



Dunedin

Dunedin Enterprise Investment Trust PLC
Final Results for the year to 31 December 2019

Dunedin Enterprise Performance

- Share price total return of 23.6% in the year to 31 December 2019
- NAV total return of 14.4% in the year to 31 December 2019
- Discount narrowed from 20.6% at 31 December 2018 to 15.4% at 31 December 2019
- Final dividend of 5.0p to be payable in May 2020
- Total of £114.6m returned to shareholders since 2012
- Share price 255p at 25 March 2020 a discount of 15.4% to NAV at 31 December 2019

Dunedin Enterprise Performance continued

- Realisations of £8.9m from investment portfolio including:
 - £5.4m from two realisations in the Realza portfolio
 - £2.3m from refinancing of Kingsbridge
 - £1.1m from refinancing of FRA
- Follow-on investment of £2.8m from investment portfolio including:
 - £1.0m investment in GPS
 - £0.7m investment in CitySprint
 - £0.3m investment in EV
- B Share Issue:
 - £5.2m returned to shareholders in June 2019

Dunedin Enterprise KPIs

- Total return per ordinary share: 14.4% (2018: 6.4%)
- Net asset value per share: 444.4p (2018: 412.9p)
- Share price: 376p (2018: 328p)
- Discount: 15.4% (2018: 20.6%)
- Dividend per ordinary share: 5.0p (2018: 2.0p)
- Ongoing charges: 1.2% (2018: 1.5%)

