

Private Equity Holding AG

January 2023





Access to Leading Private Equity & Venture Capital Funds and attractive direct Co-Investments

Private Equity Holding AG is a listed investment company for private equity and venture capital investments (SIX: PEHN). It offers institutional and private investors the opportunity to participate in a simple and tax-efficient manner in a diversified and professionally managed private equity portfolio with leading funds and attractive direct co-investments. Income from the portfolio is reinvested as well as partially passed on to the shareholders in the form of annual distributions.



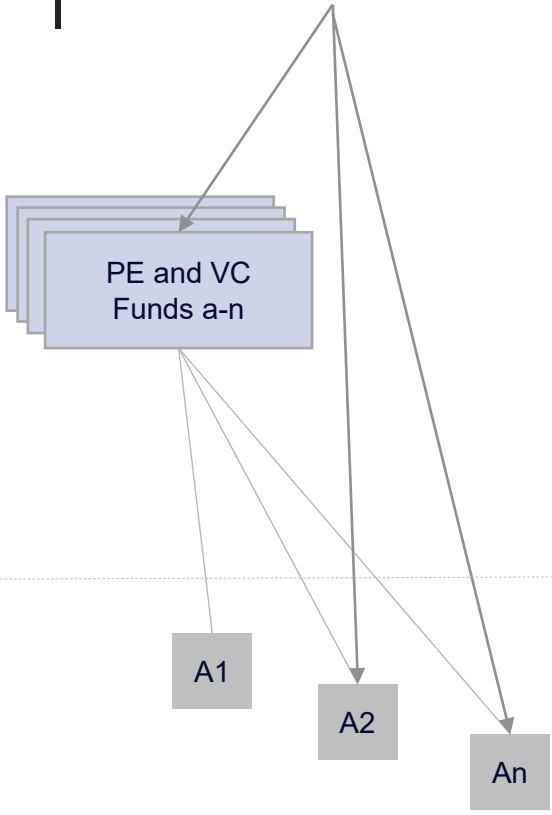


Private Equity Holding AG



Private Equity & Venture Capital Fund Investments




76%*





Direct Co-Investments


24%*



Examples


Investindustrial   



 HIGHLAND EUROPE 

 SYCAMORE PARTNERS 

 BLOSSOM  MIDEUROPA PARTNERS 

 RENAISSANCE 

* Based on fair values as of December 31, 2022

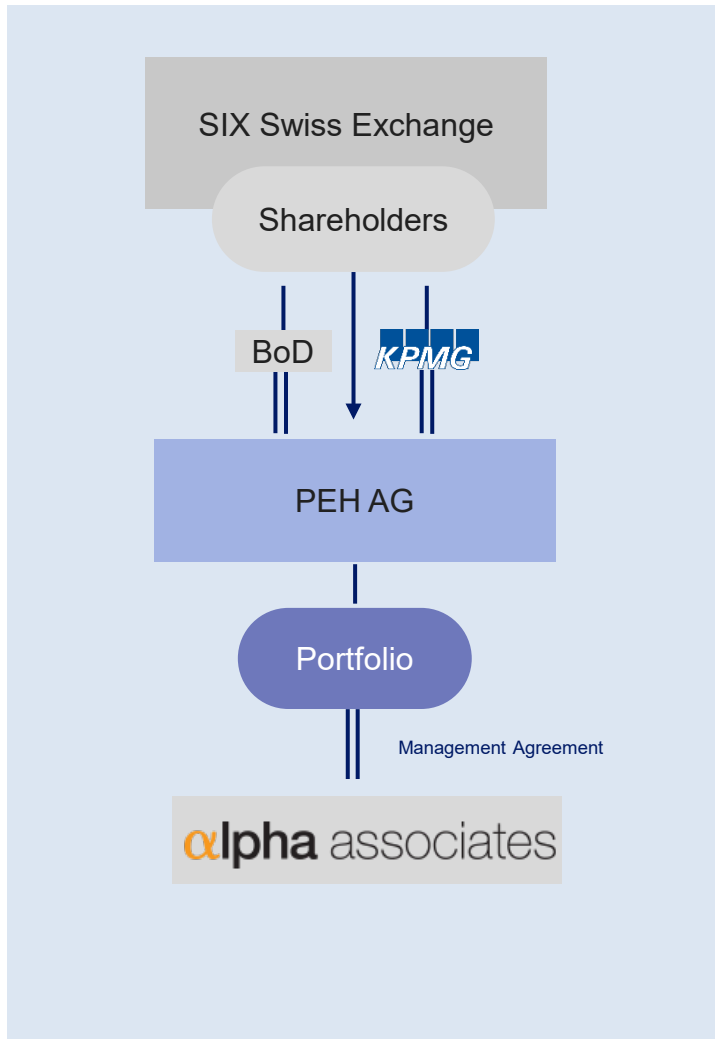


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Executive Summary

SIX-listed Investment Company for Private Equity Investments



- Private Equity Holding AG (PEH) is a SIX-listed Investment Company.
- Alpha Associates has been managing PEH's portfolio since 2004 and re-started its investment activity in 2007; since then, the NAV per share has increased by 421% (total return).
- Alpha Associates' investment activities are supervised by an Independent Board of Directors and audited by KPMG.
- Over time, the founders of Alpha Associates became PEH's largest shareholders (>33.3%), which provides for a strong alignment of interest and supports the company's long-term growth strategy.



