raoul Hughes**

Don't mind. So ECP V. The DPIs -- so effectively, we've returned half of the fund, which is the DPI, 50% before the fund has finished investing. And that is predominantly on the back of a phenomenal return from the Cornerstone investment. So -- and the Cornerstone investment was a portfolio of three gas-fired power stations. And for reasons that we don't need to go into on this call, ECP were able to buy those assets in a very attractive moment in time at a very attractive price.

And so confidence in that fund and that return is partly a function of that the reason it's been marked up so -- or two reasons it's been marked up so successfully. The first one is because of Cornerstone, which is now fully realized. So that seemed absolutely done and is embedded.

The second one is that they also have an asset in the fund called ProEnergy. And ProEnergy, it was also a hybrid business between a business that made turbines or turbines as they call them over there, but turbines we call them. And they do modular turbines for sort of power plants. And they do that and they also had some sort of gas-fired power stations and plants as well.

The business was bought for about \$1.2 billion. The strategy was to separate the two parts of the business. They have sold the power plants for the same consideration they bought the whole for and now own the turbine business effectively without any cost against it, and that business has grown ten fold in the first year of ownership.

So when you think about that, those two assets on their own, one of them's completely exited at that value. The second one has been completely de-risked already and is sitting in the significant value. So when you unpick that performance and the confidence in the fund, I think the total fund and its performance has been pretty much baked in already. That answers your question?

ECP VI and -- yes. So the concept of the data centre partnership with KKR and we said this in -- Ruth said this quite a lot in various meetings. It's very much a marketing approach where we and KKR go to market together to both commit capital to the project for hyperscalers in data centers. The first one has been done and announced. I am led to believe there's a second one that's relatively imminent. But these things do take quite a while to put together and to organize.

The rationale for us is that this provides a great opportunity to deploy capital in ECP VI. But the capital opportunity, the opportunity to deploy capital in this space we believe is greater than the capacity to want to commit to it within the main fund, and that comes back to this thing that I was talking earlier about the importance of diversification across the business and across the funds.

So you don't want to put more than a certain percentage of that fund into these sort of assets. And so that provides the opportunity alongside the fund investing in one of these assets for us to raise an SMA to go alongside it. So that's the sort of the structure of it.

I think, you're absolutely right, Nick, if we raise more capital for the main fund between the EUR5 billion and the EUR7.5 billion -- and it's going to raise more than EUR5 billion. It's where it sits within that range between EUR5 billion and EUR7.5 billion. I think you probably will find you can put more capital

into the data centre projects from the fund because it's a function of not wanting to put more than a certain percentage of the fund.

**Nicholas Herman:**

That's really helpful.

**Raoul Hughes:**

And I think that probably answers your first question as well, actually.

**Nicholas Herman:**

Yeah, it does. Clever. Thanks, both. Appreciate this. I won't circle back!

**Raoul Hughes:**

That's fine. Don't worry – that's fine.

**Operator:**

At this time, there are no further questions on the Zoom webinar. So I'll now pass back to Raoul and Ruth for closing remarks.

**Raoul Hughes:**

Right, there you go then. Thank you very much, everybody, and onwards.