



Dunedin

Dunedin Enterprise Investment Trust PLC
Final Results for the year to 31 December 2017

Dunedin Enterprise Performance

- Share price total return of 74.8% in the year to 31 December 2017
- NAV total return of 23.9% in the year to 31 December 2017
- Share price increased by 29.6% from 306p to 396.5p at 31 December 2017
- Share price 380p at 19 March 2018
- Discount reduced from 39.2% at 31 December 2016 to 18.9% at 31 December 2017
- Interim dividend of 13.5p paid in December 2017
- Final dividend of 5.5p to be payable in May 2018

Dunedin Enterprise Performance continued

- Realisations of £66.9m from investment portfolio including:
 - £10.1m for the sale of Steeper
 - £12.9m for the sale of Blackrock
 - £16.7m for the sale of Alpha
 - £15.9m for the sale of Kee Safety
 - £10.2m for the sale of Innova
- New investment of £9.8m from investment portfolio including:
 - £6.0m investment in FRA
- B Share Issue:
 - £22.6m returned to shareholders in December 2017
 - £10.3m returned to shareholders in February 2018

Dunedin Enterprise KPIs

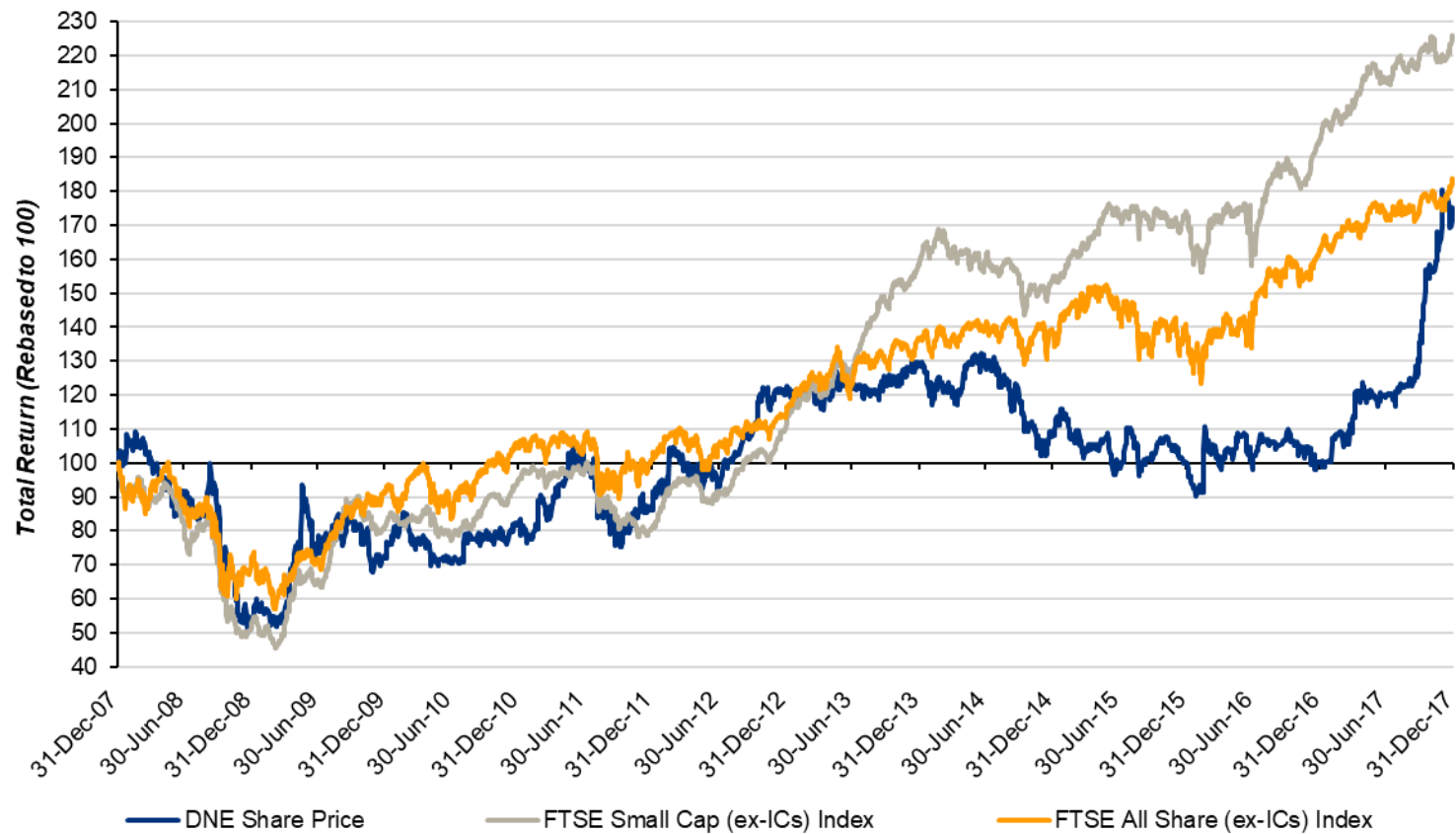
- Total return per ordinary share: 23.9% (2016: 2.7%)
- Net asset value per share: 489.2p (2016: 503.3p)
- Annual net asset total return over 10 years: 3.5% (2016: 2.2%)
- Share price: 396.5p (2016: 306p)
- Discount: 18.9% (2016: 39.2%)
- Dividend per ordinary share: 19.0p (2016: 33.5p)
- Ongoing charges: 1.9% (2016: 2.8%)

