



# Dunedin

Dunedin Enterprise Investment Trust PLC  
Final Results for the year to 31 December 2021

## Dunedin Enterprise Performance

- Share price total return of 46.3% in the year to 31 December 2021
- NAV total return of 39.5% in the year to 31 December 2021
- Discount reduced from 18.8% at 31 December 2020 to 15.4% at 31 December 2021
- Second interim dividend of 12.6p to be paid on 25 March 2022
- Final dividend of 1.9p to be payable on 13 May 2022
- Tender offer returned £26m to shareholders
- Total of £154.9m returned to shareholders since 2012
- Share price 470p at 18 March 2022 a discount of 15.9% to NAV at 31 December 2021

## Dunedin Enterprise Performance continued

- Realisations of £38.5m from investment portfolio including:
  - £19.7m from realisation of U-POL
  - £12.1m from partial realisation of GPS
  - £6.2m from refinancing of Hawksford
- Follow-on investment of £1.6m in investment portfolio including:
  - £0.9m investment in Incremental
  - £0.7m to meet ongoing expenses of limited partnership funds

## Dunedin Enterprise KPIs

- Total return per ordinary share: 46.3% (2020: -9.3%)
- Net asset value per share: 558.8p (2020: 413.9p )
- Share price: 473p (2020: 336p)
- Discount: 15.4% (2020: 18.8%)
- Dividend per ordinary share: 30.5p (2020: 2.0p)
- Ongoing charges: 1.3% (2020: 1.3%)

## Dunedin Enterprise

### Post year end events

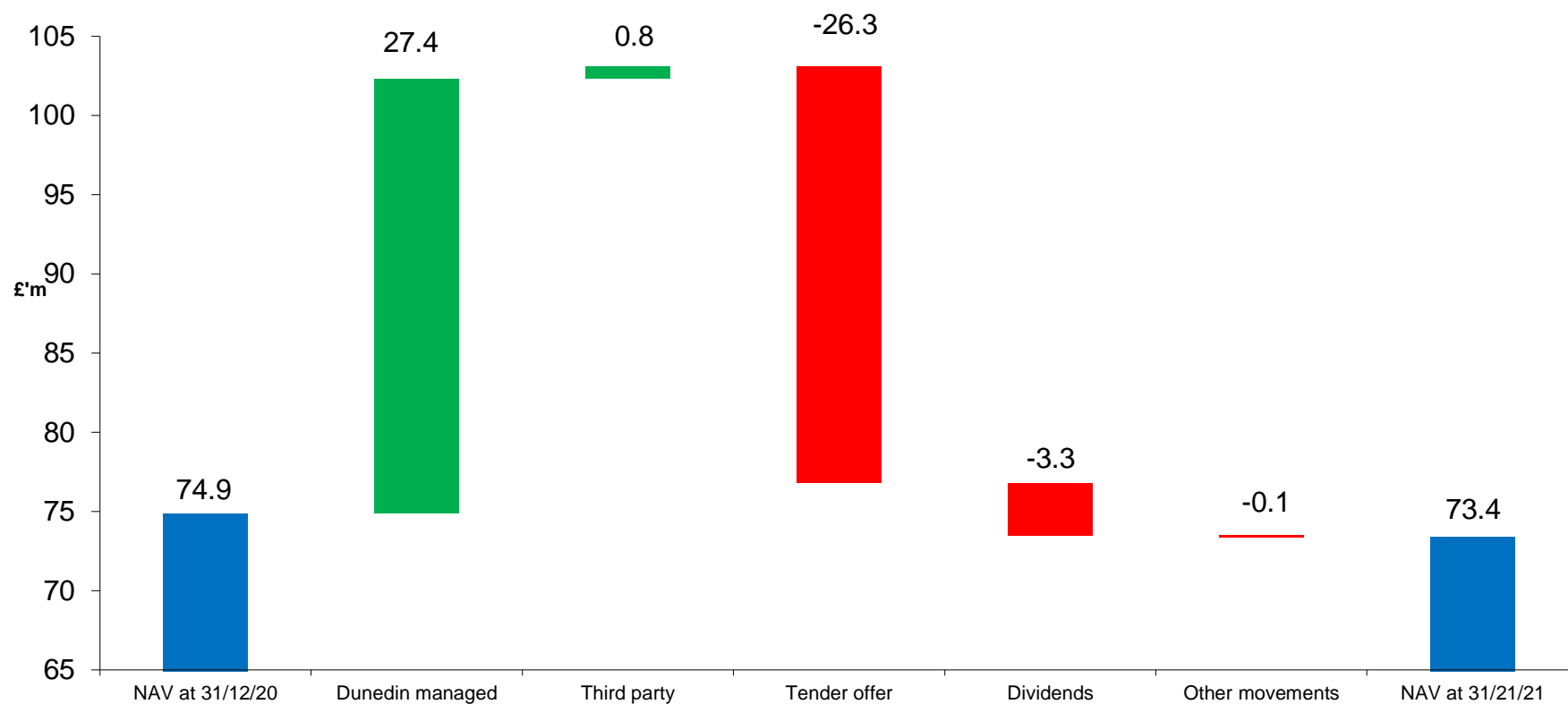
- Final dividend of 1.9p payable on 13 May 2022

