



# Dunedin

Dunedin Enterprise Investment Trust PLC  
Final Results for the year to 31 December 2020

## Dunedin Enterprise Performance

- Share price total return of -9.3% in the year to 31 December 2020
- NAV total return of -5.6% in the year to 31 December 2020
- Discount widened from 15.4% at 31 December 2019 to 18.8% at 31 December 2020
- Final dividend of 2.0p to be payable in May 2021
- Tender offer returned £10m to shareholders
- Total of £125.6m returned to shareholders since 2012
- Share price 335p at 12 March 2021 a discount of 19.1% to NAV at 31 December 2020

## Dunedin Enterprise Performance continued

- Realisations of £14.5m from investment portfolio including:
  - £10.4m from realisation of Kingsbridge
  - £4.0m from further refinancing of FRA
- Follow-on investment of £2.5m in investment portfolio including:
  - £0.9m investment in GPS
  - £0.6m investment in Red

## Dunedin Enterprise KPIs

- Total return per ordinary share: -9.3% (2019: 23.6%)
- Net asset value per share: 413.9p (2019: 444.4p )
- Share price: 336p (2019: 376p)
- Discount: 18.8% (2019: 15.4%)
- Dividend per ordinary share: 2.0p (2019: 5.0p)
- Ongoing charges: 1.3% (2019: 1.2%)

