



Dunedin

Dunedin Enterprise Investment Trust PLC

Interim Results for the half year to 30 June 2018

Dunedin Enterprise Performance

- Share price total return of 15.9% in the half year to 30 June 2018
- NAV total return of 2.8% in the six months to 30 June 2018
- Share price decreased by 2.7% from 396.5p to 386p at 30 June 2018
- Share price 370p at 26 September 2018
- Discount narrowed from 18.9% at 31 December 2017 to 13.7% at 30 June 2018
- £10.3m returned to shareholders in February 2018 via B Share issue
- Final dividend for 2017: 5.5p per share paid in May 2018

Dunedin Enterprise Performance continued

- Realisations of £2.6m from investment portfolio including:
 - £1.3m deferred proceeds received from the realisation of Steeper
 - £1.0m repayment of loan stock from within the Realza portfolio following a recapitalisation of Dolz
- New investment of £10.0m including:
 - £6.4m investment in Global Processing Services
 - Follow-on investments in Formaplex, Hawksford and Premier Hytemp

Dunedin Enterprise Post half year events

Pyroguard

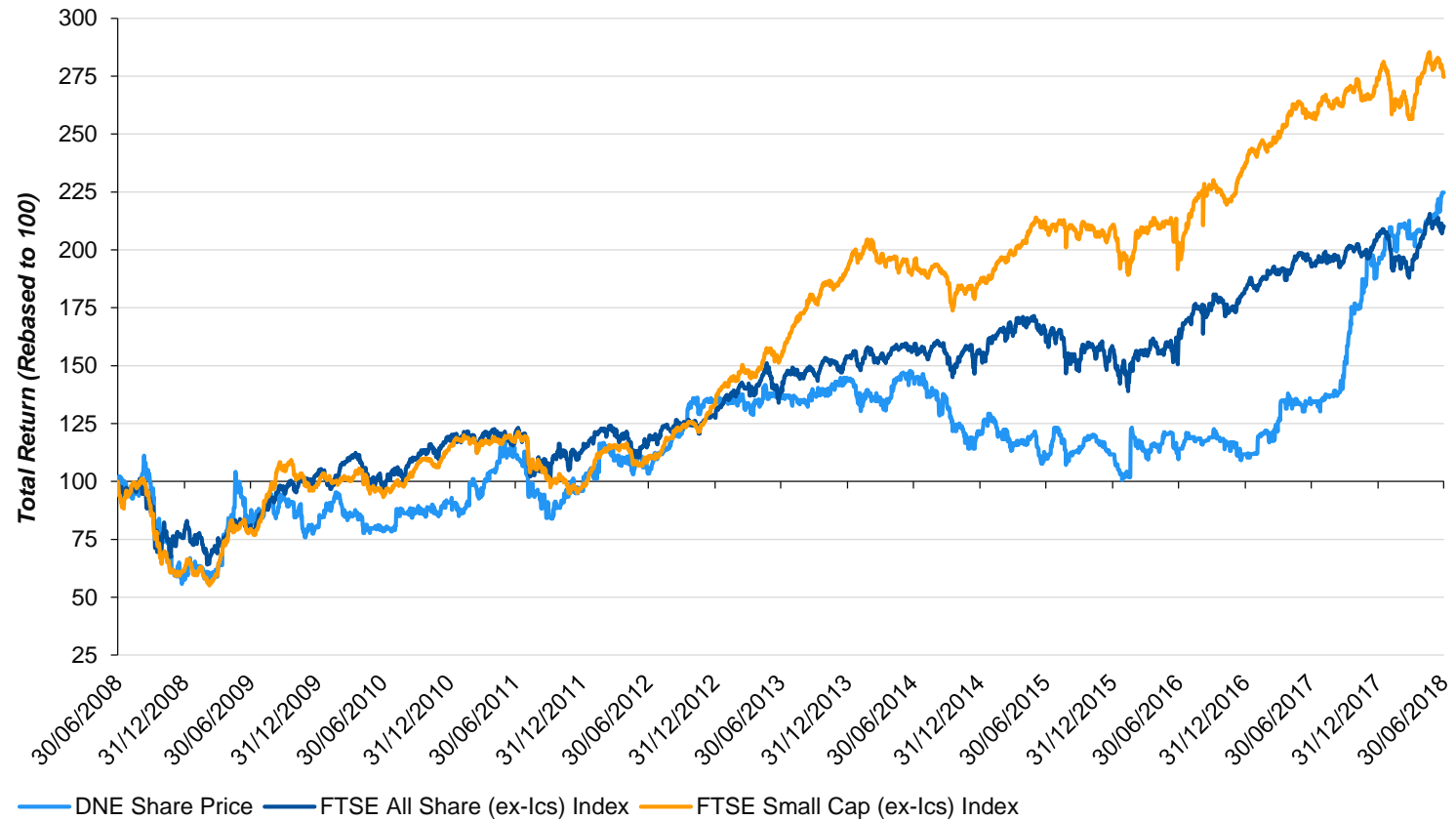
- Post Half Year, Pyroguard was realised in September 2018, generating proceeds of £9.3m
- Uplift of £0.4m over the valuation of £8.9m at 31 March 2018
- Original cost of investment was £3.8m
- A total of £22.5m has been received over its life, representing a 5.9 times return

