



Press conference / Analyst meeting FY 2017/2018 - results

Brussels, 24 May 2018



Gimv Group's results FY 2017-2018

CEO Koen Dejonckheere
CFO Kristof Vande Capelle

FY results marked by profitable exits and record investments



Result supported by strong portfolio performance

- Portfolio return above target, with strong trading at our portfolio companies
- Record investment activity, with 12 new portfolio companies, leading to a younger portfolio of about EUR 1 billion
- High industrial appetite results in successful exits with strong capital gains
- Another strong year



The European private equity market into perspective

- Lower mid market-transactions are on the rise
- Increased debt levels & covenant-light driven by widely available money and low default rates
- Growth is the key value driver at Gimv
- Selectivity & continued efforts for (pro)active deal sourcing are key



1. FY results
supported by strong portfolio performance

Key messages results



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



High industrial appetite results in successful exits with attractive capital gains



Record investment activity, with 12 new companies being added, leads to younger portfolio



FY results illustrate another strong year

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

- **Gross portfolio return of 16%**
 - Portfolio result of EUR 150.4 million
 - Above-target for the 4th consecutive year
 - Platform portfolio return of 19%
- **High industrial appetite results in successful exits**
- **Consistent solid performance** (revenues and EBITDA) in majority of our portfolio companies and a **strong start** for some of the **newer portfolio companies**

Sales growth
+10%

Ebitda growth
+10 %

Young portfolio
3.5 year duration

Cutting edge technology



Taking advantage of high industrial appetite to seize realisations with strong realised gains

GREENYARD 

Teads 

RES

Almaviva
santé 

 Marco Vasco
Spécialiste du voyage sur-mesure

LUCIAD

 **brakel**
the benefits of nature inside



MACKEVISION

 **WSG**
Well Services Group



Total exit proceeds of EUR 371.1 million

Organic growth and buy & build

- Founded about 40 years ago
- Benelux and UK-market leader (production, installation and maintenance) in the area of daylight access, fire safety and ventilation solutions for commercial and industrial buildings
- Gimv acquired a majority stake in 2015

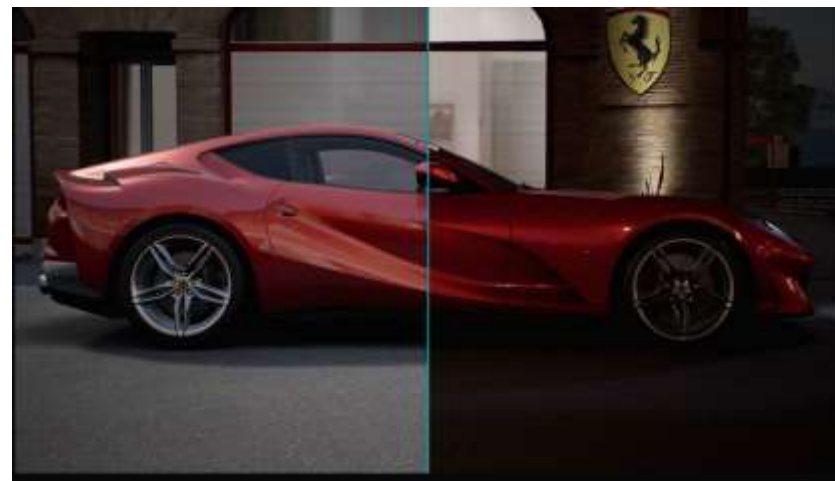
INVESTMENT CASE

- After an intense growth trajectory, consisting of organic growth (launch of new products, increased exports and maintenance revenues), and the acquisition of the Belgian Argina Technics (fire safety), Brakel grew its turnover from EUR 53 million in 2014 to EUR >70 million in 2017, while profitability almost doubled
- Exit to Kingspan in November 2017 resulted in an above-average IRR



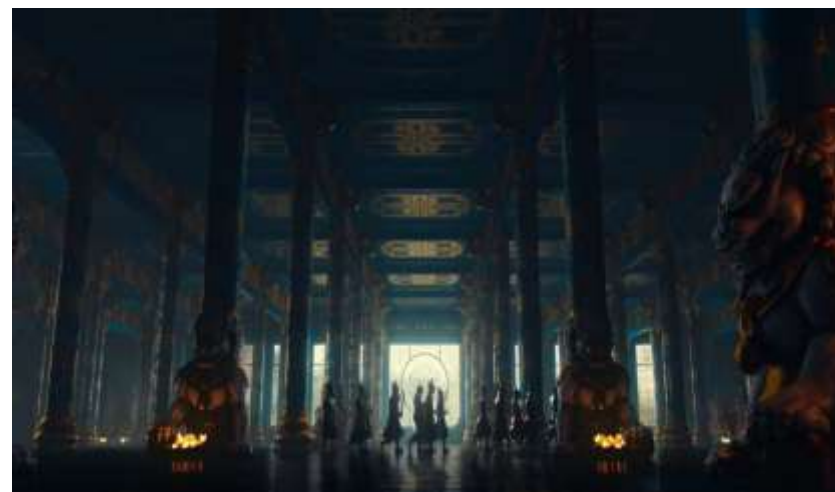
Joint ambitions to implement a growth strategy

- Founded in 1994
- 3D visualization, animation and visual effects (VFX) for images, films and interactive applications
- Award-winning company employing >550 people in its offices in Germany, US, UK, South Korea, China and Japan
- Gimv acquired a majority stake in 2014




INVESTMENT CASE

- Global expansion with opening of subsidiaries in China, South Korea and Japan
- The management team was completed and the company was further professionalised
- Tripling its revenues, global market leadership position and worldwide client references
- The company was sold to Accenture early 2018, resulting in an above-average IRR



Pro-active and ambitious investment strategy leads to record investments



- Several existing portfolio companies benefited from a follow-on investment: Biom'Up, Incendin, Jenavalve, Melijoe, Tinc and Topas Therapeutics
- **Leading to record investments of EUR 246.2 million**
- 1 new investment already took place after the close of the year 

Nuts about nuts

- Established in 2010, employing >100 people in two modern production facilities in The Netherlands
- 2nd largest player in the Dutch private label market for nuts & seeds
- One-stop-shop and customized solutions for retailers and B2B
- Gimv acquired a majority stake, next to the management

INVESTMENT CASE

- A sector that benefits from growing demand for convenience and healthy food
- Continued category growth & expansion
- Ambition to expand across the European market by developing existing customer relationships and by doing acquisitions



Dose your pills and take a deep breath for the next leap

Stioplastics®Healthcaring

- French specialist of plastic medical devices for the healthcare industry
- Gimv and Mérieux Développement together acquired a majority stake, next to the management team
- Employs >90 people on a new industrial site
- Turnover 2017/2018: EUR 21 million

INVESTMENT CASE

- A recognized player in a niche market
- Strong R&D capacities combined with best-in-class production facilities
- Proven track record of sustainable growth
- Solid and committed management team and strong and complimentary investors' syndicate
- Possibilities to grow the company from a local champion to a European player, both organically and by M&A



