



Dunedin

Dunedin Enterprise Investment Trust PLC
Results for the half year to 30 June 2022

Dunedin Enterprise Performance

- NAV total return of 4.0% in the six months to 30 June 2022
- Share price 520p at 15 September 2022
- Discount narrowed from 15.4% at 31 December 2021 to 8.4% at 15 September 2022
- Dividends of 14.5p paid in the half year
- Total of £157m returned to shareholders since 2012

Dunedin Enterprise Performance continued

- Realisations of £8.6m from investment portfolio including:
 - £7.9m from the sale of Incremental (£7.1m capital and £0.8m income)

Dunedin Enterprise KPIs

- Total return per ordinary share: 9.4% (December 2021: 46.3%)
- Net asset value per share: 567.5p (December 2021: 558.8p)
- Share price: 502p (December 2021: 473p)
- Discount: 11.5% (December 2021: 15.4%)

Dunedin Enterprise

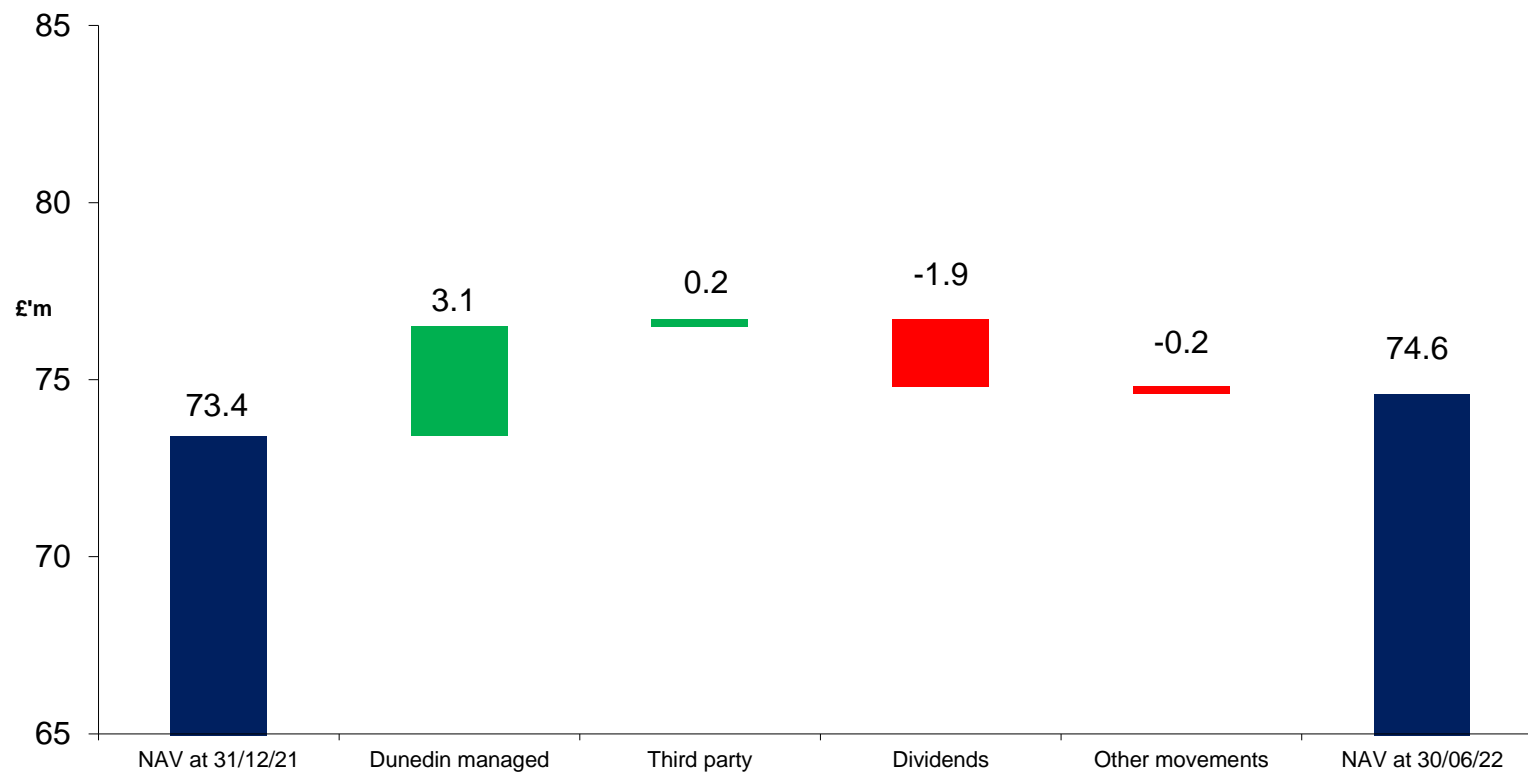
Post half year end events

- In August 2022 an agreement was entered into to realise the investment in RED. The transaction is subject to funding and regulatory approval and is expected to complete in the second half of 2022. Proceeds are expected to amount to £23.7m, consisting of £19.7m capital and £4.0m income. This compares to a valuation at 30 June 2022 of £23.7m