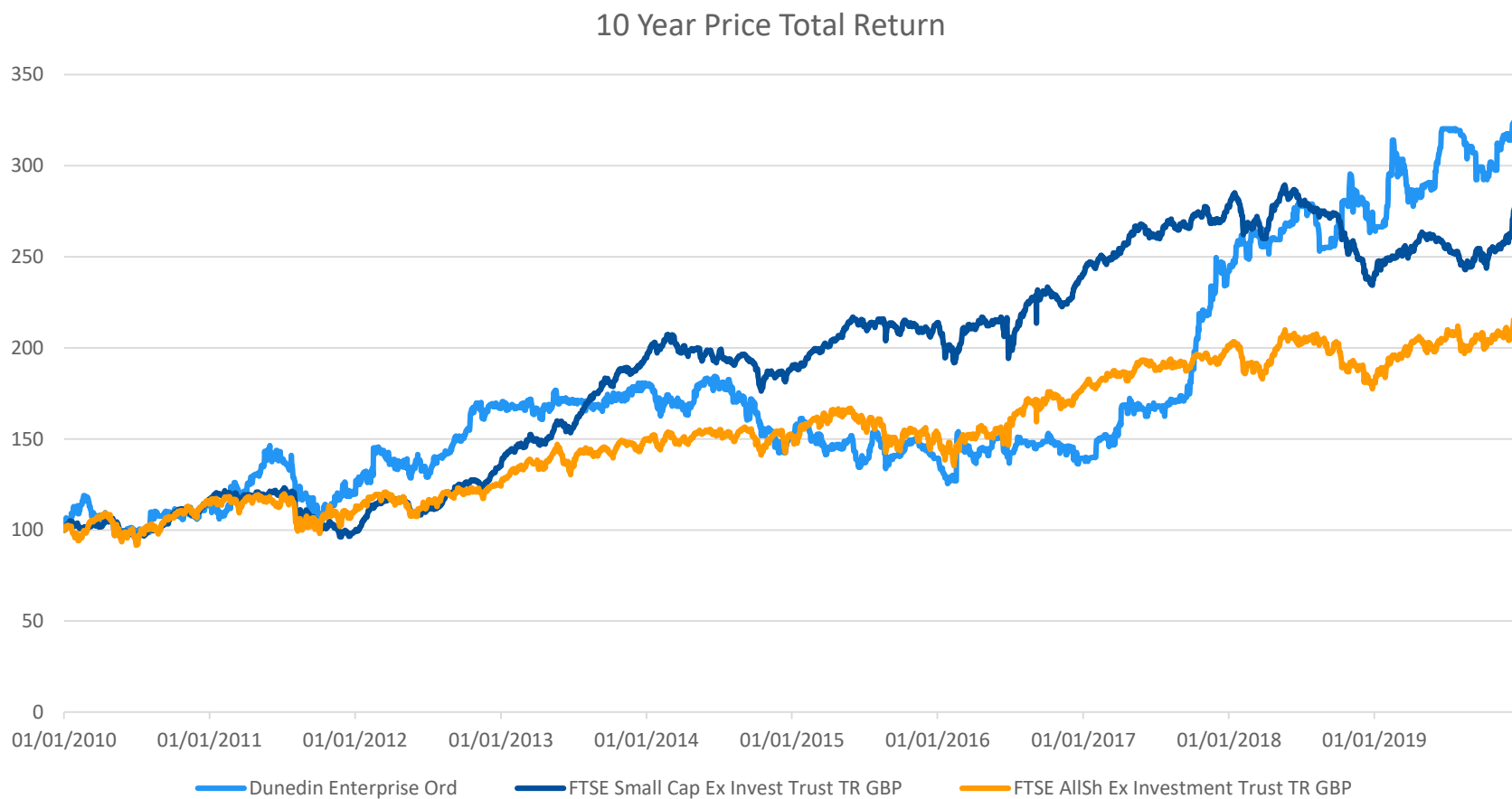
Dunedin Enterprise

Post year end events

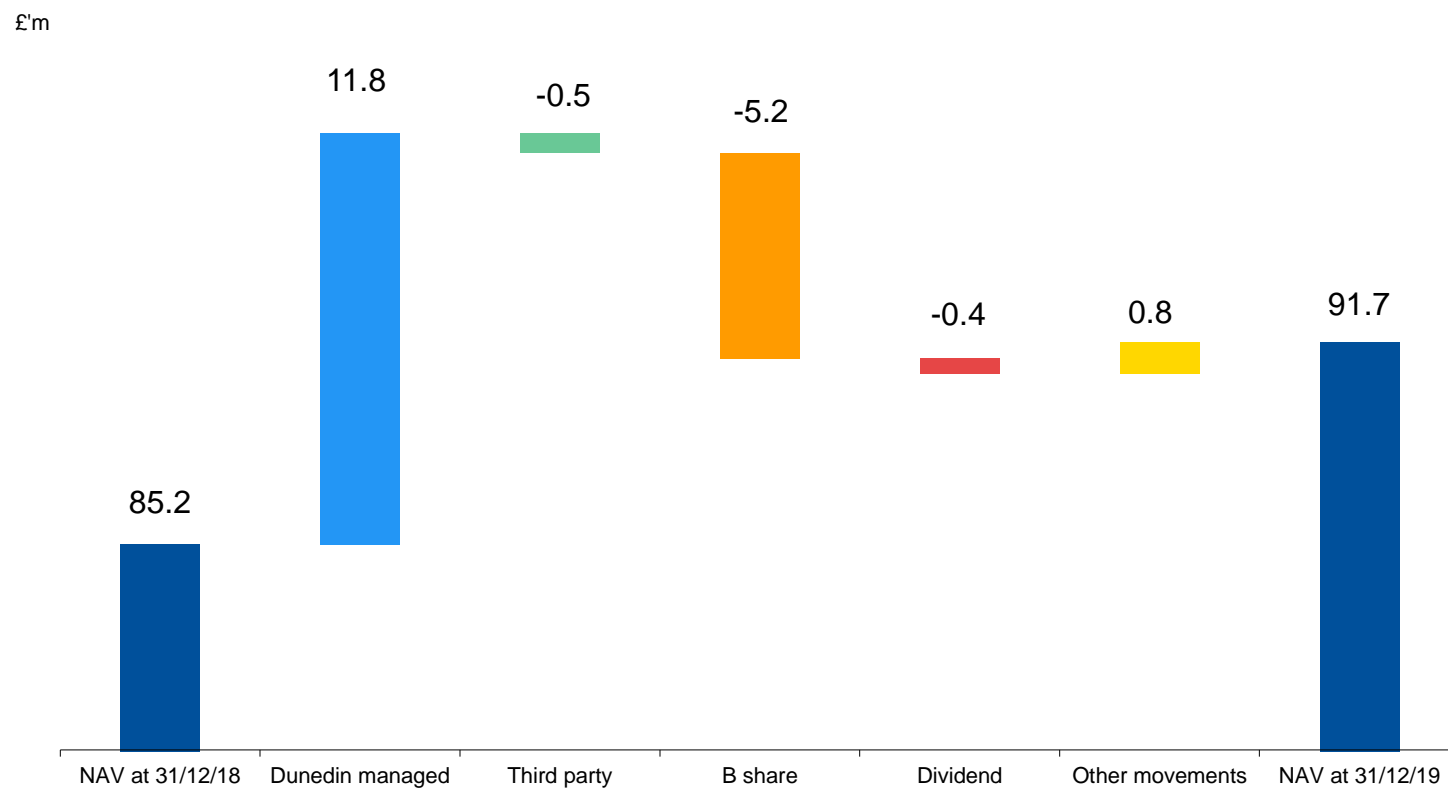
- In March 2020 the realisation of Kingsbridge, subject to regulatory approval, generating proceeds of £10.4m, consisting of £10.2m capital and £0.2m income
- In February 2020 there was a further refinancing of FRA. A total of £4.0m was received by Dunedin Enterprise, consisting of £3.5m capital and £0.5m income
- Final dividend of 5.0p payable on 15 May 2020