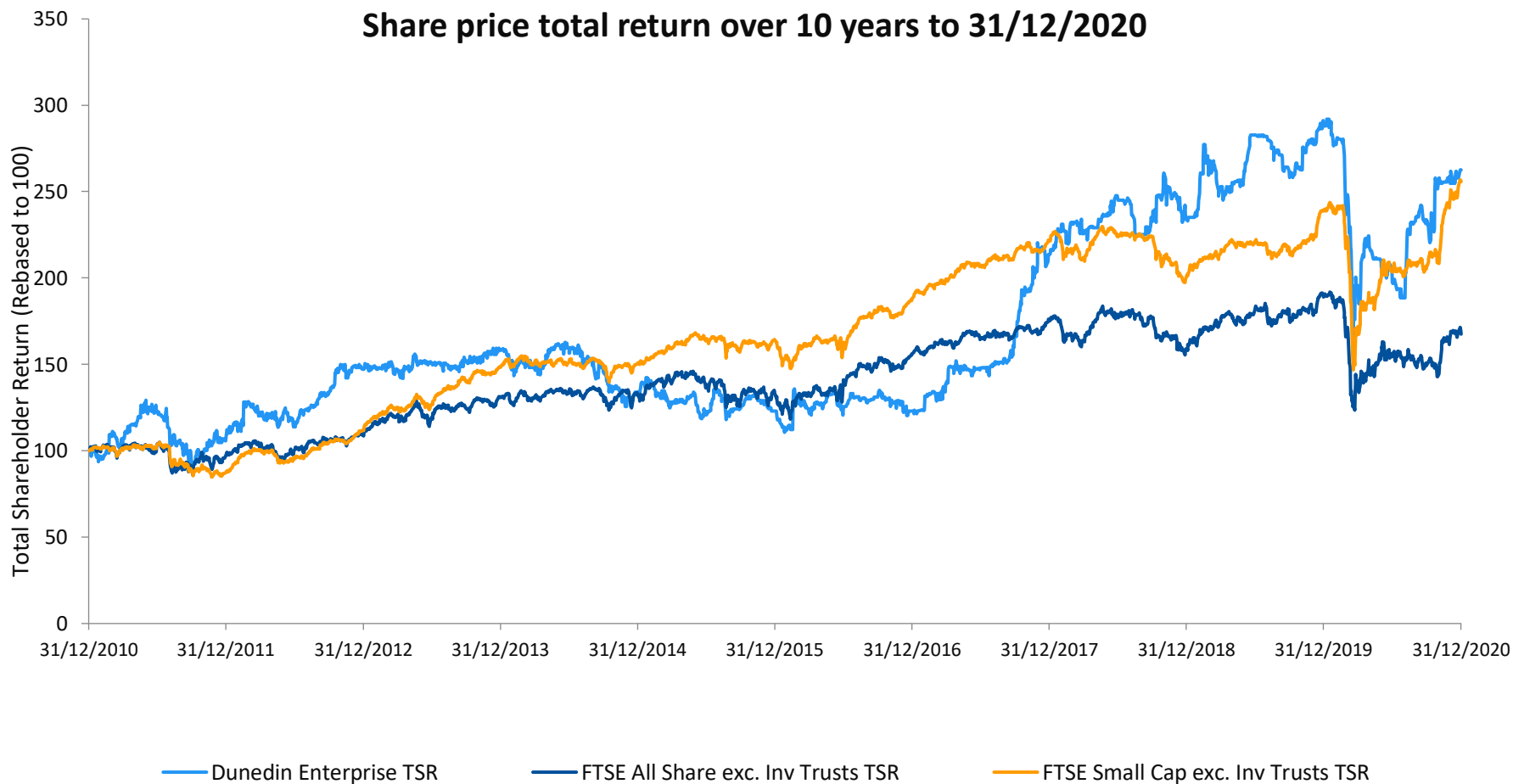
## Dunedin Enterprise

### Post year end events

- In August 2020 Hawksford completed a refinancing which was subject to regulatory approval. This was granted on 25 February 2021. The refinancing generated proceeds of £6.9m, consisting of £6.3m capital and £0.6m income
- Final dividend of 2.0p payable on 19 May 2021