- Tender offer

Intention to undertake a Tender Offer following the completion of the RED realisation. Further details of the Tender Offer will be issued in due course

Dunedin Enterprise NAV performance attribution



Dunedin Enterprise Investment portfolio

	Valuation at 31.12.21 £m	Additions in half year £m	Disposals in half year £m	Realised movement £m	Unrealised movement £m	Valuation at 30.06.22 £m
Dunedin managed	43.6	0.2	(8.6)	0.9	1.5	37.6
Third party funds	5.2	0.1	-	-	0.1	5.4
	48.8	0.3	(8.6)	0.9	1.6	43.0

Dunedin Enterprise Portfolio valuation movements

Company	Reason for movement	£m change
Red	Exit valuation driven by strong earnings growth and strong order book	3.0
Incremental	Realisation of investment	2.6
GPS	Significant reduction in fintech valuation multiples	(5.9)

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 £4.0m (31/12/21: £4.4m)

Dunedin Enterprise Multiples at 30 June 2022

Valuation Multiple	30 Jun 2021	31 Dec 2021	30 Jun 2022
EBITDA	9.5	9.7	8.8

Debt Multiple	30 Jun 2021	31 Dec 2021	30 Jun 2022
EBITDA	3.2x	3.3x	3.1x

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Third party European fund movements

	Commitment	Drawn to date	Outstanding commitment	Valuation at 30 June 2022	
	€m	€m	€m	€m	£m
Realza (Iberia - €170m)	15.0	14.2	0.8	6.3	5.4

Dunedin Enterprise

Total Assets and Cash Returned to Shareholders

	2016	2017	2018	2019	2020	2021	2022
	£m	£m	£m	£m	£m	£m	£m
Dunedin managed	81.5	57.2	64.8	75.9	57.8	43.6	37.6
Europe	22.0	9.6	10.2	4.4	4.3	5.2	5.4
Other	0.4	1.5	6.1	1.3	1.2	0.3	1.7
Cash	1.1	32.9	5.7	12.3	13.9	24.4	30.0
Total assets	105.0	101.2	86.8	93.9	77.2	73.5	74.7
Capital returned	-	20.6	20.6	5.2	10.0	26.0	-
Dividends paid	3.3	6.4	1.1	0.4	1.0	3.3	1.9
Return to shareholders	3.3	27.0	21.7	5.6	11.0	29.3	1.9
Cumulative return to shareholders since 2012	60.3	87.3	109.0	114.6	125.6	154.9	156.8

Dunedin Enterprise Outstanding commitments

	2016	2017	2018	2019	2020	2021	2022
	£m	£m	£m	£m	£m	£m	£m
Dunedin managed	33.5	42.0	18.8	21.4	13.9	11.2	9.0
Europe	3.4	2.3	0.6	0.7	0.8	0.7	0.7
	36.9	44.3	19.4	22.1	14.7	11.9	9.7

Dunedin managed funds

- DBF II: investment period expired, £1.5m remains undrawn and available
- DBF III: investment period expired, £7.5m remains undrawn and available

European funds – investment periods expired

- Realza: €15m commitment of which 95% drawn – o/s commitment €0.8m (£0.7m)

Dunedin Enterprise Commitment Strategy

	30 June 2022 £m
Cash and near cash	30.0
Undrawn commitments – Dunedin	(9.0)
Undrawn commitments – Europe	(0.7)
Over funded commitments	20.3

Dunedin Enterprise Current investments

	Total Dunedin equity %	Dunedin Enterprise equity %	Cost of investment £m	Directors valuation £m	Total return £m	% of net assets %
RED	67.8	20.1	9.7	23.7	25.2	31.8
Weldex	51.0	15.1	9.5	6.6	6.7	8.9
Realza	8.9	8.9	4.3	5.4	17.1	7.3
FRA	27.5	5.2	1.4	3.8	9.4	5.2
Premier Hytemp	77.3	23.0	10.1	2.3	2.5	3.1
EV	53.8	10.6	8.3	1.9	1.9	2.6
Incremental	-	-	-	1.4	11.3	1.9
GPS	7.5	1.5	2.0	-	18.2	-
Hawksford	12.0	3.7	-	-	7.1	-
Total			45.4	45.3	99.3	60.8

