



Candover Investments plc

Interim results to 30th June 2017

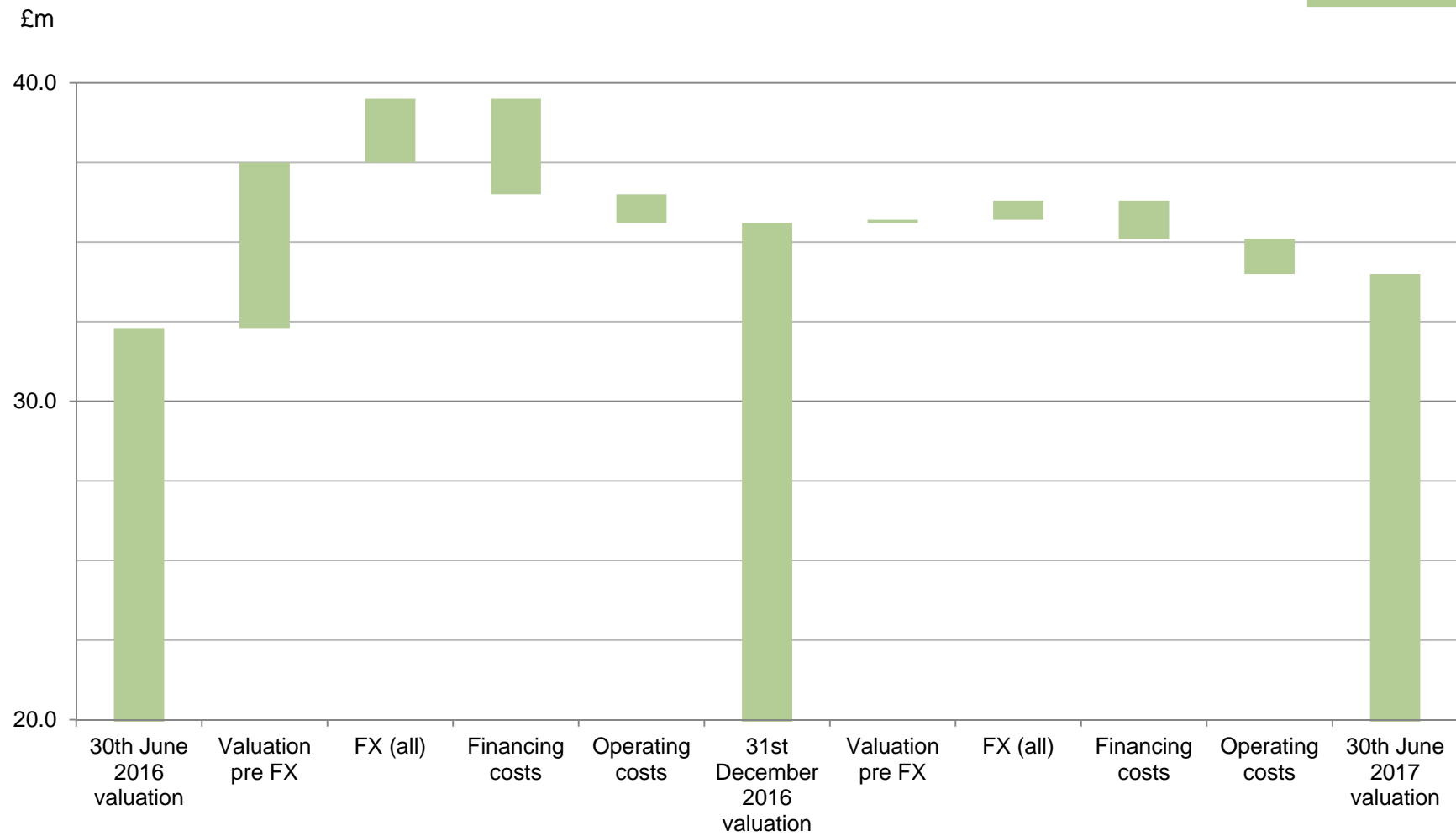
August 2017

Candover now in final stages of run-off



- Realisations delivered £16.7m cash inflow in H1 2016 and a further £2.0m was received in July
 - Technogym now fully realised
 - Hilding Anders realised
 - A further partial realisation of Parques for cash was completed and the remaining interest in Parques was distributed in specie
- Debt was fully repaid in March 2017, with current pro-forma cash £3.7m
- NAV per share at 156p down 7p, a 4% decline in H1
 - Realised and unrealised investment movements neutral overall
 - Small positive FX impact following further weakness of Sterling v. €
 - NAV drag of Q1 management fees and financing costs of 6pps; these costs have now ended
- Candover now self managing completion of the run-off