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Strategy

Continuous Increase of the Company's NAV per Share

Long-term Growth of the Portfolio

Selective commitments to private equity & venture capital funds as well as direct co-investments

NAV Accretion

Purchase of treasury shares at discount to NAV

Current Yield

Annual dividend payments

Robust Balance Sheet & Positive Cash Flow from Portfolio



Strategy

New Investments by Alpha Associates since 2007

	Europe	North America	Asia
Buyout	ALPHA CEE II BI-Invest Endowment Fund Bridgepoint Europe I (prev. earn-out), IV Capvis III Cinven VII-VIII Industri Kapital 2007 Investindustrial IV - VII Mid Europa Partners IV - V Milestone 2007 & 2008 Pollen Street III-IV Procuritas VI-VII Gyrus Capital Principal LP Gyrus Capital Co-Investment LP Investindustrial Growth III	Abry Partners VI - IX Abry Heritage I - II Abry Senior Equity VI Avista Capital Partners I - IV Eagletree III - VI TA Associates XIII - XIV Warburg Pincus X (global expansion capital) Warburg Pincus XII Francisco Partners Agility III Francisco Partners VII Frontenac XII H.I.G. Middle Market LBO Fund IV	Warburg Pincus China II
Venture	Emerging Managers Program Kennet III Highland Europe I-V Undisclosed Growth Funds Evolution Technology Life Science Fund	Institutional Venture Partners XII – XIII Boulder Ventures IV Clarus Lifesciences III Clarus IV Left Lane Capital I-II Pelion Ventures IV - V (secondary) Pelion Ventures VI Left Lane Capital I Insight Partners XII Hoxton Ventures III Insight Partners XII Buyout Annex Fund Blossom Capital III Evolution Technology Fund II L1D Blockchain Venture I - II	