FY results illustrate another solid year

Portfolio return
15.6%

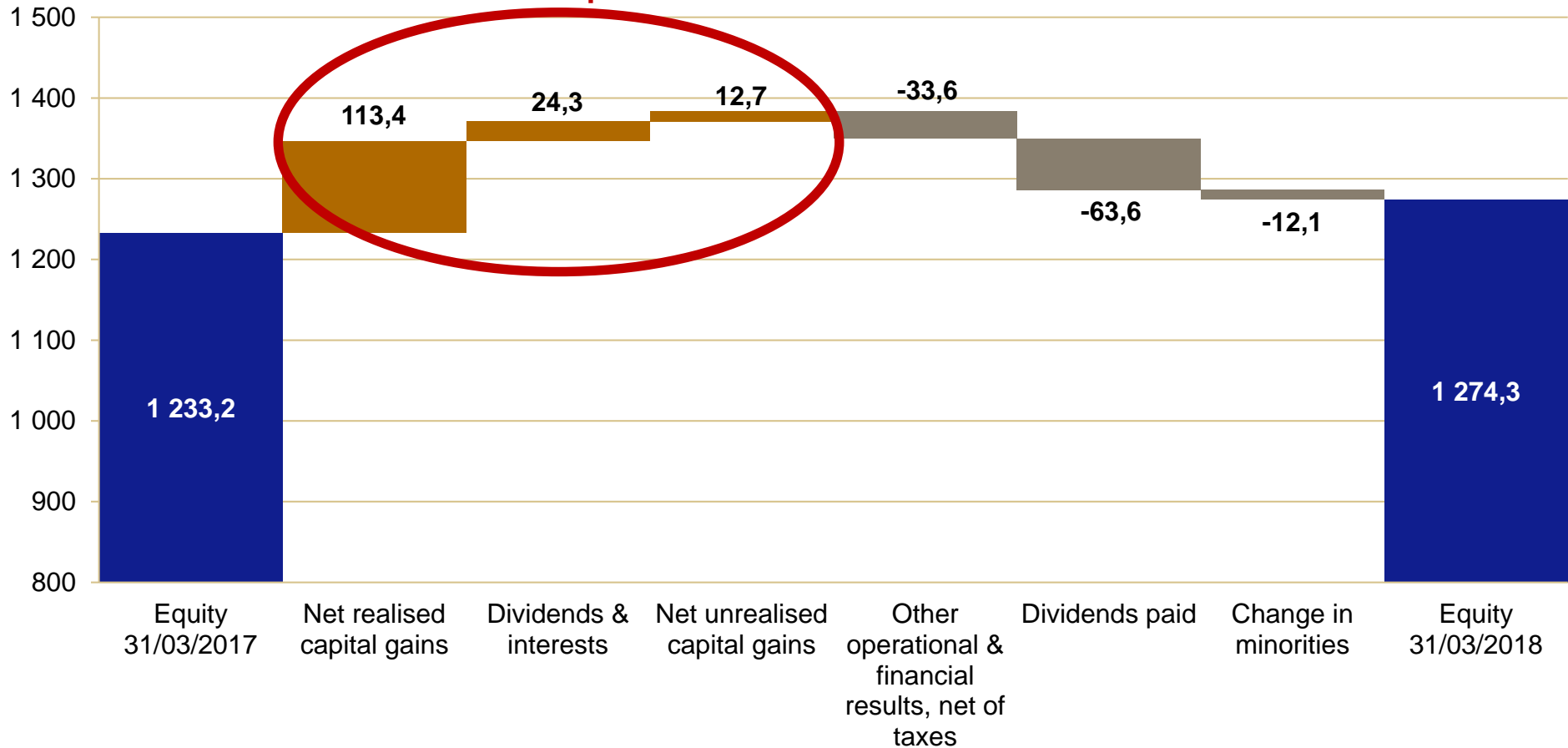
Net profit
EUR 107.1 mio

Equity (NAV)
EUR 1 274 mio
EUR 50.1 per share

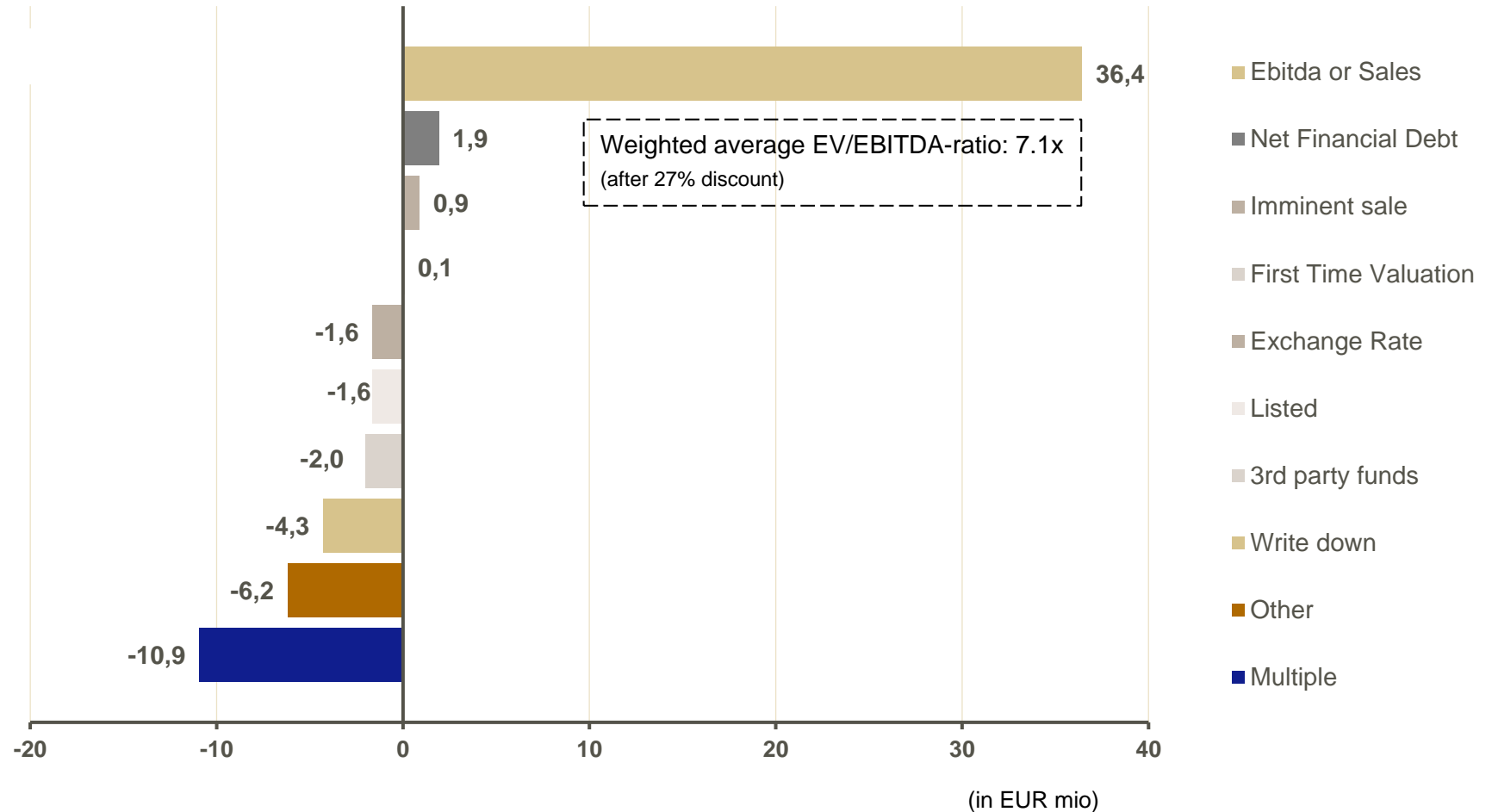
43% uplift on exits

Realised capital gains drive above-average portfolio return

**Portfolio result of EUR 150.4 mio
= 15.6% annualised portfolio return**

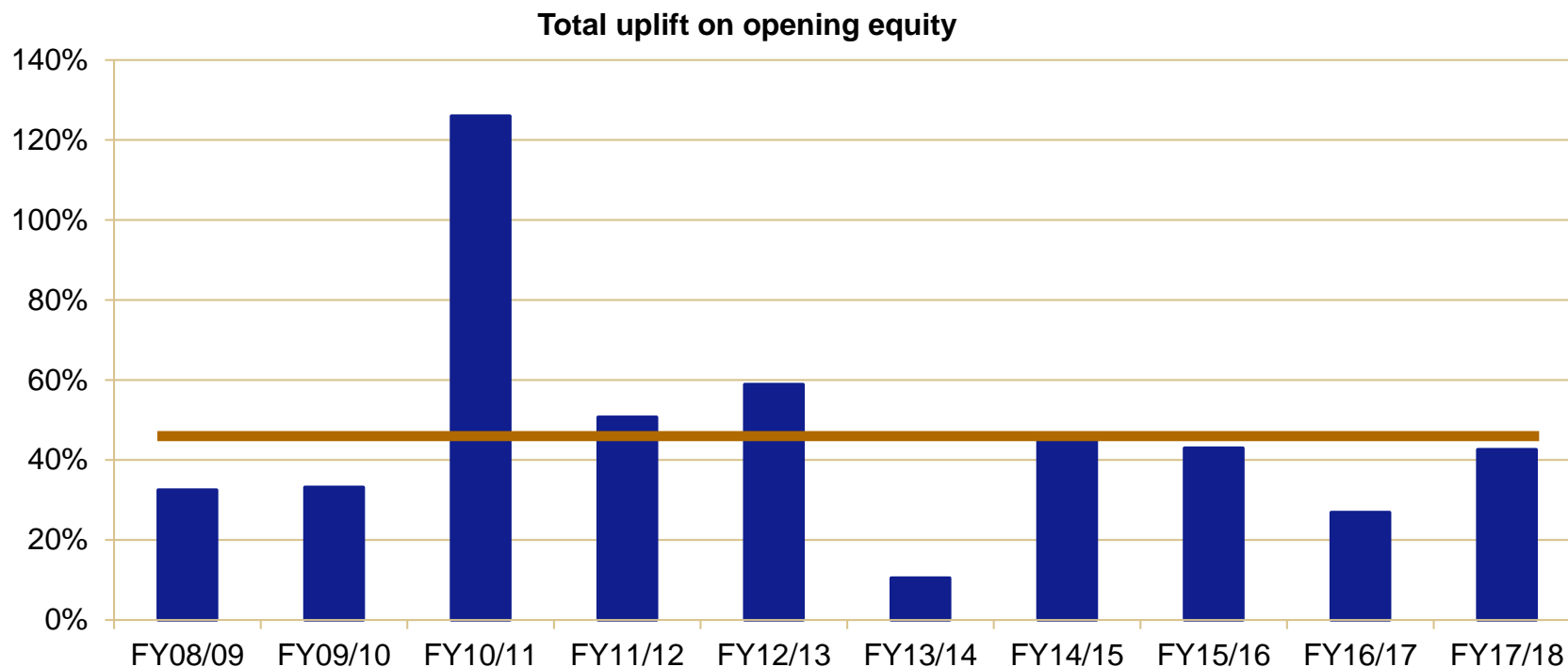


Growth portfolio companies main driver for unrealised results – lower multiples after a weaker start of 2018 on the stock-markets