APPENDIX 1



Dunedin Enterprise

Ten largest Dunedin investments



Cost	£9.7m
Valuation	£23.7m
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

- Expected exit proceeds

Dunedin Enterprise

Ten largest Dunedin investments

WELDEX

Cost	£9.5m
Valuation	£6.6m
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 30.11.20 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	£4.3m
Valuation	£5.4m
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

- €6.3m at 30 June 2022 based on Manager's valuation

Dunedin Enterprise

Ten largest Dunedin investments



Cost	£1.4m
Valuation	£3.8m
Equity Percentage	5.2%
Original investment date	March 2017



Business

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

FRA works on some of the largest and most complex regulatory investigations globally.

Two refinancings of the business have been undertaken with Dunedin Enterprise receiving proceeds of £5.5m.

Investment

- Dunedin led the buyout of FRA in March 2017
- Turnover for year to 31.12.20 of £57.3m (2019: £87.3m), EBITDA of £21.5m (2019: £33.8m)

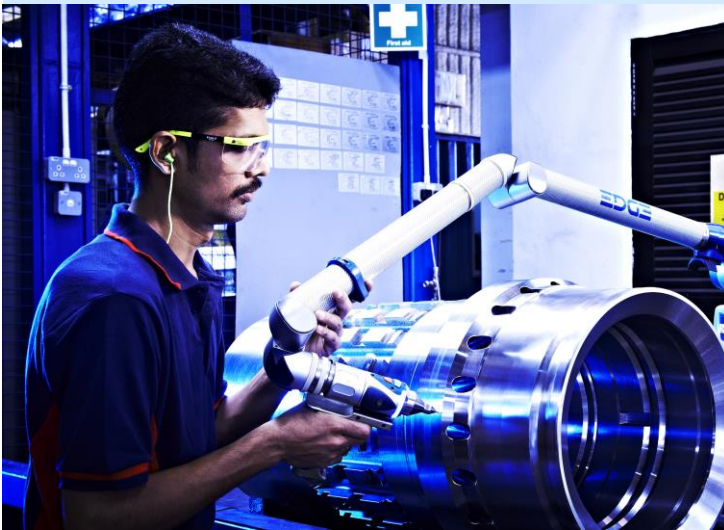
Valuation

- 10.0x maintainable EBITDA

Dunedin Enterprise

Ten largest Dunedin investments

Cost	£10.1m
Valuation	£2.2m
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 revenues, often sub-sea

Investment

- Dunedin led the buyout of Premier Hytemp in November 2012
- Turnover for year to 30.09.21 of £19.4m (2020: £28.3m), EBITDA of £0.6m (2020: £3.0m)

Valuation

- Net assets

Dunedin Enterprise

Ten largest Dunedin investments



Cost	£8.3m
Valuation	£1.9m
Equity Percentage	10.6%
Original investment date	June 2014



Business

EV is the global market leader in high definition visualisation technology for the oil and gas industry, producing cameras and other 'big data' sensors for diagnosing and analysing problems in oil and gas wells

In April 2016, EV acquired Epidote, a software company specialising in presenting and analysing oil and gas well integrity data. The acquisition has allowed EV to enhance its technological offer, with the aim of reducing costs and improving results for its clients

Investment

- Dunedin led the buyout 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

- 5.4x maintainable EBITDA

Dunedin Enterprise

Ten largest Dunedin investments

Cost	£-m
Valuation	£1.4m
Equity Percentage	-%
Original investment date	November 2018



Business

Incremental is a market leading, UK focused IT services business which helps its clients to design, implement and manage their IT infrastructure needs which include ERP, CRM, cyber security and digital applications. Incremental's mission is to enable government and industry to digitally transform their businesses, one step at a time

Investment

- Dunedin invested in the MBO of Incremental in November 2018
- In March 2022 Incremental was realised via a trade sale generating a return of 2.4x cost

Valuation

- Expected deferred proceeds of £1.4m

Dunedin Enterprise

Ten largest Dunedin investments

Cost	£2.0m
Valuation	£-m
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

Investment

- Dunedin led £75m MBO in June 2018, DENT invested £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

- 4.5x maintainable revenue

Dunedin Enterprise

Ten largest Dunedin investments

Hawksford

Cost	£-m
Valuation	£-m
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.

