

# Private Equity Holding AG

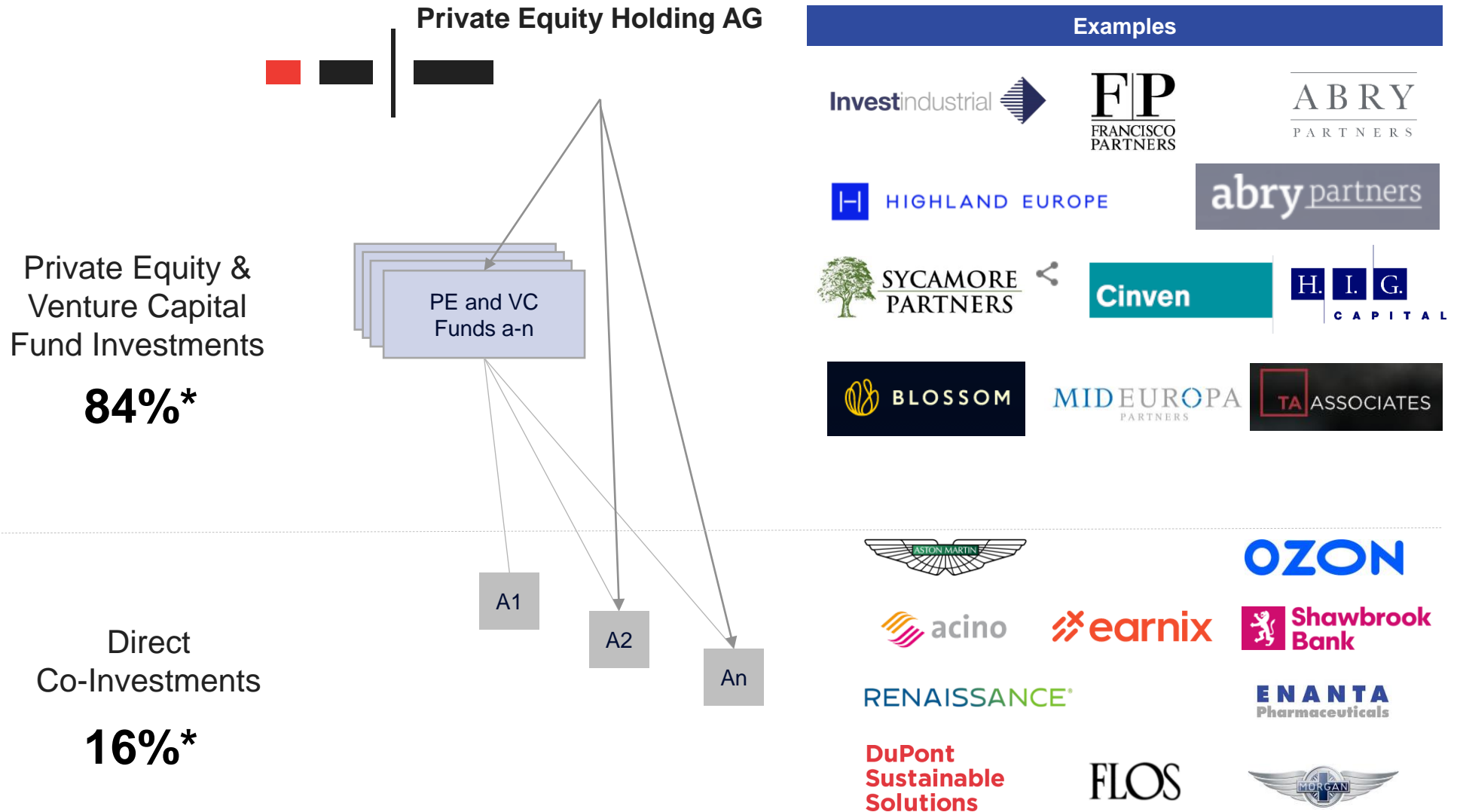
March 2021





## **Access to Leading Private Equity & Venture Capital Funds and attractive direct Co-Investments**

Private Equity Holding AG is a listed investment company for private equity and venture capital investments (SIX: PEHN). It offers institutional and private investors the opportunity to participate in a simple and tax-efficient manner in a diversified and professionally managed private equity portfolio with leading funds and attractive direct co-investments. Income from the portfolio is reinvested as well as partially passed on to the shareholders in the form of annual distributions.





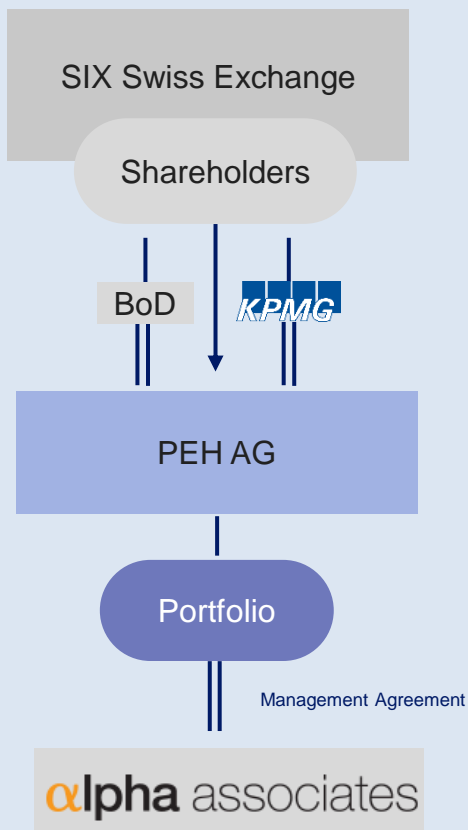
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# Executive Summary

## SIX-listed Investment Company for Private Equity Investments

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- Private Equity Holding AG (PEH) is a SIX Swiss Exchange-listed Investment Company.
- Alpha Associates manages PEH's portfolio since 2004 and re-started its investment activity in 2007; since then, the NAV per share has increased by 262% (total return).
- Alpha Associates' investment activities are supervised by an Independent Board of Directors and audited by KPMG.
- Over time, the founders of Alpha Associates became PEH's largest shareholders (>33.3%), which provides for a strong alignment of interest and supports the company's long-term growth strategy.