B Share Issue

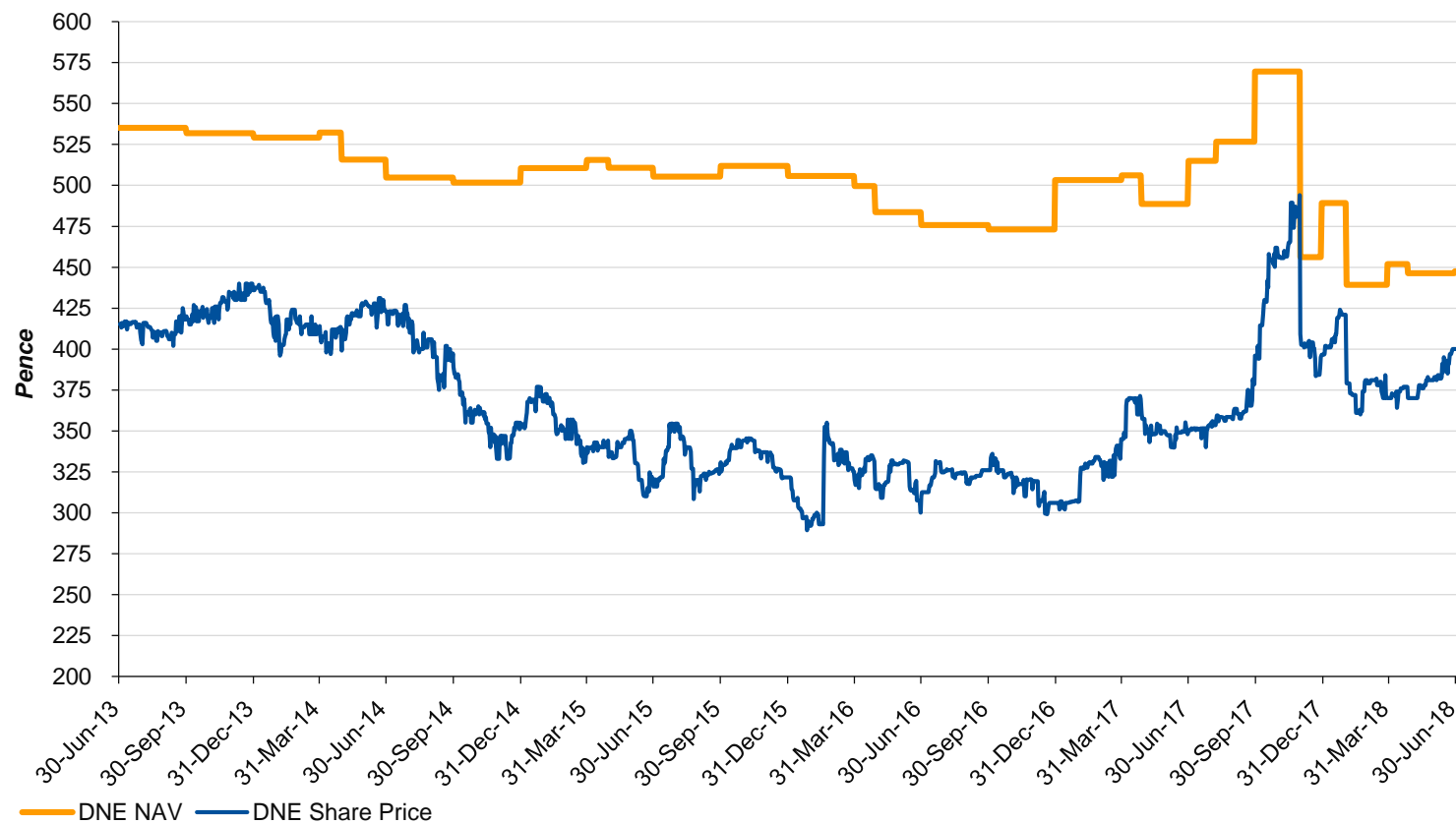
- £10.3m to be returned to shareholders post Half Year via B shares of 50p each
- B share to be issued on 8 October 2018