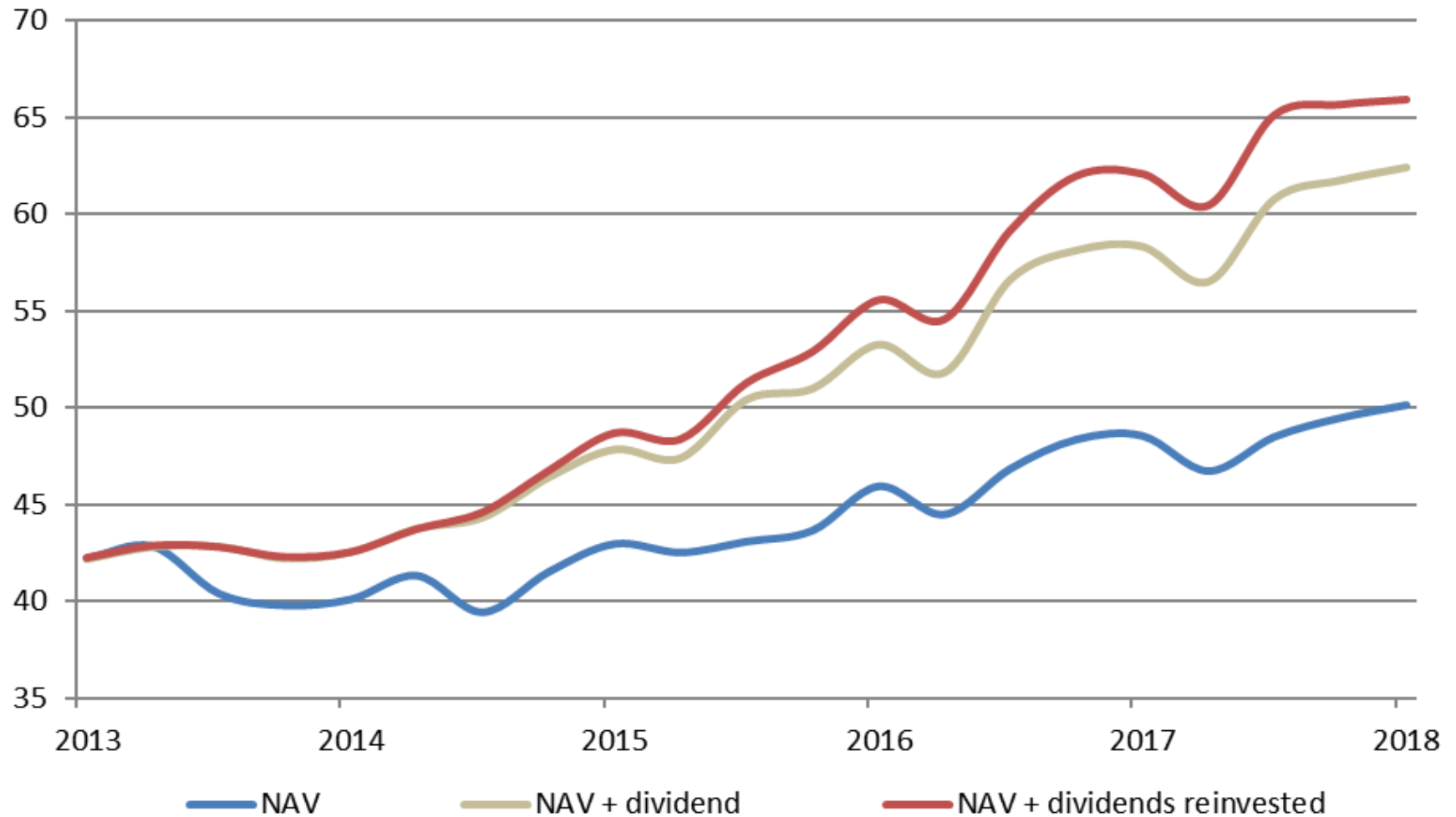


Long-term uplift on exits confirmed

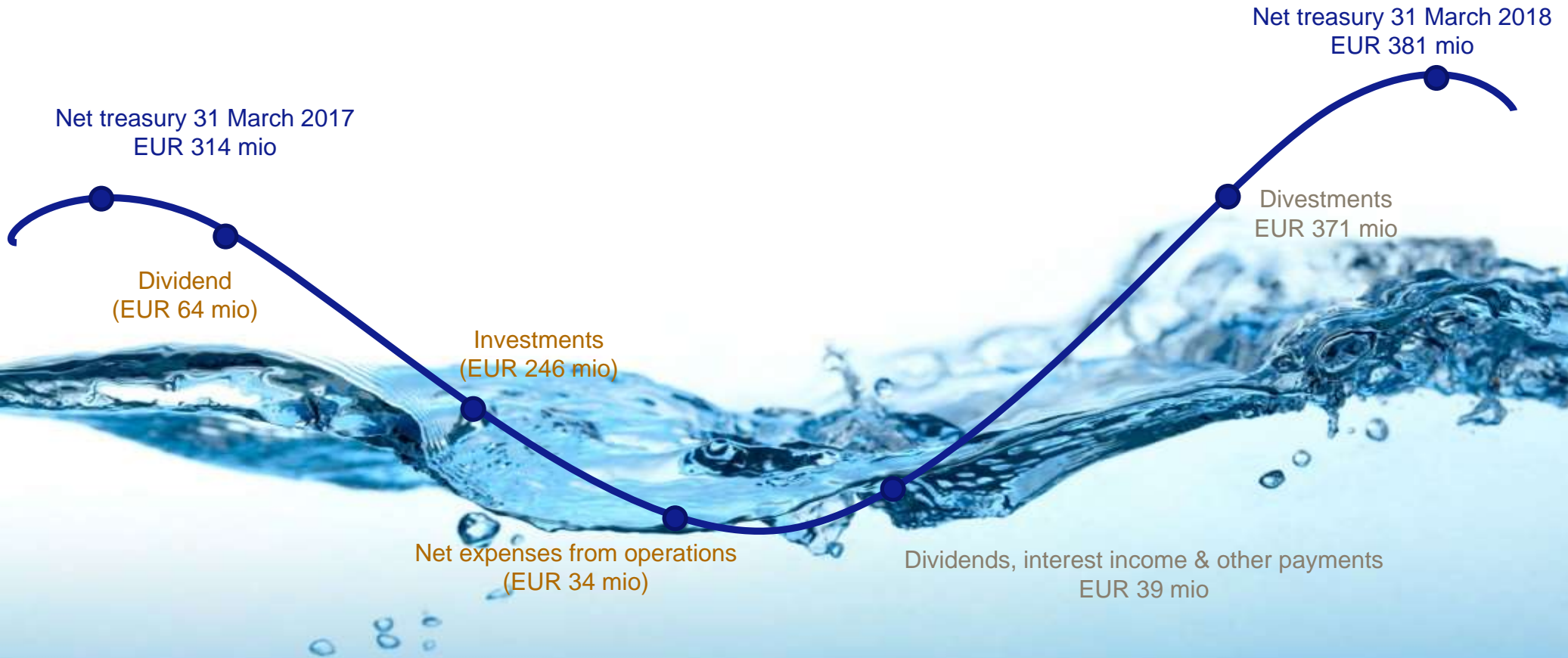
- Proceeds from FY 2017-18 divestments (incl. income received): EUR 373.6 million
- Uplift on opening equity of 31 March 2017: 42.6%