Dunedin Enterprise Post year end events

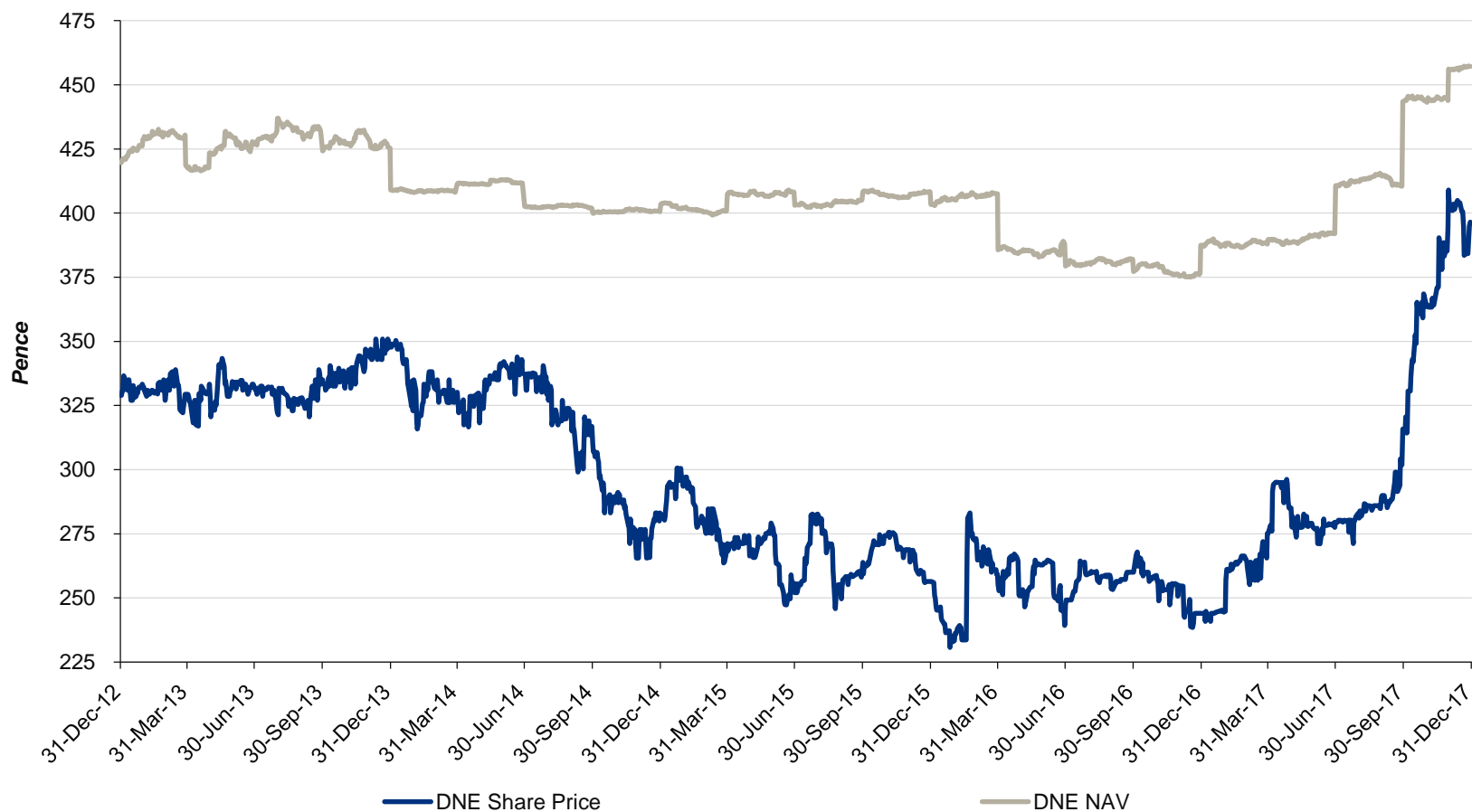
- Second B share issue returning £10.3m to shareholders
- Final dividend of 5.5p payable on 17 May 2018