# Agenda

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# Strategy

## Continuous Increase of the Company's NAV per Share

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### **Long-term Growth of the Portfolio**

Selective commitments to  
private equity & venture capital  
funds as well as  
direct co-investments

### **NAV Accretion**

Purchase of  
treasury  
shares  
at discount to  
NAV

### **Current Yield**

Annual  
dividend  
payments

**Robust Balance Sheet & Positive Cash Flow from Portfolio**



# Strategy

## New Investment by Alpha Associates since 2007

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	Europe	North America	Asia
<b>Buyout</b>	Alpha CEE II BI-Invest Endowment Fund Bridgepoint Europe I (prev. earn-out), IV Capvis III Cinven VII Industri Kapital 2007 Investindustrial IV - VII Mid Europa Partners IV - V Milestone 2007 & 2008 Pollen Street III Procuritas VI	ABRY Partners VI - IX ABRY Heritage Avista Capital Partners I-IV Eagletree III, IV TA Associates XIII Warburg Pincus (global expansion capital) X Warburg Pincus XII	Warburg Pincus China II
<b>Venture</b>	Emerging Managers Program Kennet III Highland Europe I-IV Undisclosed Growth Funds Evolution Technology Life Science Fund Localglobe XI Latitude II	Institutional Venture Partners XII – XIII Boulder Ventures IV Clarus Lifesciences III Clarus IV Left Lane Capital I Pelion Ventures IV - V (secondary) Pelion Ventures VI Left Lane Capital I	
<b>Special Situations</b>	Alpha Russia & CIS Secondary Carmel Software Fund (secondary) DB Secondary Opportunities Fund A DB Secondary Opportunities Fund C EAC (secondary) Renaissance Ventures (secondary) 17 Capital Fund Alpha CEE Opportunity IV - V	ABRY Advanced Securities Fund I, III, IV ABRY Senior Equity IV - V Francisco Partners I (secondary) MPM BioVentures OCM European Principal Opportunities II OCM Opportunities VII, VIIb Sycamore Partners II - III WLR Recovery Fund IV HIG Middle Market LBO III	
<b>Direct Co-Investments</b>	Aston Martin Actano Acino Dupont Sustainable Solutions Earnix International Design Holding (Flos) Morgan Motor Shawbrook Bank Ozon Group	Cloudflare Enanta Pharmaceuticals Jamerry Nails Neurotech Renaissance Learning	



# Strategy

## Focus on building lasting relationships

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Ozon.ru  
direct co-investment

- Alpha Associates first invested in Ozon, a fast growing Russian online retailer and market place, in 2011.
- In Q4 20, PEH exercised a right of first refusal and invested USD 1.4 m in Ozon.
- The company went public on NASDAQ shortly thereafter, which allowed to write up the investment to 4.5x cost as at December 2020.
- YTD 2021, the share price has strengthened further.



CIVC Partners  
Fund VI

- In Q4 20, PEH committed USD 5 m to CIVC Partners Fund VI.
- CIVC is a Chicago-based team Alpha Associates has been following and investing with for several years.
- CIVC makes buyout and growth equity investments in the middle market segment in the U.S.A. and Canada. It has a preference for scalable platform investments.



Highland Europe I - IV

- Highland Europe is a very established European Venture Team with a focus on technology start-ups.
- PEH first committed to Highland in 2012 and subsequently participated in all new Highland funds, most recently in Q4 20 with a EUR 5 m commitment to Highland Europe IV.
- Highland offers access to a portfolio of very attractive technology companies and has so far provided for excellent returns.



Emerging Venture  
Managers Program

Latitude I & II

- In 2018, PEH established a program to back emerging venture capital fund managers.
- PEH commits lower than usual amounts to promising teams in order to follow their work and scale up commitments to the superior teams.
- An example is Latitude, which has been backed twice already. Latitude invests at the growth stage, mostly in winners from the LocalGlobe portfolio (below).

LocalGlobe X & XI

- In parallel, PEH invested in LocalGlobe.
- LocalGlobe is an emerging venture team with a focus on seed stage technology investments in the United Kingdom.



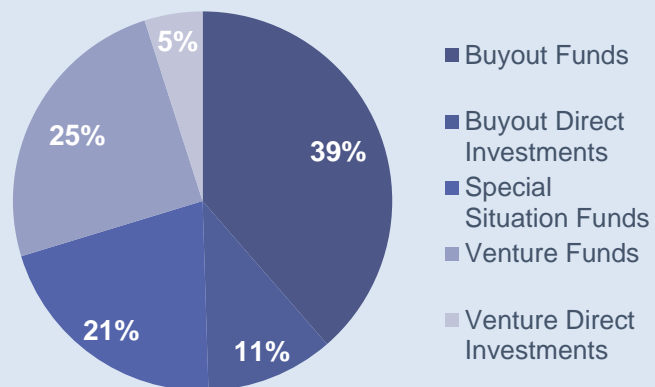
# Strategy

## Diversification as important complement to portfolio strategy and manager selection

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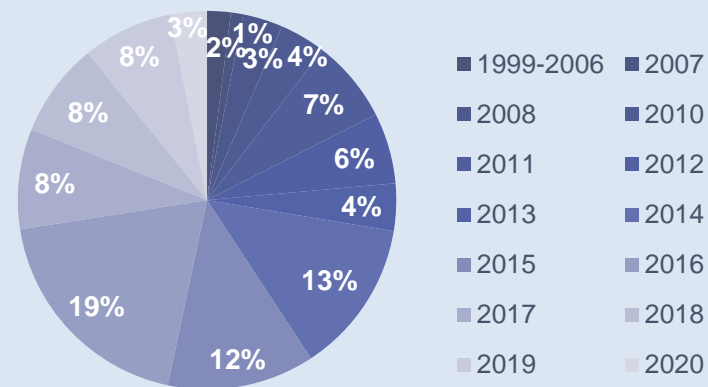
### Investment Stages

(Fair Value + unfunded Commitments)



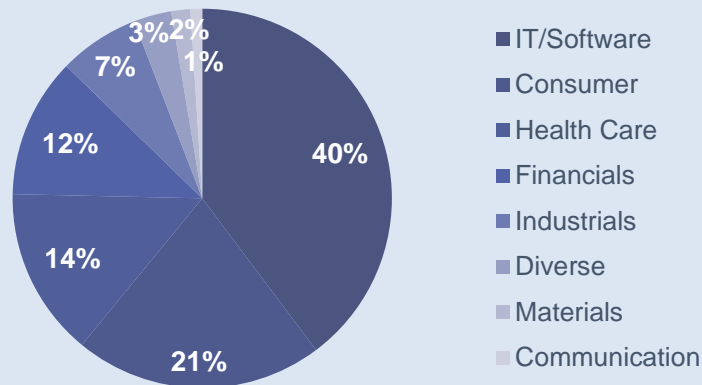
### Vintage Year

(Fair Value)