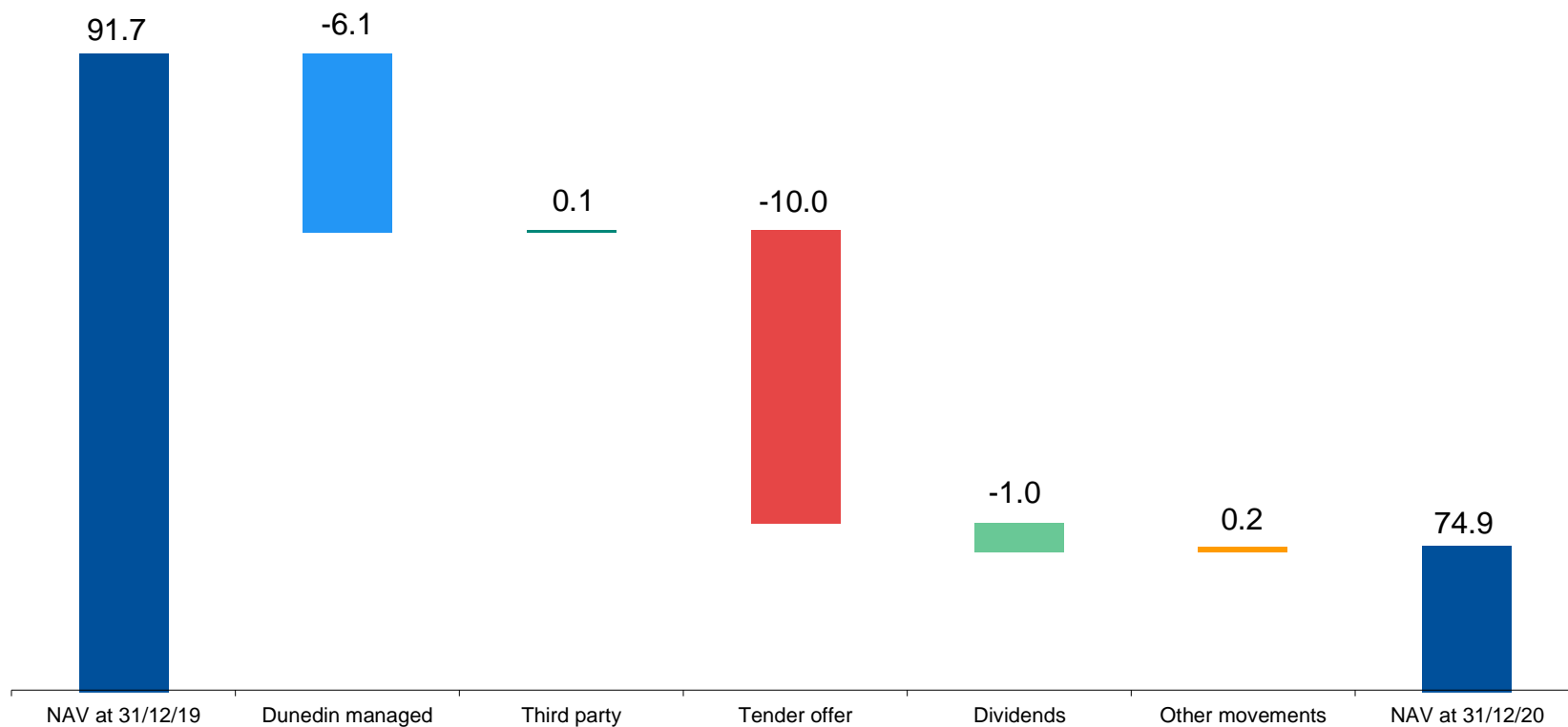
## Dunedin Enterprise

### Share price total return over ten years to 31.12.20



## Dunedin Enterprise NAV performance attribution

£'m



## Dunedin Enterprise Investment portfolio

	Valuation at 31.12.19 £m	Additions in year £m	Disposals in year £m	Realised movement £m	Unrealised movement £m	Valuation at 31.12.20 £m
Dunedin managed	75.9	2.3	(14.3)	(0.9)	(5.2)	57.8
Third party funds	4.6	0.1	(0.2)	-	-	4.5
	<b>80.5</b>	<b>2.4</b>	<b>(14.5)</b>	<b>(0.9)</b>	<b>(5.2)</b>	<b>62.3</b>



## Dunedin Enterprise

### Portfolio valuation movements (including income receipts)

Company	Reason for movement	£m change
U-POL	Strong earnings growth and expansion in the US	3.1
GPS	Strong revenue growth and investment secured from Visa	3.0
Incremental	Strong earnings growth	1.9
EV	Impacted by fall in oil price	(1.9)
Hawksford	Valued at proceeds from refinancing	(3.1)
Formaplex	Impacted by coronavirus as factories of automotive producers closed for periods	(3.6)
FRA	New business wins impacted by coronavirus	(5.5)
Carried interest	Adjustment following valuation movements	1.8

## Dunedin Enterprise Earnings-based valuation

- Comply with IPEV guidelines
  - Last 12 months maintainable EBITDA
  - Use forecast EBITDA if lower than the last 12 months
  - Assets basis where appropriate
- Maintainable earnings
- Accrued interest of £3.3m (31/12/19: £5.7m)

## Dunedin Enterprise Multiples at 31 December 2020

Weighted Average*	31 Dec 2019	30 Jun 2020	31 Dec 2020
EBITDA	8.9	9.0	9.2

\* applies to portfolio companies valued on an earnings basis

Debt multiples	31 Dec 2019	30 Jun 2020	31 Dec 2020
EBITDA multiple	2.8x	2.9x	2.4x

Note:

- Debt bank defined as banking facilities drawn less cash at 31 December 2020
- EBITDA per investment valuation

## Portfolio gearing Dunedin managed investments

Gearing as multiple of EBITDA	No. of companies	% of total valuation
Multiple < 1	1	10%
Multiple 1 to 2	3	56%
Multiple 2 to 3	-	-%
Multiple > 3	2	34%

## Portfolio gearing

### Dunedin managed direct investments

Maturity of Portfolio Company Debt	%
Repayable in 2021	24
Repayable in 2022	4
Repayable in 2023	17
Repayable thereafter	55
	100

## Dunedin Enterprise

### Third party European fund movements

	Commitment	Drawn to date	Outstanding commitment	Valuation at 31 December 2020	
	€m	€m	€m	€m	£m
Realza (Iberia - €170m)	15.0	14.2	0.8	4.8	4.3

## Dunedin Enterprise

### Total Assets and Cash Returned to Shareholders

	2014	2015	2016	2017	2018	2019	2020
	£m	£m	£m	£m	£m	£m	£m
Dunedin managed	84.0	93.1	81.5	57.2	64.8	75.9	57.8
Europe	12.7	16.0	22.0	9.6	10.2	4.4	4.3
Other	0.8	0.4	0.4	1.5	6.1	1.3	1.2
Cash	9.9	0.6	1.1	32.9	5.7	12.3	13.9
Total assets	107.4	110.1	105.0	101.2	86.8	93.9	77.2
Capital returned	5.2	0.7	-	20.6	20.6	5.2	10.0
Dividends paid	3.6	1.0	3.3	6.4	1.1	0.4	1.0
Return to shareholders	8.8	1.7	3.3	27.0	21.7	5.6	11.0
Cumulative return to shareholders	55.3	57.0	60.3	87.3	109.0	114.6	125.6

## Dunedin Enterprise Outstanding commitments

	2014	2015	2016	2017	2018	2019	2020
	£m	£m	£m	£m	£m	£m	£m
Dunedin managed	54.2	44.3	33.5	42.0	18.8	21.4	13.9
Europe	9.6	5.9	3.4	2.3	0.6	0.7	0.8
	63.8	50.2	36.9	44.3	19.4	22.1	14.7

