



Press conference / Analyst meeting 1H 2017/2018 - results

Brussels, 23 November 2017

Gimv

Building leading companies.



Gimv Group's results 1H 2017-2018 by
CEO Koen Dejonckheere
&
CFO Kristof Vande Capelle

1H results supported by strong trading of portfolio companies and profitable exits



Result again supported by strong portfolio performance

- Portfolio return again well-above target, with strong trading at our portfolio companies
- Continued investment activity in all platforms leading to portfolio >EUR 1 billion
- High industrial appetite results in successful exits
- First half results bode well for another strong year



How to make the difference in a seller's market

- Lower mid market-transactions are on the rise with higher average equity tickets
- Valuations are high, but debt levels are still below peak
- Growth is the key value driver at Gimv
- Selectivity & continued efforts for (pro)active deal sourcing are key



A fit-for-the-future company builder

- A fit for the future organisation
- With next-generation platform teams
- With a leaner Executive Committee



1. 1H results again supported by strong portfolio performance and profitable exits

Key messages results



Portfolio return again well-above target, with strong trading at our portfolio companies



High industrial appetite results in successful exits and continued investment activity in all platforms



1H results bode well for another strong year

Portfolio return again above target

- **Annualised gross portfolio return of 17.2%**
 - Portfolio result of EUR 82.6 million = 1/3 realised – 2/3 unrealised
 - Above-target, like the previous 3 years
- **Consistent solid performance** (revenues and EBITDA) in majority of our portfolio companies



- **High industrial appetite results in successful exits**
- **A strong start** for some of the **newer portfolio companies** such as Contraload, Itho Daalderop, Spineart or Summa

Strong industrial appetite results in successful exits ...

- Taking advantage of the seller's market to seize 3 full realisations ...



- 4 partial realisations
- Leading to total exits of EUR 87.0 mio
- 3 further exits took place after the close of the first half



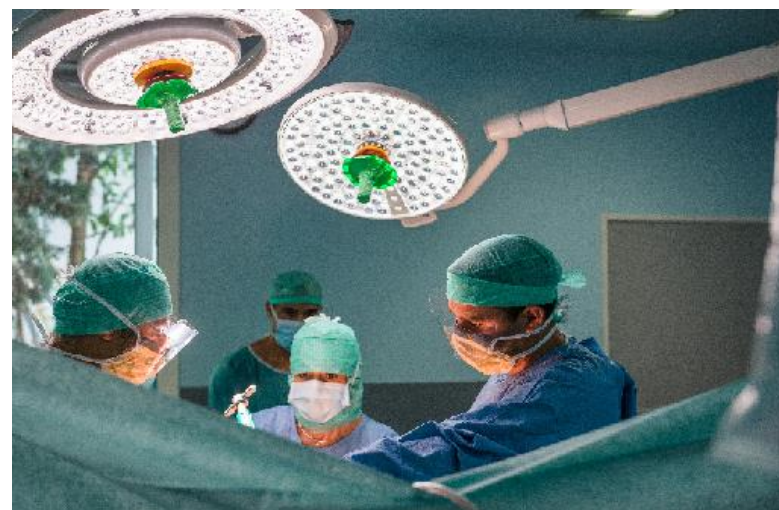
Expansion through buy & build

- Founded in 2007 by CEO Bruno Marie with the acquisition of one hospital in Marseille
- Had grown into a small group of seven private clinics in the PACA-region when Gimv (incl. the Gimv Health & Care Fund) and UI Gestion jointly invested EUR 80 million and acquired a majority stake in the company in 2013
- Exclusivity signed in October 2017 with Antin for the acquisition of Gimv's and UI's joint-stake
- Exit will result in above-average IRR

INVESTMENT CASE

- After an intense growth trajectory, consisting of acquisitions, mergers and organic growth, Almaviva became the 5th largest private hospital group in France with 30 clinics
- Developed a second pole around Paris

	2012	TODAY
Revenues (in EUR m)	100	>300
Clinics	7	30
Beds	750	2700
Operating rooms	65	190
Staff	1000	3300
Physicians	600	1100

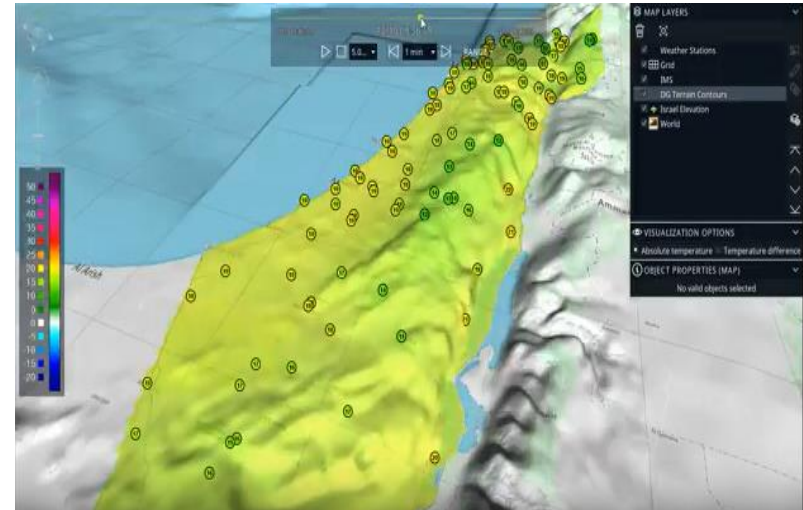


Building strategic technological value

- Spin-off from the University KU Leuven
- Advanced visual analytics for next-generation geospatial systems
- Gimv and Gimv-Arkiv Tech Fund II acquired a majority stake in June 2013
- Nasdaq-listed Hexagon acquired the company in October 2017, resulting in an above-average IRR

INVESTMENT CASE

- New product releases, customer references and proof concepts have contributed to the strategic value of the company's technology
- Evolved from a start-up to scale-up, from a timid software-company to a leading player in its field



... and meanwhile we see continued investment activity in all platforms leading to a portfolio above EUR 1 billion

- Continued and disciplined investment strategy adds 5 new investments to the portfolio



- 3 existing portfolio companies received a follow-on investment: Biom'Up, Jenavalve and Melijoe
- Leading to total investments of EUR 77.6 mio
- 3 further investments took place after the close of the first half



Thriving in a digital world

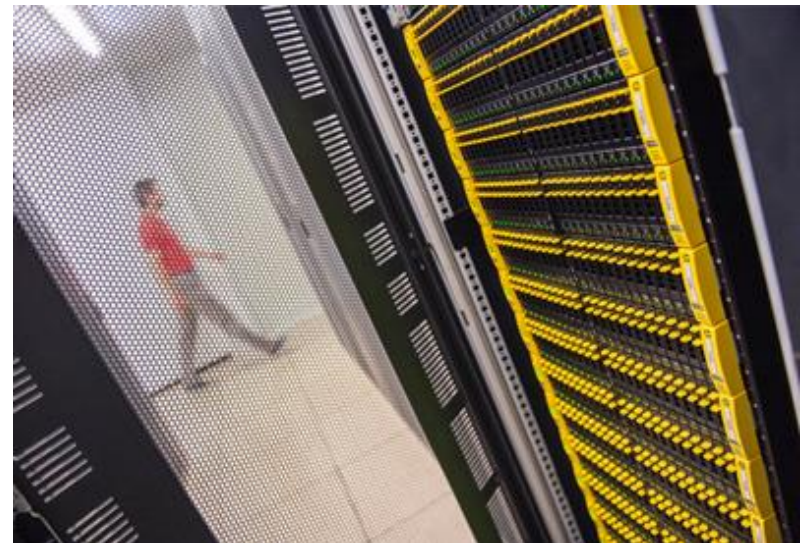
- Belgian fast-growing IT-company with focus on mid-sized companies
- Gimv acquired a 23.6%-stake, next to the management and LRM

INVESTMENT CASE

- Pan-European leading player with solid structure and experienced management team
- Entrepreneurial, customer-centric company culture
- Active in the higher-growth segments of the IT-market
- Well-positioned to capitalize on emerging IT-trends
- Excellent track-record of both organic and external growth
- Clear ambition to double in size within the next five years

OPPORTUNITIES FOR VALUE CREATION

- (Geographical) market share expansion
- Continued rollout of outsourcing offering
- Disciplined buy-and-build
- Unlock free cash flow potential
- Build a clear equity story



Achtung: Straßenarbeiten !

- German full-range provider of passive road safety equipment
- Gimv acquired a significant majority stake, next to the management team

INVESTMENT CASE

- Leading position in the passive road safety niche in DACH
- Product offering and value added services that distinguish it from competitors
- Growth market driven by increasing traffic, more investments in road infrastructure and safety concerns
- Significant barriers to entry
- Potential for further internationalisation
- Possible expansion into adjacent road safety markets, potentially through acquisitions

OPPORTUNITIES FOR VALUE CREATION

- Strengthen core business
- Internationalisation of sales
- Expansion of scope of activities through buy & build
- Further operational improvements