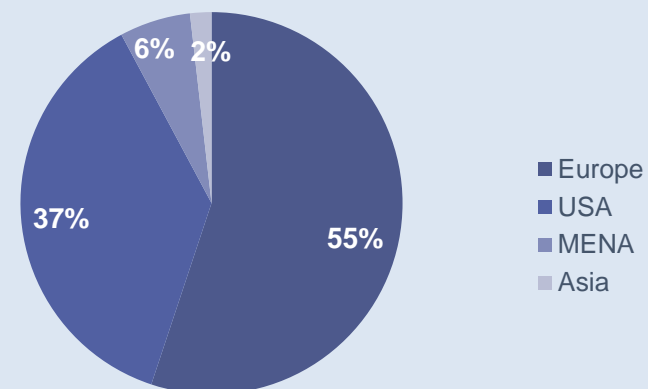
### Industry Segments

(Fair Value)



### Geographies

(Fair Value)





# Strategy

Directly and indirectly, PEH is invested in more than 800 Companies

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IT / Software  
40%



LOGPOINT

Counter  
Craft

panaseer

TRUEFORT

CROWDSTRIKE

we  
transfer

Collibra

deliveroo

samba**safety**

earnix

CONTENT  
SQUARE

Consumer  
21%



CORSAIR

Hortex

allegro

OZON

BEAUTY PIE

sergio rossi

Health  
Care 14%



acino

U.S.  
DERMATOLOGY  
partners

ANNEXON  
biosciences

INTERSURGICAL<sup>®</sup>  
BEATMUNGS-PRODUKTE GMBH

lumos  
PHARMA

Financials  
12%



Fusion  
Microfinance

MILLENNIUM  
TRUST COMPANY

Self  
Bank

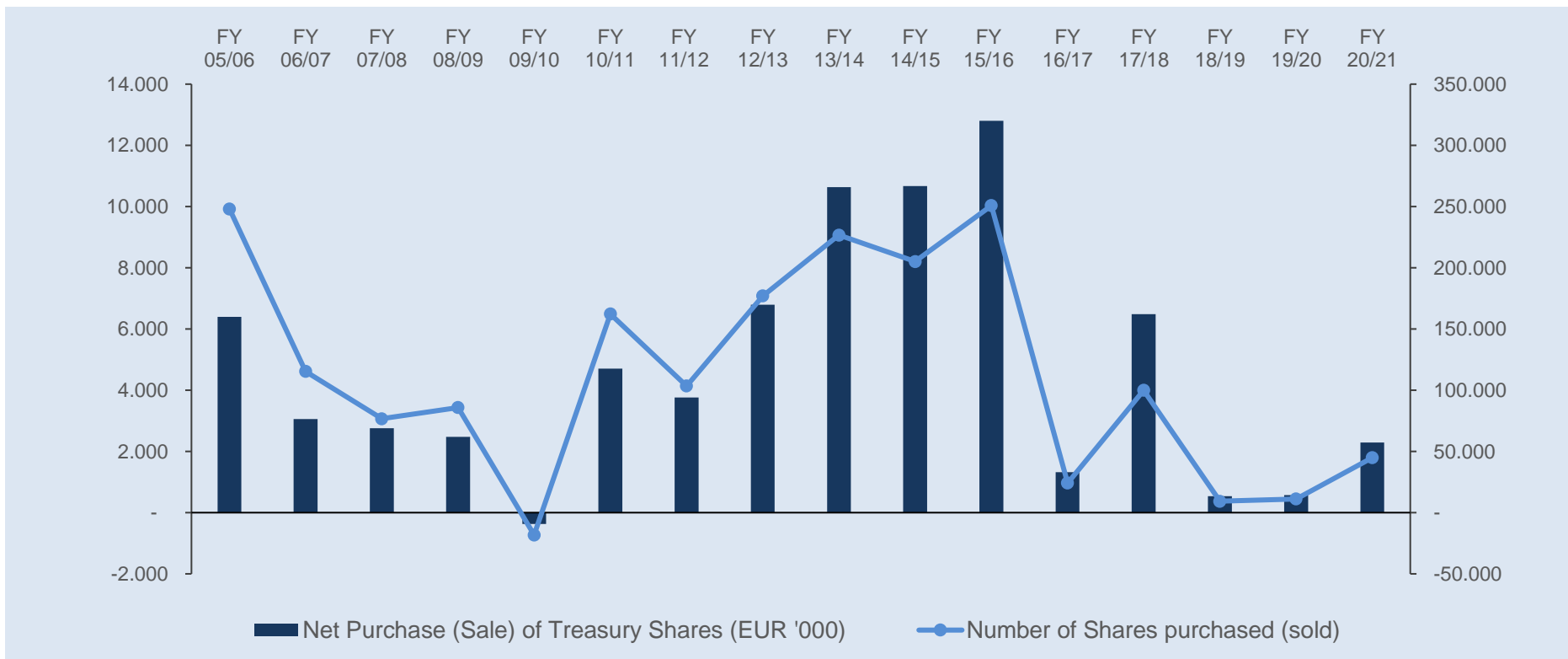
IndiaFirst  
LIFE INSURANCE



# Strategy

NAV accretion has been an important pillar of the strategy since 2005

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- The purchase of treasury shares at a discount to NAV is accretive for the remaining shareholders.
- Depending on the prevailing discount level, investing in treasury shares can be more attractive than making new investments.
- Since April 2004, PEH bought 1.81 million shares\* for more than EUR 74 million.