Dunedin Enterprise

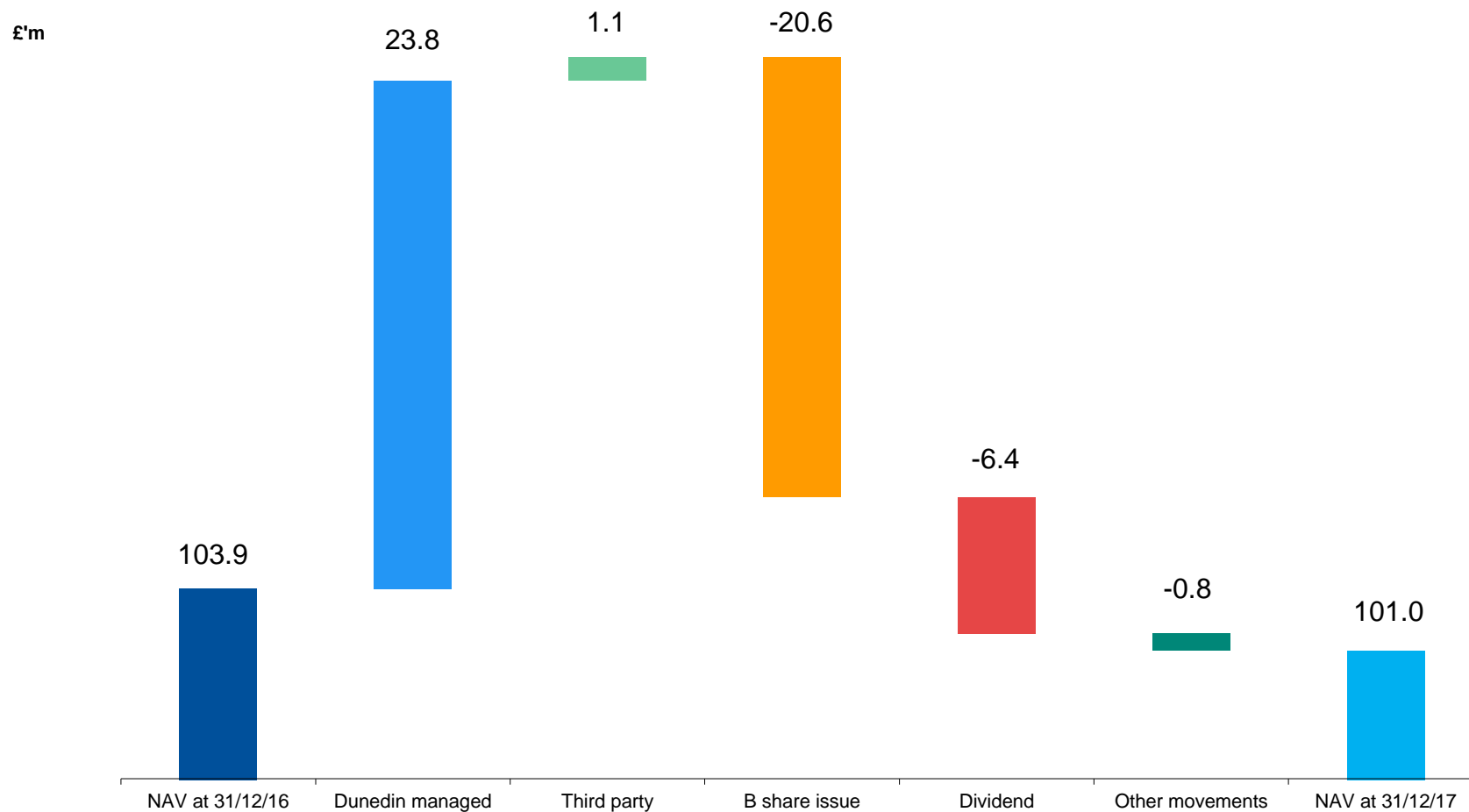
Share price total return over ten years to 31.12.17



Dunedin Enterprise NAV and share price over five years to 31.12.17



Dunedin Enterprise NAV performance attribution



Dunedin Enterprise Investment portfolio

	Valuation at 31.12.16 £m	Additions in year £m	Disposals in year £m	Realised movement £m	Unrealised movement £m	Valuation at 31.12.17 £m
Dunedin managed	81.5	9.4	(53.1)	12.4	7.0	57.2
Third party funds	22.3	0.4	(13.8)	1.0	0.1	10.0
	103.8	9.8	(66.9)	13.4	7.1	67.2

Dunedin Enterprise

Portfolio valuation movements (including income receipts)

Company	Reason for movement	£m change
Alpha	Uplift on exit via listing on the AIM market	9.6
Kee Safety	Uplift on exit via buyout	6.1
Blackrock	Uplift on exit via buyout	2.9
Pyroguard	Improved earnings and production issues resolved	3.8
FRA	Strong earnings growth and client wins	3.2
Red	Strong earnings growth from contracts division	2.7
Kingsbridge	Strong earnings growth	2.3
CitySprint	Reduced earnings from softer market conditions and competitive pressures	(1.2)
Carried interest	Provision for DBFIII carried interest following exits and valuation uplifts	(4.0)

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 £6.8m (31/12/16: £7.5m)

Dunedin Enterprise

Average multiples and average listed valuation multiples at 31 December 2017

Weighted Average*	31 December 2016	30 June 2017	31 December 2017
EBITA	10.2	9.7	9.3
EBITDA	8.6	8.5	7.6

Key Sector Comparison**	31 December 2016	30 June 2017	31 December 2017
Support Services	24.6	23.9	28.3

* applies to portfolio companies valued on an earnings basis

** represents 42% of the aggregate portfolio value (39% at 31 December 2016)

Dunedin Enterprise Debt multiples

Debt multiples	31 December 2016	30 June 2017	31 December 2017
EBITA multiple	3.8x	3.2x	3.7x
EBITDA multiple	3.3x	2.8x	3.1x

Note:

- Debt bank defined as banking facilities drawn less cash at 31 December 2017
- EBITA and EBITDA per investment valuation