Strategy

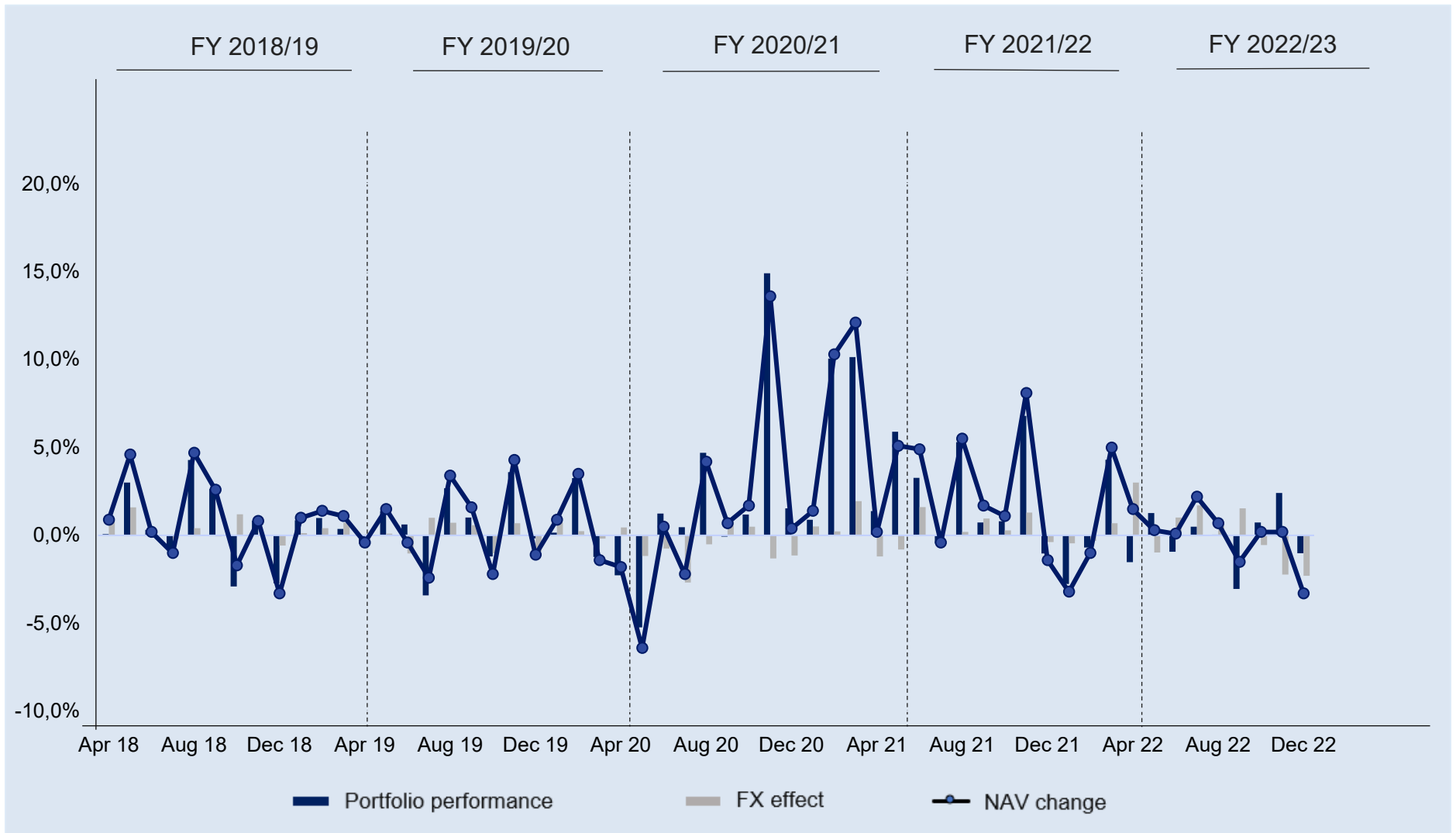
New Investments by Alpha Associates since 2007

	Europe	North America	Asia
Special Situations	ALPHA Russia & CIS Secondary Carmel Software Fund (secondary) DB Secondary Opportunities Fund A DB Secondary Opportunities Fund C EAC (secondary) Renaissance Ventures (secondary) 17 Capital Fund Alpha CEE Opportunity IV - V	Abry Advanced Securities Fund I, III, IV Abry Senior Equity IV - V Francisco Partners I (secondary) MPM BioVentures OCM European Principal Opportunities II OCM Opportunities VII, VIIb Sycamore Partners II - III WLR Recovery Fund IV HIG Middle Market LBO III	
Direct Co-Investments	Aston Martin Actano Acino Dupont Sustainable Solutions Earnix International Design Holding (Flos) Morgan Motor Shawbrook Bank Ozon Group TiaraMed Undisclosed direct Co-Investment	Cloudflare Enanta Pharmaceuticals Jamerry Nails Neurotech Renaissance Learning Lignetics Undisclosed direct Co-Investments	