# Dunedin Enterprise

## Share price total return over ten years to 31.12.21



## Dunedin Enterprise NAV performance attribution



## Dunedin Enterprise Investment portfolio

	Valuation at 31.12.20 £m	Additions in year £m	Disposals in year £m	Realised movement £m	Unrealised movement £m	Valuation at 31.12.21 £m
Dunedin managed	57.8	1.5	(38.0)	10.9	11.4	43.6
Third party funds	4.5	0.1	(0.5)	0.3	0.8	5.2
	<b>62.3</b>	<b>1.6</b>	<b>(38.5)</b>	<b>11.2</b>	<b>12.2</b>	<b>48.8</b>



## Dunedin Enterprise

### Portfolio valuation movements (including income receipts)

Company	Reason for movement	£m change
U-POL	Strong exit achieved to trade buyer	13.1
Red	Strong earnings recovery post COVID	11.8
GPS	Partial exit achieved with roll over stake retained	5.8
Incremental	Earnings growth with strong contribution from acquisitions	1.7
CitySprint	Exit achieved post year end	1.1
Premier Hytemp	Impact of oil price volatility during the year	(1.5)
Weldex	Delays to new projects resulting in low utilisation/rates	(1.6)
FRA	New business wins impacted by COVID	(6.0)

## 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 £4.4m (31/12/20: £3.3m)

## Dunedin Enterprise Multiples at 31 December 2021

Weighted Average*	31 Dec 2020	30 Jun 2021	31 Dec 2021
EBITDA	9.2	9.5	9.7

\* applies to portfolio companies valued on an earnings basis

Debt multiples	31 Dec 2020	30 Jun 2021	31 Dec 2021
EBITDA multiple	2.4x	3.2x	3.3x

Note:

- Debt bank defined as banking facilities drawn less cash at 31 December 2021
- EBITDA per investment valuation

## Dunedin Enterprise

### Third party European fund movements

	Commitment	Drawn to date	Outstanding commitment	Valuation at 31 December 2021	
	€m	€m	€m	€m	£m
Realza (Iberia - €170m)	15.0	14.2	0.8	6.2	5.2

## Dunedin Enterprise

### Total Assets and Cash Returned to Shareholders

	2014	2015	2016	2017	2018	2019	2020	2021
	£m	£m	£m	£m	£m	£m	£m	£m
Dunedin managed	84.0	93.1	81.5	57.2	64.8	75.9	57.8	43.6
Europe	12.7	16.0	22.0	9.6	10.2	4.4	4.3	5.2
Other	0.8	0.4	0.4	1.5	6.1	1.3	1.2	0.3
Cash	9.9	0.6	1.1	32.9	5.7	12.3	13.9	24.4
Total assets	107.4	110.1	105.0	101.2	86.8	93.9	77.2	73.5
Capital returned	5.2	0.7	-	20.6	20.6	5.2	10.0	26.0
Dividends paid	3.6	1.0	3.3	6.4	1.1	0.4	1.0	3.3
Return to shareholders	8.8	1.7	3.3	27.0	21.7	5.6	11.0	29.3
Cumulative return to shareholders	55.3	57.0	60.3	87.3	109.0	114.6	125.6	154.9

## Dunedin Enterprise Outstanding commitments

	2015	2016	2017	2018	2019	2020	2021
	£m	£m	£m	£m	£m	£m	£m
Dunedin managed	44.3	33.5	42.0	18.8	21.4	13.9	9.1
Europe	5.9	3.4	2.3	0.6	0.7	0.8	0.7
	50.2	36.9	44.3	19.4	22.1	14.7	9.8

### Dunedin managed funds

- DBF II: investment period expired, £1.5m remains undrawn and available
- DBF III: investment period expired, £7.6m remains undrawn and available

### European funds – investment periods expired

- Realza: €15m commitment of which 94% drawn – o/s commitment €0.8m (£0.7m)

## Dunedin Enterprise Commitment Strategy

	31 Dec 2021 £m
Cash and near cash	24.4
Dividends	(1.9)
Undrawn commitments – Dunedin	(9.0)
Undrawn commitments – Europe	(0.8)
	12.7

## Dunedin Enterprise New investment activity

### New investment of £1.6m to 31 December 2021

- £1.5m in Dunedin managed funds
- £0.1m in Third Party European funds



## Dunedin Enterprise

Total realisations of £38.5m in year to 31 December 2021

Realisations of £38.5m from investment portfolio including:

- £19.7m from realisation of U-POL
- £12.1m from partial realisation of GPS
- £6.2m from refinancing of Hawksford