Portfolio gearing

Dunedin managed direct investments

Gearing as multiple of EBITDA	No. of companies	% of total valuation
Multiple < 1	3	47%
Multiple 1 to 2	-	-%
Multiple 2 to 3	-	-%
Multiple > 3	6	53%

Portfolio gearing

Dunedin managed direct investments

Maturity of Portfolio Company Debt	
Repayable in 2017	9%
Repayable in 2018	8%
Repayable in 2019	6%
Repayable thereafter	77%
	100%

Dunedin Enterprise

Third party European fund movements

	Commitment	Drawn to date	Outstanding commitment	Valuation at 31 December 2017	
	€m	€m	€m	€m	£m
Realza (Iberia - €170m)	15.0	14.1	0.9	10.8	9.6

Dunedin Enterprise Assets by type and cash

	2012	2013	2014	2015	2016	2017
	£m	£m	£m	£m	£m	£m
Dunedin managed	76.5	75.1	84.0	93.1	81.5	57.2
Europe	24.9	12.9	12.7	16.0	20.5	9.6
Other	0.8	0.7	0.5	0.3	0.3	1.5
Cash	33.9	27.9	9.9	(4.1)	2.6	32.9
	136.1	116.6	107.1	105.3	104.9	101.2

Dunedin Enterprise Outstanding commitments

	2011	2012	2013	2014	2015	2016	2017
	£m	£m	£m	£m	£m	£m	£m
Dunedin managed	22.9	65.8	62.6	54.2	44.3	33.5	42.0
Europe	37.4	20.4	13.7	9.6	5.9	3.4	2.3
	60.3	86.2	76.3	63.8	50.2	36.9	44.3

Dunedin managed funds

- DBF II: investment period expired, £7m remains undrawn and available
- DBF III: £60m commitment of which 71% drawn - o/s commitment £34.9m

European funds – investment periods expired

- Realza: €15m commitment of which 94% drawn – o/s commitment €0.9m (£0.8m)
- Innova: £1.5m remaining commitment will be released in November 2018

Dunedin Enterprise Commitment Strategy

	31 December 2017 £m
Cash and near cash	32.9
B share issue in February	(10.3)
Revolving credit facility*	20.0
Undrawn commitments – Dunedin**	(42.0)
Undrawn commitments – Europe	(2.3)
Unfunded commitments	(1.7)

* available to 31 May 2018

** includes a undrawn commitment to Dunedin's latest fund of £34.9m

Dunedin Enterprise New investment activity

New investment of £9.8m to 31 December 2017

- £9.4m in Dunedin managed funds
- £0.4m in Third Party European funds

Dunedin Enterprise Forensic Risk Alliance



Activity This 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

Type Primary buyout

Sector Business Services

Size £36.7m

Financials Year to 31 December 2016: Turnover £32.8m, EBITDA £14.5m, 7.9x EBITDA

Origination

- Introduced by an adviser familiar with Dunedin's sector experience
- Strong rapport with management where Dunedin's experience in the sector resonated
- Subsequent visits by Dunedin to their Providence, London and Paris offices further developed relationship with founders and management

Investment rationale

- Global market leader serving a diverse client base
- Strong niche and growing demand for service as regulation and enforcement activity increases globally
- Strong relationships directly with corporate clients and also with referring law firms give good visibility on new business opportunities
- Organic growth
- Extremely cash generative

Dunedin Enterprise

Total realisations of £66.9m in year to 31 December 2017

Realisations of £66.9m from investment portfolio including:

- £10.1m for the sale of Steeper
- £12.9m for the sale of Blackrock
- £16.7m for the sale of Alpha
- £15.9m for the sale of Kee Safety
- £10.2m for the sale of Innova

Dunedin Enterprise

Ten largest Dunedin investments

	Total Dunedin equity %	Dunedin Enterprise equity %	Cost of investment £m	Directors valuation £m	% of net assets %
Hawksford	54.5	17.8	5.6	10.4	10.3
Weldex	51.0	15.1	9.5	9.6	9.5
Realza	8.9	8.9	7.8	9.6	9.5
FRA	27.5	5.4	6.0	9.3	9.2
Pyroguard	41.7	41.7	9.5	8.1	8.0
CitySprint	17.3	5.1	7.3	6.8	6.8
Kingsbridge	64.6	12.7	4.1	6.7	6.6
U-POL	17.0	5.0	5.7	3.9	3.9
Red	67.8	20.1	10.0	2.7	2.6
Formaplex	53.1	17.7	1.7	2.1	2.1
Total			67.2	69.2	68.5

Dunedin Enterprise Remaining investments

	Total Dunedin equity %	Dunedin Enterprise equity %	Cost of investment £m	Directors valuation £m	% of net assets %
Top 10 investments			67.2	69.2	68.5
Premier Hytemp	70.0	20.7	9.2	1.5	1.4
EV	53.8	10.6	7.4	1.0	0.9
Steeper	10.7	6.7	-	0.5	0.5
ADD One	2.9	2.9	1.2	0.3	0.3
Alta Berkeley	3.0	3.0	0.6	0.2	0.2
Total investments			85.6	72.7	71.8