Investment

- Dunedin led the MBO of Hawksford (then Rathbone International) in October 2008
- Partial realisation February 2021
- Turnover in the year to 31.12.20 of £34.1m (2019: £34.0m), EBITDA of £8.1m (2019: £8.1m)

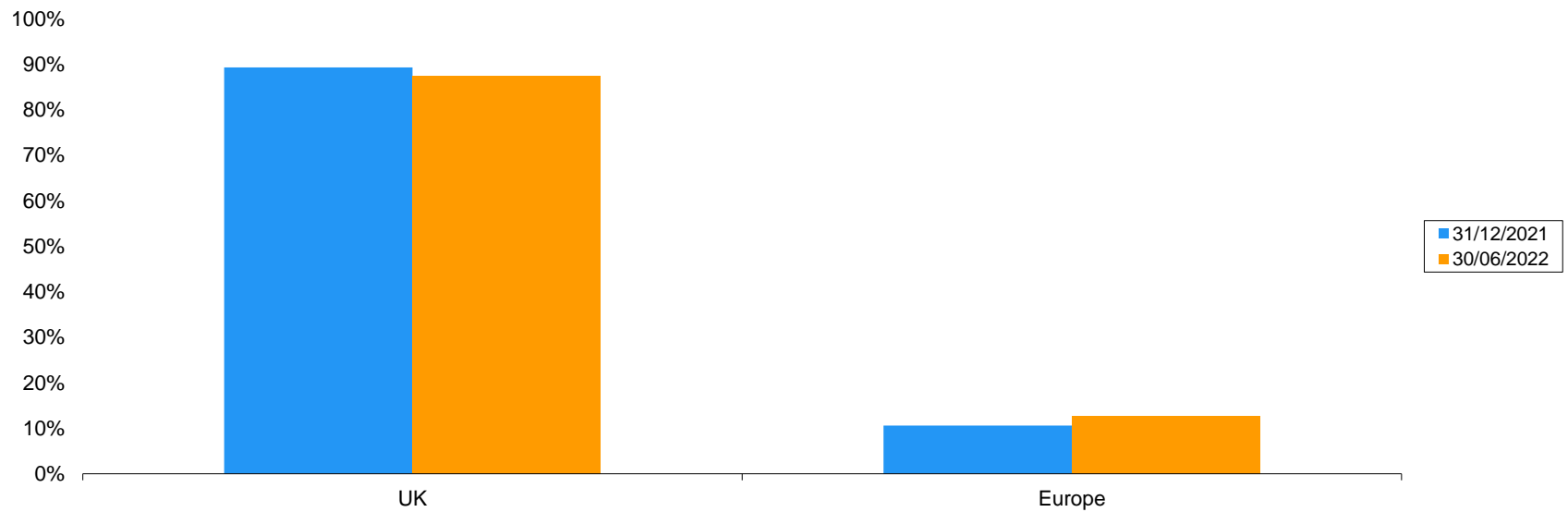
Valuation

- 8.9x maintainable EBITDA