1H results bode well for another strong year

Annualised
portfolio return
17.2%

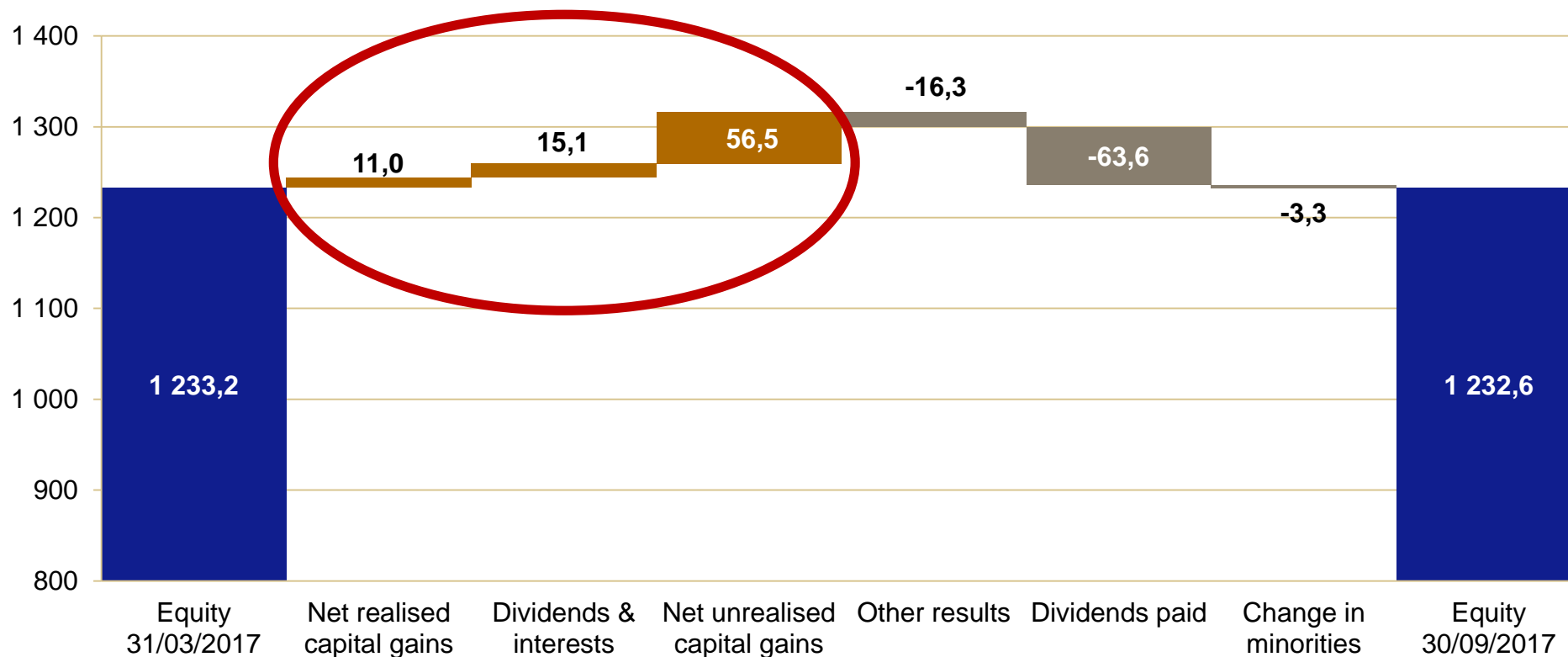
Net profit
EUR 62.6 mio

Equity (NAV)
EUR 1 233 mio
EUR 48.5 per share

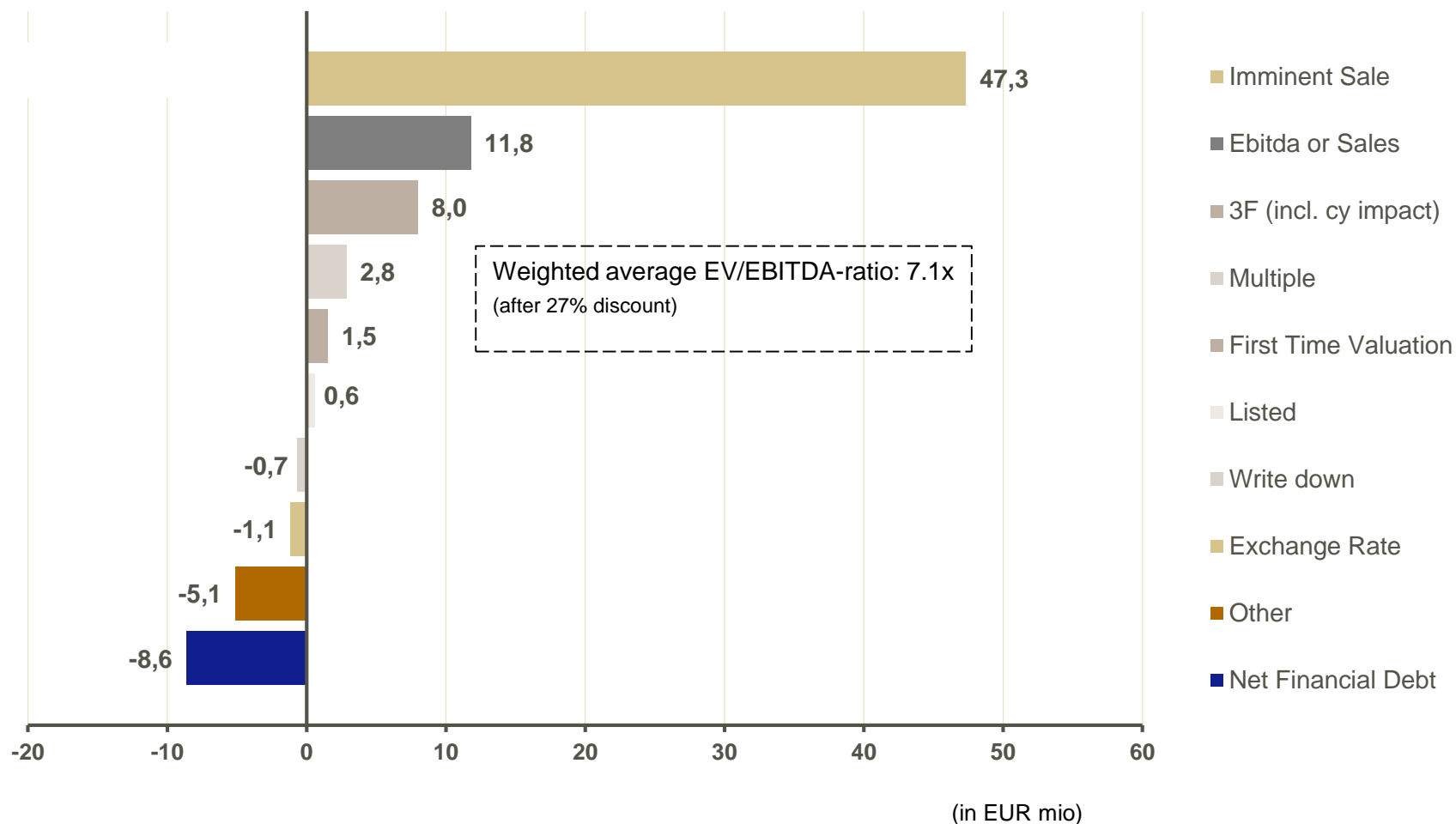
Annualised
return on equity
10.2%

Annualised ROE of 10.2% driven by strong portfolio result

Portfolio result of EUR 82.6 mio
= 17.2% annualised portfolio return

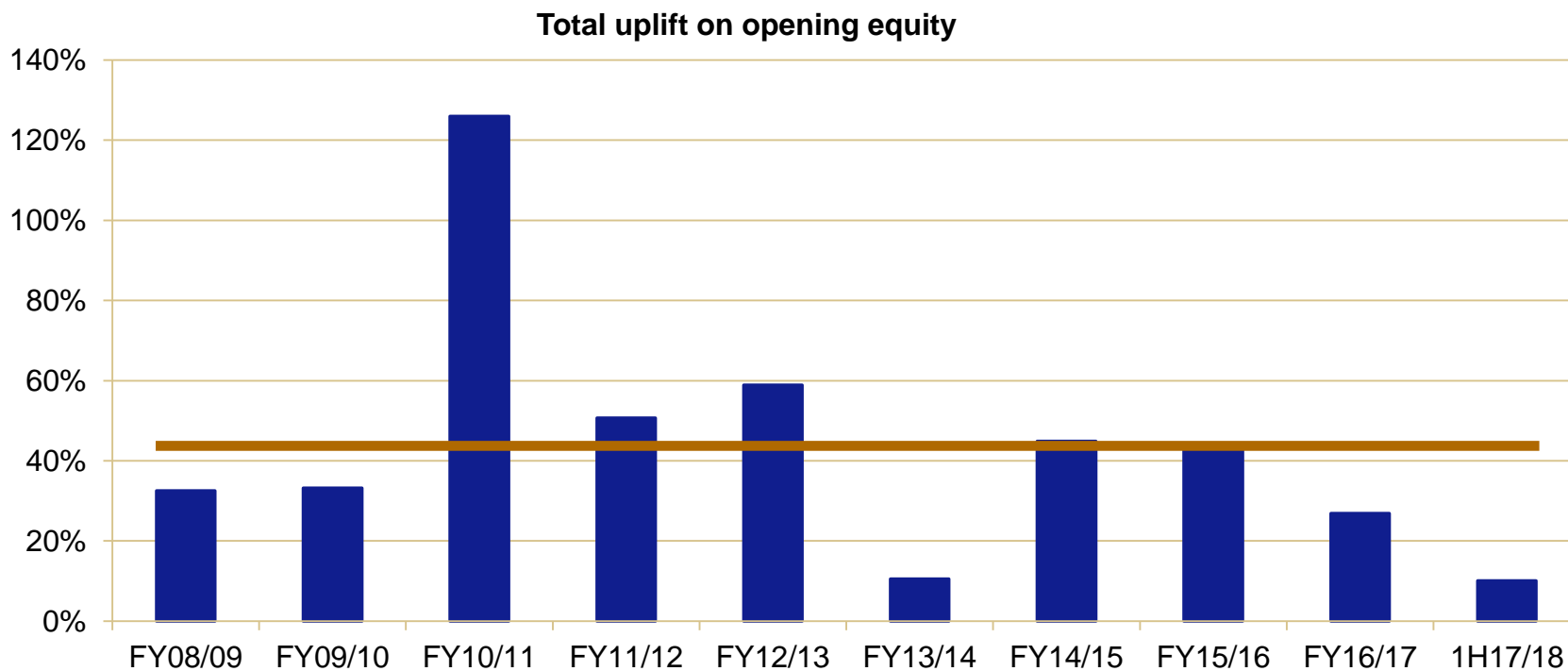


Unrealised results driven by upcoming exits and portfolio performance