Dunedin Enterprise

Share price total return over ten years to 31.12.19



Dunedin Enterprise NAV performance attribution



Dunedin Enterprise Investment portfolio

	Valuation at 31.12.18 £m	Additions in year £m	Disposals in year £m	Realised movement £m	Unrealised movement £m	Valuation at 31.12.19 £m
Dunedin managed	64.8	2.7	(3.4)	(0.6)	12.6	75.9
Third party funds	10.5	0.1	(5.5)	-	(0.5)	4.6
	75.3	2.8	(8.9)	(0.6)	12.1	80.5

Dunedin Enterprise

Portfolio valuation movements (including income receipts)

Company	Reason for movement	£m change
FRA	Strong earnings growth and client wins	7.0
Kingsbridge	Exit valuation	5.7
Red	Strong earnings growth from contracts division	4.8
GPS	Valuation basis change from cost to revenue multiple	2.8
U-POL	Strong earnings growth and expansion in the US	2.3
Formaplex	Valuation moved back to earnings basis	1.9
EV	Strong earnings growth	1.2
Hawksford	Exceptional costs of change	(1.1)
Incremental	Accelerated investment in billable/non-billable staff for future growth	(1.5)
CitySprint	Difficult trading due to increased competition	(6.4)
Carried interest	Provision for DBFIII carried interest following valuation uplifts	(3.0)

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 £5.7m (31/12/18: £6.7m)

Dunedin Enterprise

Average multiples and average listed valuation multiples at 31 December 2019

Weighted Average*	31 December 2018	30 June 2019	31 December 2019
EBITDA	9.6	9.4	9.1

* applies to portfolio companies valued on an earnings basis

Dunedin Enterprise Debt multiples

Debt multiples	31 December 2018	30 June 2019	31 December 2019
EBITDA multiple	2.7x	3.2x	2.8x

Note:

- Debt bank defined as banking facilities drawn less cash at 31 December 2019
- EBITDA per investment valuation

Portfolio gearing Dunedin managed investments

Gearing as multiple of EBITDA	No. of companies	% of total valuation
Multiple < 1	2	33%
Multiple 1 to 2	-	-
Multiple 2 to 3	2	18%
Multiple > 3	5	49%

Portfolio gearing

Dunedin managed direct investments

Maturity of Portfolio Company Debt	%
Repayable in 2020	15
Repayable in 2021	13
Repayable in 2022	3
Repayable thereafter	69
	100