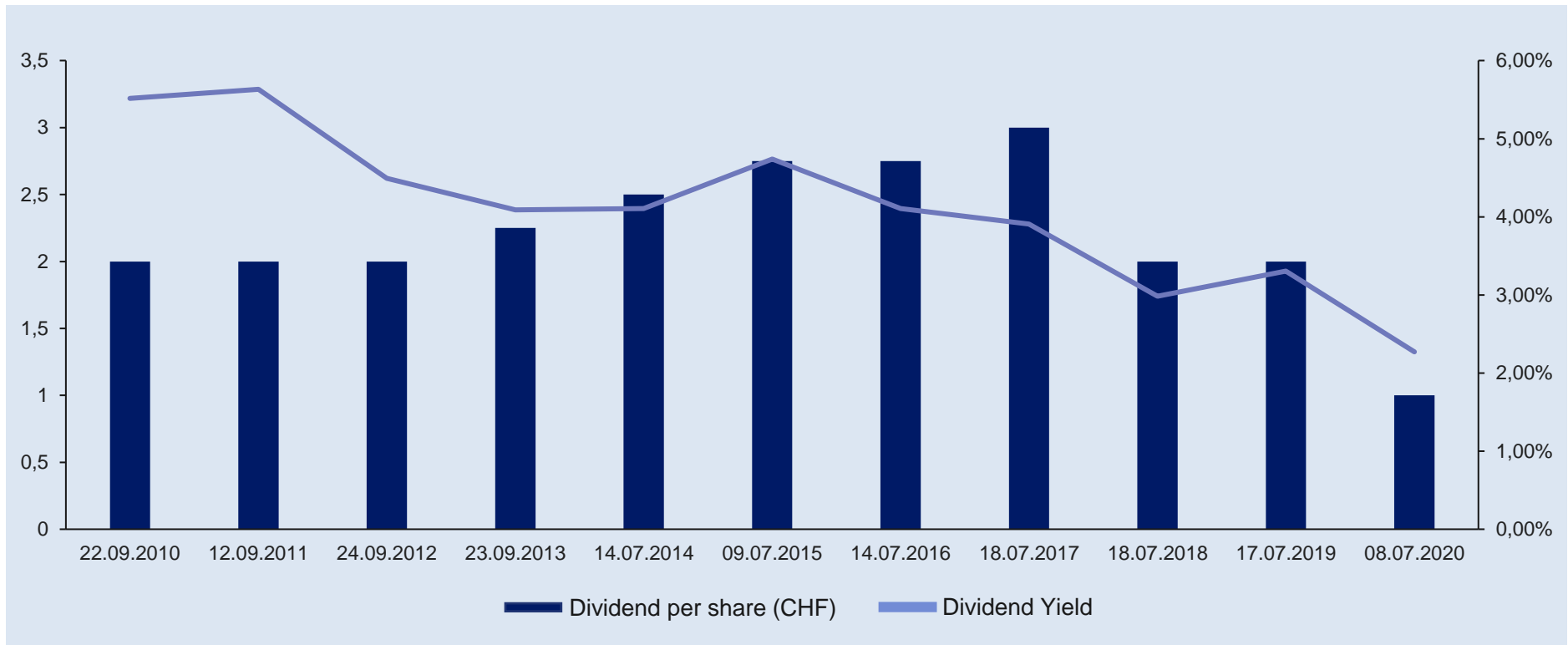
\* 1.81 million shares are >40% of the 4.5 million shares outstanding as at March 31, 2004



# Strategy

PEH established an annual distribution policy in 2010

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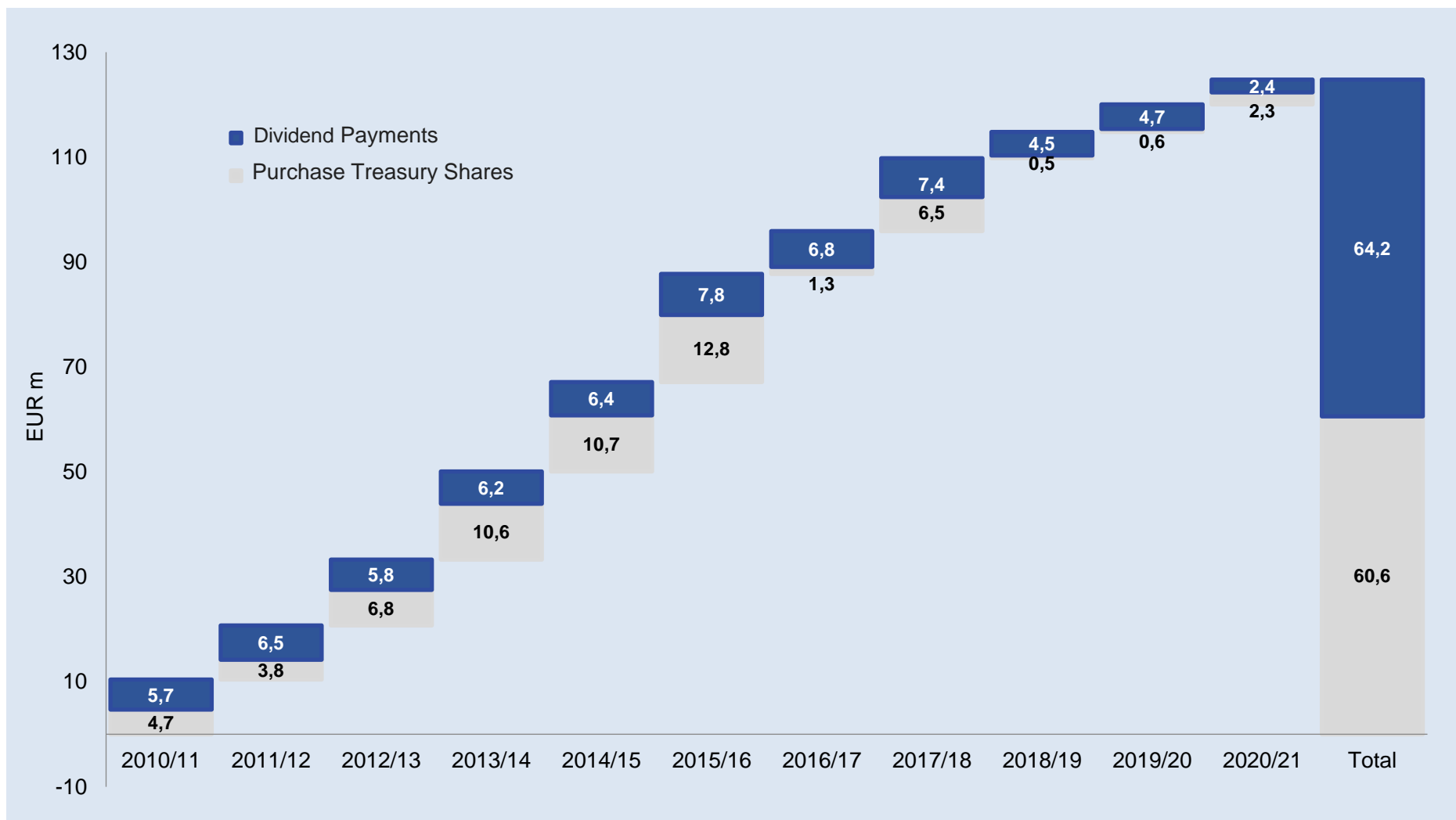
- Next to the perspective for long-term capital gains, PEH offers its shareholders an annual dividend payment, which was calibrated to a yield  $\geq 2\%$  of the prevailing share price during this period.
- In 2018, the annual dividend was reduced to allow for an increased investment rate to generate the returns needed to finance future dividends and share purchases.