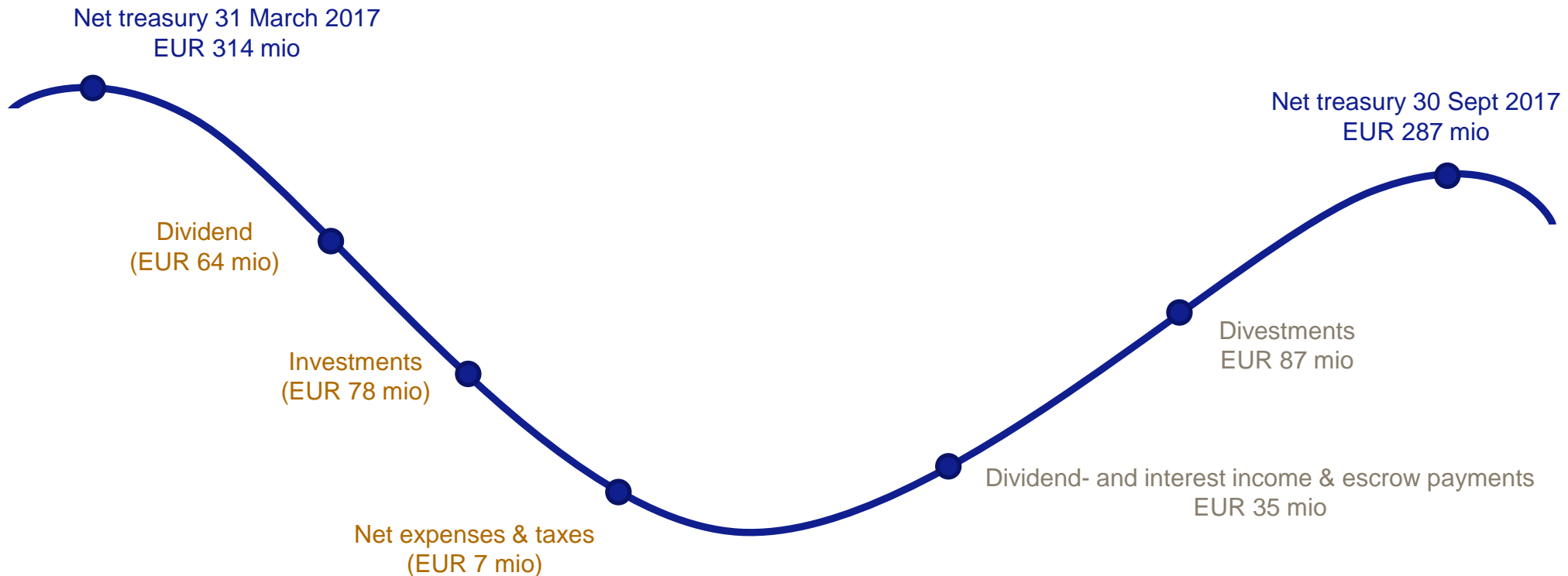


Uplift on exits confirmed

- Proceeds from 1H 2017-18 divestments (incl. income received): EUR 88.3 mio
- Uplift on opening equity of 31 March 2017: 10.1%



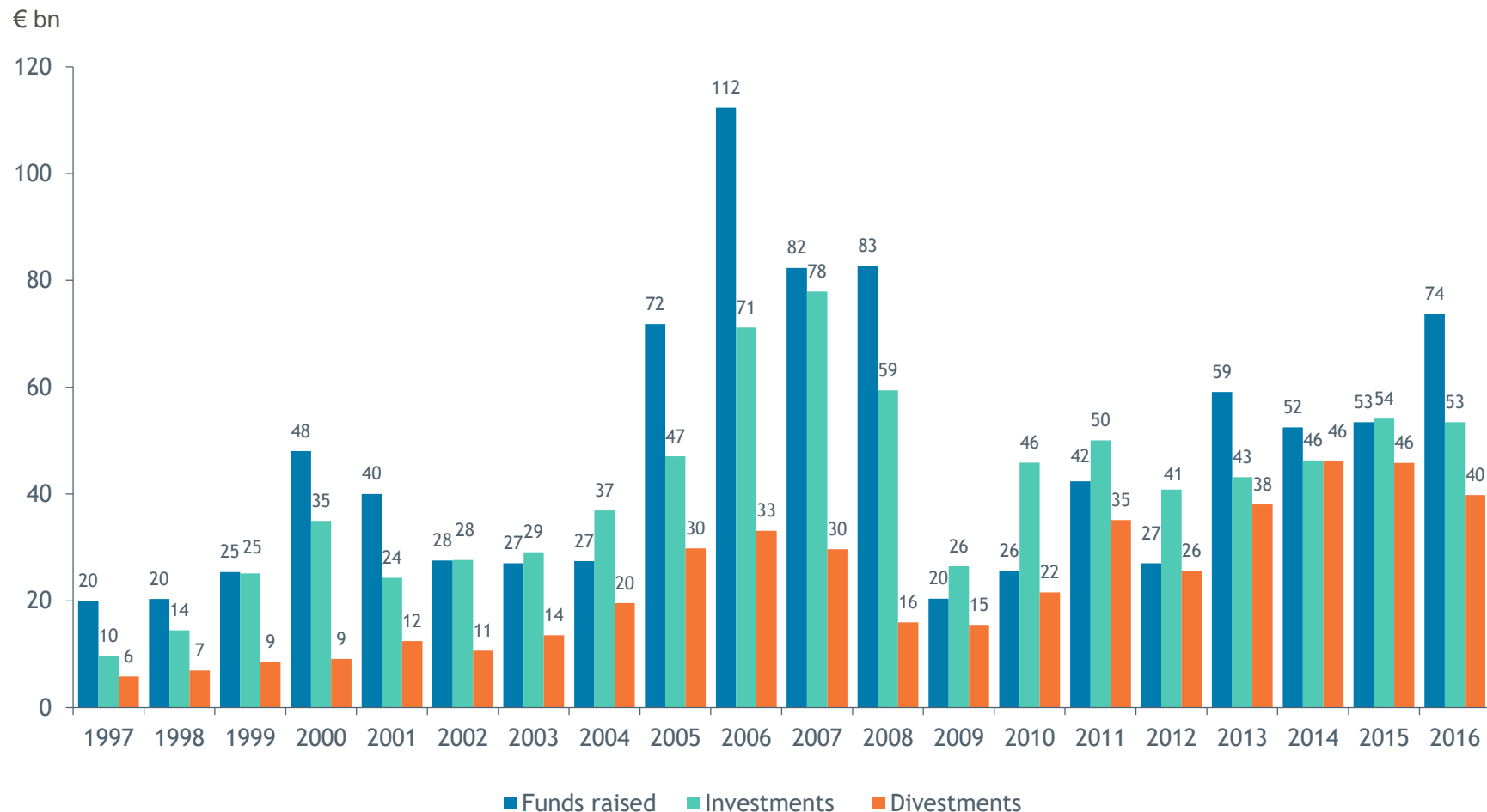
Our sound financial position offers flexibility and investment power





2. How to make the difference in a seller's market?

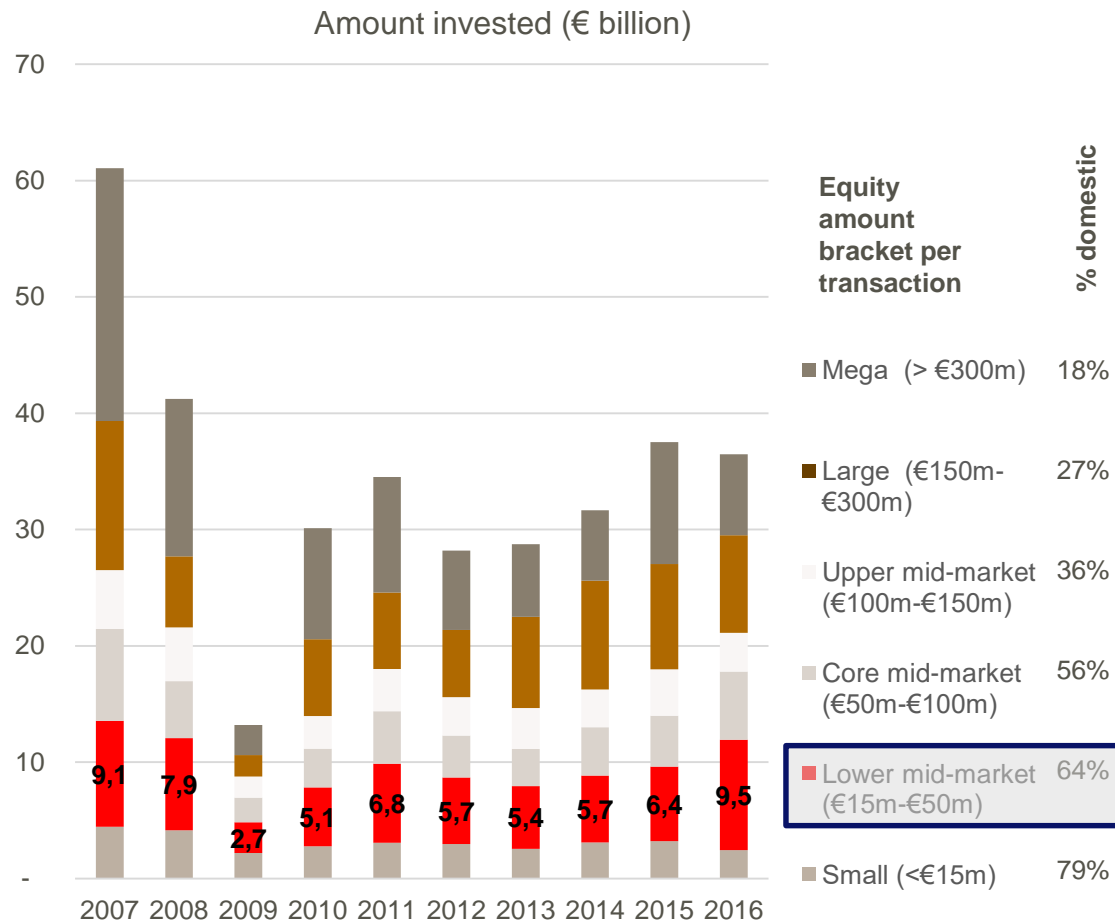
Private Equity in Europe: Fundraising, Investments & Divestments at cost