Portfolio Update

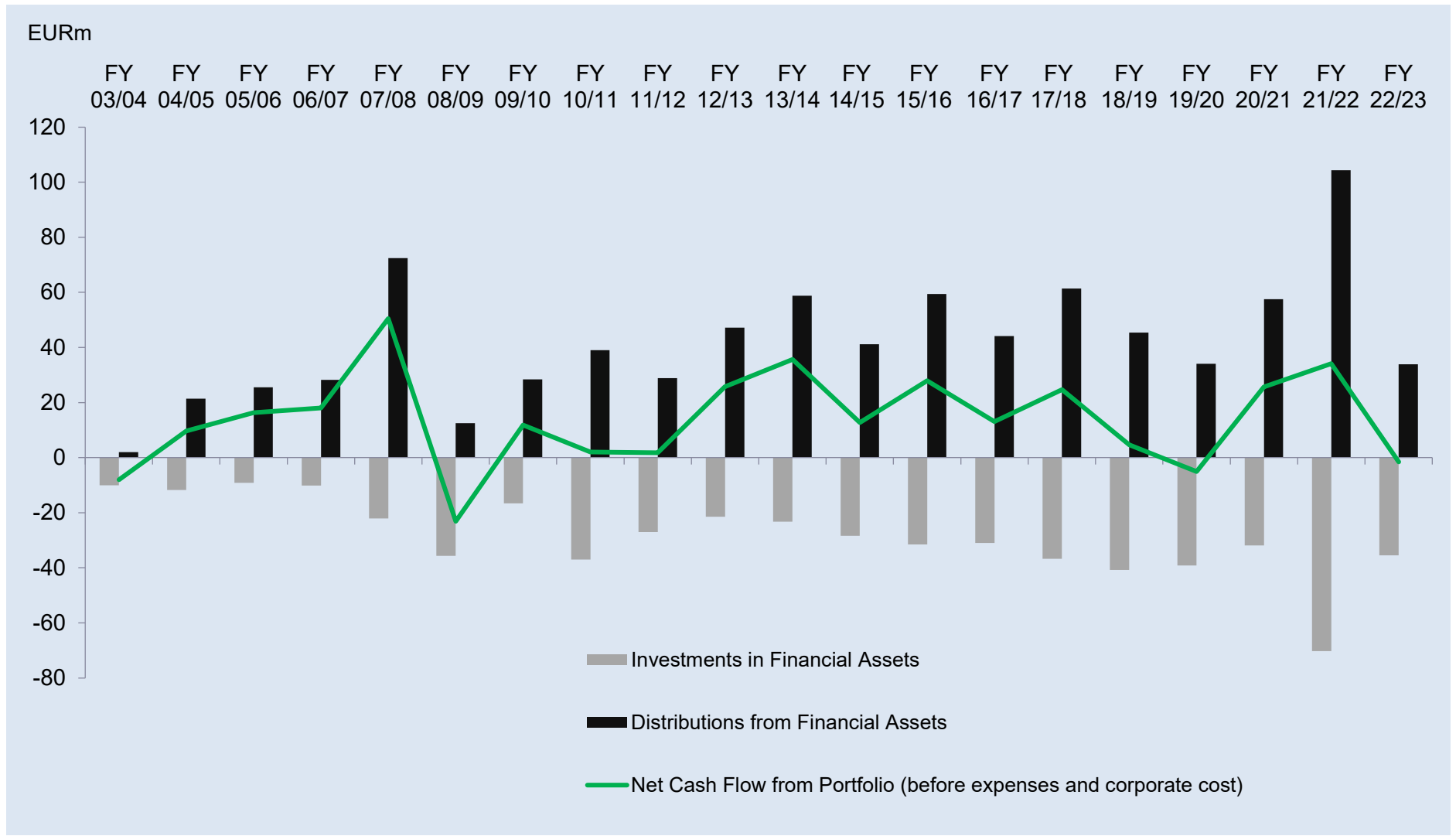
Recent NAV development reflects new price reality and adverse FX movements