IRR of 9.3% over the past 5 years



Our sound financial position allows to fund our ambitions

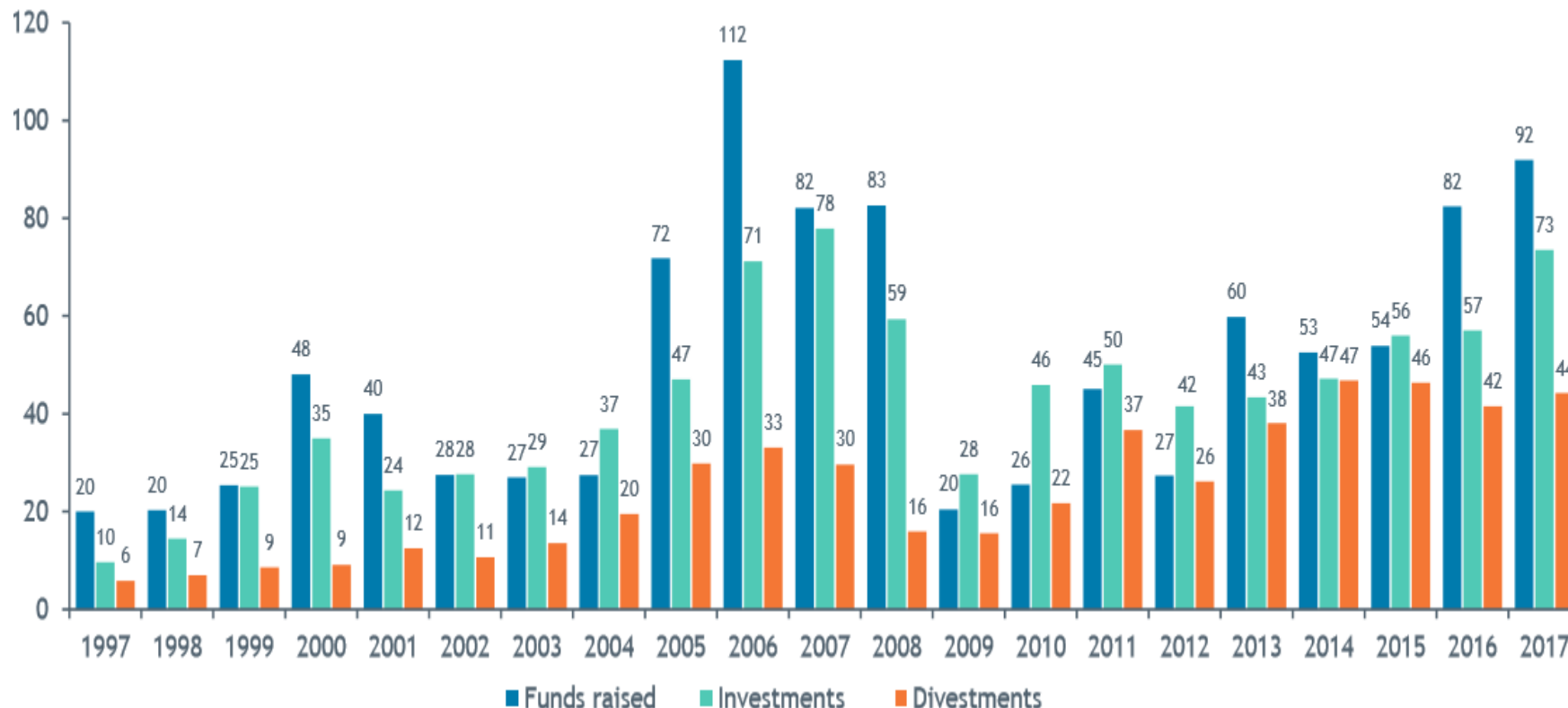




2. The European private equity market into perspective

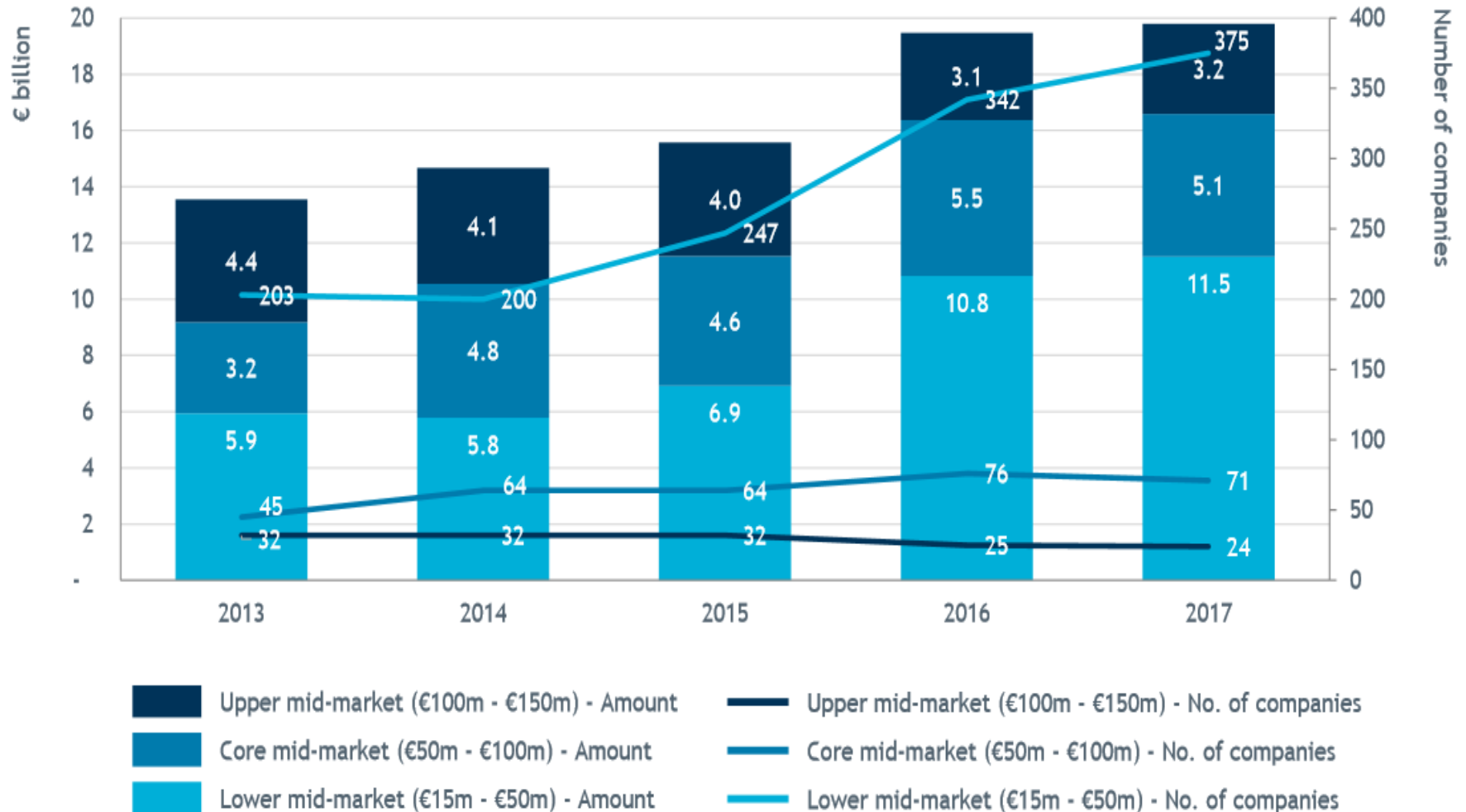
Private Equity in Europe near peak: Fundraising, Investments & Divestments at cost

€ bn



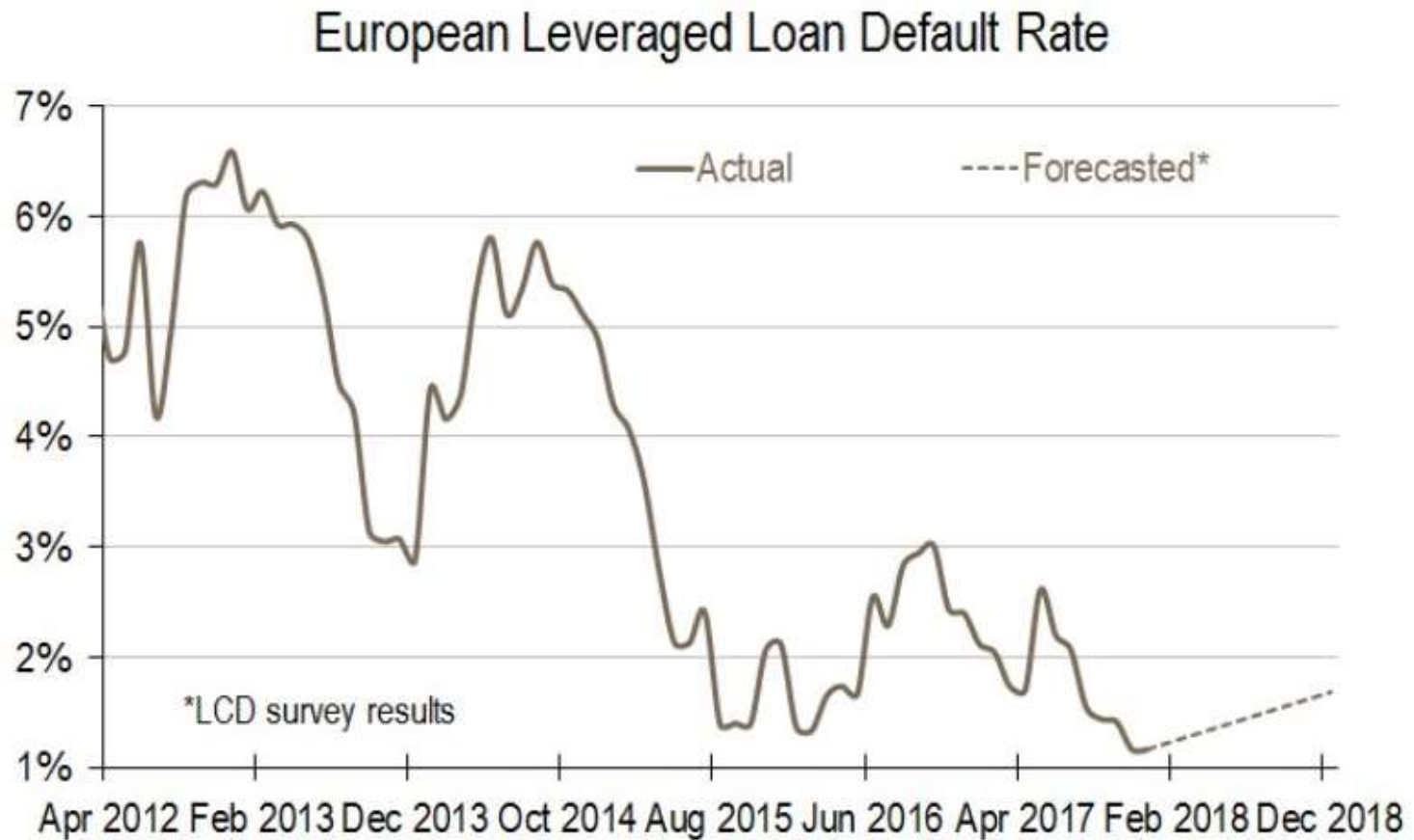
Source: Invest Europe / Thomson Reuters (2000-2006) & Invest Europe / EDC (2007-2017)