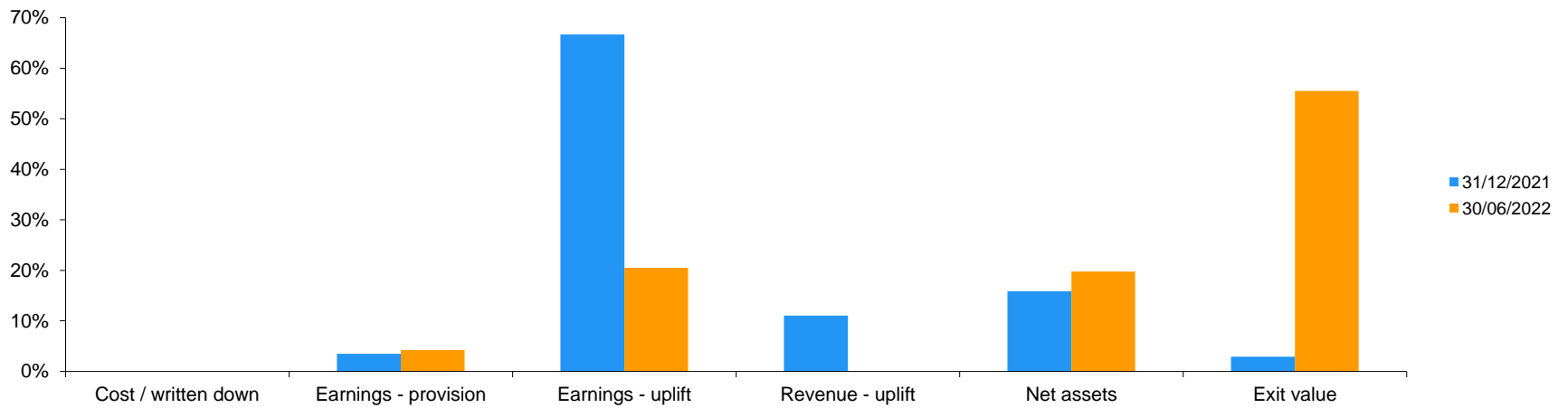
APPENDIX 2



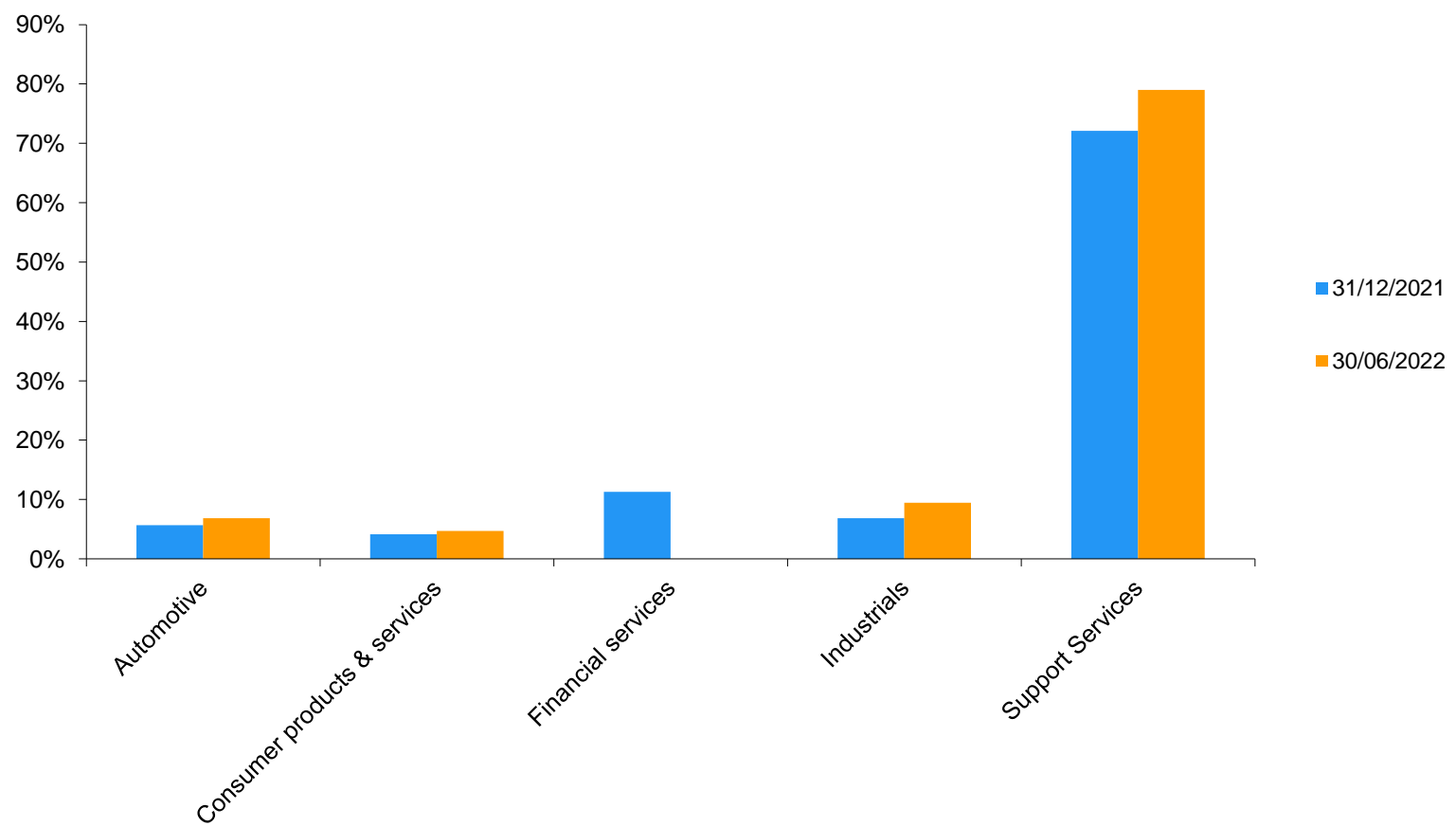
Dunedin Enterprise Geographic allocation



Dunedin Enterprise Valuation method



Dunedin Enterprise Sector



Dunedin Enterprise

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