Portfolio Update

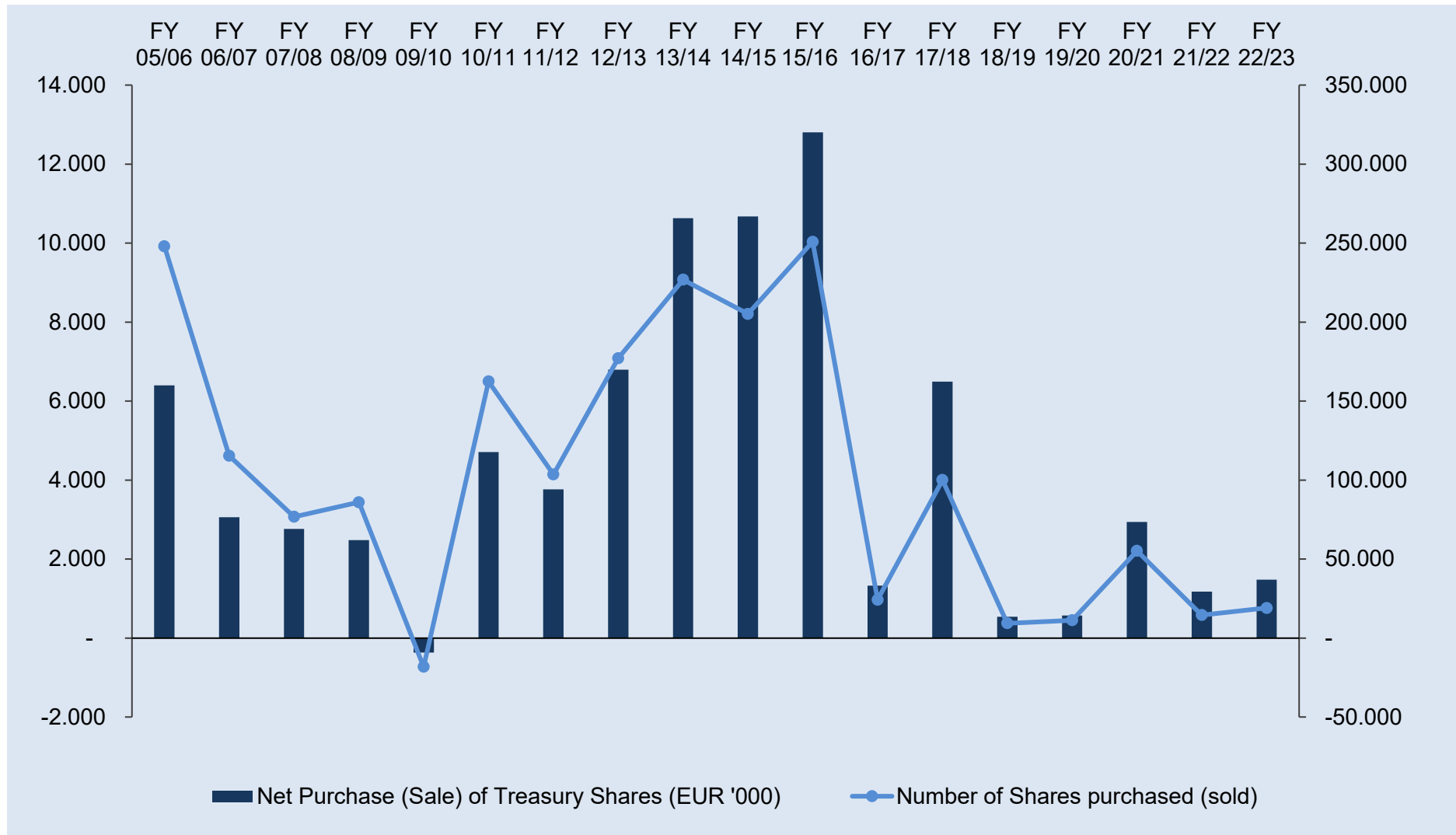
Net CF from portfolio slightly negative as result of market slowdown