Lower Mid-Market investments are on the rise



Source: Invest Europe/EDC

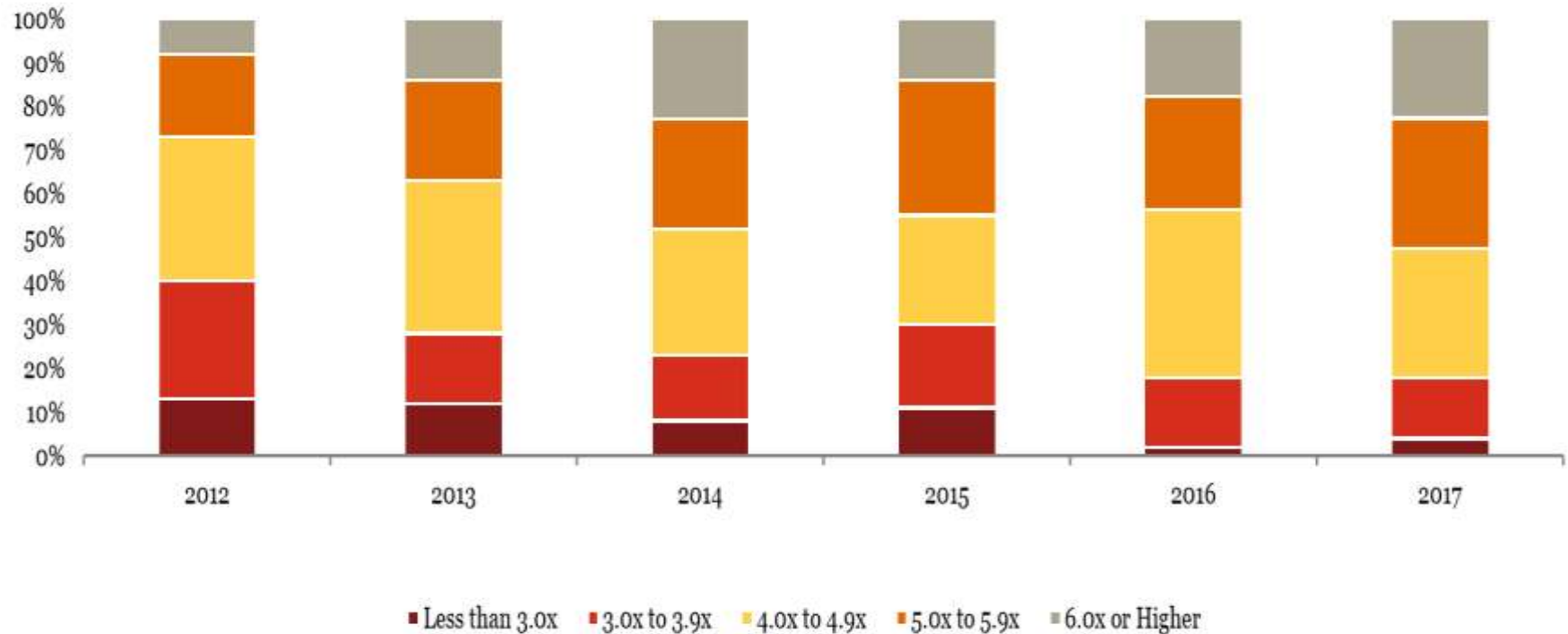
Default rates are back at historically low levels



Sources: LCD, an offering of S&P Global Market Intelligence; S&P European Leveraged Loan Index

Leverage levels are on the rise

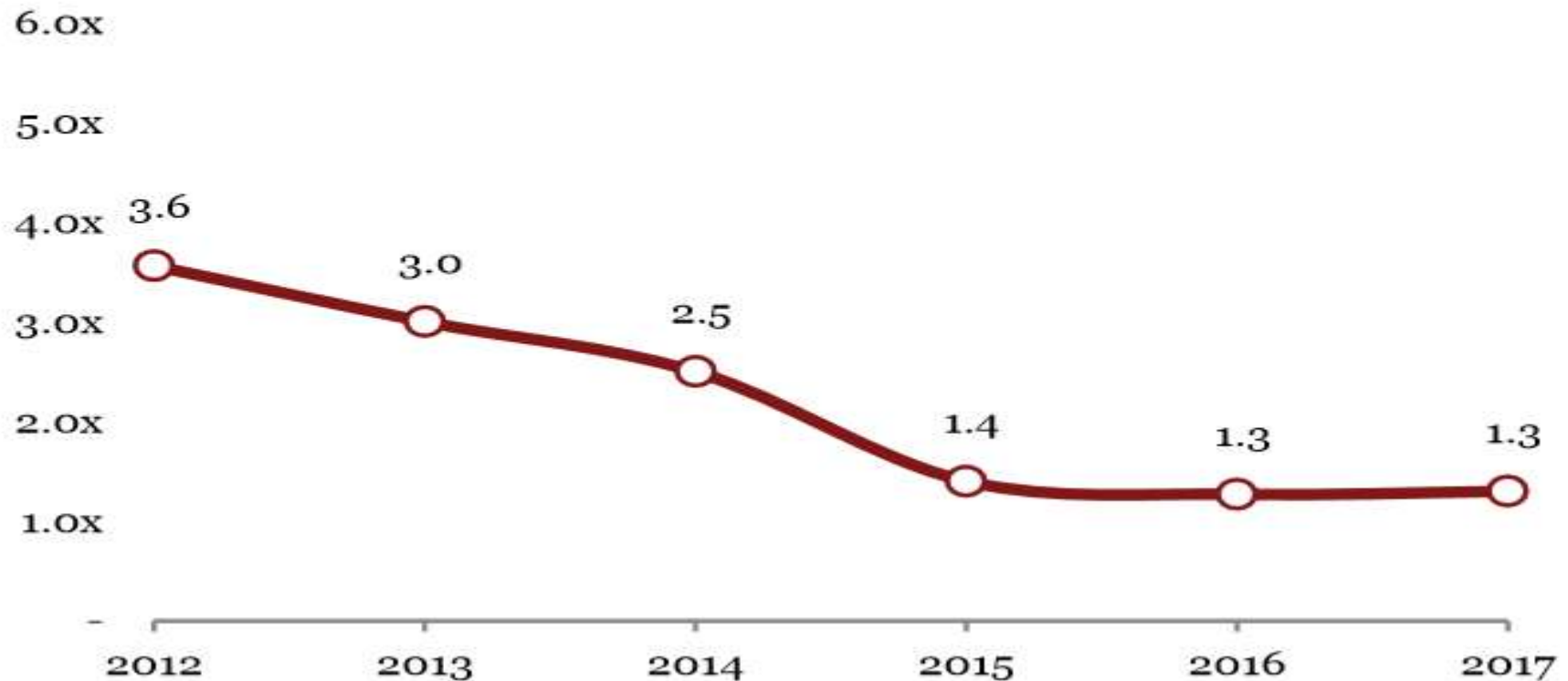
Distribution of Deals by Net Debt/EBITDA Levels