Dunedin Enterprise

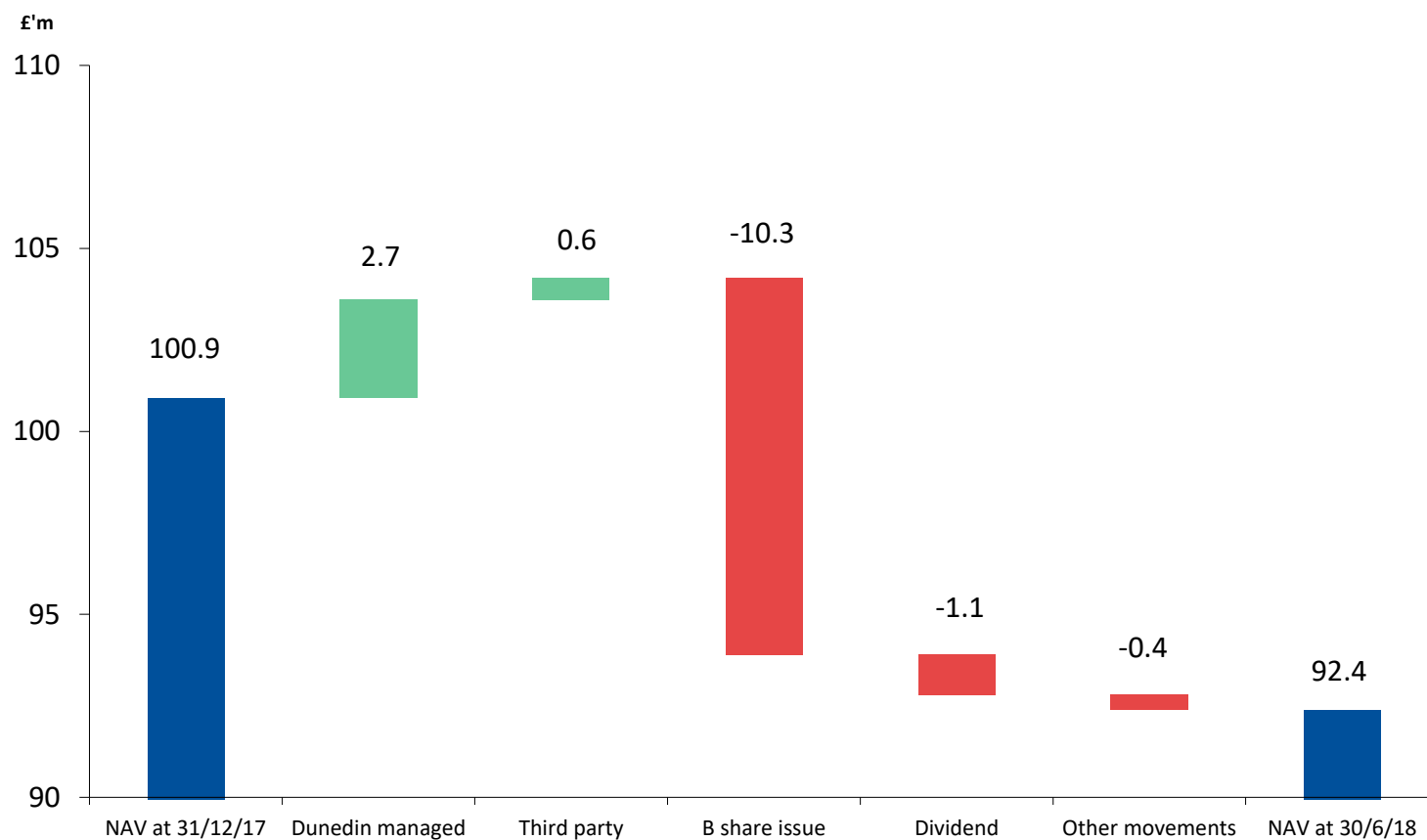
Share price total return over ten years to 30.06.18



Dunedin Enterprise NAV and share price over five years to 30.06.18



Dunedin Enterprise NAV performance attribution



Dunedin Enterprise Investment portfolio

	Valuation at 31.12.17 £m	Additions in year £m	Disposals in year £m	Realised movement £m	Unrealised movement £m	Valuation at 30.06.18 £m
Dunedin managed	57.2	9.9	(1.6)	0.3	2.3	68.1
Third party funds	10.0	0.1	(1.0)	-	0.6	9.7
	67.2	10.0	(2.6)	0.3	2.9	77.8

Dunedin Enterprise

Portfolio valuation movements (including income receipts)

Company	Reason for movement	£m change
Red	Strong earnings growth from contracts division	2.5
FRA	Strong earnings growth and client wins	2.2
Pyroguard	Realised proceeds	1.2
Steeper	Deferred proceeds received from the realisation	1.1
Formaplex	Reduced earnings from a number of delayed orders	(2.8)
Carried interest	Provision for carried interest following valuation uplifts	(0.9)

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 £6.8m (31/12/17: £6.8m)