Dunedin Enterprise

Third party European fund movements

	Commitment	Drawn to date	Outstanding commitment	Valuation at 31 December 2019	
	€m	€m	€m	€m	£m
Realza (Iberia - €170m)	15.0	14.2	0.8	5.1	4.4

Dunedin Enterprise

Total Assets and Cash Returned to Shareholders

	2013	2014	2015	2016	2017	2018	2019
	£m	£m	£m	£m	£m	£m	£m
Dunedin managed	75.1	84.0	93.1	81.5	57.2	64.8	75.9
Europe	12.9	12.7	16.0	22.0	9.6	10.2	4.4
Other	1.2	0.8	0.4	0.4	1.5	6.1	1.3
Cash	27.9	9.9	0.6	1.1	32.9	5.7	12.3
Total assets	117.1	107.4	110.1	105.0	101.2	86.8	93.9
Capital returned	18.0	5.2	0.7	-	20.6	20.6	5.2
Dividends paid	1.7	3.6	1.0	3.3	6.4	1.1	0.4
Return to shareholders	19.7	8.8	1.7	3.3	27.0	21.7	5.6
Cumulative return to shareholders	46.5	55.3	57.0	60.3	87.3	109.0	114.6

Dunedin Enterprise Outstanding commitments

	2013	2014	2015	2016	2017	2018	2019 ^{*1}
	£m	£m	£m	£m	£m	£m	£m
Dunedin managed	62.6	54.2	44.3	33.5	42.0	18.8	21.4
Europe	13.7	9.6	5.9	3.4	2.3	0.6	0.7
	76.3	63.8	50.2	36.9	44.3	19.4	22.1

Dunedin managed funds

- DBF II: investment period expired, £5.1m remains undrawn and available
- DBF III: investment period expired, £16.3m remains undrawn and available

European funds – investment periods expired

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

^{*1} – increased by amounts returned in 2019 which are recallable

Dunedin Enterprise Commitment Strategy

	31 December 2019 £m
Cash and near cash	12.3
Revolving credit facility*	5.0
Undrawn commitments – Dunedin	(21.4)
Undrawn commitments – Europe	(0.7)
Unfunded commitments**	(4.8)

* available to 31 May 2020

** expected drawdowns suggest over funded position of £12.2m

Dunedin Enterprise New investment activity

New investment of £2.8m to 31 December 2019

- £2.7m in Dunedin managed funds
- £0.1m in Third Party European funds

Dunedin Enterprise

Total realisations of £8.9m in year to 31 December 2019

Realisations of £8.9m from investment portfolio including:

- £5.4m from two realisations in the Realza portfolio
- £2.3m from refinancing of Kingsbridge
- £1.1m 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 %
FRA	27.5	5.4	4.9	18.4	20.1
Kingsbridge	63.4	12.4	1.9	10.4	11.3
GPS	43.5	8.5	7.3	10.1	11.1
Hawksford	54.4	17.8	6.7	10.1	11.0
Red	67.8	20.1	9.7	9.3	10.2
Weldex	51.0	15.1	9.5	9.2	10.0
U-POL	17.0	5.0	5.7	5.9	6.5
Realza	8.9	8.9	4.3	4.4	4.8
EV	53.8	10.6	8.3	3.6	4.0
Formaplex	58.1	19.4	3.2	3.6	3.9
Total			61.5	85.0	92.9

Dunedin Enterprise Remaining investments

	Total Dunedin equity %	Dunedin Enterprise equity %	Cost of investment £m	Directors valuation £m	% of net assets %
Top 10 investments			61.5	85.0	92.9
Premier Hytemp	70.0	20.8	10.1	2.5	2.8
Incremental	41.9	8.2	3.0	1.5	1.6
CitySprint	17.3	5.1	8.0	0.7	0.8
Alta Berkeley	3.0	3.0	0.6	0.2	0.2
ADD One	2.9	2.9	1.2	0.1	0.1
Total investments				90.0	98.4