Source: LCD Capital IQ LCD / PwC

Covenant-light is back

Average number of covenants



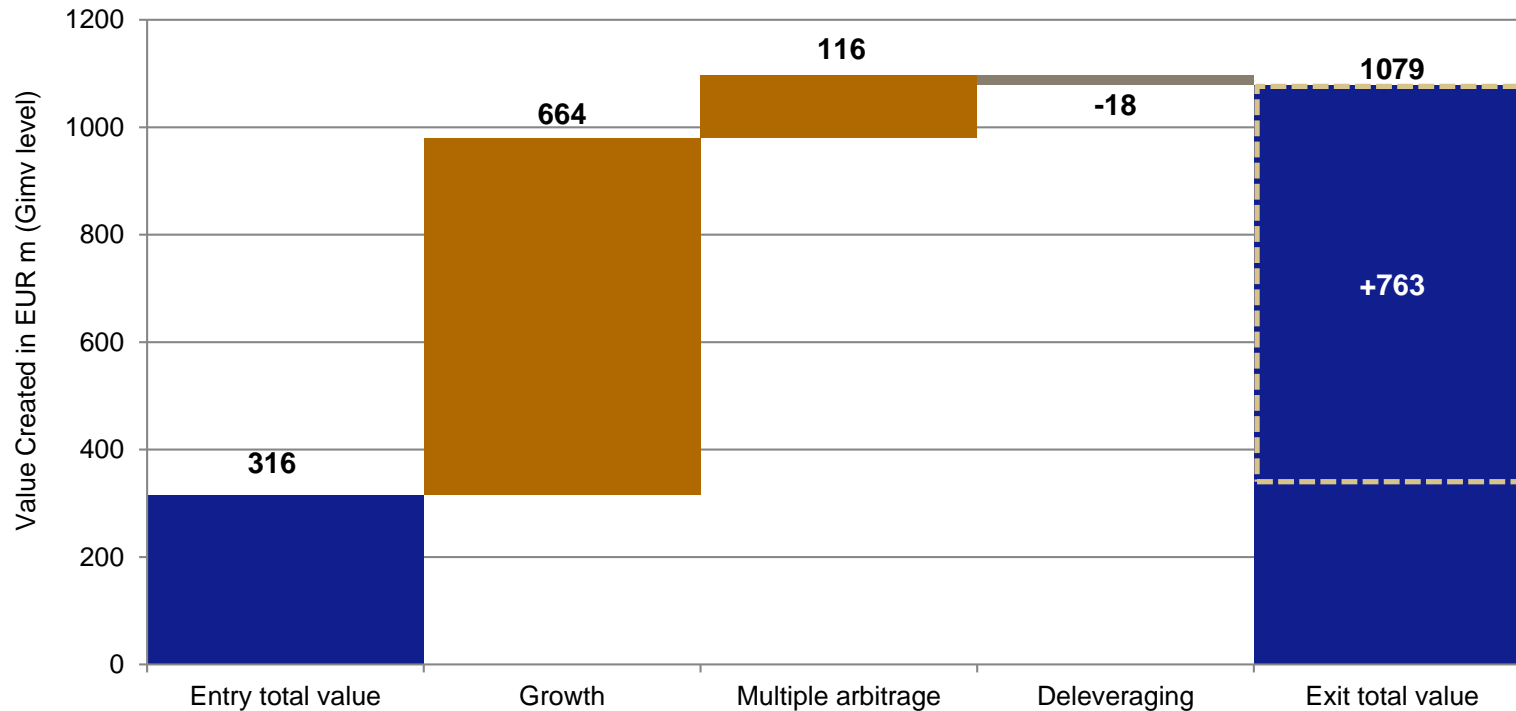
Source: LCD Capital IQ LCD / PwC

How does Gimv deal with this market?

- A **focused platform strategy** as competitive differentiator
- Continued efforts on (pro)active **deal sourcing** (50%) 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**
- **Less use of leverage** than the market
- **Internationalisation** as well as **buy-and-build** are often key-themes
- 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 a potential downturn

Growth accounts for 87% of value creation on exits

Value Drivers – data sample exits



- Value creation of EUR 763 million through 17 exits
- Contribution of multiple expansion is less relevant
- Use of leverage did not create value



3. Wrap up

Key conclusions

Portfolio return again above target

Record investments and industry-driven exits in all platforms

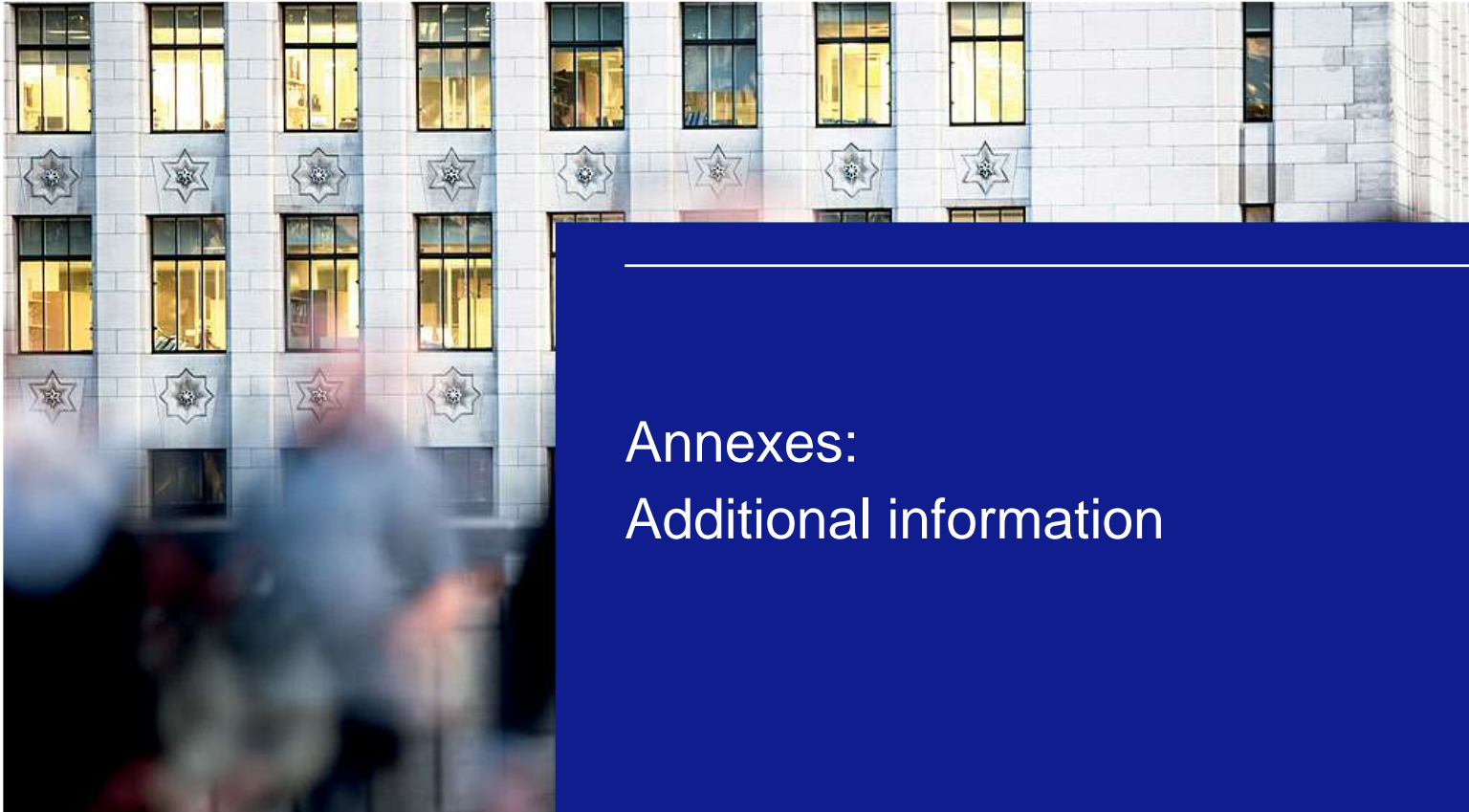
Full year results illustrate another solid year