Portfolio Update

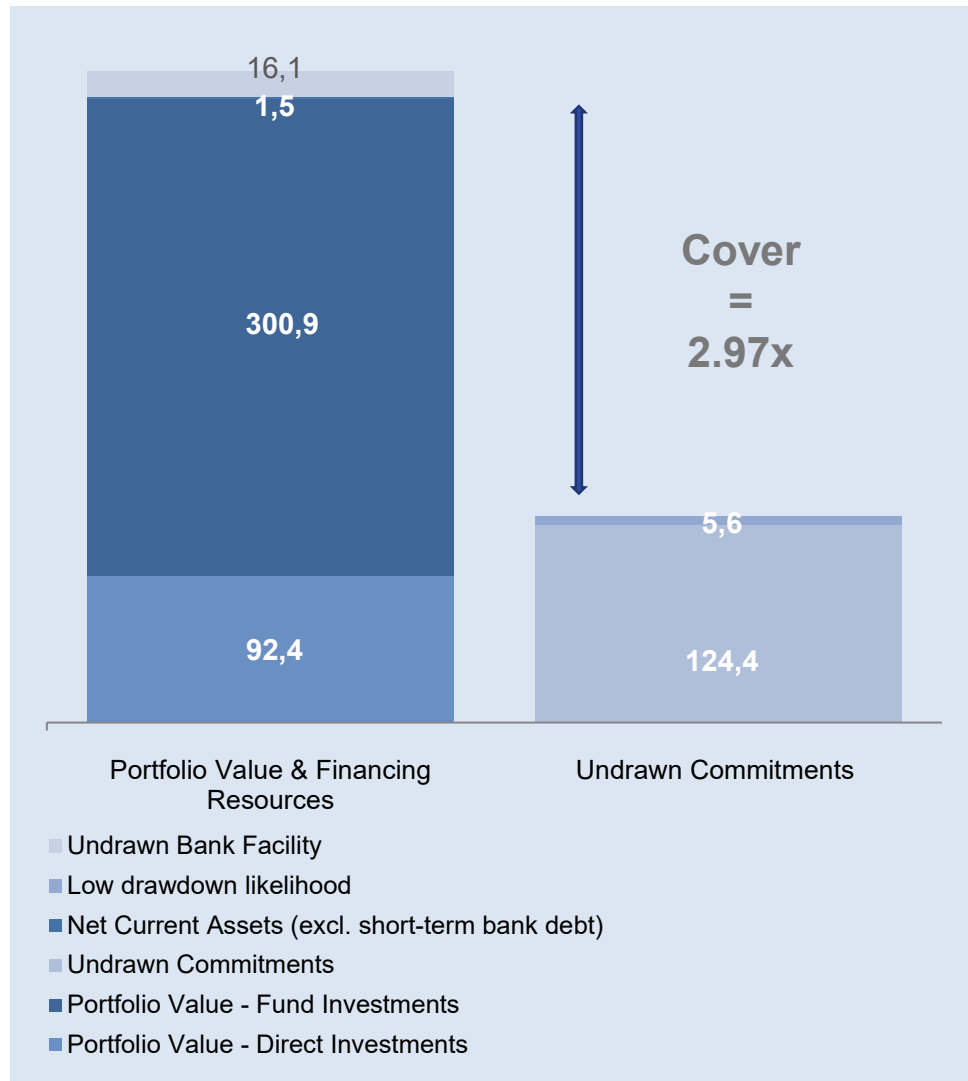
Treasury share activity in FY 22/23 muted due to both liquidity and availability