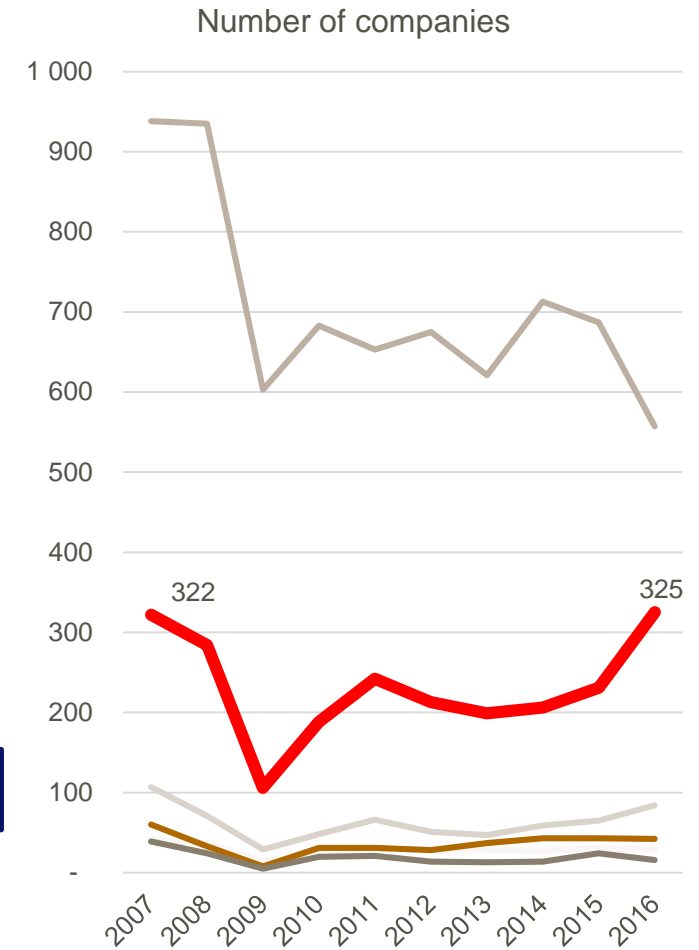
Source: Invest Europe / Thomson Reuters (2000-2006) & Invest Europe / EDC (2007-2016)

Lower Mid-Market investments are on the rise

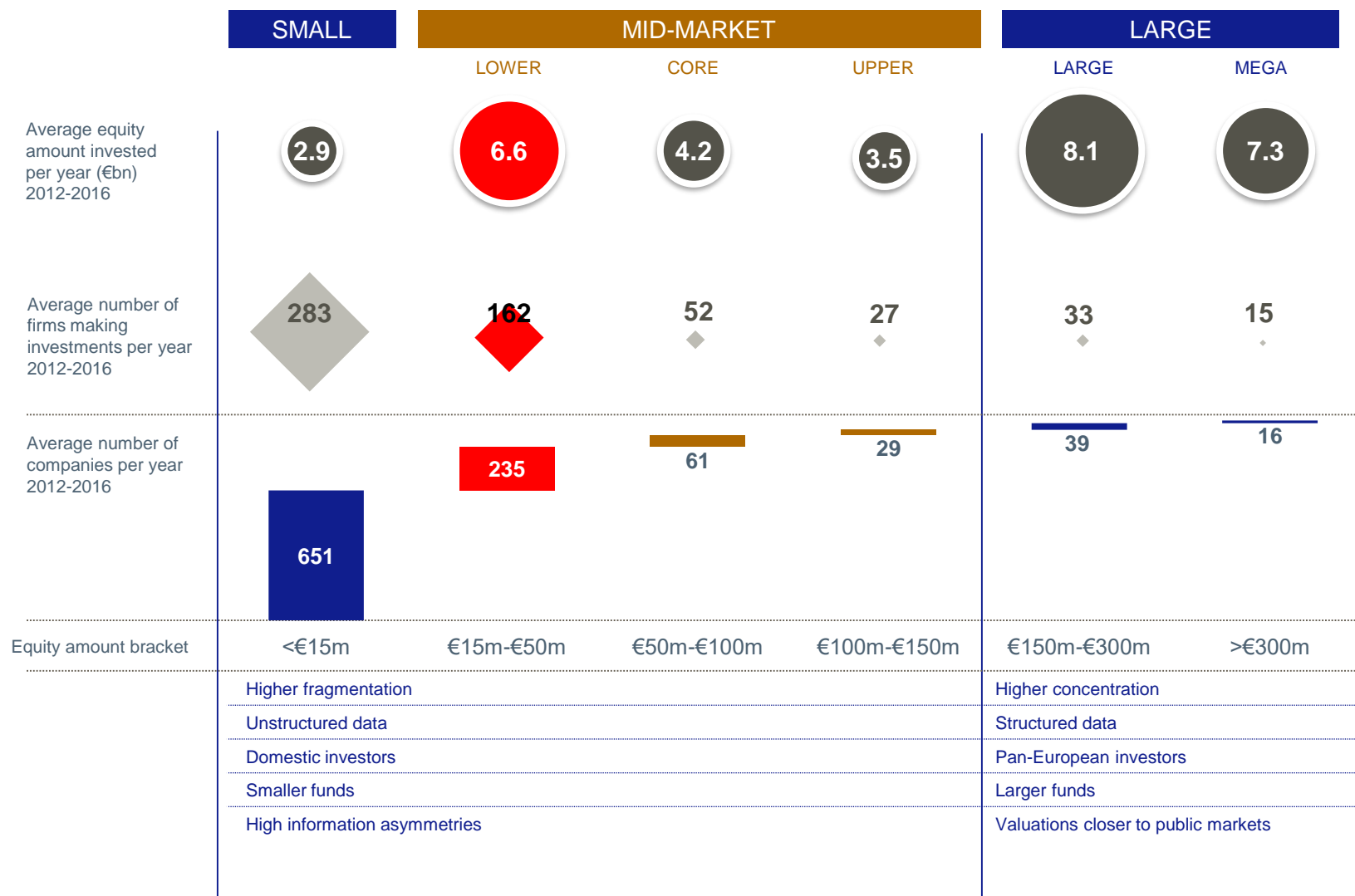
Buyout investments in Europe by equity amount bracket



Source: Invest Europe/EDC



How deep is the European buyout market?

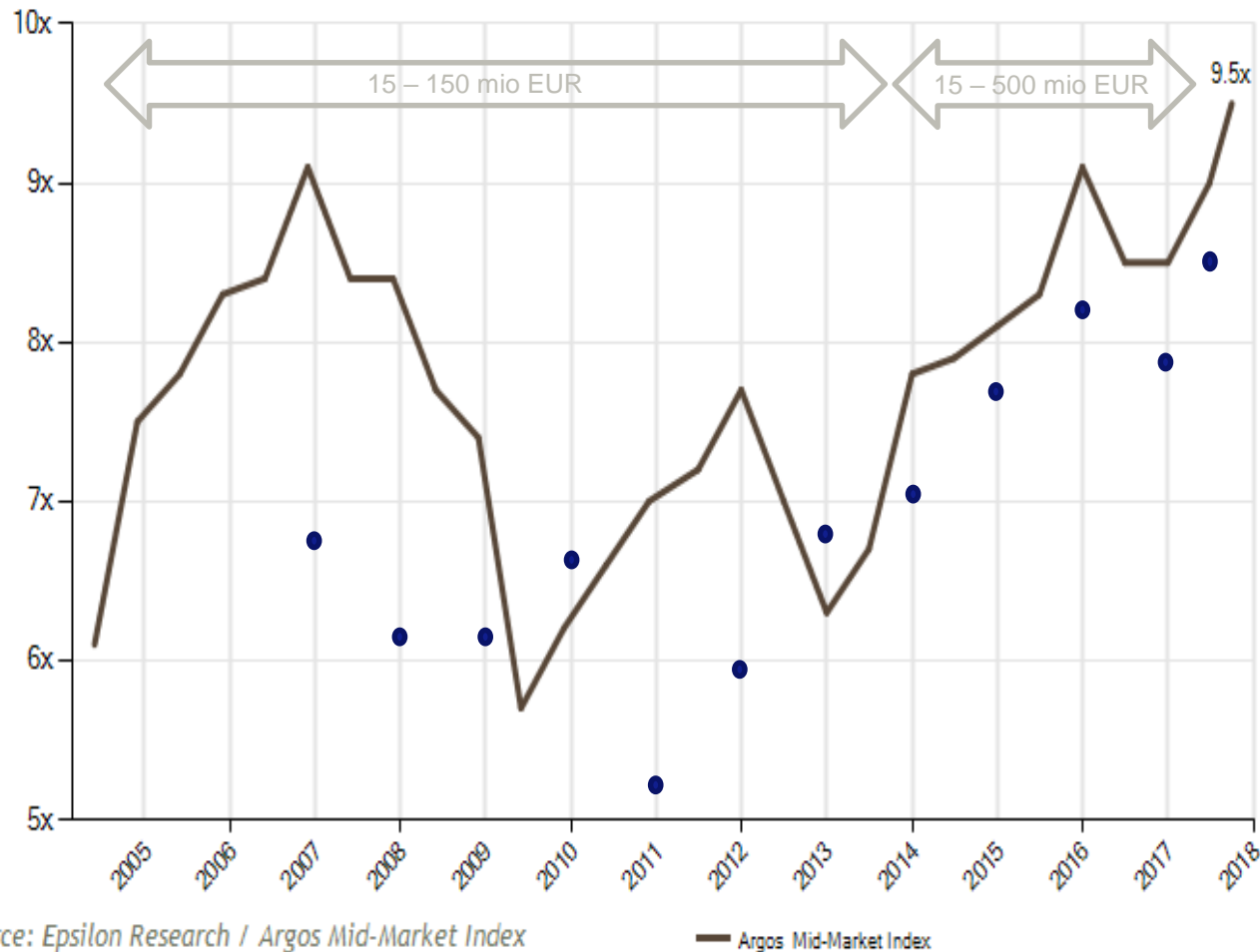


Source: Invest Europe/EDC

Valuations are high

Indice Argos Mid-Market

Evolution of the EV/EBITDA historic, 6 months rolling basis



Competition from:

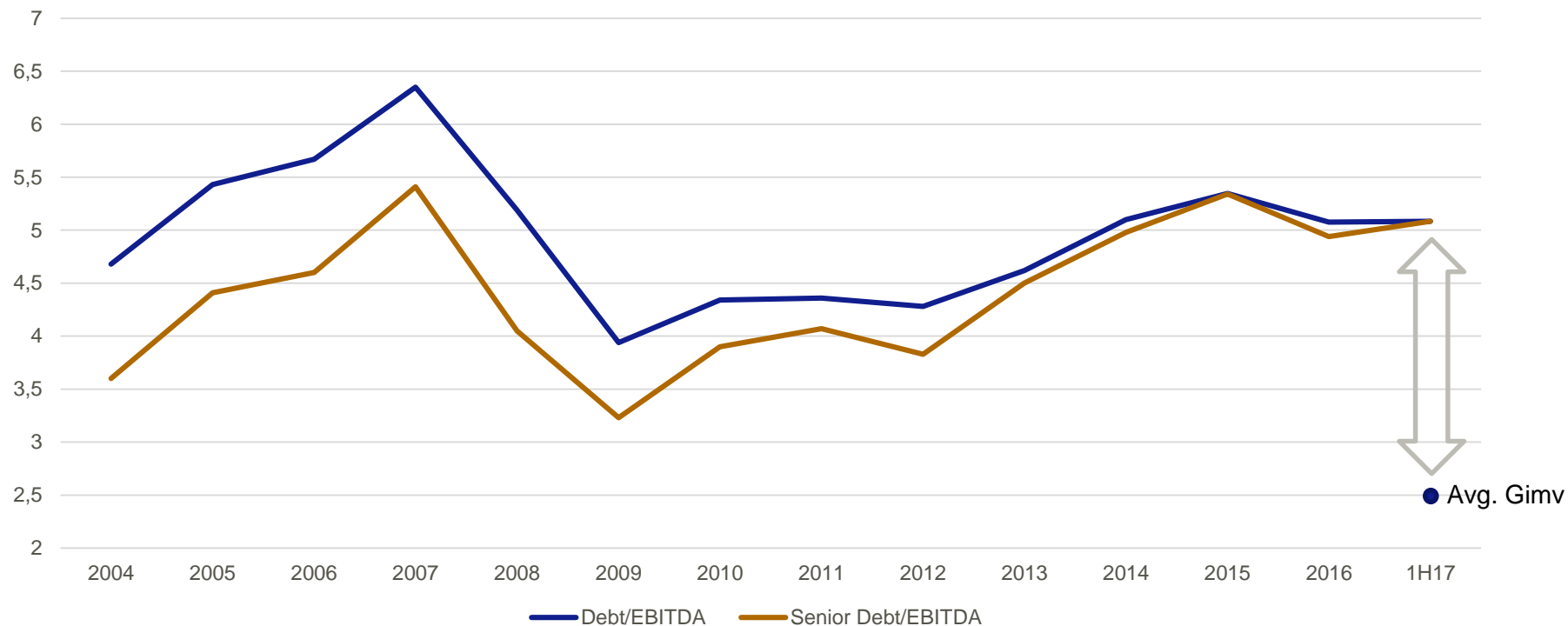
- New funds
- Larger funds
- Other strategic buyers
- Family Offices (direct)
- Small and Mid cap M&A
- ...

● Avg. entry multiple Gimv

Debt multiples have not reached again the peak of 2007

Debt/EBITDA

Credit Stats for buyouts (based upon pro forma financials)



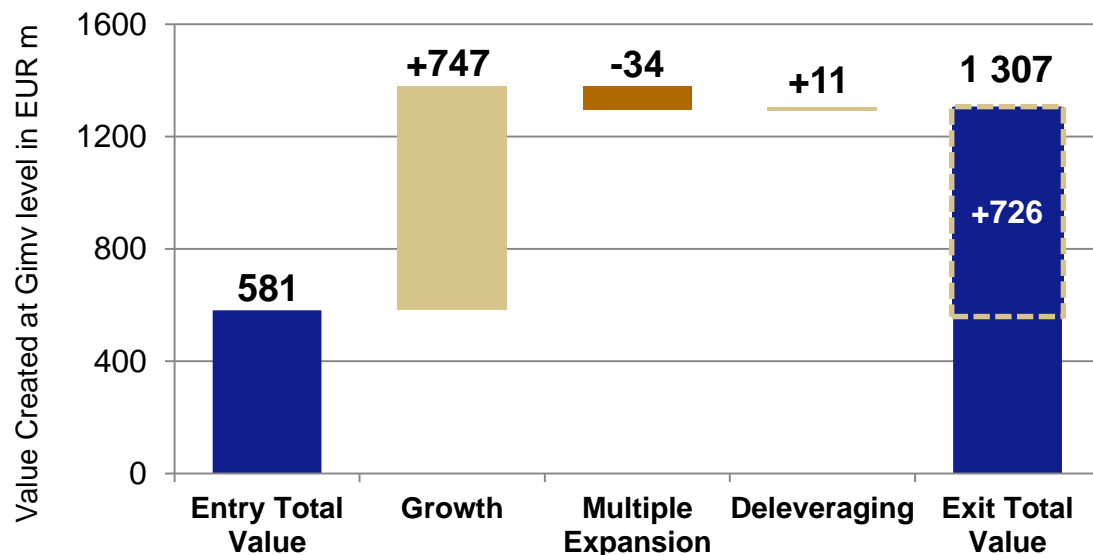
Source: LCD, an offering of S&P Global Market Intelligence

Are we prepared?

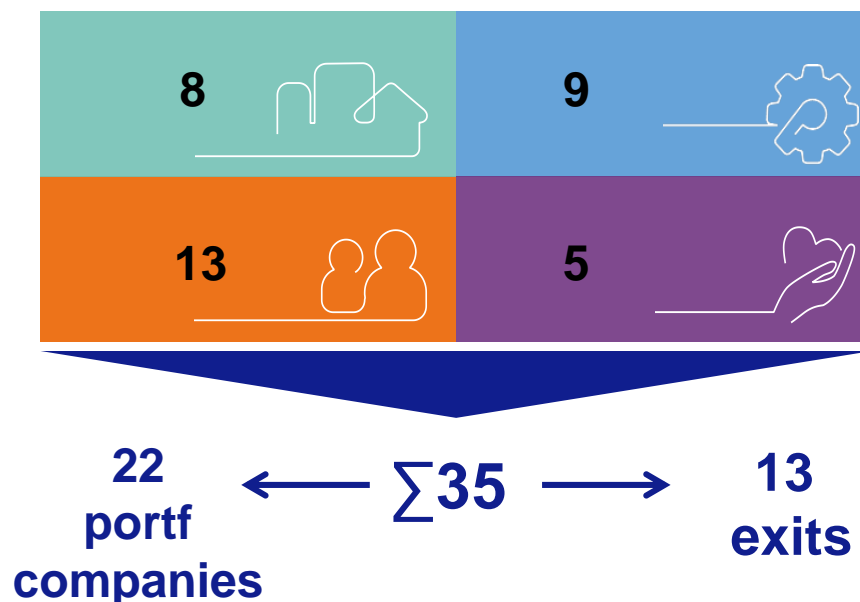
- A **focused platform strategy** that is up and running
- Continued efforts on (pro)active **deal sourcing** and creating **intimacy with management** to find sweet spot investment opportunities
- Remain **selective** by investing **growth equity** in **entrepreneurial companies**, determine value creation potential based on platform **specialisation**, with international **teams having industrial skills**
- Further elaborate active and structured portfolio management and **value creation** approach through 180 days plan and full potential meetings
- Secure **sufficient liquidity and funding** to anticipate on a potential financial and economic downturn

Overall, growth is the main value driver in Gimv's portfolio

Value Drivers - Overall



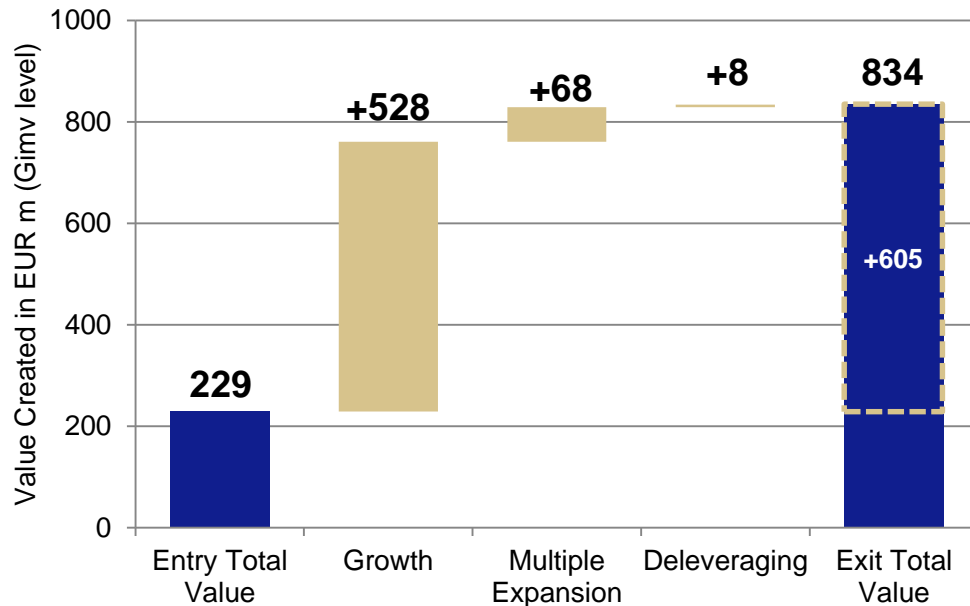
Data Sample



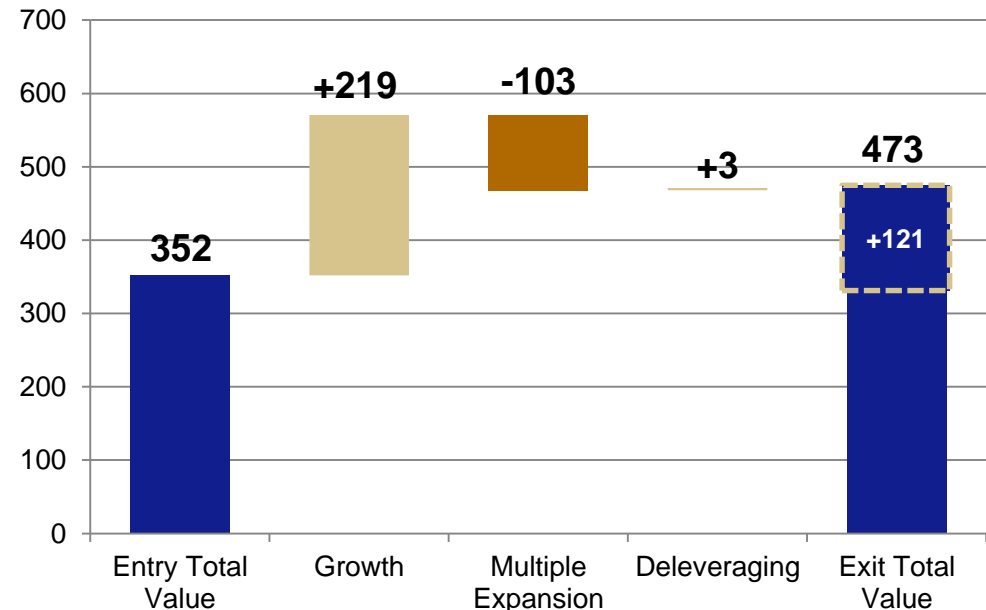
- Practically all value increase comes from **growth** (EBITDA/Sales growth)
- Data sample consists of **35 participations**
- Data sample contains **all exits in the period 2014-16** as well as the **platform investments** still in portfolio for which value creation already shows (pre-2016)