APPENDIX 1



Dunedin Enterprise

Ten largest Dunedin investments

Hawksford

Cost	£5.6m
Valuation	£10.4m
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

In the last five years it has completed the acquisitions of Key Trust Company Ltd, Trustcorp Jersey Ltd, the funds business of Standard Bank Dubai and Janus Corporate Solutions

Investment

- Dunedin led the MBO of Hawksford (then Rathbone International) in October 2008
- Turnover in the year to 31.12.16 of £22.4m (2015: £22.0m), EBITDA of £6.1m (2015: £5.7m)

Valuation

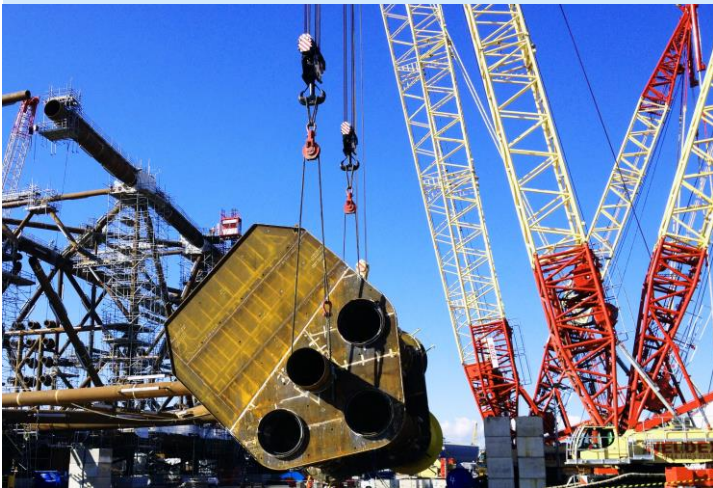
- 9.0x maintainable EBITDA

Dunedin Enterprise

Ten largest Dunedin investments

WELDEX

Cost	£9.5m
Valuation	£9.6m
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

Investment

- Dunedin led the secondary MBO of Weldex in June 2010
- Turnover for year to 30.11.16 of £21.1m (2015: £22.3m), EBITDA of £10.4m (2015: £11.7m)

Valuation

- Valued on an assets basis

Dunedin Enterprise

Ten largest Dunedin investments



Cost	£7.8m
Valuation	£9.6m
Equity Percentage	8.9%
Original investment date	September 2008



Business

Realza is a Spanish private equity fund making investments in Spain and Portugal

Investment

- Dunedin first invested in Realza in September 2008

Valuation

- €10.8m at 31 December 2017 based on Manager's valuation

Dunedin Enterprise

Ten largest Dunedin investments



Cost	£6.0m
Valuation	£9.3m
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 31.12.16 of £32.8m, EBITDA of £14.5m

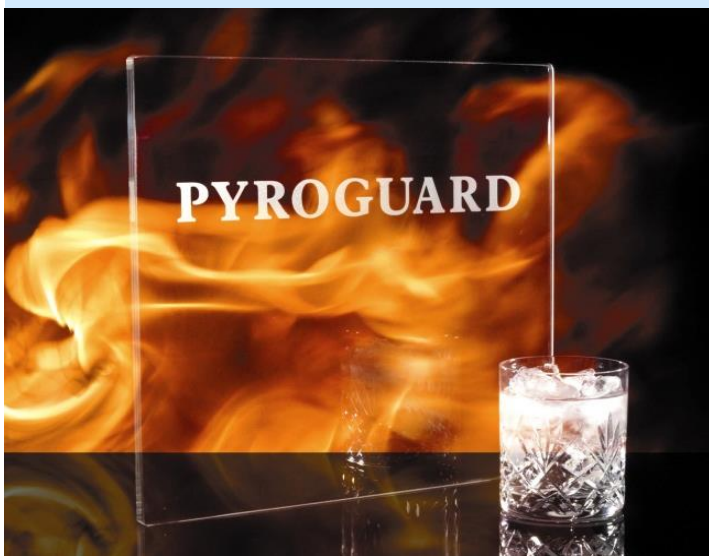
Valuation

- 9.0x maintainable EBITDA

Dunedin Enterprise

Ten largest Dunedin investments

Cost	£9.5m
Valuation	£8.1m
Equity Percentage	41.7%
Original investment date	December 1998



Business

CHI is a manufacturer and supplier of fire resistant glass to global market

Investment

- Dunedin led £10m MBO in December 1998, investing £2.9m
- Recapitalisations in 2004 and 2009. 3.4 x money
- Dunedin Enterprise realised £11.3m, reinvested £8.5m
- In 2012 CGI took over the business activities of Intervet SA in France
- Turnover for year to 31.12.16 of £17.2m (2015: £15.8m), EBITDA of £1.6m (2015: £1.9m)

Valuation

- 5.0x maintainable EBITDA

Dunedin Enterprise

Ten largest Dunedin investments



Cost	£7.3m
Valuation	£6.8m
Equity Percentage	5.1%
Original investment date	December 2010



Business

CitySprint is the UK's leading same day distribution network. The business made 27 acquisitions since the buyout in 2010

Investment

- Dunedin led the MBO of CitySprint in Dec 2010
- Turnover for year to 31.12.16 of £157.8m (2015: £146.0m), EBITDA of £17.4m (2015: £16.8m)

Realisation

- In February 2016 Dunedin Enterprise realised its investment in CitySprint with a portion of the proceeds being rolled over into a newco

Valuation

- 8.5x maintainable EBITDA

Dunedin Enterprise

Ten largest Dunedin investments

Cost	£4.1m
Valuation	£6.7m
Equity Percentage	12.7%
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

Investment

- Dunedin led the buyout of Kingsbridge in June 2016
- Turnover for year to 31.01.17 of £10.0m (2016: £7.1m), EBITDA of £3.1m (2016: £2.5m)

Valuation

- 10.0x maintainable EBITDA

Dunedin Enterprise

Ten largest Dunedin investments



Cost	£5.7m
Valuation	£3.9m
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.