APPENDIX 1



Dunedin Enterprise

Ten largest Dunedin investments



Cost	£4.9m
Valuation	£18.4m
Equity Percentage	5.4%
Original investment date	March 2017



Business

Forensic Risk Alliance is a leading international consultancy to large distressed corporations around the world facing investigation by international regulators for corruption, fraud and poor practices. The firm has worked on four of the top ten largest global fines from regulators for malpractice

Investment

- Dunedin led the buyout of FRA in March 2017
- Turnover for year to 31.12.18 of £67.7m (period to 31.12.17: £39.8m), EBITDA of £22.2m (period to 31.12.17: £13.9m)

Valuation

- 10.0x maintainable EBITDA

Dunedin Enterprise

Ten largest Dunedin investments

Cost	£1.9m
Valuation	£10.4m
Equity Percentage	12.4%
Original investment date	June 2016



Business

Kingsbridge is an insurance intermediary operating through two core divisions: a fast growing and innovative contractor insurance division and a specialist corporate brokerage division

In December 2018, the business successfully completed the acquisition of InsurTech pioneer Dinghy, an online provider of PI and related insurances to the UK freelance/creative sector. This was the second acquisition that Kingsbridge made in 12 months, the first was Larsen Howie, a specialist online provider of insurance and IR35 and tax related services

Investment

- Dunedin led the buyout of Kingsbridge in June 2016
- Turnover for year to 31.01.19 of £14.9m (2018: £12.5m), EBITDA of £5.2m (2018: £4.3m)

Valuation

- Exit valuation

Dunedin Enterprise

Ten largest Dunedin investments

Cost	£7.3m
Valuation	£10.1m
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

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 31.12.18 of £6.4m, EBITDA of £1.1m

Valuation

- 6.8x maintainable Revenue

Dunedin Enterprise

Ten largest Dunedin investments

Hawksford

Cost	£6.7m
Valuation	£10.1m
Equity Percentage	17.8%
Original investment date	October 2008



Business

Hawksford is a Jersey based leading international provider of corporate, private client and funds services

During 2018 Hawksford completed the acquisitions of P&P, a Hong Kong based trust business; and the corporate services division of audit and accountancy practice SH Landes. The P&P acquisition increased Hawksford's Asian presence, giving the company new representation in China and Japan, building on its existing presence in Singapore and Hong Kong

Hawksford's international clients will now have access to a greater depth of services across Asia, while P&P clients will be able to utilise Hawksford's wider services in other locations. As a result of the SH Landes acquisition, Hawksford will be able to provide specialist corporate services from its central London offices

Investment

- Dunedin led the MBO of Hawksford (then Rathbone International) in October 2008
- Turnover in the year to 31.12.18 of £30.8m (2017: £24.6m), EBITDA of £6.7m (2017: £6.6m)

Valuation

- 8.2x maintainable EBITDA

Dunedin Enterprise

Ten largest Dunedin investments



Cost	£9.7m
Valuation	£9.3m
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 31.03.19 of £137.6m (2018: £123.6), EBITDA of £4.5m (2018: £3.4m)

Valuation

- 9.0x maintainable EBITDA

Dunedin Enterprise

Ten largest Dunedin investments

WELDEX

Cost	£9.5m
Valuation	£9.2m
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

Investment

- Dunedin led the secondary MBO of Weldex in June 2010
- Turnover for year to 30.11.18 of £22.5m (2017: £23.1m), EBITDA of £10.7m (2017: £11.4m)

Valuation

- Valued on an assets basis

Dunedin Enterprise

Ten largest Dunedin investments



Cost	£5.7m
Valuation	£5.9m
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 31.12.18 of £71.9m (2017: £68.2m), EBITDA of £12.4m (2017: £13.2m)