# Strategy

Since 2010, PEH distributed almost EUR 125 million to its shareholders

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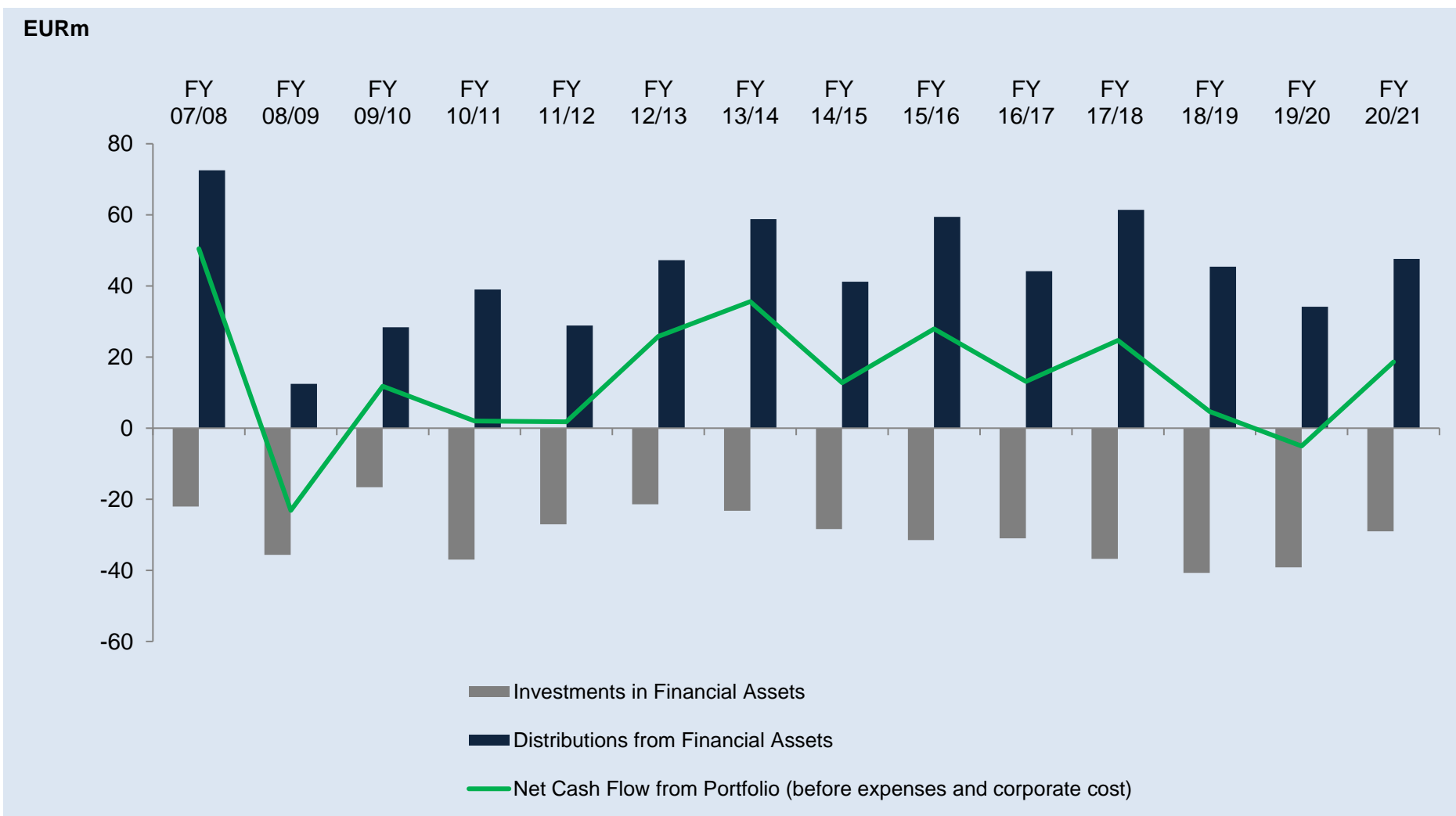




# Strategy

Based on a strong balance sheet and positive cash flows from the portfolio (1/2)

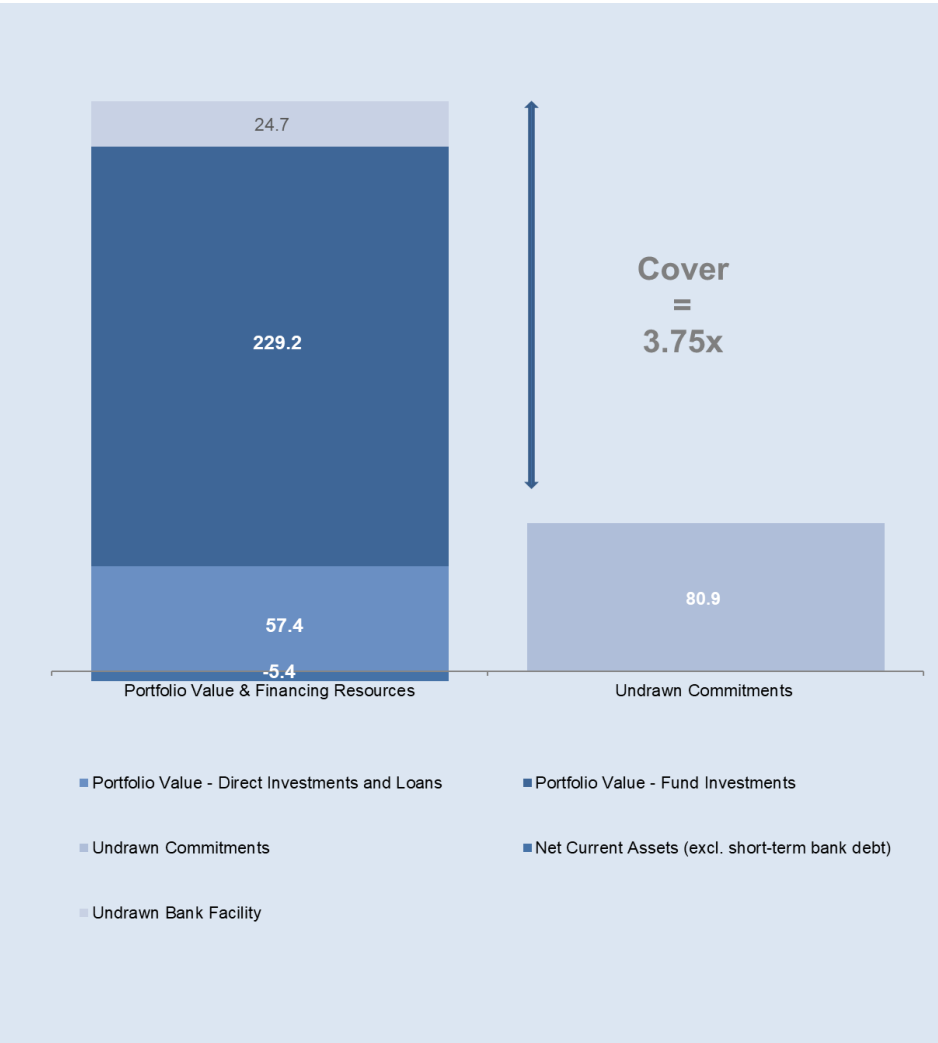
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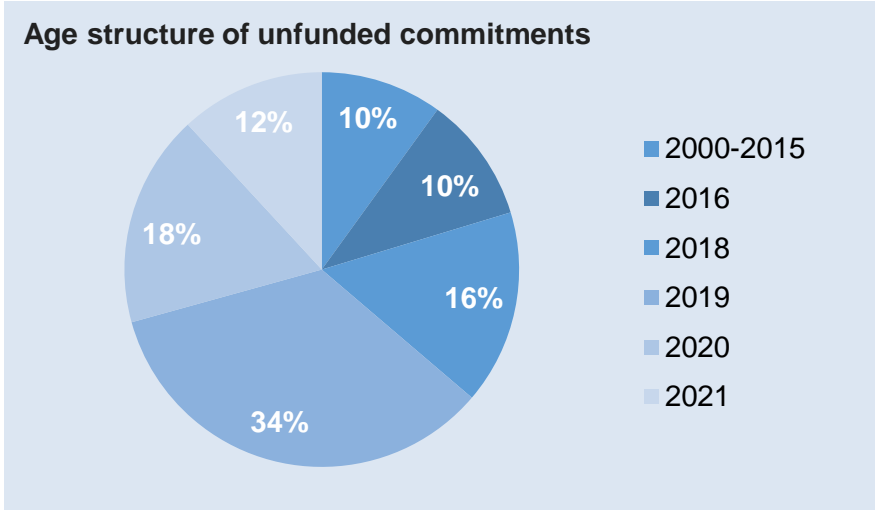