Investment

- Dunedin invested in the £130m MBO of U-POL in December 2010
- Turnover for year to 31.12.16 of £68.9m (2015: £59.7m), EBITDA of £13.2m (2015: £11.9m)

Valuation

- 8.3x maintainable EBITDA

Dunedin Enterprise

Ten largest Dunedin investments



Cost	£10.0m
Valuation	£2.7m
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.

Investment

- Dunedin invested in the £44m MBO of Red in July 2011
- Turnover for year to 31.03.17 of £105.8m (2016: £89.2m), EBITDA of £1.3m (2016: loss £0.4m)

Valuation

- 7.5x maintainable EBITDA

Dunedin Enterprise

Ten largest Dunedin investments



Cost	£1.7m
Valuation	£2.1m
Equity Percentage	17.7%
Original investment date	December 2007



Business

Formaplex is a market leading provider of tooling and lightweight component solutions to a range of attractive high-growth end markets. It has a market-leading position in the UK premium automotive and motorsport sectors, with a rapidly growing share of the UK and European high-volume automotive, defence, aerospace and industrial markets.

Investment

- Dunedin invested in the £19m MBO of Formaplex in December 2007
- Turnover for year to 30.06.16 of £48.4m (2015: £44.8m), EBITDA of £5.6m (2015: £6.1m)