## Dunedin Enterprise

### Dunedin investments

	Total Dunedin equity %	Dunedin Enterprise equity %	Cost of investment  £m	Directors valuation  £m	% of net assets  %
Red	67.8	20.1	9.7	20.7	28.2
Weldex	51.0	15.1	9.5	6.7	9.1
Incremental	41.9	8.2	3.9	6.0	8.1
GPS	7.5	1.5	2.0	5.9	8.0
Realza	8.9	8.9	4.3	5.2	7.1
FRA	26.5	5.2	1.4	3.4	4.6
EV	53.8	10.6	8.3	1.9	2.5
Premier Hytemp	77.3	23.0	10.1	1.8	2.4
CitySprint	2.0	0.6	8.0	1.5	2.1
Hawksford	12.5	3.7	-	0.1	0.2
<b>Total</b>			<b>57.2</b>	<b>53.1</b>	<b>72.3</b>

## APPENDIX 1



# Dunedin Enterprise

## Ten largest Dunedin investments



Cost	£9.7m
Valuation	£20.7m
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 31.03.21 of £130.9m (2020: £144.7m), EBITDA of £6.1m (2020: £5.1m)

### Valuation

- 10.0x maintainable EBITDA

# Dunedin Enterprise

## Ten largest Dunedin investments

**WELDEX**

Cost	£9.5m
Valuation	£6.7m
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 30.11.20 of £17.7m (2019: £16.5m), EBITDA of £8.9m (2019: £6.4m)

### Valuation

- Valued on an assets basis

# Dunedin Enterprise

## Ten largest Dunedin investments

Cost	£3.9m
Valuation	£6.0m
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.

Acquired Redspire in January 2021 and Adatis in October 2021

### Investment

- Dunedin invested in the MBO of Incremental in November 2018
- Turnover for year to 31.03.21 of £16.2m (2020: £13.2m), EBITDA of £2.5m (2020: £0.8m)

### Valuation

- 11.0x maintainable EBITDA

# Dunedin Enterprise

## Ten largest Dunedin investments

Cost	£2.0m
Valuation	£5.9m
Equity Percentage	1.5%
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
- Partial realisation in December 2021
- Turnover for year to 31.12.20 of £21.2m (2019: £16.5m) , EBITDA of £5.1m (2019: £3.8m)

### Valuation

- 11.4x maintainable revenue



# Dunedin Enterprise

## Ten largest Dunedin investments



Cost	£4.3m
Valuation	£5.2m
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

- €6.2m at 31 December 2021 based on Manager's valuation



# Dunedin Enterprise

## Ten largest Dunedin investments



Cost	£1.4m
Valuation	£3.7m
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 31.12.20 of £57.3m (31.12.19: £87.3m), EBITDA of £21.5m (31.12.19: £33.8m)

### Valuation

- 10.0x maintainable EBITDA

# Dunedin Enterprise

## Ten largest Dunedin investments

Cost	£8.3m
Valuation	£1.9m
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 31.03.21 of £14.4m (2020: £20.7m), EBITDA of £3.8m (2020: £4.1m)

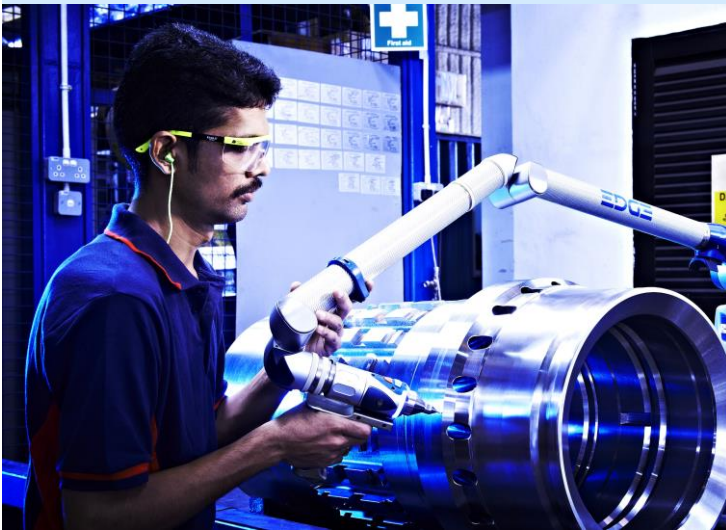
### Valuation

- 7.0x maintainable EBITDA

# Dunedin Enterprise

## Ten largest Dunedin investments

Cost	£10.1m
Valuation	£1.8m
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 30.09.20 of £28.3m (2019: £13.3m), EBITDA of £3.0m (2019: £2.1m)

### Valuation

- Net assets

# Dunedin Enterprise

## Ten largest Dunedin investments

Hawksford

Cost	£-m
Valuation	£0.1m
Equity Percentage	3.7%
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 31.12.20 of £34.1m (2019: £34.0m), EBITDA of £8.1m (2019: £8.1m)

### Valuation

- 8.9x maintainable EBITDA

# Dunedin Enterprise

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