# Strategy

Based on a strong balance sheet and positive cash flows from the portfolio (2/2)



- Robust balance sheet (no long-term debt)
- Prudent over-commitment strategy (31%)
- Regular portfolio- and company-level cash-flow simulations to optimise investment growth strategy





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### Profile



<b>Description</b>	ABRY Partners is a north-american investment firm focusing on mid-market companies active in media, communications and business IT-services.
<b>Investment category</b>	Buyout
<b>Geography</b>	USA & Canada
<b>Investment year</b>	Since 2008
<b>Industry</b>	Media & Communications

### PEH Investment

<b>Fund</b>	ABRY Partners VIII
<b>Fund size</b>	USD 1.9 billion
<b>Fair Value</b>	EUR 5.1 million
<b>% of PEH</b>	1.9%

### Investment examples

#### ***rackspace***

Rackspace is a leading global multi-cloud solutions provider to enterprise customers. The Company provides services in more than 150 countries and serves customers from 11 data centers located on four continents.



LINK Mobility is Europe's leading provider within mobile communications, specializing in messaging, digital services and data intelligence. LINK offers a wide range of innovative and scalable solutions across industries and sectors.



Millennium Trust is a leading provider of comprehensive, tech-enabled retirement and investment solutions for employers, financial advisors, institutions and individuals, acting as a custodian for Retirement Accounts.





### Profile



#### Description

Highland Europe is a growth-stage technology fund that invests in European internet, mobile, and software companies.

**Investment category** Venture

**Geography** Europe

**Investment year** 2018

**Industry** Technology

### PEH Investment

**Fund** Highland Europe III

**Fund size** EUR 450 million

**Fair Value** EUR 4.3 million

**% of PEH** 1.7%

### Investment examples

## Huel®

Huel is a meal replacement available in powder, liquid, or bar forms.



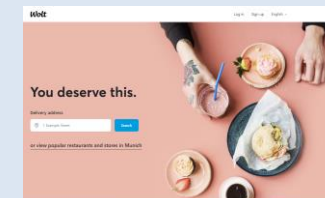
## StarLeaf

StarLeaf is a cloud provider for video conferencing space, offering reliable video conferencing technology, secure app-based messaging and integrated cloud-based meeting room systems.



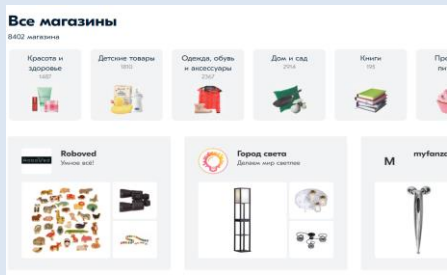


## Wolt


Wolt is a Finnish technology company known for its food-delivery platform. Customers can order food from the platform's restaurant partners and either pick it up or have it delivered by the platform's courier partners.





Profile		Description
		
Description	Russian online retailer	<p>OZON.ru is currently the largest hypermarket on the Russian Internet and enjoys the leading brand recognition.</p> <p><b>Significant growth</b></p> <p>Ozon achieved 142% growth in gross merchandise value in 2020 with y-o-y growth in nine months – resulting in a total of USD 2.2b.</p> <p><b>Large logistics network available</b></p> <p>The company continues to benefit from its wide recognition and superior logistics capability of more than 40% of the Russian population covered by next day delivery.</p>
Investment category	Direct Co-Investment	
Geography	Russia	
Investment year	2020	
Industry	Consumer goods/IT	
PEH Investment		 
Invested amount	USD 1.4m	
Fair Value	EUR 6.3m	



Profile		Description
<b>RENAISSANCE®</b>		
<b>Description</b>	Digital learning solutions provider	<b>Ongoing internationalization</b>  Renaissance is a leader in pre-K–12 learning analytics, enabling educators to drive phenomenal student growth. Renaissance's solutions facilitate the ability to analyse, customise, and plan personalized learning paths for students. Renaissance products are used in approximately one-third of U.S. schools and more than 70 countries worldwide.  <b>Product mix enabled growth despite Corona environment</b>  COVID-19 has led to a shift in business mix; the “at home practice” products continue to demonstrate strong momentum, compensating the “in classroom” products which were running behind in 2020.
<b>Investment category</b>	Direct Co-Investment	
<b>Geography</b>	North America	
<b>Investment year</b>	2018	
<b>Industry</b>	Software	
PEH Investment		
<b>Invested amount</b>	USD 5.1m	
<b>Fair Value</b>	EUR 5.8m	