Specialisation and pro-activity key in today's markets

Growth is key driver for Gimv's value creation

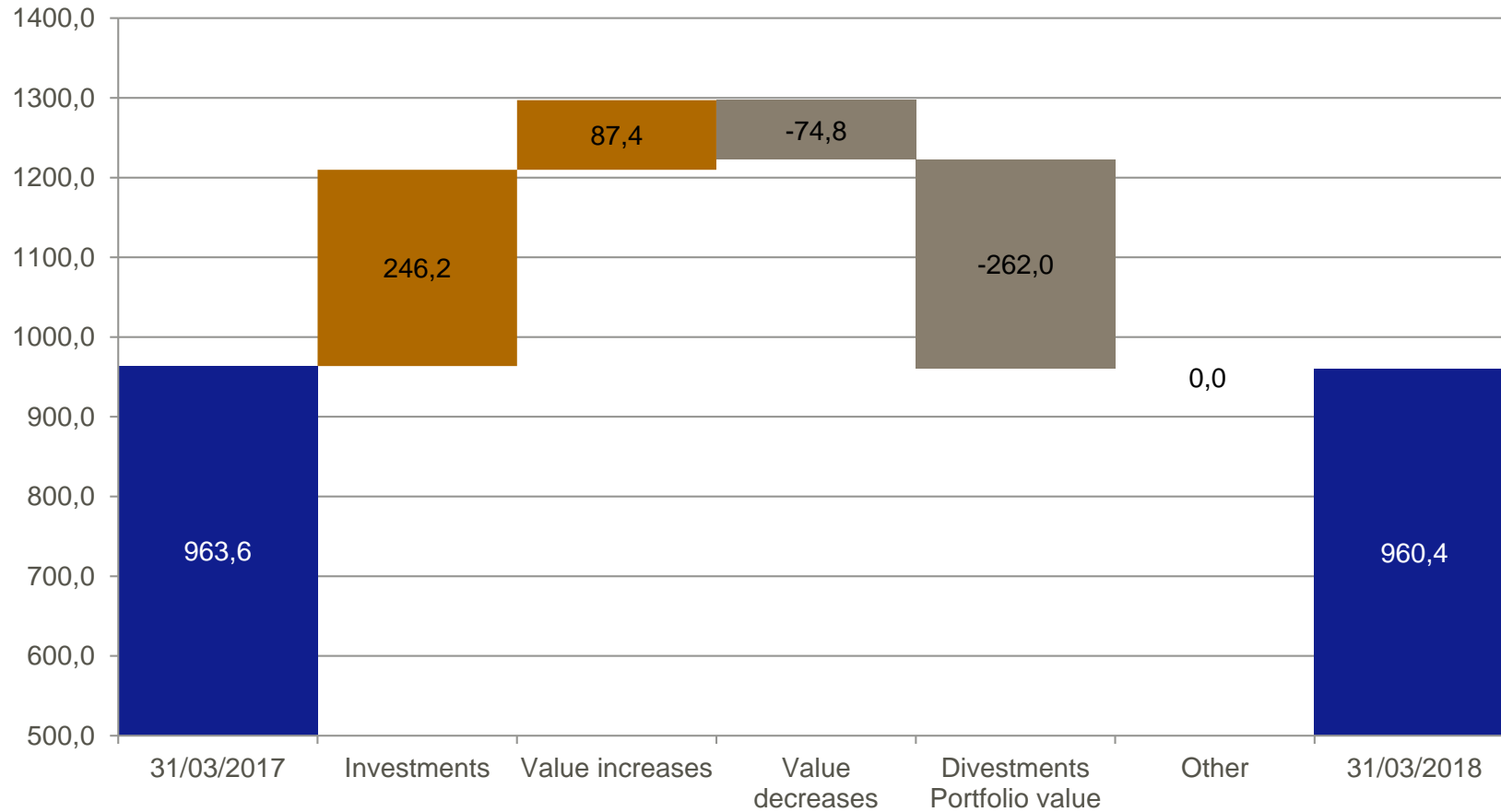


Questions
&
Answers












Annexes:
Additional information

Total investment portfolio increases to EUR 1 billion



(in EUR million)

Twenty largest investments make up 58% of portfolio (based on NAV of 31 March 2018) > rank 1 to 5

Company	Activity	Platform	Location	Entry
 itho daalderop Climate for life	HVAC solutions in residential renovation and new build markets	Sustainable Cities 	The Netherlands	2016
Grandeco	Wall covering producer	Connected Consumer 	Belgium	2007
 UNITED DUTCH BREWERIES	Independent beer group	Connected Consumer 	The Netherlands	2015
 cegeka	European ICT service provider	Smart Industries 	Belgium	2017
 Walkro	Production of substrate for the cultivation of mushrooms	Connected Consumer 	The Netherlands	2012
Subtotal NAV 5 largest investments (in EUR million)				232

24% of total
portfolio value =











232

Twenty largest investments (ctd) > rank 6 to 10

Company	Activity	Platform	Location	Entry
 IMPACT <small>Expertise included</small>	Specialised staffing agency	Connected Consumer 	Belgium	2018
 JOOLZ <small>POSITIVE DESIGN</small>	Premium baby strollers	Connected Consumer 	The Netherlands	2016
 <small>biphenet</small>	Medical device company active in spine surgery	Health & Care 	Switzerland	2016
 itineris <small>excellence in utilities</small>	Software solution company	Sustainable Cities 	Belgium	2013
 CLD <small>centraload</small>	Plastic pallet pooling	Sustainable Cities 	Belgium	2016
Subtotal NAV 10 largest investments (in EUR million)				354











37% of total
portfolio value =

Twenty largest investments (ctd) > rank 11 to 15

Company	Activity	Platform	Location	Entry
	Roll and flatbed digital cutting machines	Smart Industries 	Belgium	2016
	Eco-friendly flame retardant additives	Sustainable Cities 	Belgium	2014
	Road safety equipment	Sustainable Cities 	Germany	2017
	Production and distribution of pet care products	Connected Consumer 	France	2018
	Leading nut supplier	Connected Consumer 	The Netherlands	2017
Subtotal NAV 15 largest investments (in EUR million)				462

48% of total portfolio value =

Twenty largest investments (ctd) > rank 16 to 20

Company	Activity	Platform	Location	Entry
	Leading supplier of airbag components	Smart Industries 	The Netherlands	2017
	Thermal resorts	Health & Care 	France	2018
	Transport & logistic services	Sustainable Cities 	Belgium	2014
	Inspection and certification services for buildings	Sustainable Cities 	France	2016
	Medical plastics	Health & Care 	France	2018

Total NAV 20 largest investments (in EUR million)

554

58% of total portfolio value =

Strong industrial buyers' appetite and increased results portfolio companies lead to strong FY result of EUR 107 mio

IFRS	FY 16/17	1H 17/18	2H 17/18	FY 17/18
Net group results	131,9	62,6	44,4	107,1
Investments (balance sheet)	179,6	77,6	168,6	246,2
<i>Investments (incl. FuM)</i>	195,8	83,5	211,9	295,3
Divestments (balance sheet)	394,3	87,0	284,2	371,1
<i>% of portfolio that was divested</i>	30,8%	8,3%	18,9%	27,2%
<i>Divestments (incl. FuM)</i>	707,8	109,9	308,1	418,0
Equity – group share	1.233,2	1 232,6	1 274,3	1 274,3

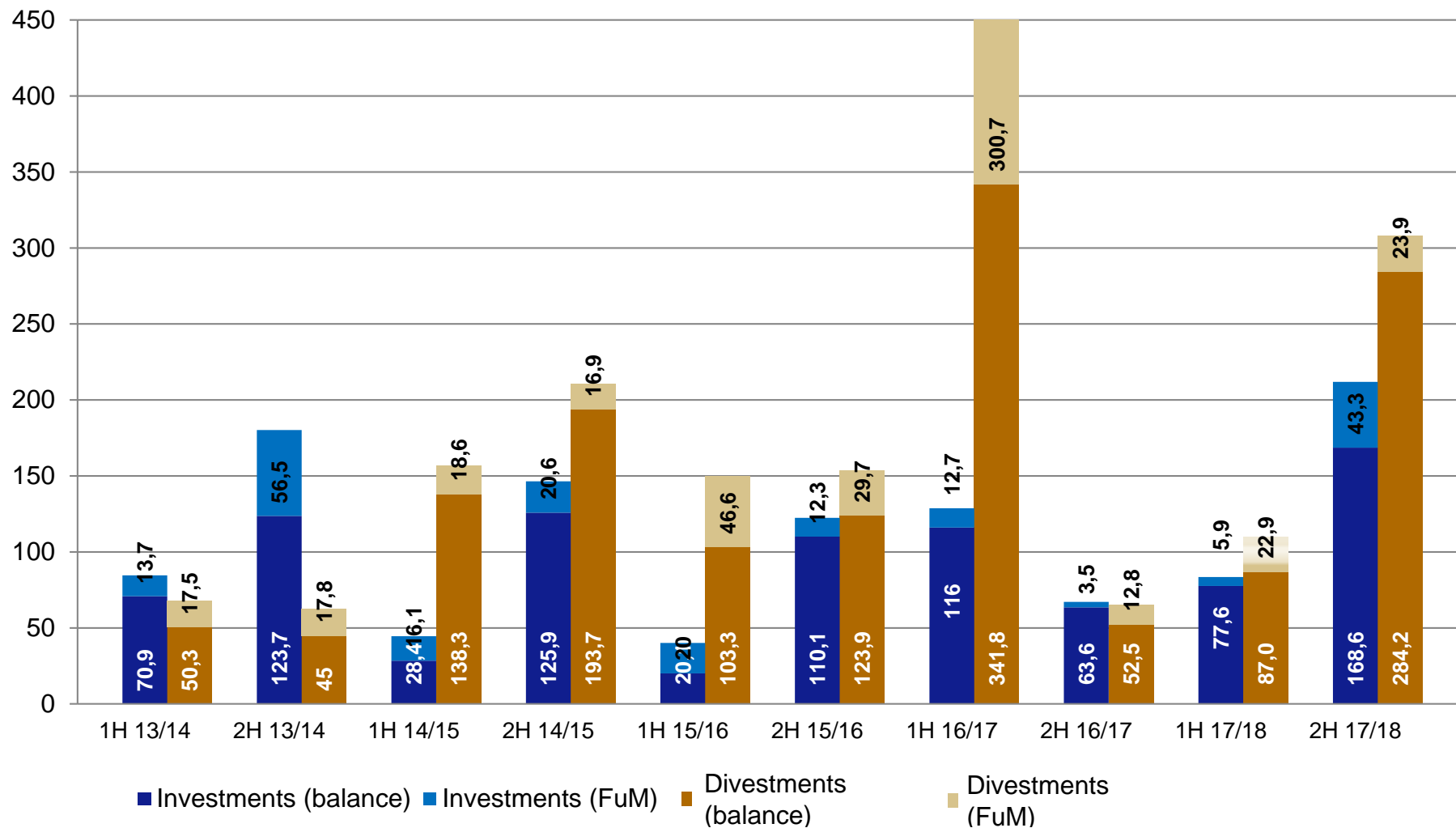
(in EUR million)