### Dunedin managed funds

- DBF II: investment period expired, £3.6m remains undrawn and available
- DBF III: investment period expired, £10.3m remains undrawn and available

### European funds – investment periods expired

- Realza: €15m commitment of which 94% drawn – o/s commitment €0.8m (£0.8m)



## Dunedin Enterprise Commitment Strategy

	31 Dec 2020 £m
Cash and near cash	13.9
Revolving credit facility*	5.0
Undrawn commitments – Dunedin	(13.9)
Undrawn commitments – Europe	(0.8)
Funded commitments	4.2

\* available to 31 May 2021

## Dunedin Enterprise New investment activity

### New investment of £2.5m to 31 December 2020

- £2.4m in Dunedin managed funds
- £0.1m in Third Party European funds

## Dunedin Enterprise

Total realisations of £14.5m in year to 31 December 2020

Realisations of £14.5m from investment portfolio including:

- £10.4m from realisation of Kingsbridge
- £4.0m from refinancing of FRA

## Dunedin Enterprise

### Ten largest Dunedin investments

	Total Dunedin equity %	Dunedin Enterprise equity %	Cost of investment  £m	Directors valuation  £m	% of net assets  %
GPS	43.5	8.5	8.2	14.1	18.8
FRA	26.6	5.2	1.4	9.4	12.6
U-POL	17.0	5.0	5.7	9.0	12.0
Red	67.8	20.1	9.7	8.9	11.9
Weldex	51.0	15.1	9.5	8.3	11.0
Hawksford	54.4	17.8	6.7	6.9	9.3
Realza	8.9	8.9	4.2	4.3	5.8
Incremental	41.9	8.2	3.0	3.4	4.5
Premier Hytemp	77.3	23.0	10.1	3.3	4.4
EV	53.8	10.6	8.3	1.7	2.3
<b>Total</b>			<b>66.8</b>	<b>69.3</b>	<b>92.6</b>

## Dunedin Enterprise Remaining investments

	Total Dunedin equity %	Dunedin Enterprise equity %	Cost of investment  £m	Directors valuation  £m	% of net assets  %
<b>Top 10 investments</b>			<b>66.8</b>	<b>69.3</b>	<b>92.6</b>
CitySprint	2.0	0.6	8.0	0.7	0.7
Alta Berkeley	3.0	3.0	0.6	0.2	0.2
Formaplex	58.2	19.4	3.2	-	-
<b>Total investments</b>			<b>78.6</b>	<b>67.2</b>	<b>93.5</b>

## APPENDIX 1



# Dunedin Enterprise

## Ten largest Dunedin investments

Cost	£8.2m
Valuation	£14.1m
Equity Percentage	8.5%
Original investment date	June 2018



### Business

GPS is a UK headquartered payments processing business providing customers with leading edge payment processing and ancillary services. Customers include new emerging fintech or challenger banks, offering a significantly differentiated proposition for their clients; as well as specialist payment firms serving the travel, insurance and foreign exchange markets

GPS has an increasingly international target market, with recent client wins in Europe and Australia. GPS has recently signed a strategic Partnership with Visa to provide fintech clients with payments technology in the Asia Pacific region

### Investment

- Dunedin led £75m MBO in June 2018, investing £6.4m
- Turnover for period to 31.12.19 of £16.5m (2018: £6.4m) , EBITDA of £3.8m (2018: £1.1m)

### Valuation

- 7.6x maintainable revenue

# Dunedin Enterprise

## Ten largest Dunedin investments



Cost	£1.4m
Valuation	£9.4m
Equity Percentage	5.2%
Original investment date	March 2017



### Business

FRA is an international consultancy that provides forensic accounting, data analytics and e-discovery expertise, helping businesses respond to regulatory investigations in an increasingly regulated global environment.

FRA works on some of the largest and most complex regulatory investigations globally. Its clients are typically blue-chip multinational corporates seeking advice to help navigate regulatory scrutiny, effect compliant cross border data transfer, and manage risk.