Profile		Description
<b>DuPont Sustainable Solutions</b>		<b>Leading global consulting firm</b> Dupont Sustainable Solutions ('DSS') is a leader in environmental health and safety with 620 consultants worldwide in more than 30 countries.
<b>Description</b>	Health, safety and environmental consulting	<b>Attractive transaction</b> DSS was established under the DuPont umbrella more than 50 years ago; the complex carve out to a stand-alone entity was made possible by longstanding relationships with management and offered an attractive entry valuation.
<b>Investment category</b>	Direct Co-Investment	<b>Megatrends offer potential</b> Regulatory compliance and sustainability efforts deliver sustainable growth opportunities for the company.
<b>Geography</b>	Global	
<b>Investment year</b>	2019	
<b>Industry</b>	Consulting	
PEH Investment		
<b>Invested amount</b>	USD 4.2m	
<b>Realised amount</b>	EUR 2.0m	
<b>Fair Value</b>	EUR 4.5m	





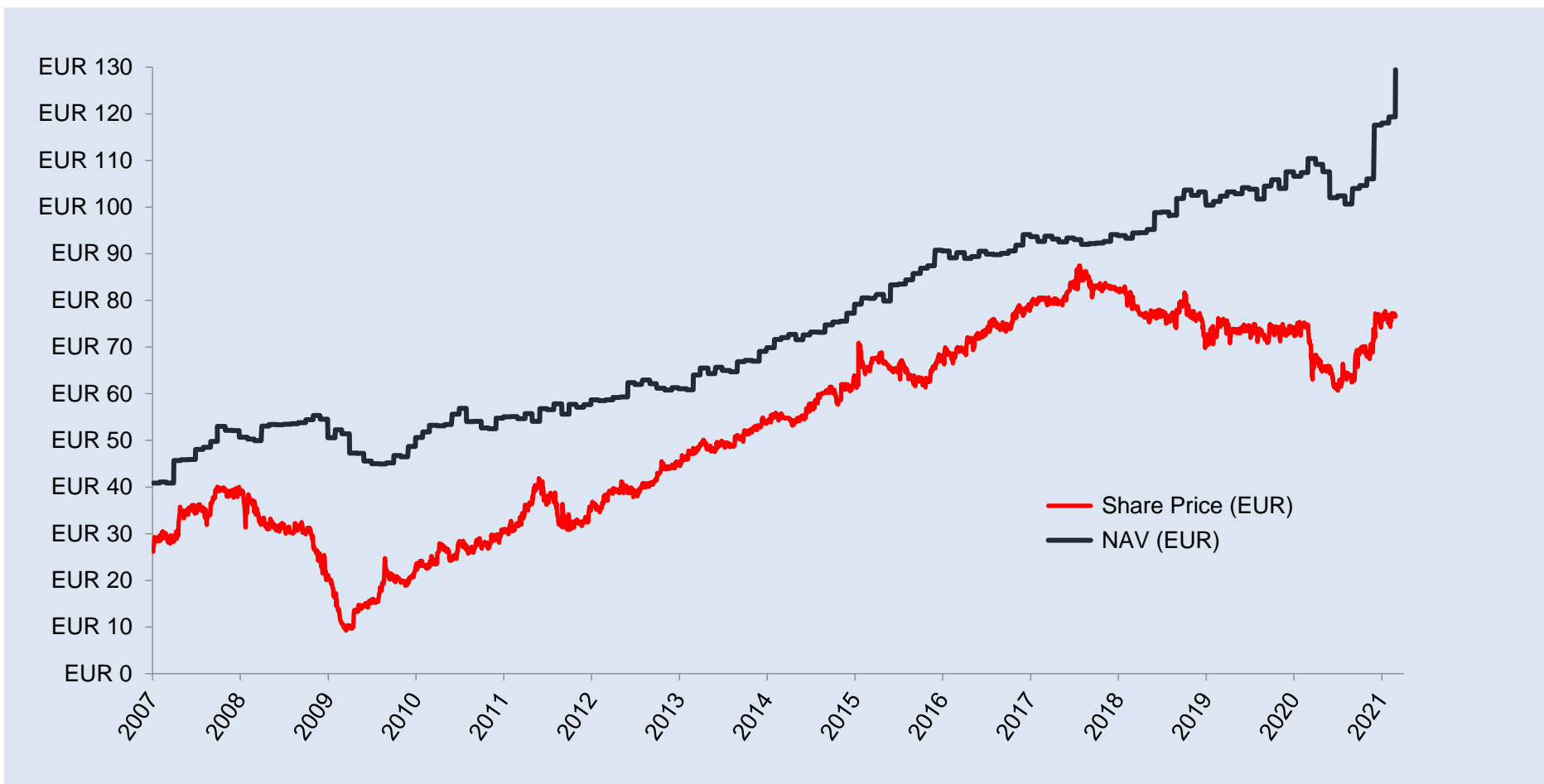
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# Performance