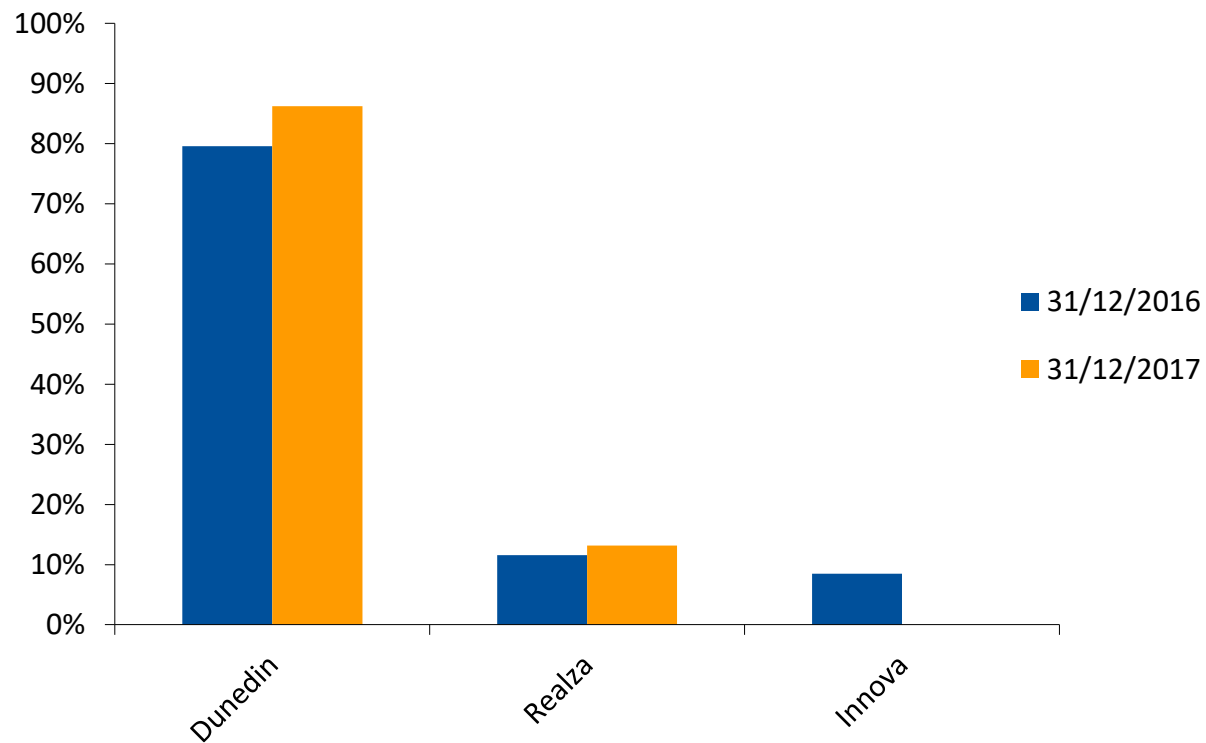
Valuation

- 6.0x maintainable EBITDA

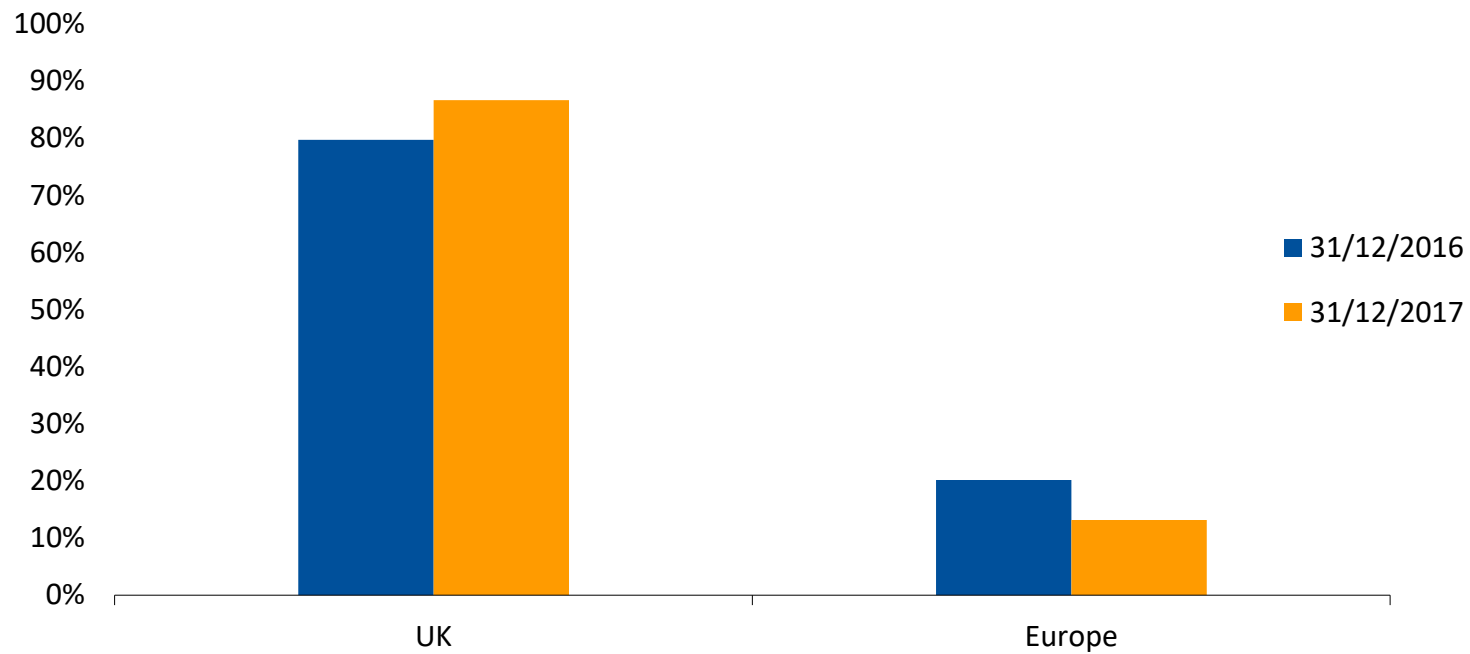
APPENDIX 2



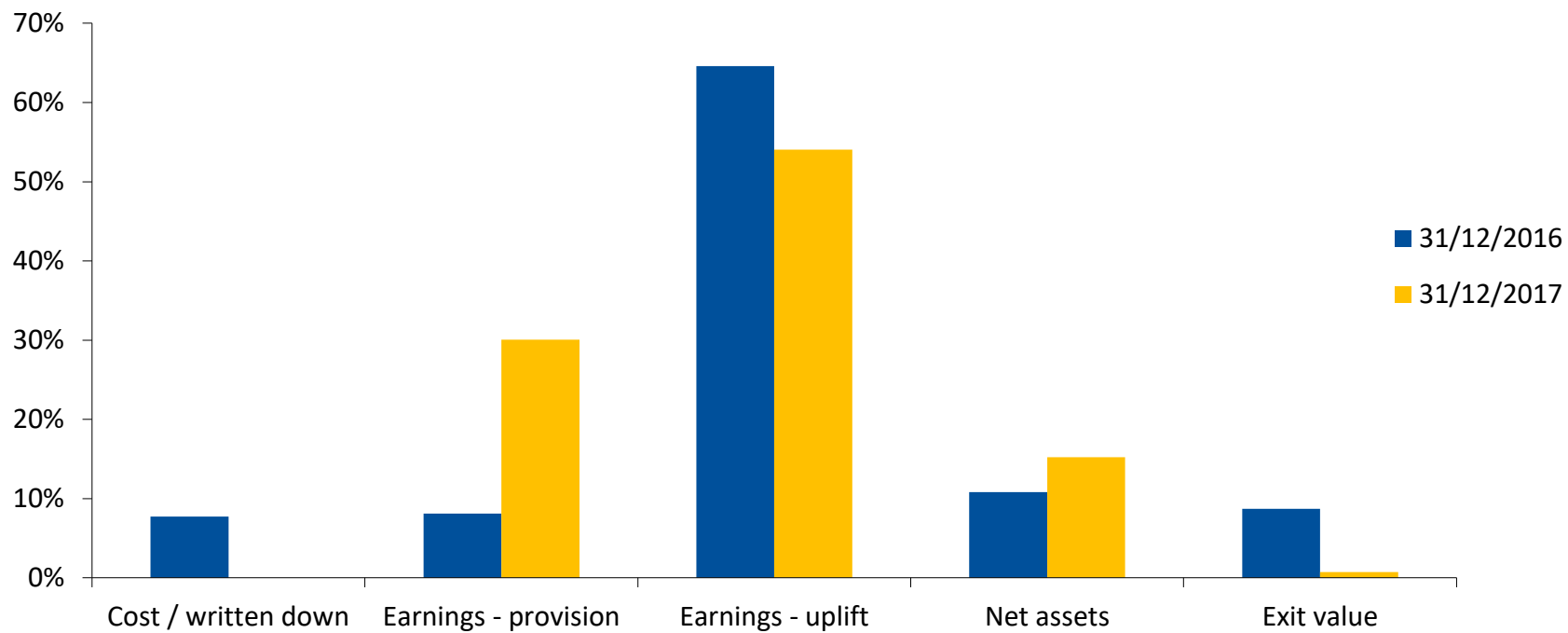
Dunedin Enterprise Manager allocation