### Investment

- Dunedin led the buyout of FRA in March 2017
- Turnover for year to 31.12.19 of £87.3m (31.12.18: £67.7m), EBITDA of £33.8m (31.12.18: £22.2m)

### Valuation

- 10.0x maintainable EBITDA

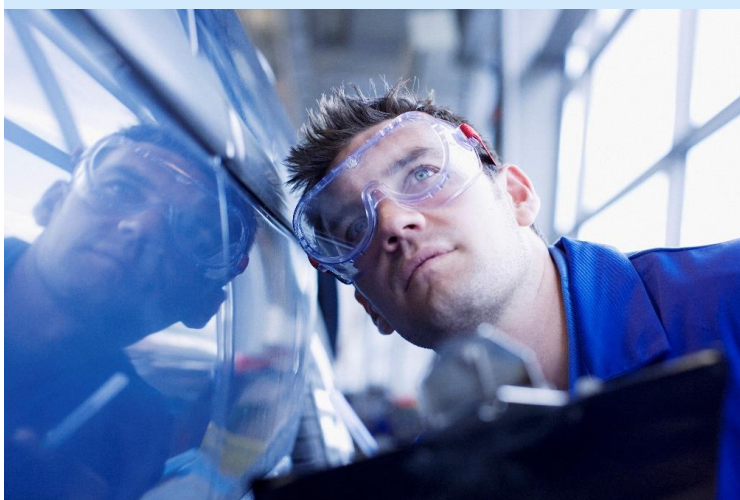


# Dunedin Enterprise

## Ten largest Dunedin investments



Cost	£5.7m
Valuation	£9.0m
Equity Percentage	5.0%
Original investment date	December 2010



### Business

U-POL is a leading independent manufacturer of automotive refinish products including body fillers, coatings, aerosols, polishing compounds and consumables

From its UK manufacturing base in Wellingborough, U-POL exports a range of products to 120 countries worldwide. The company has a strong market position in the UK and a growing position in other large markets such as the USA, the Far East, the Middle East, Africa and Russia

### Investment

- Dunedin invested in the £130m MBO of U-POL in December 2010
- Turnover for year to 31.12.19 of £79.1m (2018: £71.9m), EBITDA of £15.1m (2018: £12.4m)

### Valuation

- 10.2x maintainable EBITDA

# Dunedin Enterprise

## Ten largest Dunedin investments



Cost	£9.7m
Valuation	£8.9m
Equity Percentage	20.1%
Original investment date	July 2011



### Business

Red is the European market leader for the supply of specialist SAP permanent and contract staff. SAP stands for Systems, Applications and Products in data processing

Red has a global footprint with access to over 200,000 candidates in 80 countries, and has offices in the UK, Germany, Switzerland and the USA

### Investment

- Dunedin invested in the £44m MBO of Red in July 2011
- Turnover for year to 31.03.20 of £144.7m (2019: £137.6), EBITDA of £5.1m (2019: £4.5m)

### Valuation

- 9.0x maintainable EBITDA

# Dunedin Enterprise

## Ten largest Dunedin investments

**WELDEX**

Cost	£9.5m
Valuation	£8.3m
Equity Percentage	15.1%
Original investment date	June 2010



### Business

Weldex is the largest crawler crane hire company in the UK, serving the renewables and power generation market. It serves the offshore wind, oil & gas, commercial construction and infrastructure markets.

Recent projects include the HS2 road, the Thames Tideway Tunnel in London, and the Peterborough Railway Tunnel.

### Investment

- Dunedin led the secondary MBO of Weldex in June 2010
- Turnover for year to 30.11.19 of £16.5m (2018: £22.5m), EBITDA of £6.4m (2018: £10.7m)

### Valuation

- Valued on an assets basis

# Dunedin Enterprise

## Ten largest Dunedin investments

Hawksford

Cost	£6.7m
Valuation	£6.9m
Equity Percentage	9.3%
Original investment date	October 2008



### Business

Hawksford is a Jersey based leading international provider of corporate, private client and funds services. The business offers a comprehensive range of services to, and solutions for, trusts, companies, foundations, partnerships, family offices and investment funds.

In August 2020 Dunedin Enterprise announced a proposed injection of growth capital from a new majority investor, Star Capital, into Hawksford. Dunedin Enterprise will retain a 5% interest in Hawksford. Regulatory approval for the transaction was granted in February 2021.

### Investment

- Dunedin led the MBO of Hawksford (then Rathbone International) in October 2008
- Turnover in the year to 31.12.19 of £34.0m (2018: £30.8m), EBITDA of £8.1m (2018: £6.7m)

### Valuation

- Valued at exit proceeds

# Dunedin Enterprise

## Ten largest Dunedin investments



Cost	£4.2m
Valuation	£4.3m
Equity Percentage	8.9%
Original investment date	September 2008



### Business

Realza is a Spanish private equity fund making investments in Spain and Portugal. The fund's typical equity investment ranges from €10m to €25m

### Investment

- Dunedin first invested in Realza in September 2008
- To date Realza has drawn down 94% of commitments. The fund has made seven investments of which five have been realised

### Valuation

- €4.8m at 31 December 2020 based on Manager's valuation



# Dunedin Enterprise

## Ten largest Dunedin investments

Cost	£3.0m
Valuation	£3.4m
Equity Percentage	8.2%
Original investment date	November 2018



### Business

Incremental is a digital technology services company which helps public sector, not for profit and commercial organisations transform their ERP and CRM systems with Microsoft technologies. It is in the top 1% of Microsoft Dynamics partners worldwide, and also provides Microsoft Power Platform, Modern Workplace, Azure and data services.