Exits account 83% of value creation, growth is key driver for both exits and current portfolio

Value Drivers - Exits Only



Value Drivers - Portfolio Only



- Value creation of EUR 605 m through 13 exits, and EUR 121 m in current portfolio (at 31 March 2017)
- Contribution of multiple expansion becomes more evident on exits (implicitly also part of value creation)
- For both groups, very low contribution of deleveraging
- Analysis on current portfolio impacted by illiquidity discount on multiple

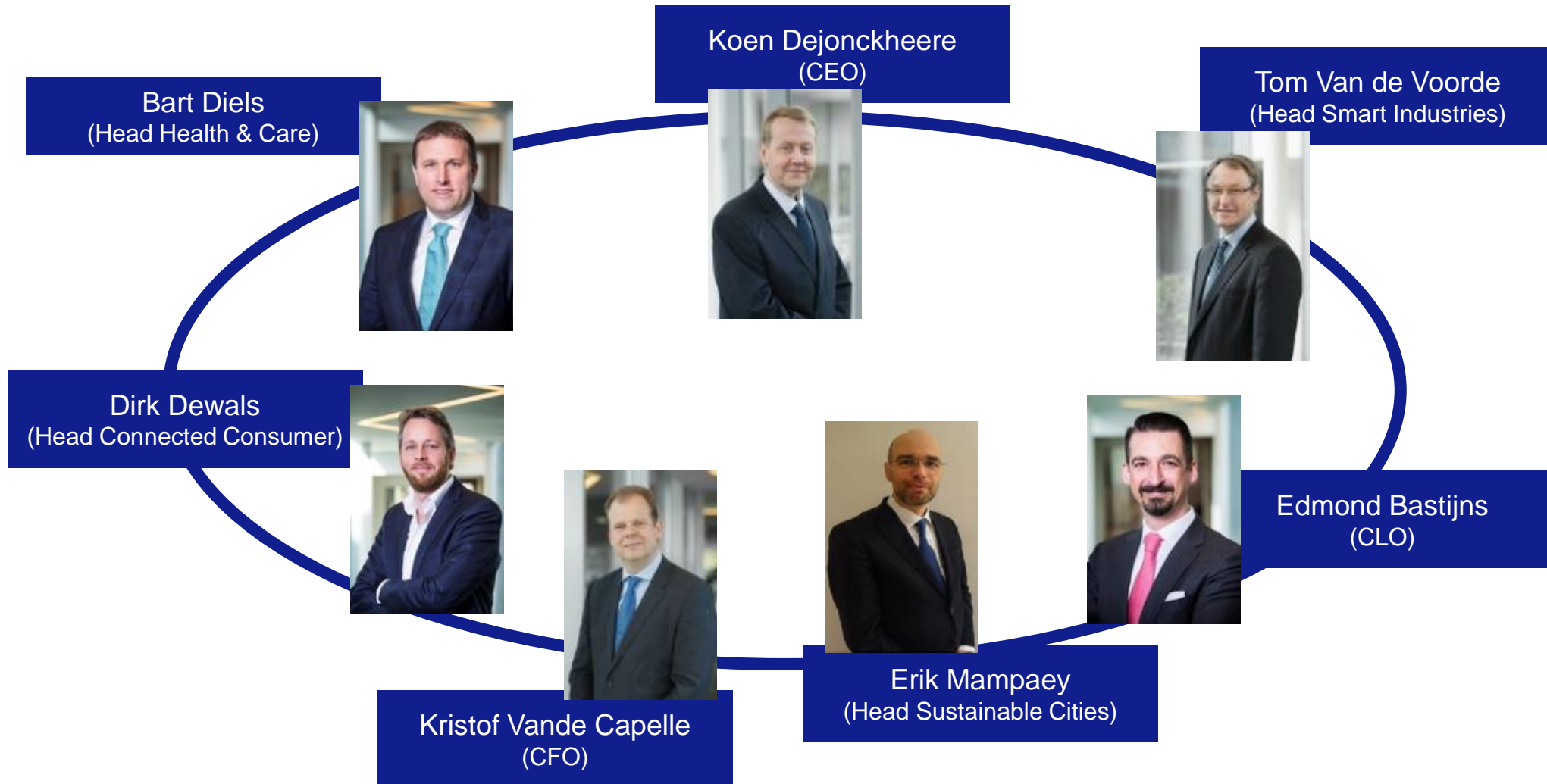


3. A fit-for-the-future company builder

A fit-for-the-future organisation

- Focused and inspired platform approach
- International next-generation platform teams
- With a lean Executive Committee
- Strong and fast commercial approach
- Clear & light reporting and decision structures
- All focus on our core : **invest & add value**

The Executive Committee: lean and close to the business





4. Wrap-up

Key conclusions

Portfolio return again well-above target

Continued new investments and industry-driven exit activity in all platforms

First half results bode well for another strong year

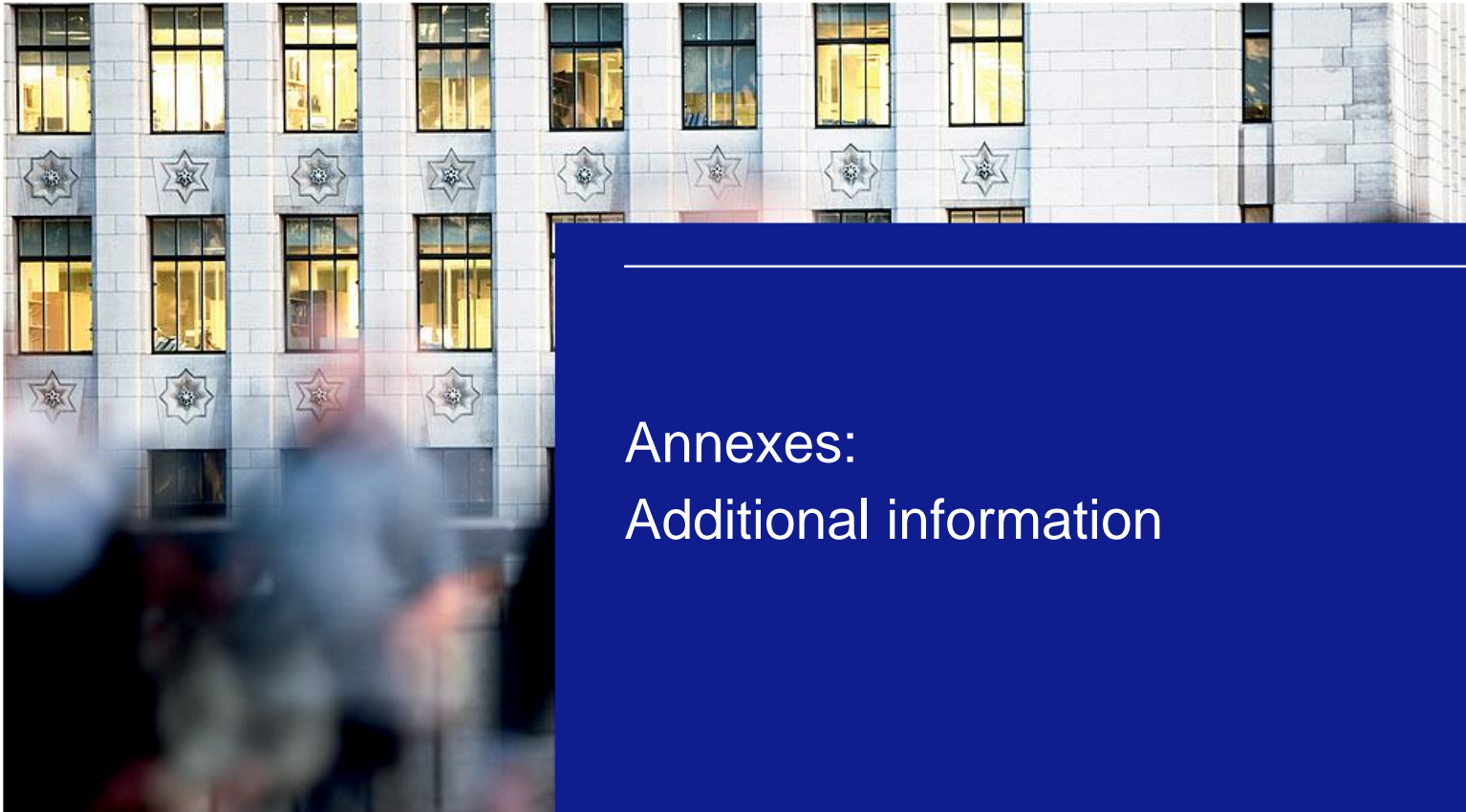
Specialisation, selectivity and pro-activity key in today's markets