Valuation

- 9.0x maintainable EBITDA

Dunedin Enterprise

Ten largest Dunedin investments



Cost	£4.3m
Valuation	£4.4m
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

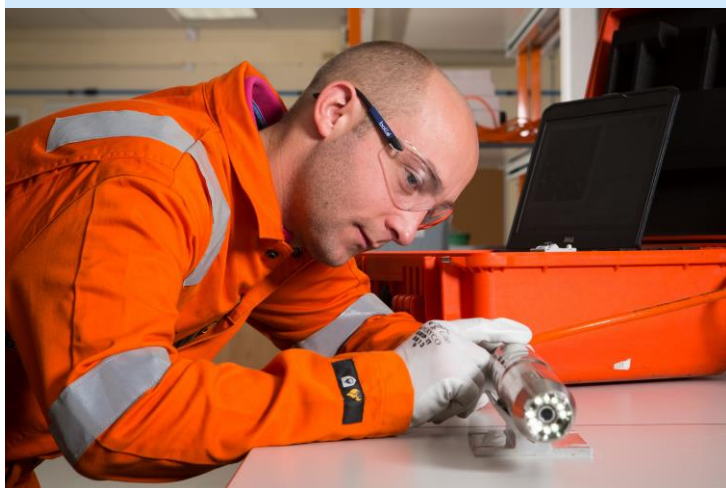
Valuation

- €5.1m at 31 December 2019 based on Manager's valuation

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

Investment

- Dunedin led the MBO of EV in June 2014
- Turnover for year to 31.12.19 of £19.4m (2018: £16.0m), EBITDA of £3.8m (2018: £2.3m)

Valuation

- 8.4x maintainable EBITDA

Dunedin Enterprise

Ten largest Dunedin investments



Cost	£3.2m
Valuation	£3.6m
Equity Percentage	19.4%
Original investment date	December 2007



Business

Investment

- Formaplex is an advanced manufacturing business focused on the design and manufacture of products using advanced lightweight materials. Its services include design and prototyping through to volume manufacturing of components for the luxury car, aerospace, defence, medical and renewables markets
- Turnover for year to 30.06.18 of £51.5m (2017: £61.6m), EBITDA of £1.0m (2017: £0.9m)