With a growing customer base in the public sector, not for profit, manufacturing and professional services, Incremental is also increasingly seeing success in the financial services market.

### Investment

- Dunedin invested in the MBO of Incremental in November 2018
- Turnover for period to 31.03.19 of £4.6m, EBITDA of £0.5m

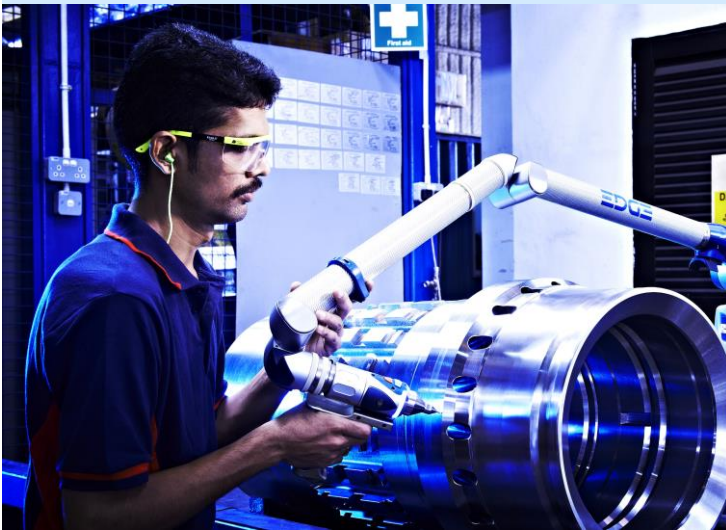
### Valuation

- 8.7x maintainable EBITDA

# Dunedin Enterprise

## Ten largest Dunedin investments

Cost	£10.1m
Valuation	£3.0m
Equity Percentage	23.0%
Original investment date	November 2012



### Business

Premier Hytemp is a global market leader in the manufacture and supply of engineered metal solutions. It is a specialist in the provision of low alloy and nickel alloy steel components for the upstream oil and gas industry. Its components are used in complex engineered assemblies required to extract and control the flow of oil and gas from new reserves, often sub-sea

### Investment

- Dunedin led the buyout of Premier Hytemp in November 2012
- Turnover for year to 30.09.19 of £23.0m (2018: £13.3m), EBITDA of £2.1m (2018: loss £0.2m)

### Valuation

- Net assets

# Dunedin Enterprise

## Ten largest Dunedin investments

Cost	£8.3m
Valuation	£3.6m
Equity Percentage	10.6%
Original investment date	June 2014



### Business

EV is a UK headquartered, global market leader in the provision of high performance, video cameras and other visualisation technology used to analyse problems in oil and gas wells.

It offers a highly specialist service, providing skilled engineers to operate its cameras in the most difficult down-hole conditions.

### Investment

- Dunedin led the MBO of EV in June 2014
- Turnover for year to 31.03.20 of £20.7m (2019: £19.4m), EBITDA of £4.1m (2019: £3.8m)