Equity matrix: diversified portfolio with 54 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	84,9	13,8	81,7	87,7	9,3	63,0	340,2		
France	61,7	47,4	22,8	18,2	4,3	-	154,4		
The Netherlands	132,2	35,1	25,2	65,5	-	0,2	258,2		
Germany	-	14,3	3,3	22,2	57,7	0,3	97,8		
Rest of Europe	-	39,9	-	-	40,2	-	80,1		
<i>Europe</i>	<i>278,7</i>	<i>150,5</i>	<i>133,1</i>	<i>193,5</i>	<i>111,5</i>	<i>63,5</i>	930,8		
US	-	3,9	-	-	-	-	3,9		
RoW	1,4	-	0,9	-	23,4	-	25,7		
Total portfolio	280,1	154,4	133,9	193,5	134,9	63,5	960,4		
<i>Of which listed</i>	-	9,6	7,6	-	-	34,4	51,5		
Net treasury & other net assets								313,9	
Equity group									1 274,3

(in EUR million)

EUR 900 million of investment and almost EUR 1.4 billion of exits over the past five years



(in EUR mio)

Above-average portfolio return for the 4th consecutive year – platform portfolio return at 19%

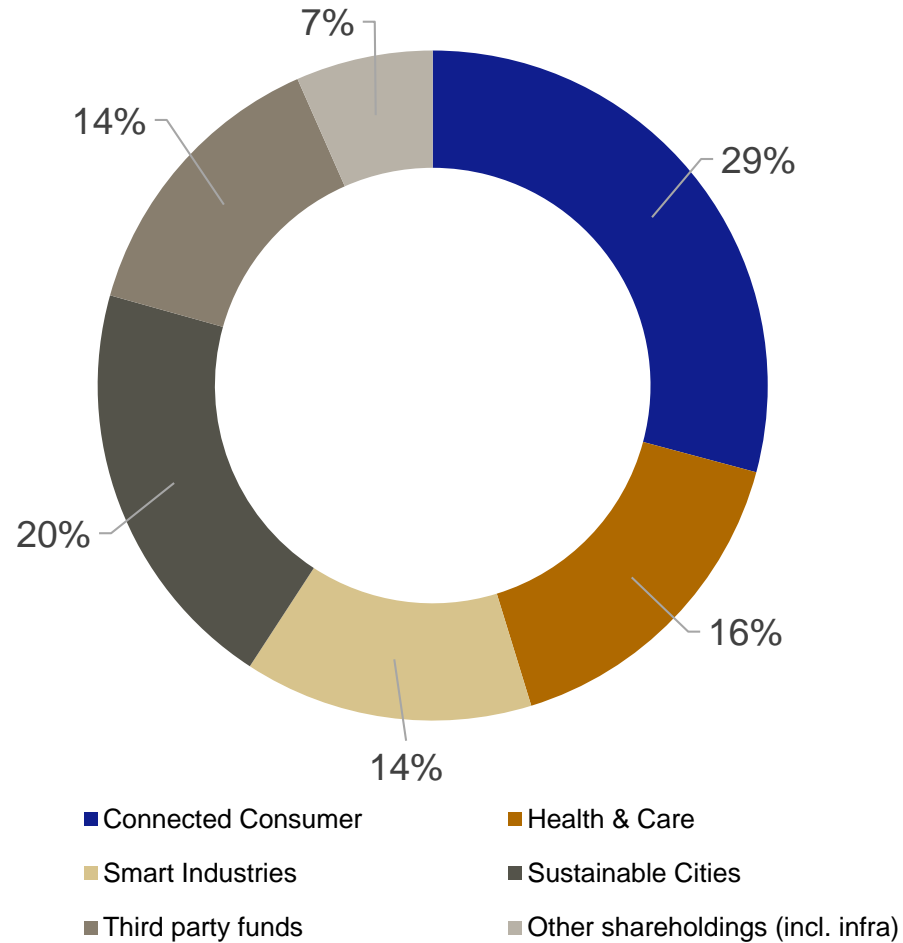
	Connected Consumer	Health & Care	Smart Industries	Sustainable Cities	Other portfolio(i)	Total
Realised gains & losses	8,3	26,2	53,7	17,3	8,0	113,4
Unrealised gains & losses/impairm.	17,5	-6,6	-5,0	11,4	-4,6	12,7
Dividends/interests	3,5	2,4	3,3	6,3	8,8	24,3
Total portfolio result	29,4	21,9	52,0	34,9	12,2	150,4
Return on opening portfolio	13%	17%	28%	19%	5%	16%

(in EUR mio)

Platform portfolio return = 19%

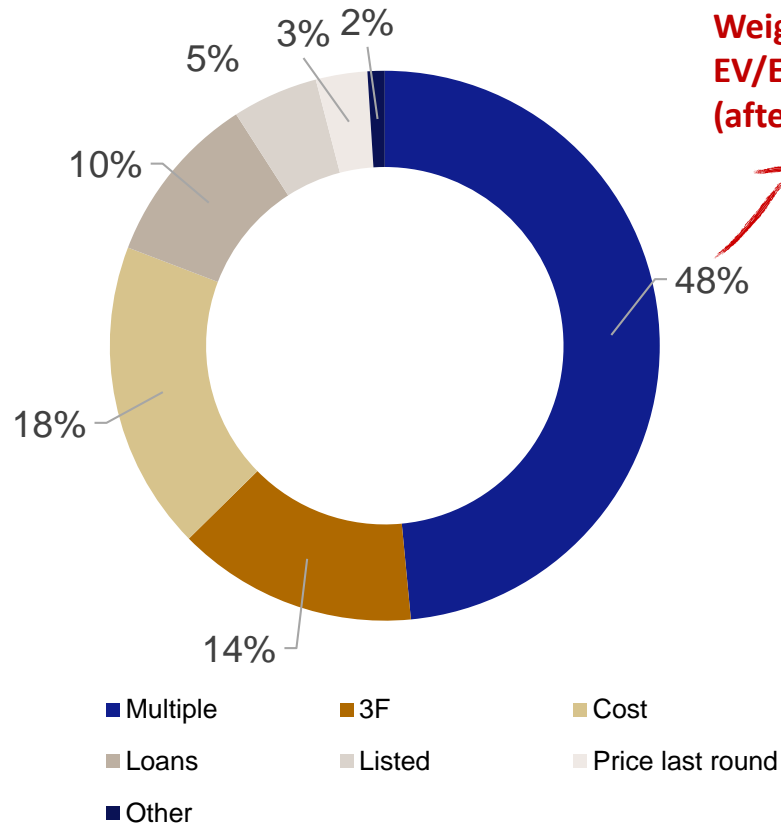
(1) Including third party funds and infra

54 portfolio companies with a value of about EUR 1 billion



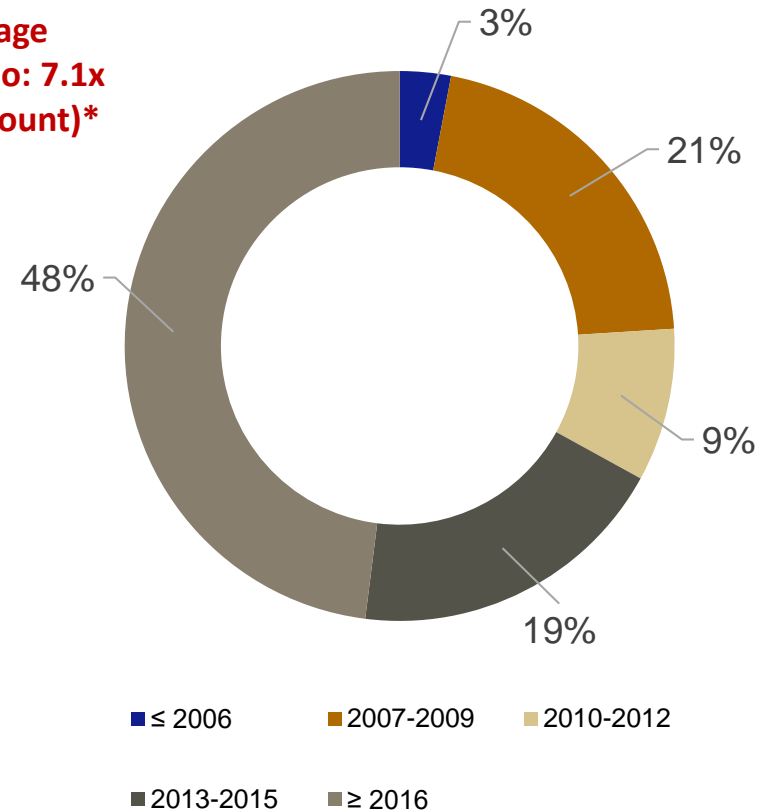
A younger portfolio with promising growth potential

by valuation method



Weighted average EV/EBITDA-ratio: 7.1x (after 27% discount)*

by vintage**



* With average DEBT/EBITDA-ratio of 2.4x

** related to the year of initial investment

54 companies with a value of about EUR 1 billion



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