Dunedin Enterprise

Average multiples and average listed valuation multiples at 30 June 2018

Weighted Average*	30 June 2017	31 December 2017	30 June 2018
EBITA	9.7	9.3	9.6
EBITDA	8.5	7.6	7.9

Key Sector Comparison**	30 June 2017	31 December 2017	30 June 2018
Support Services	23.9	28.3	22.3

* applies to portfolio companies valued on an earnings basis

** represents 41% of the aggregate portfolio value (42% at 31 December 2017)

Dunedin Enterprise Debt multiples

Debt multiples	30 June 2017	31 December 2017	30 June 2018
EBITA multiple	3.2x	3.7x	3.5x
EBITDA multiple	2.8x	3.1x	2.9x

Note:

- Debt bank defined as banking facilities drawn less cash at 30 June 2018
- 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	2	29
Multiple 1 to 2	1	15
Multiple 2 to 3	2	18
Multiple > 3	5	38

Portfolio gearing

Dunedin managed direct investments

Maturity of Portfolio Company Debt	
Repayable in 2018	7
Repayable in 2019	8
Repayable in 2020	7
Repayable thereafter	78
	100%

Dunedin Enterprise

Third party European fund movements

	Commitment	Drawn to date	Outstanding commitment	Valuation at 30 June 2018	
	€m	€m	€m	€m	£m
Realza (Iberia - €170m)	15.0	14.3	0.7	10.6	9.4

Dunedin Enterprise Assets by type and cash

	2013	2014	2015	2016	2017	June 2018
	£m	£m	£m	£m	£m	£m
Dunedin managed	75.1	84.0	93.1	81.5	57.2	68.1
Europe	12.9	12.7	16.0	20.5	9.6	9.4
Other	0.7	0.5	0.3	0.3	1.5	0.3
Cash	27.9	9.9	(4.1)	2.6	32.9	21.7
	116.6	107.1	105.3	104.9	101.2	99.5

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Outstanding commitments

	2013	2014	2015	2016	2017	June 2018	Post GPS
	£m	£m	£m	£m	£m	£m	£m
Dunedin managed	62.6	54.2	44.3	33.5	42.0	40.0	33.3
Europe	13.7	9.6	5.9	3.4	2.3	2.2	2.2
	76.3	63.8	50.2	36.9	44.3	42.2	35.5

Dunedin managed funds

- DBF II: investment period expired, £5.1m remains undrawn and available
- DBF III: o/s commitment £34.9m (£28.2m following drawdown for GPS)

European funds – investment periods expired

- Realza: €15m commitment of which 95% drawn – o/s commitment £0.6m
- Innova: £1.5m remaining commitment will be released in November 2018

Dunedin Enterprise Commitment Strategy

	30 June 2018 £m
Cash and near cash	21.7
GPS drawdown in July	(6.7)
Revolving credit facility*	10.0
Undrawn commitments – Dunedin**	(33.3)
Undrawn commitments – Europe	(2.2)
Unfunded commitments	(10.5)

* available to 31 May 2019

Dunedin Enterprise New investment activity

New investment of £10.0m in half year to 30 June 2018

- £6.4m investment in Global Processing Services
- Follow-on investments in Formaplex, Hawksford and Premier Hytemp



Activity GPS is the global payments processor and tech powerhouse behind some of the most exciting digital banks, challenger banks, fin-techs and financial institutions globally

Type Primary buyout

Sector Fin-tech

Size £75

Financials Year to 31 December 2017: Turnover £9.9m, EBITDA £4.5m, 15x EBITDA

Origination

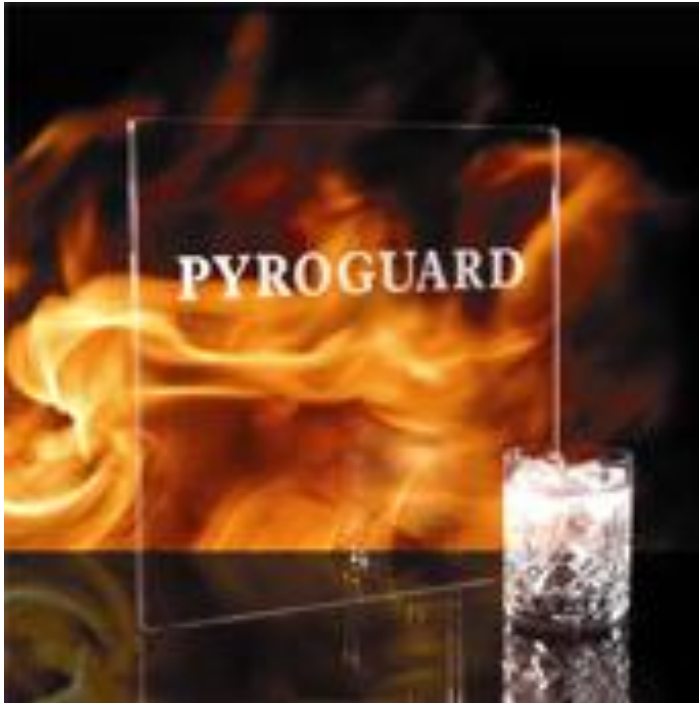
- Through Dunedin's Origination function, a deep network of payment experts was built up. GPS was tracked prior to the launch of a formal process
- Strong rapport with management where Dunedin's experience in the sector resonated