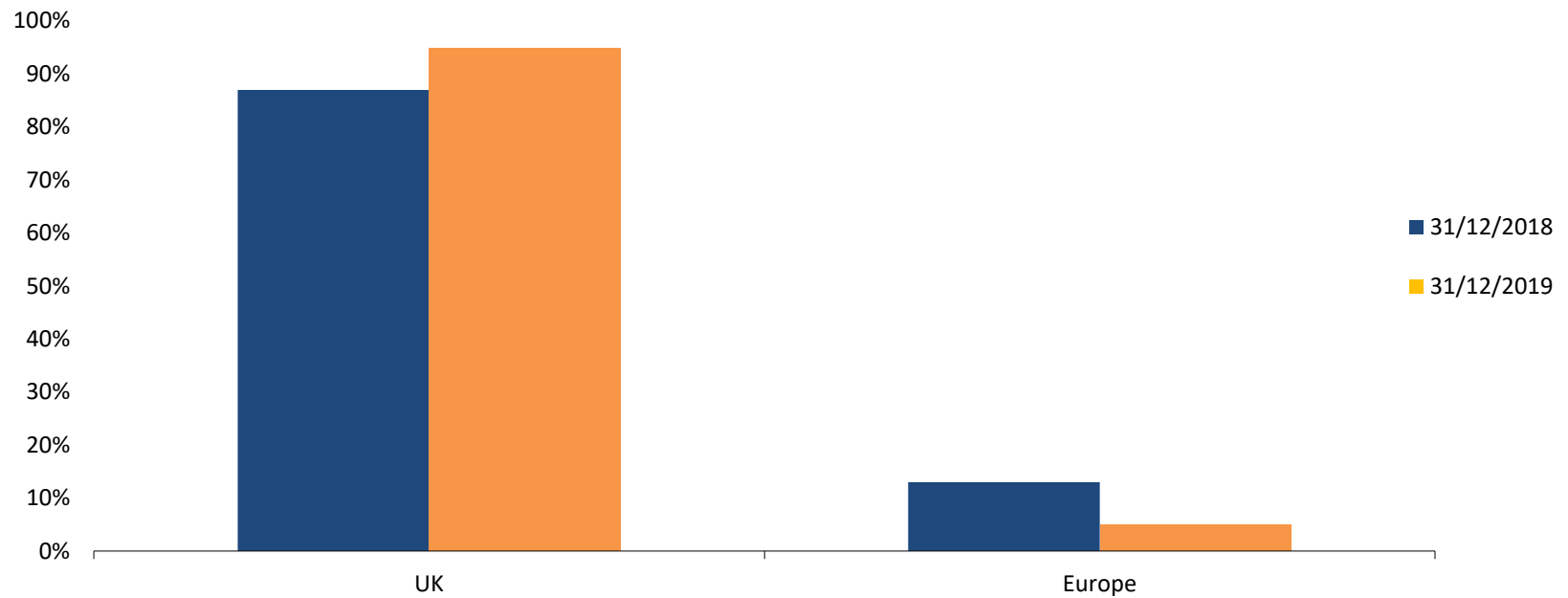
Valuation

- 6.0x maintainable EBITDA

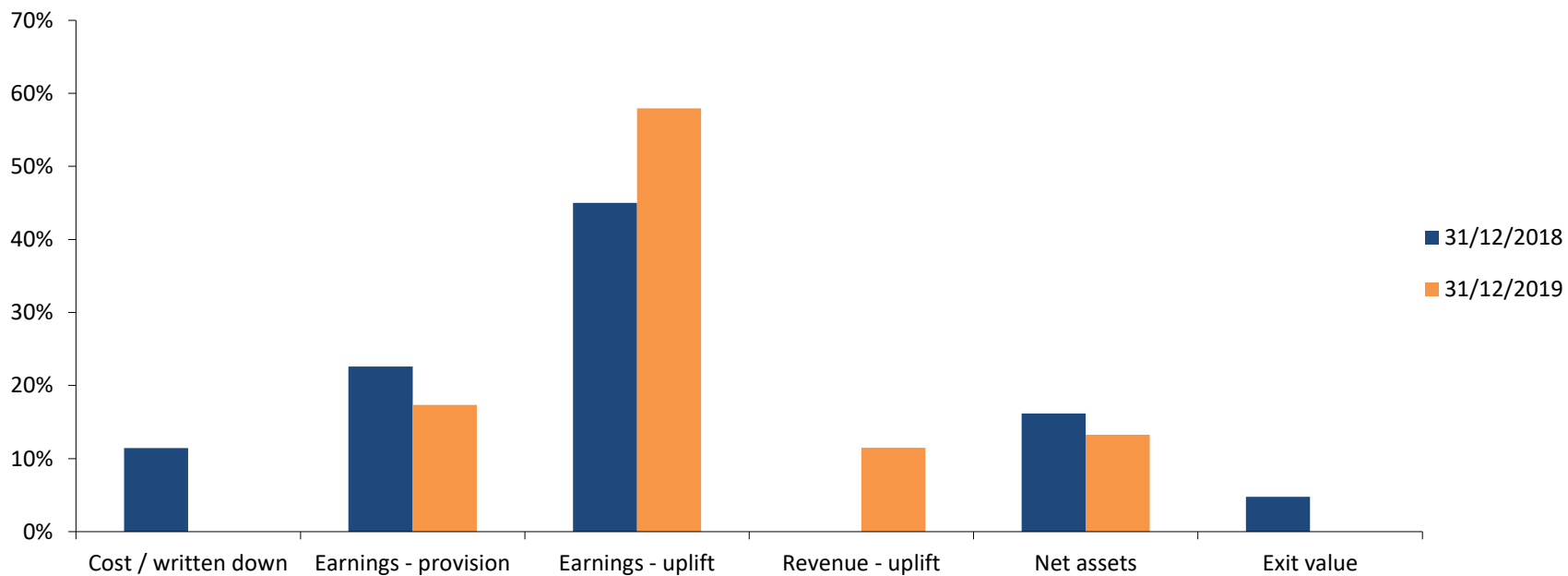
APPENDIX 2



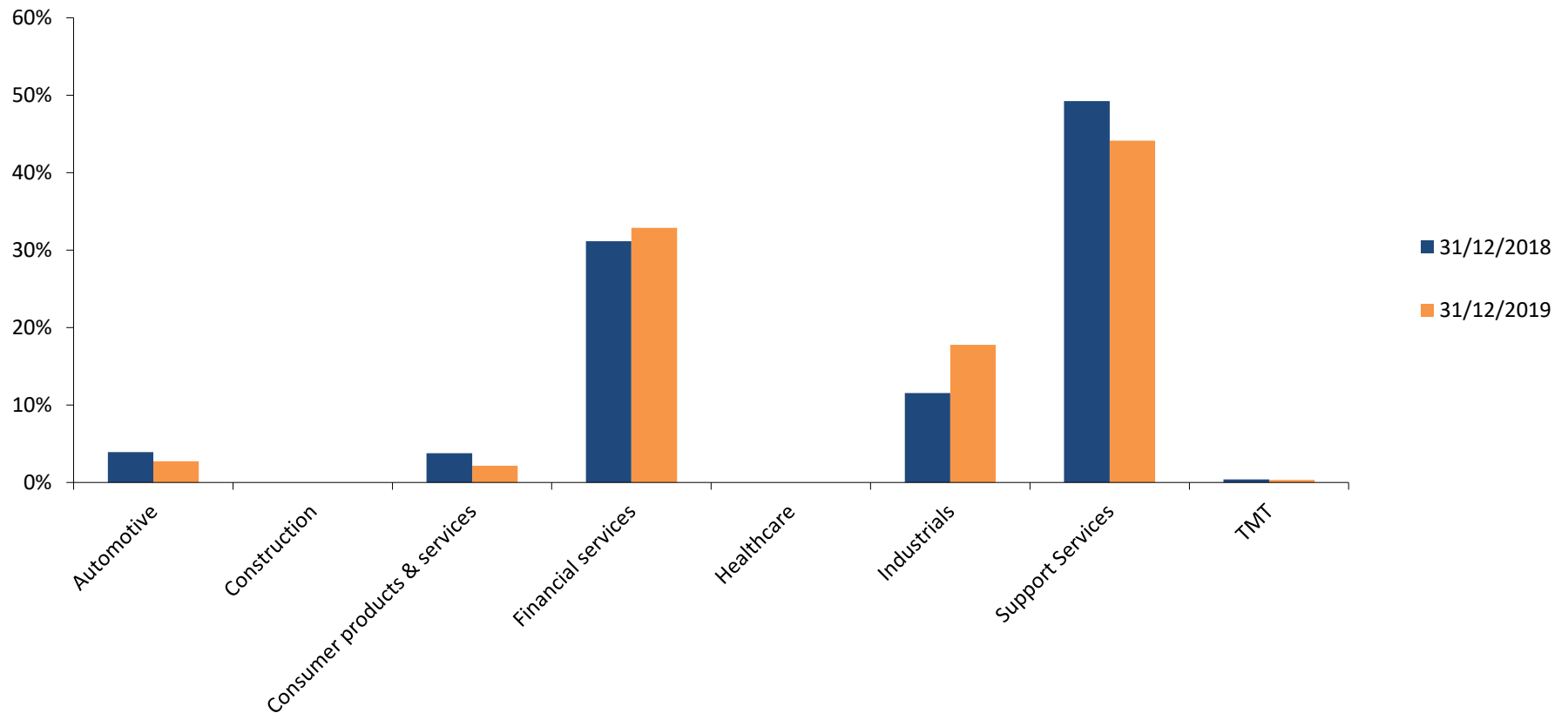
Dunedin Enterprise Geographic allocation



Dunedin Enterprise Valuation method



Dunedin Enterprise Sector



Dunedin Enterprise

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