Monthly NAV and Share Price January 2007 – February 2021

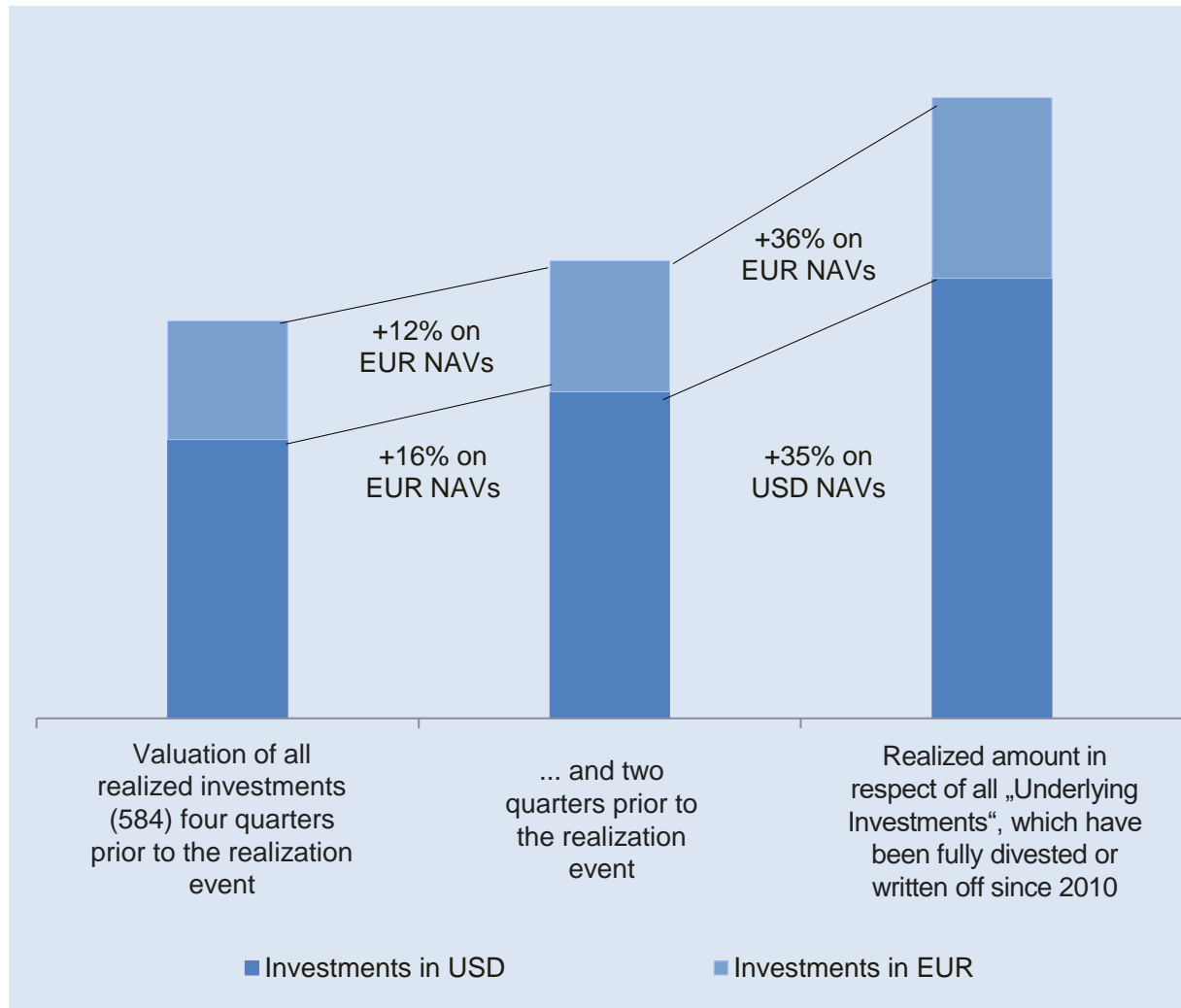
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# Performance

## Conservative valuation policy provides for upside at exit



- Between 2010 and 2020, the realised amounts in respect of underlying portfolio investments have been consistently higher than their valuations six and 12 months prior to the respective exit event.
- Our sample is based on 584 realisations including 66 write-offs.
- This analysis proves that private equity portfolios are valued prudently and, on average, significantly below their future potential.



# Appendix

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# Key figures

As of 28 February, 2021

<b>Structure</b>	Swiss investment company (AG/Ltd)
<b>Investment focus</b>	Globally diversified portfolios of private equity funds, incl. secondary market investments and selected direct co-investments
<b>Listing</b>	SIX Swiss Stock Exchange (SIX: PEHN)
<b>Total Equity</b>	EUR 276.0
<b>NAV per Share</b>	EUR 108.26 / CHF 118.93
<b>Share Price</b>	EUR 55.53 / CHF 61.00
<b>Discount</b>	(48.7%)
<b>Number of Shares Issued</b>	2'750'000 registered shares (nominal value: CHF 6)
<b>Number of Shares Outstanding</b>	2'549'404
<b>Distribution Policy</b>	Annual distribution to shareholders
<b>Shareholders &gt; 3%</b>	Partners of Alpha Associates AG (>33.3%), Dr. Hans Baumgartner, Chairman (>5%)
<b>Auditors</b>	KPMG AG, Zurich
<b>Portfolio Manager / Advisor</b>	Alpha Associates (Cayman) L.P. / Alpha Associates AG
<b>Fees</b>	1.5% * 75% * NAV plus 2% * 25% * market capitalization plus 1% of direct investments; 10% performance fee with 6% hurdle and HWM CHF 500k Administration fee



**Dr. Hans Baumgartner**, Chairman & Delegate

Elected in December 2006, Dr. iur, LL.M., attorney-at-law, Swiss national, Senior Partner Baumgartner Mächler.



**Martin Eberhard**

Elected in June 2010, Swiss Banking School, Kellogg Graduate School of Management (AEP), Swiss national, Co-Founder and former CEO NZB Neue Zürcher Bank.



**Dr. Petra Salesny**

Elected in July 2018, Dr. iur, LL.M., Austrian national; Founding Partner of Alpha Associates and responsible for the structuring and raising of Alpha's funds-of-funds and investment programs, investor relations and marketing.



**Fidelis Götz**

Elected in July 2018, lic.rer.publ HSG, Liechtenstein national; Partner at Daniel Gresch & Partner, prior Co-Head Private Banking at Bank Sarasin & Cie and Head Private Banking North Asia at Credit Suisse

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# Experienced Team with Strong Track-Record in the Industry

## Alpha Associates AG

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**Dr. Peter Derendinger**, Partner, CEO; Swiss; Dr. iur., LL.M. (Northwestern University, Chicago), attorney; career at Credit Suisse as General Counsel, Head Corporate Centre and CFO Private Banking; member of the board of directors of a number of private companies and Chairman of Credit Suisse (Switzerland) AG.



**Dr. Petra Salesny**, Partner, COO; Austrian; Dr. iur, LL.M., admitted to the NY bar; career in law and M&A; active in private equity investing since 2001; due diligence, negotiation, structuring and execution of fund and direct investments and secondary acquisitions.



**Petr Rojicek**, Partner, CIO; Czech; Dipl.Ing., MBA; career in engineering and corporate finance, at UBS and Bank Vontobel; worked on corporate finance transactions in Emerging Europe since 1995; active in private markets since 1998; strong relationship network in the industry; close ties to CEE private equity community.



**Jürg Kägi**, Principal, CFO, Swiss, MA Econ., CPA. Joined Alpha in February 2018. Previous work experience include Head Finance of Itaú Private Bank Switzerland, Senior Manager Ernst & Young and Audit Manager at PwC.



**Peter Wolfers**, Principal, CRO & Head Compliance, German, MA Econ., LL.M. Joined Alpha Associates in 2005 and again in 2010, having spent two years at Horizon21, a Swiss investment manager. Guest lecturer on private equity and member of the managing board of the Swiss Association of Investment Companies.

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