Investment rationale

- GPS has demonstrated rapid growth, driven by market and customer demand
- Market leading technical functionality and speed in getting customers' new payment and banking products to market
- Large addressable international market, serving innovative and emerging fintech/challenger bank offerings and gaining traction with traditional providers

Dunedin Enterprise

Post half year realisation of Pyroguard



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

Realisation in September 2018

Pyroguard generated proceeds of £9.3m, representing an uplift of £1.2m compared to the valuation at 31 December 2017

Recapitalisations in 2004 and 2009

The realisation represents a 5.9 times return

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	6.7	11.5	12.4
FRA	27.5	5.4	6.0	11.4	12.4
Weldex	51.0	15.1	9.5	9.6	10.4
Realza	8.9	8.9	6.6	9.4	10.2
Pyroguard	41.7	41.7	9.5	9.3	10.0
Kingsbridge	64.6	12.7	4.1	7.0	7.5
GPS	41.8	8.2	6.4	6.4	6.9
CitySprint	17.3	5.1	7.3	6.0	6.5
Red	67.8	20.1	9.7	4.9	5.3
U-POL	17.0	5.0	5.7	3.7	4.1
Total			71.5	79.1	85.7

Dunedin Enterprise Remaining investments

	Total Dunedin equity %	Dunedin Enterprise equity %	Cost of investment £m	Directors valuation £m	% of net assets %
Top 10 investments			71.5	79.1	85.7
Premier Hytemp	70.0	20.7	10.1	1.8	2.0
EV	53.8	10.6	7.5	1.6	1.7
Formaplex	53.1	17.7	3.2	0.8	0.9
Steeper	10.7	6.7	-	0.3	0.4
Alta Berkeley	3.0	3.0	0.6	0.2	0.2
ADD One	2.9	2.9	1.2	0.1	0.2
Total investments			94.1	83.9	91.1

APPENDIX 1



Dunedin Enterprise

Ten largest Dunedin investments

Cost	£6.7m
Valuation	£11.5m
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

Hawksford completed the acquisition of P&P, a Hong Kong based trust business in June 2018. To date Hawksford has completed six major acquisitions in Jersey, the Middle East and the Far East and further extended the company's global reach in the Far East by opening an office in Hong Kong in 2015

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



Cost	£6.0m
Valuation	£11.4m
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

It has offices in London, Providence (Rhode Island), Paris, Dallas and Washington DC

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

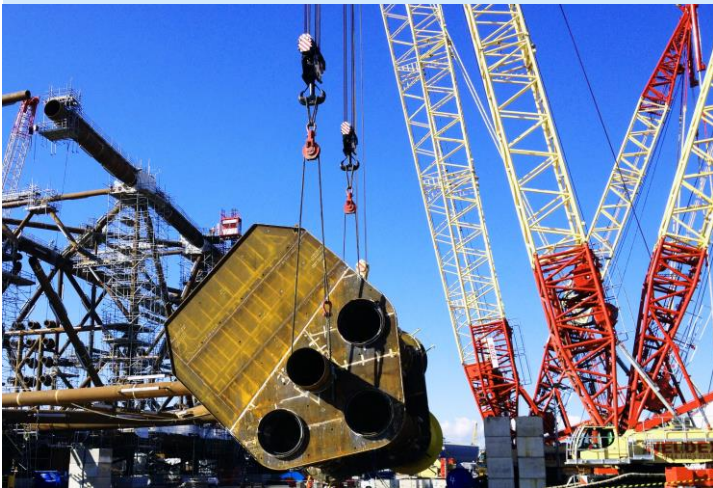
- 9.5x maintainable EBITDA

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

The company employs over 100 staff and operates nationwide and overseas from its headquarters in Inverness and its depot at Alfreton

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	£6.6m
Valuation	£9.4m
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 invests in companies with leading market positions and attractive growth prospects either through organic growth or through merger & acquisition activity

Investment

- Dunedin first invested in Realza in September 2008

Valuation

- €10.6m at 30 June 2018 based on Manager's valuation

Dunedin Enterprise

Ten largest Dunedin investments

Cost	£9.5m
Valuation	£9.3m
Equity Percentage	41.7%
Original investment date	December 1998



Business

CGI ("Pyroguard") 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 Pyroguard took over the business activities of Interver SA in France
- Turnover for year to 31.12.17 of £20.7m (2016: £17.2m), EBITDA of £2.3m (2016: £1.6m)

Valuation

- Exit proceeds

Dunedin Enterprise

Ten largest Dunedin investments

Cost	£4.1m
Valuation	£7.0m
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	£6.4m
Valuation	£6.4m
Equity Percentage	8.2%
Original investment date	June 2018



Business

Global Processing Services (“GPS”), is the global payments processor which supports a number of digital banks, challenger banks, fin-techs and financial institutions.