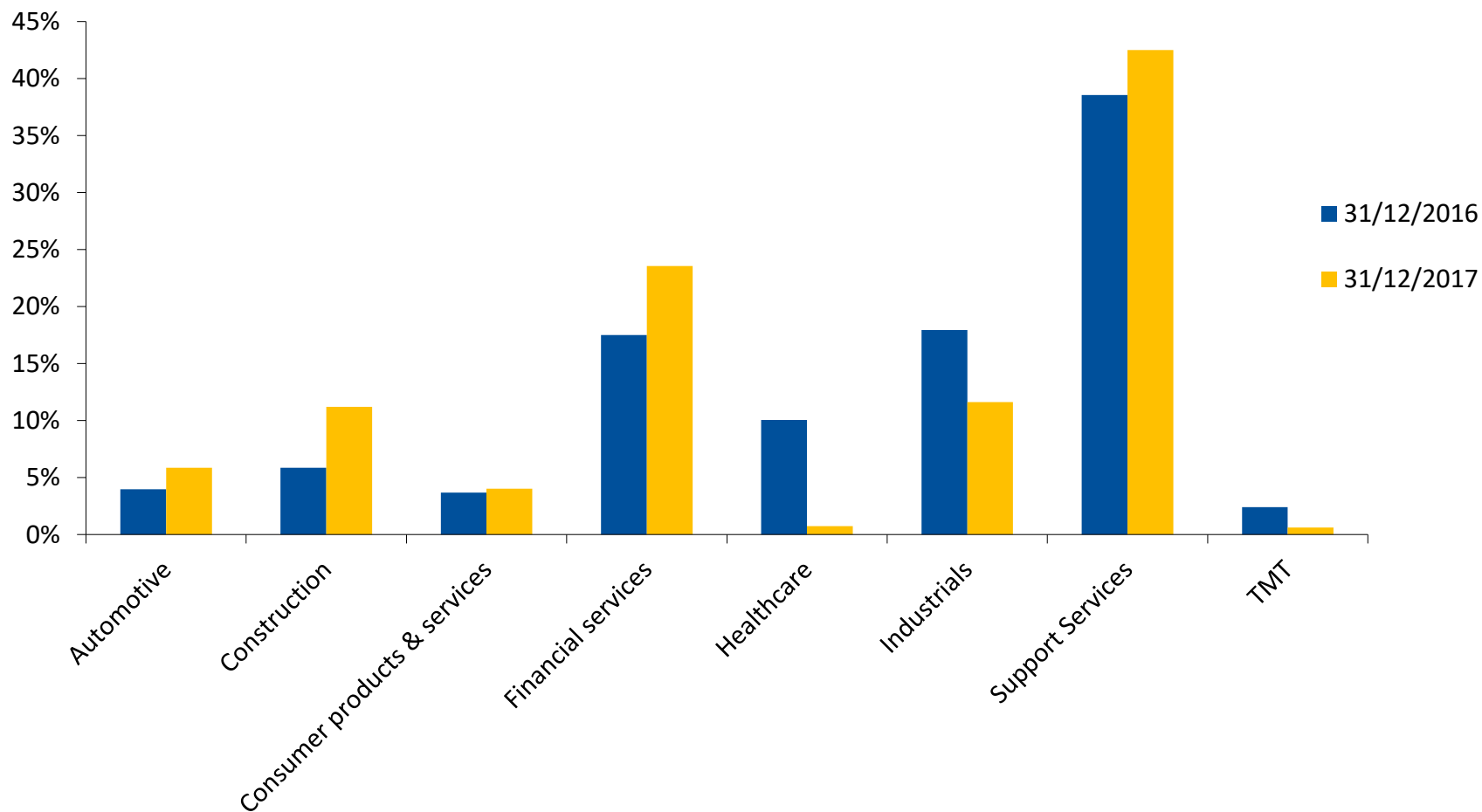
Dunedin Enterprise Geographic allocation



Dunedin Enterprise Valuation method



Dunedin Enterprise Sector



Dunedin Enterprise

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