Growth is key driver for Gimv's value creation

Next-generation platform teams with a lean support structure

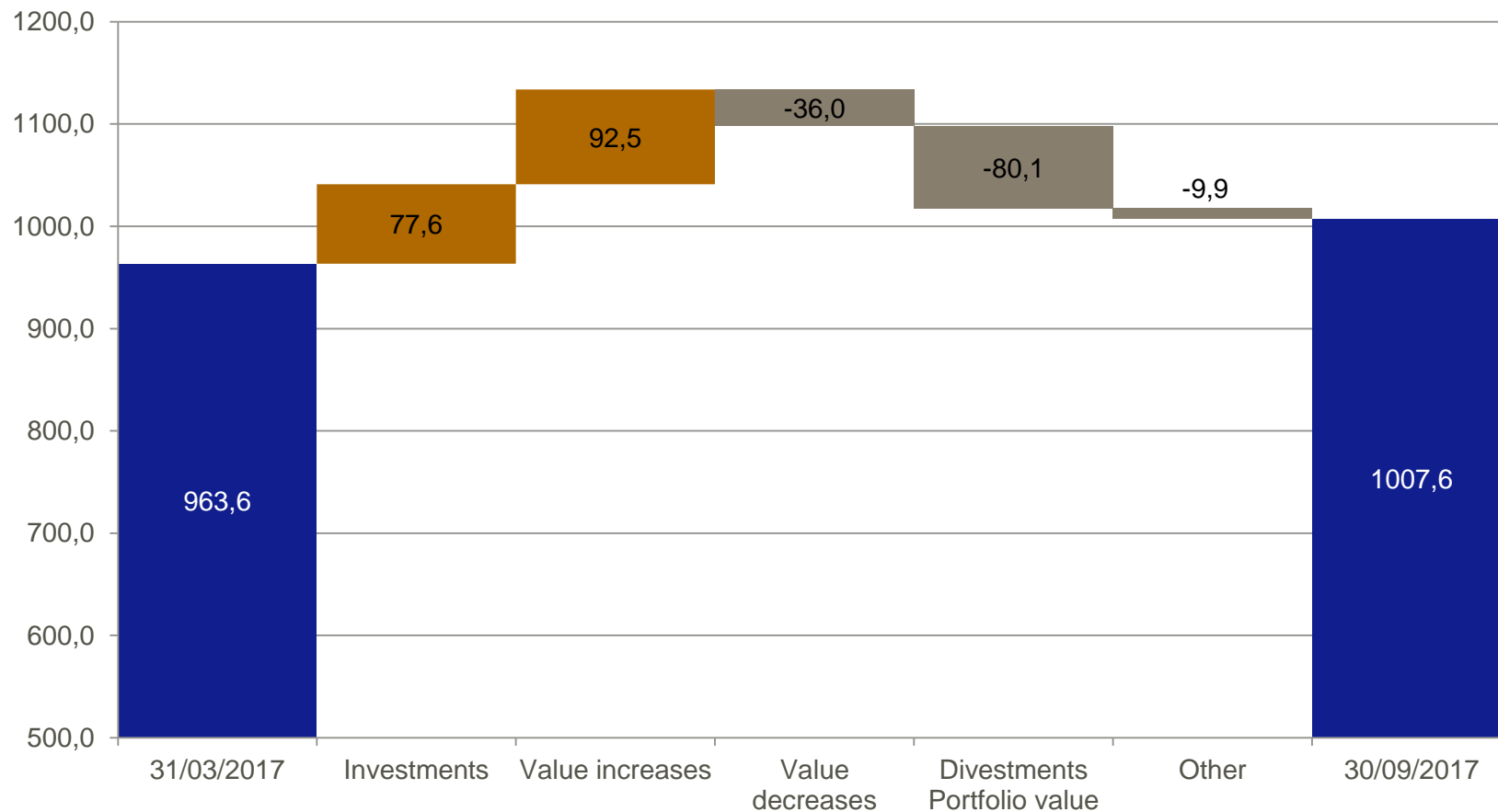


Questions & Answers











Annexes: Additional information

Total investment portfolio increases to EUR 1 billion



(in EUR mio)











Twenty largest investments make up 58% of portfolio (based on NAV of 30 September 2017) > rank 1 to 5

Company	Activity	Platform	Location	Entry
	Specialised clinics	Health & Care 	France	2013
	HVAC solutions in residential renovation and new build markets	Sustainable Cities 	The Netherlands	2016
Grandeco	Wall covering producer	Connected Consumer 	Belgium	2007
LUCIAD	Provider of Geospatial Awareness software	Smart Industries 	Belgium	2013
	Independent beer group	Connected Consumer 	The Netherlands	2015
Subtotal NAV 5 largest investments (in EUR mio)				237

24% of total
portfolio value =











237

Twenty largest investments (ctd) > rank 6 to 10

Company	Activity	Platform	Location	Entry
 MACKEVISION	3D visualization, animation and visual effects	Smart Industries 	Germany	2014
 the benefits of nature inside	Solutions for glass daylight constructions, ventilation & fire safety systems	Sustainable Cities 	The Netherlands	2015
	Production of substrate for the cultivation of mushrooms	Connected Consumer 	The Netherlands	2012
 POSITIVE DESIGN	Premium baby strollers	Connected Consumer 	The Netherlands	2016
	European ICT service provider	Smart Industries 	Belgium	2017
Subtotal NAV 10 largest investments (in EUR mio)				383











38% of total
portfolio value =

Twenty largest investments (ctd) > rank 11 to 15

Company	Activity	Platform	Location	Entry
	Plastic pallet pooling	Sustainable Cities 	Belgium	2016
	Inspection and certification services for buildings	Sustainable Cities 	France	2016
	Medical device company active in spine surgery	Health & Care 	Switzerland	2016
	Software solution company	Sustainable Cities 	Belgium	2013
	Roll and flatbed digital cutting machines	Smart Industries 	Belgium	2016
Subtotal NAV 15 largest investments (in EUR mio)				499

50% of total
portfolio value =

Twenty largest investments (ctd) > rank 16 to 20

Company	Activity	Platform	Location	Entry
 SNACK CONNECTION	Leading nut supplier	Connected Consumer 	The Netherlands	2017
 ansea	Transport & logistic services	Sustainable Cities 	Belgium	2014
 ALT TECHNOLOGIES	Leading supplier of airbag components	Smart Industries 	The Netherlands	2017
 mega Managing Enterprise Complexity	Provider of business and IT transformation software	Smart Industries 	France	2016
 eurocept pharmaceuticals	Specialty pharma & medical homecare	Health & Care 	The Netherlands	2013
Total NAV 20 largest investments (in EUR mio)				589

58% of total
portfolio value =

Growth at portfolio companies and strong industrial buyers' appetite lead to excellent portfolio performance and strong 1H result of EUR 63 mio

IFRS	1H 16/17	2H 16/17	FY 16/17	1H 17/18
Net group results	85,1	46,8	131,9	62,6
Investments (balance sheet)	116,0	63,6	179,6	77,6
<i>Investments (incl. FuM)</i>	128,7	67,1	195,8	83,5
Divestments (balance sheet)	341,8	52,6	394,3	87,0
<i>% of portfolio that was divested</i>	26,7%	4,1%	30,8%	8,3%
<i>Divestments (incl. FuM)</i>	642,5	65,3	707,8	109,9
Equity – group share	1.191,0	1.233,2	1.233,2	1.232,6

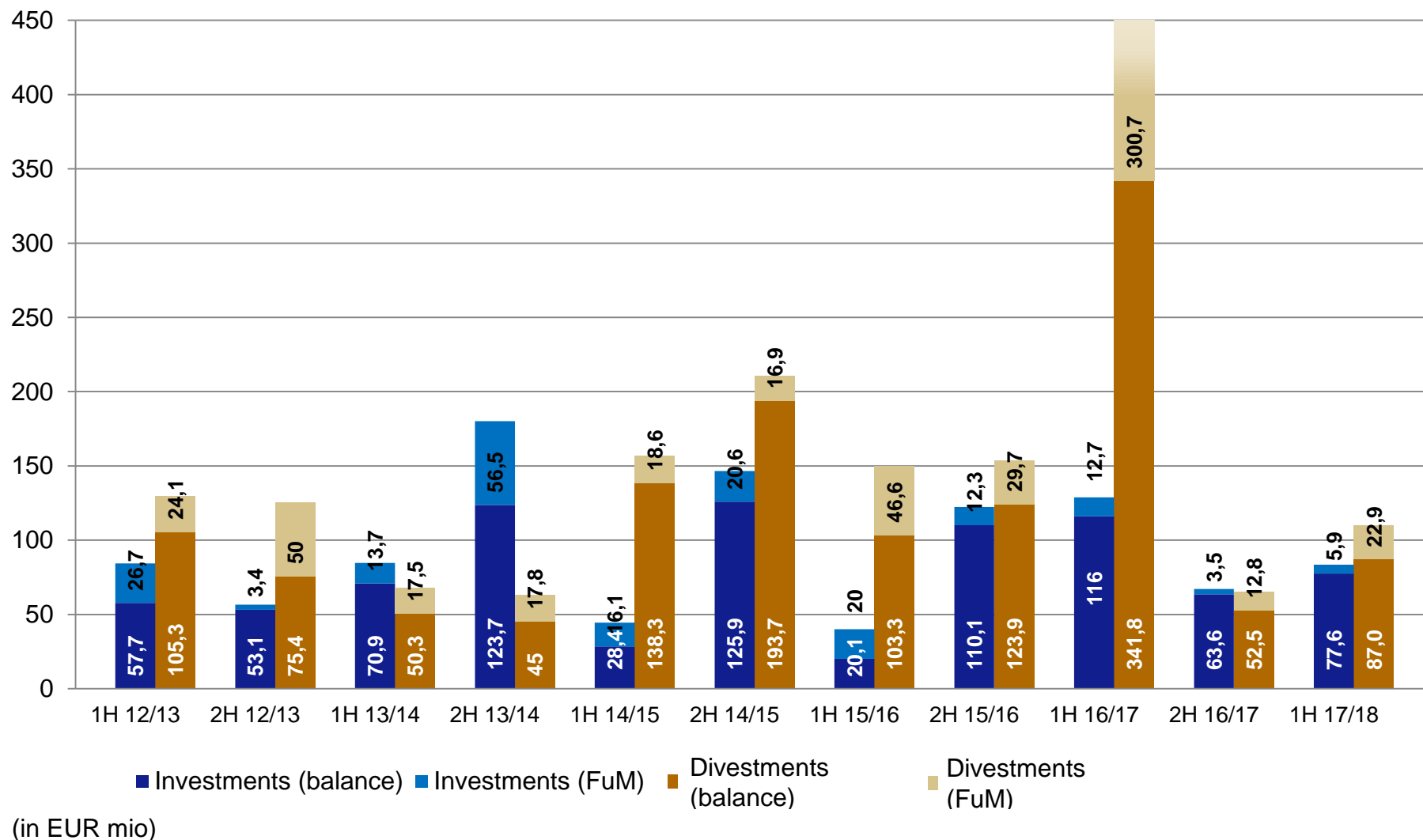
(in EUR mio)