### Valuation

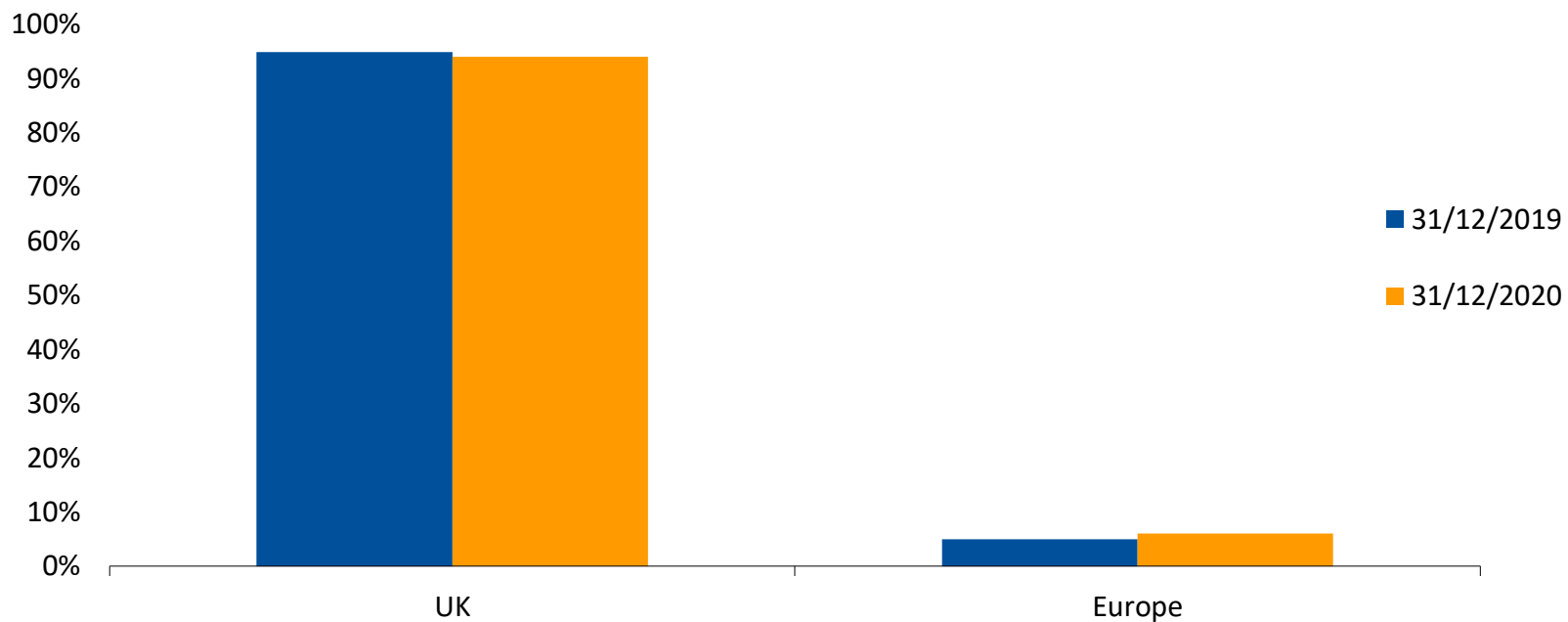
- 8.4x maintainable EBITDA



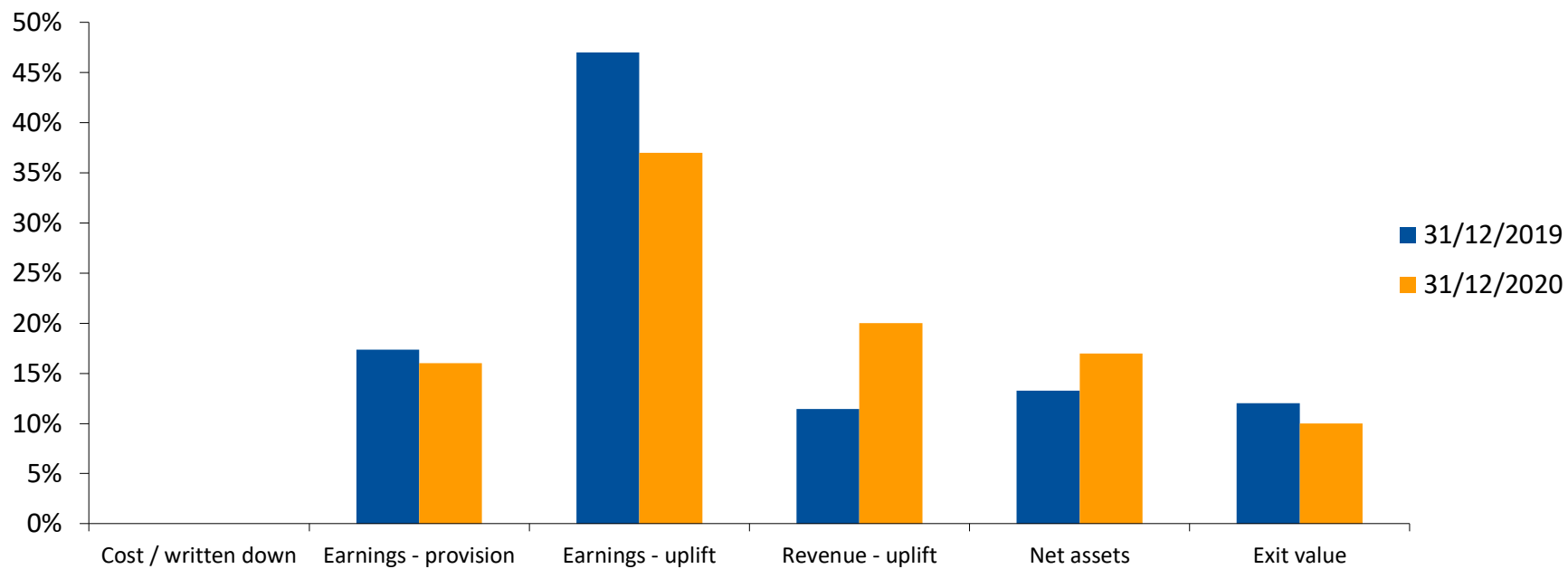
## APPENDIX 2



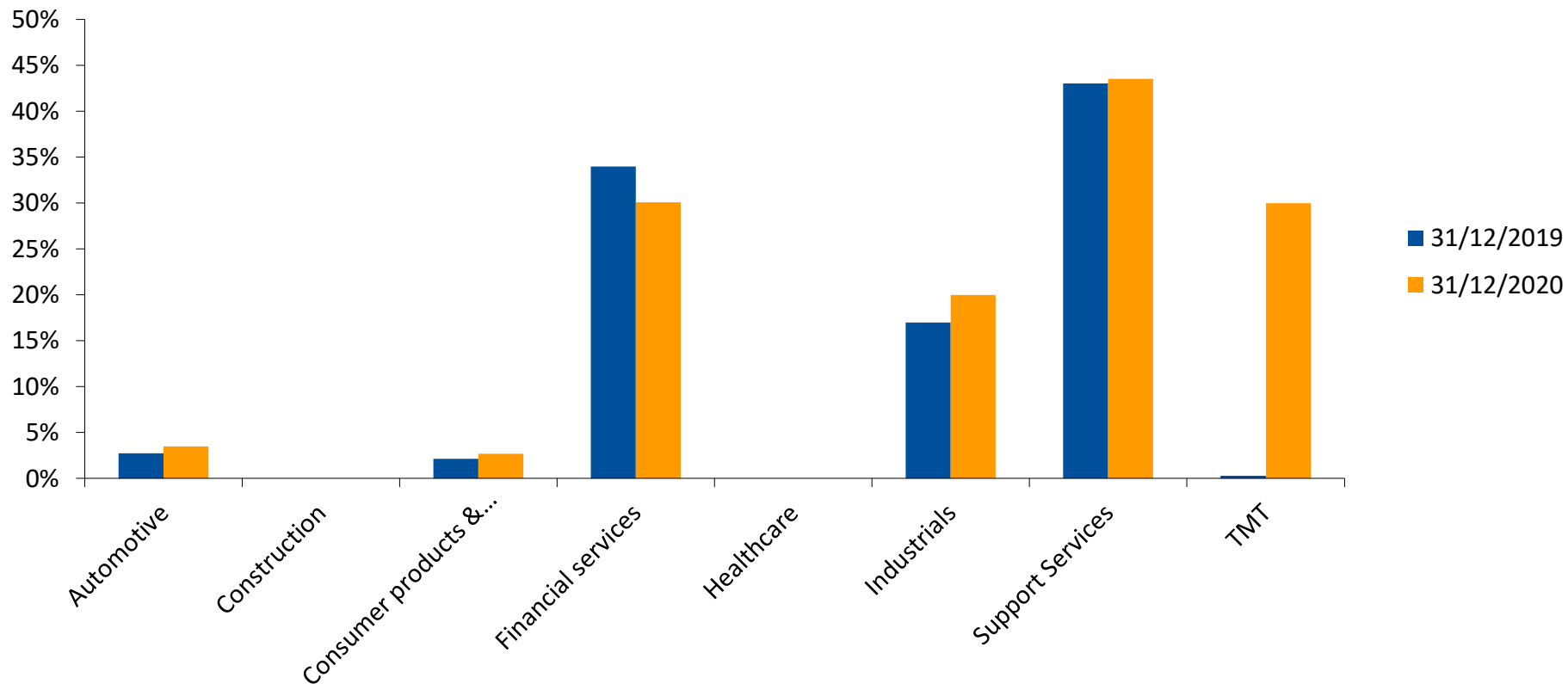
## Dunedin Enterprise Geographic allocation



## Dunedin Enterprise Valuation method



## Dunedin Enterprise Sector



# Dunedin Enterprise

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# Dunedin

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