NAV bridge – last twelve months



Debt repayment completed and liquidity improving



- The Company had raised a €52m debt facility in mid 2015, with €50m drawn down. The facility was fully repaid as follows:
 - €19.4 million was repaid in mid 2016 at a minimum return of 1.15x, reducing the maximum potential cost of funding by €4.85m
 - €30.6 million was repaid at the end of Q1 2017 at a minimum return of 1.37x reducing the maximum potential cost of funding by €0.9m
- As at 30th June 2017, net cash balances were £1.7m; on a pro-forma basis these stand at £3.7m following the post period end cash inflows from realisations and dividends

Termination of the Candover Funds occurred as expected



- The Candover 2005 Fund and Candover 2008 Fund (the “Funds”) were terminated on a solvent basis on 31st March 2017
- This led to a termination of the co-investment agreement that bound Candover to enter into transactions on the same terms and timing as the Funds
- The consequences of this were:
 - Arle no longer acts as investment manager
 - The acquisition of Arle was announced by Newgate, subject to FCA approval, at the end of July. This was designed to help the LPs manage the wind up of the fund structures as well as manage a new SPV that will hold the remaining interests in Expro
 - Candover has direct control over its Parques interest

Portfolio update



- Technogym and Hilding Anders fully realised
- Parques Reunidos was distributed in specie in April 2017 following a further partial realisation
 - Candover retains a 2.4% interest in the share capital of Parques
 - Parques results for 9 months to 30th June delivered 4% revenue growth and 64% EBITDA growth
 - summer period critical generating 60% of annual sales and the majority of earnings
 - share price has traded consistently in the €15.75-16.50 range
- PLC's equity interest in the new Expro SPV (0.28%) will be managed by Newgate, along with the interests of the legacy Candover fund investors and co-investors
 - this investor group remains subject to lock-up until June 2020
 - disposal opportunities may arise earlier if the new controlling shareholders, formed by the Expro mezzanine lenders, pursue an exit
 - trading remains weak and the investment has been fully written down

Summary



- Significant progress towards concluding the run-off process following the realisations delivered in 2016 and in H1 2017
- Candover is no longer indebted, with pro-forma cash of £3.7m
- The portfolio is no longer a series of illiquid PE assets, with 85% of NAV now represented by the listed Parques shares which are managed by Candover
- Over the coming months our focus will be on:
 - Reviewing options for the realisation of the Parques investment
 - Concluding the assessment of whether accumulated tax losses represent a future realisable asset
 - Looking at the most effective way to distribute value to shareholders



Appendices

Net assets – down 4%



	£m	p
OPENING NAV	35.6	163
Revaluation of investments		
• Gain on financial instruments and other income	0.1	-
• Currency impact on unrealised investments	0.8	4
	0.9	
Impact of carrying costs		
• Administrative expenses	(1.1)	(5)
• Finance costs	(1.2)	(5)
	(2.3)	
Impact of currency on net debt		
• Restatement of cash and cash equivalents	0.2	1
• Translation of loan and fair value hedge adjustment balances	(0.4)	(2)
	(0.2)	
CLOSING NAV	34.0	156

Net cash/(debt)



£m	June 2016	Dec 2016	June 2017
Loans and borrowings	(30.4)	(34.7)	-
Deferred costs	(0.4)	(0.3)	-
Value of loans	(30.8)	(35.0)	-
Cash	20.6	21.3	1.7
Net cash/(debt)	(10.2)	(13.7)	1.7

Candover Portfolio



£m	Date of acquisition	Residual cost	Value at ¹ 31.12.16	Valuation movement excl. FX	Valuation movement attributable to FX	Value at 30.6.17	Valuation movement (pence per share)	% of net assets
Parques Reunidos	Mar 07	30.0	34.3	(6.2) ²	0.9	29.0	(24)	85.3
Hilding Anders	Dec 06	24.3	1.6	-	-	1.6	-	4.7
Stork	Jan 08	5.0	0.3	-	-	0.3	-	0.9
Expro International	Jul 08	94.4	0.6	(0.5)	(0.1)	-	(3.0)	-

¹ Adjusted for follow on acquisition and disposal

² The unrealised revaluation movement on Parques is offset by a £6.1 million realised revenue gain