Equity matrix: diversified portfolio with 53 companies

Business Unit Region	Connected Consumer	Health & Care	Smart Industries	Sustainable Cities	Third party funds	Other participations (incl. infra)	Total	Net treasury & other net assets	Equity group
Belgium	57,7	13,2	111,6	80,3	6,3	55,1	324,4		
France	41,5	68,8	26,4	23,8	25,2	0,0	185,6		
The Netherlands	114,3	34,3	25,3	84,6	0,0	0,2	258,8		
Germany	0,0	9,8	38,8	0,0	74,0	0,5	123,1		
Rest of Europe	0,0	34,8	0,0	0,0	48,9	0,3	84,0		
<i>Europe</i>	213,5	161,0	202,2	188,7	154,4	56,1	975,8		
US	0,0	2,3	0,0	0,0	4,2	0,0	6,6		
RoW	1,5	0,0	0,0	0,0	23,7	0,0	25,2		
Total portfolio	215,0	163,3	202,2	188,7	182,3	56,1	1.007,6		
<i>Of which listed</i>	0,0	0,0	10,3	0,0	0,0	27,9	38,1		
Net treasury & other net assets								225,0	
Equity group									1.232,6

(in EUR mio)

Continued strong investment and exit activity in all platforms



Above-average portfolio return driven by consistent strong performance portfolio companies and high industrial appetite leading to successful exits

	Connected Consumer	Health & Care	Smart Industries	Sustainable Cities	Other portfolio(i)	Total
Realised gains & losses	6.5	0.3	1.1	0.4	2.7	11.0
Unrealised gains & losses/impairm.	3.3	11.4	31.3	4.3	6.2	56.5
Dividends/interests	1.5	1.8	2.2	3.2	6.4	15.1
Total portfolio result	11.3	13.5	34.7	7.8	15.3	82.6
Return on opening portfolio	5%	10%	19%	4%	6%	9%

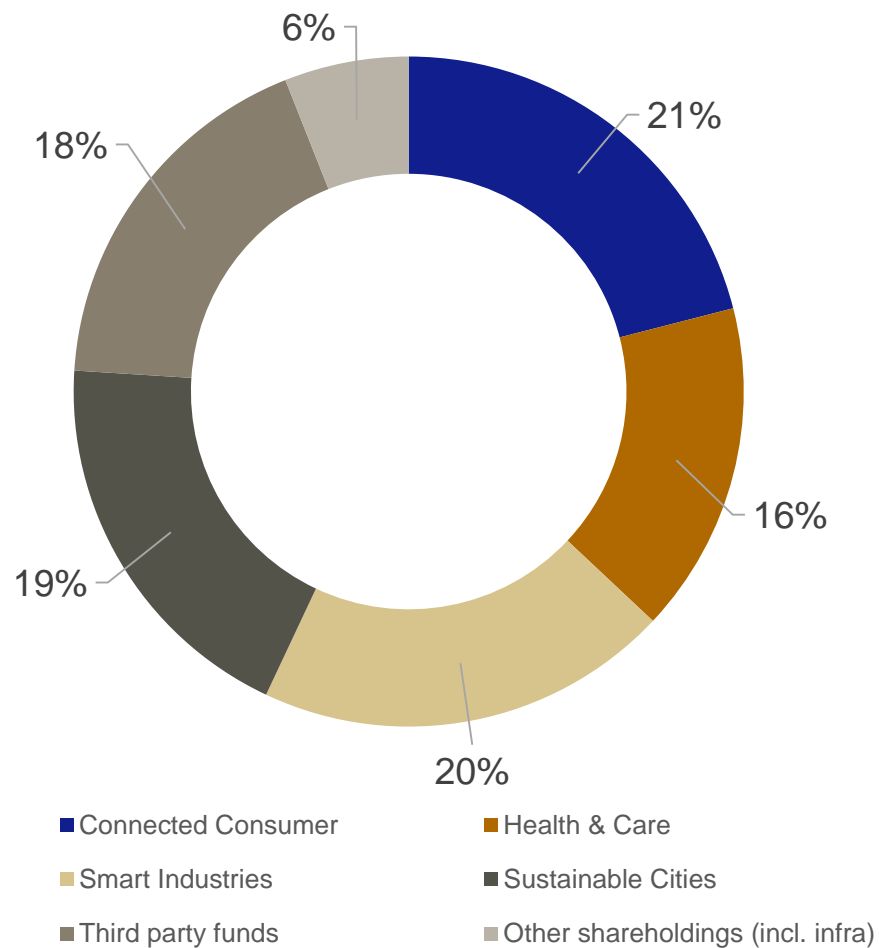
(in EUR mio)

= 17,2% annualised

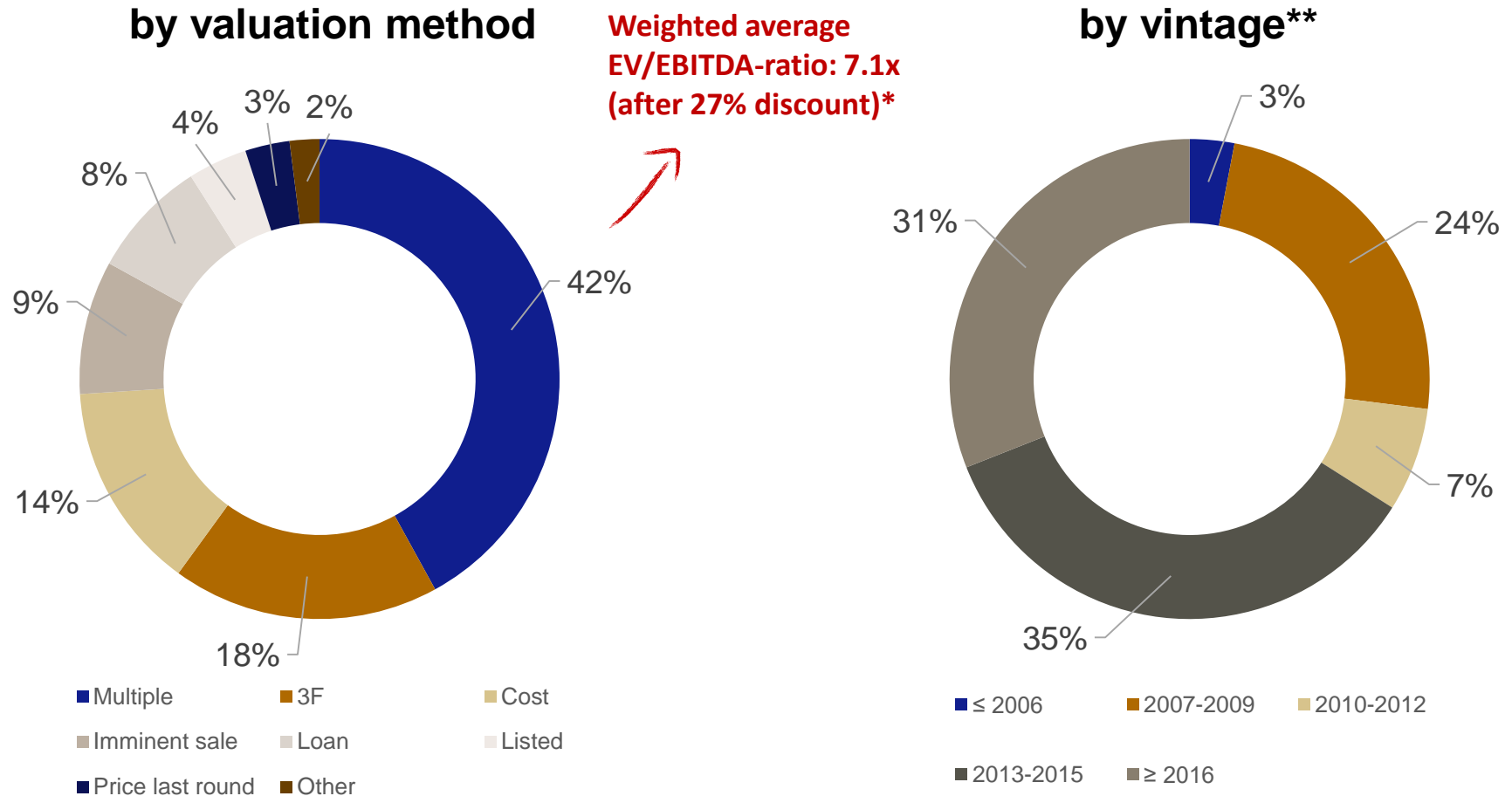
Platform portfolio return = 18,6% annualised

(1) Including third party funds and infra

53 portfolio companies with a value of EUR 1 billion



Younger portfolio: 1/3 was newly invested over the past 2 years



* With average DEBT/EBITDA-ratio of 2.4x

** related to the year of initial investment

53 companies with a value of EUR 1 billion



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CONTACT

Frank De Leenheer T +32 3 290 22 08 frank.deleenheer@gimv.com

Belgium

Gimv nv

Karel Oomsstraat 37
2018 Antwerpen

T +32 3 290 21 00

The Netherlands

Gimv Nederland Holding BV

Berlage-Huis
Groenhovenstraat 2
2596 HT Den Haag
T +31 70 3 618 618

France

Gimv France SAS

83, rue Lauriston
75116 Paris
T +33 1 58 36 45 60

Germany

Gimv

Promenadeplatz 12
80333 München
T +49 89 442 327 50

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