GPS provides a single, global integrated platform, GPS Apex, that powers and enables functionality of next generation fin-tech payment companies.

Investment

- Dunedin invested in the MBO of GPS in June 2018
- Turnover for year to 31 December 2017 of £9.9m, EBITDA of £4.5m

Valuation

- Cost of investment

Dunedin Enterprise

Ten largest Dunedin investments



Cost	£7.3m
Valuation	£6.0m
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	£9.7m
Valuation	£4.9m
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.

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	£5.7m
Valuation	£3.7m
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)

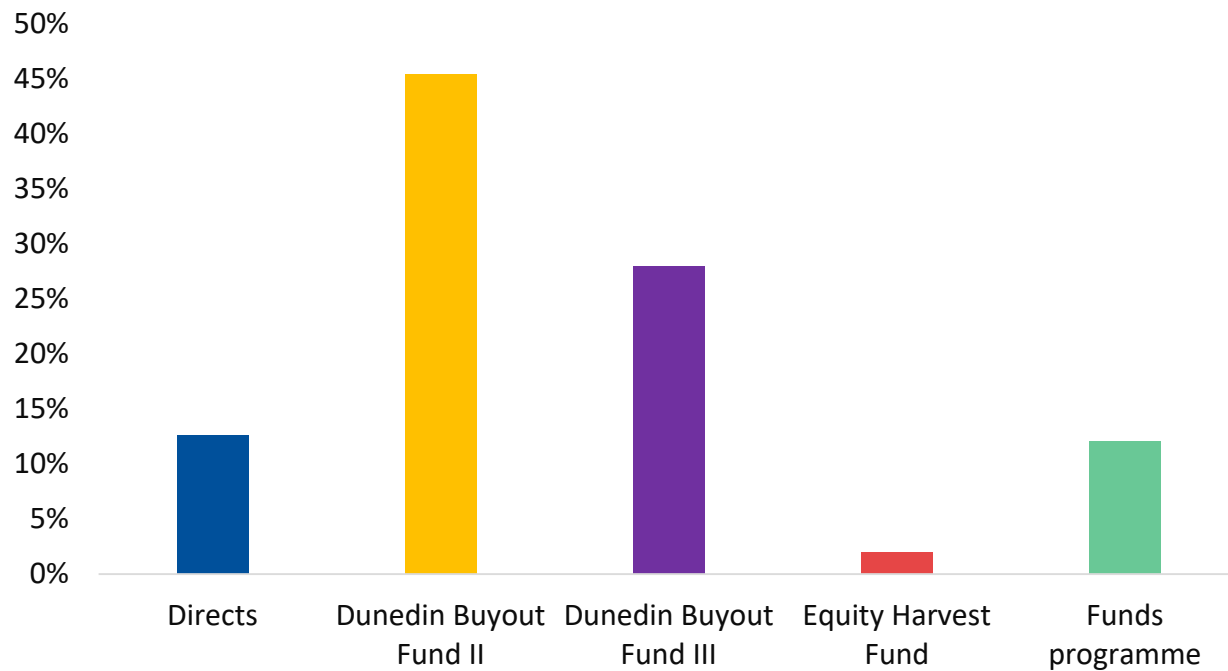
Valuation

- 8.6x maintainable EBITDA

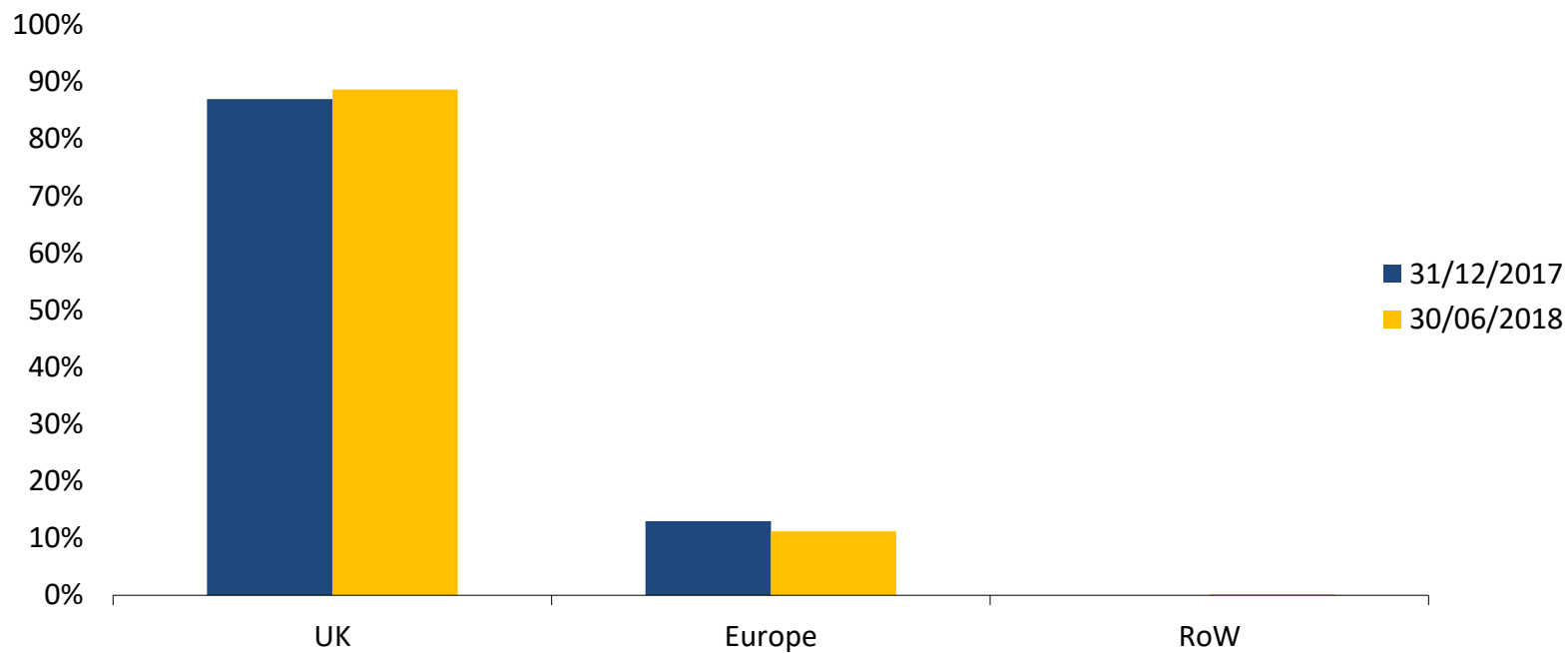
APPENDIX 2



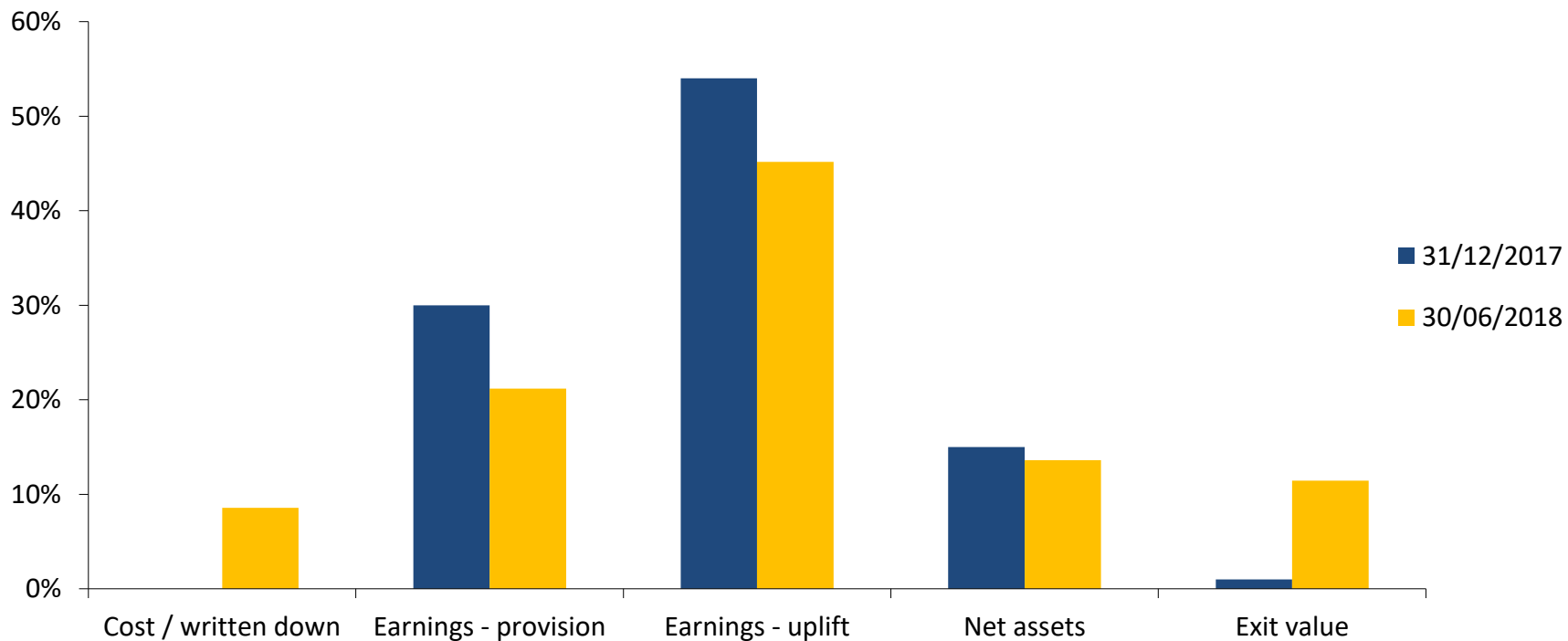
Dunedin Enterprise Manager allocation



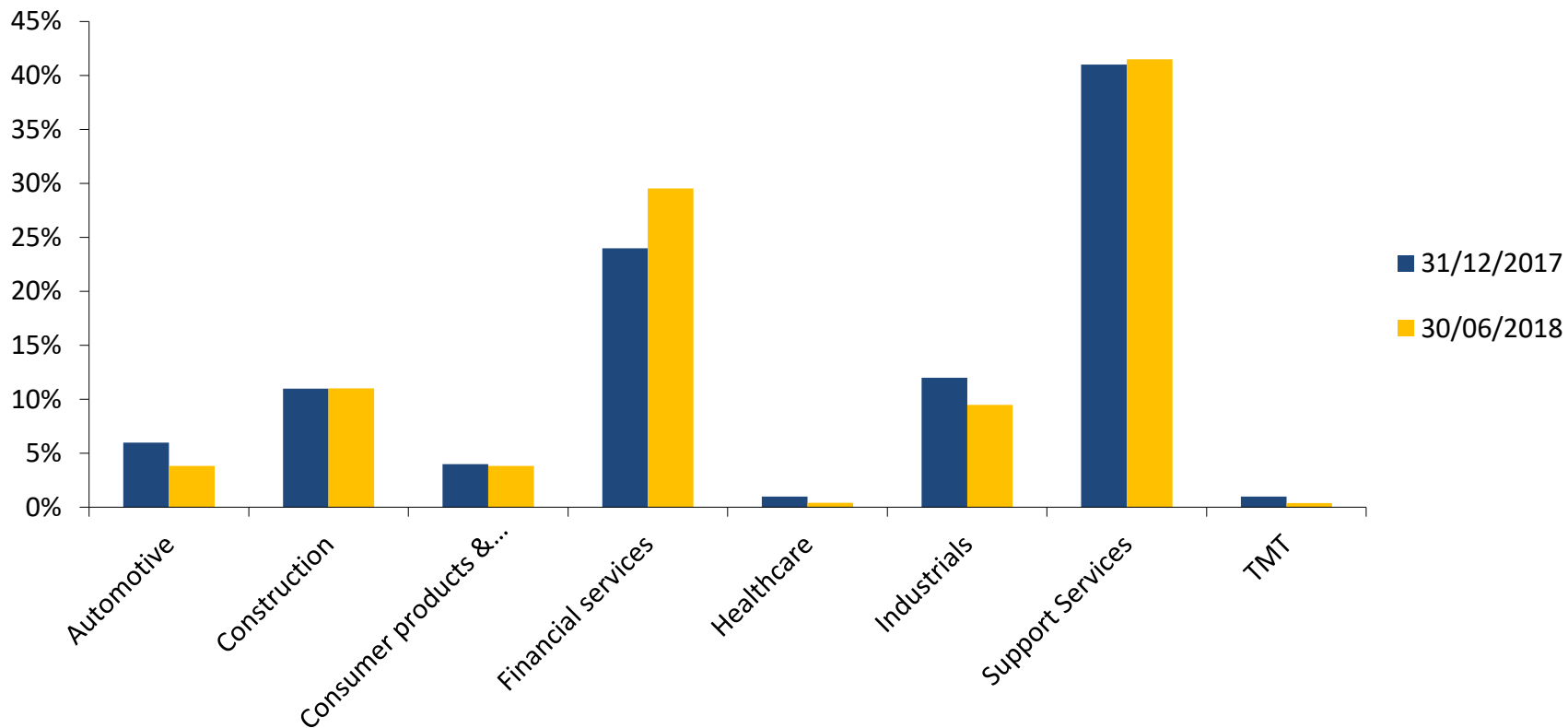
Dunedin Enterprise Geographic allocation



Dunedin Enterprise Valuation method



Dunedin Enterprise Sector



Dunedin Enterprise

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