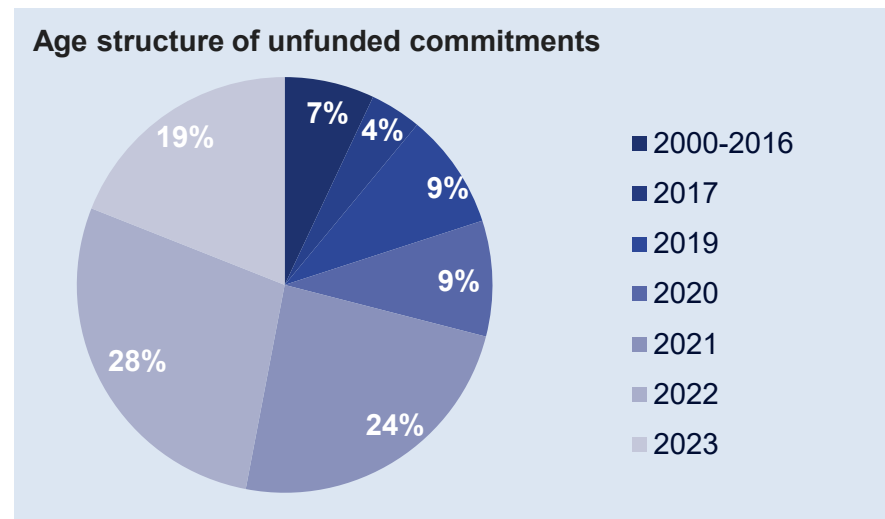


Portfolio Update

Open commitments continue to be well covered



- Balance sheet without any long-term debt.
- Over-commitment strategy resulting in current coverage of 3.0x unfunded commitments.
- Majority of unfunded commitments concentrated in vintage years 2018-2023, old positions in part unlikely to be drawn.



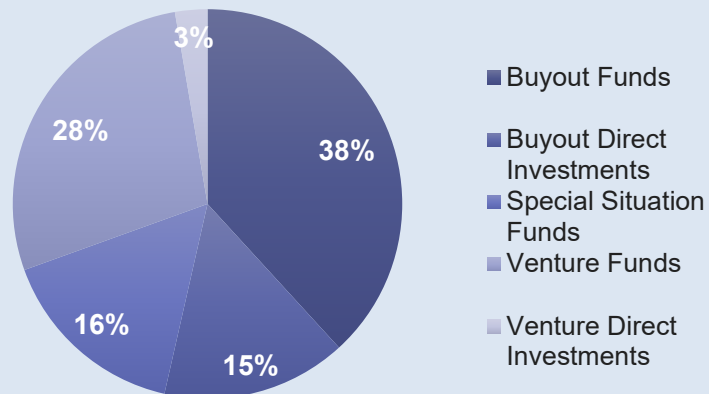


Portfolio Update

Portfolio is very broadly diversified

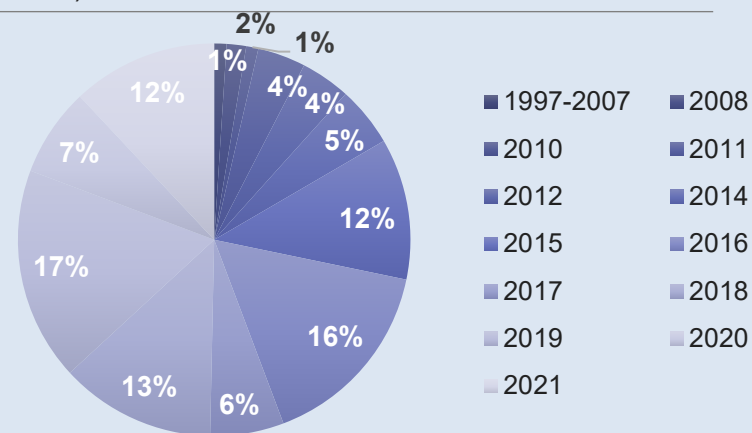
Investment Stages

(Fair Value + unfunded Commitments)



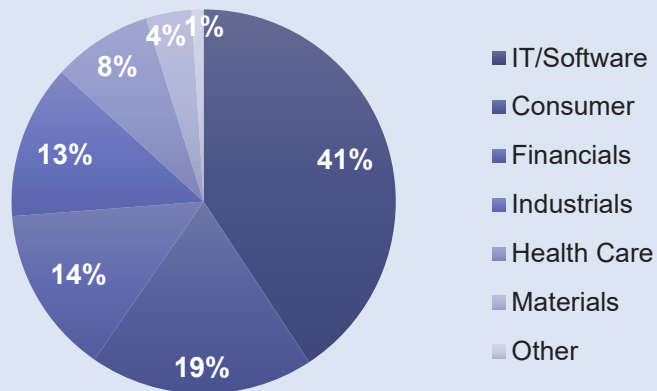
Vintage Year

(Fair Value)



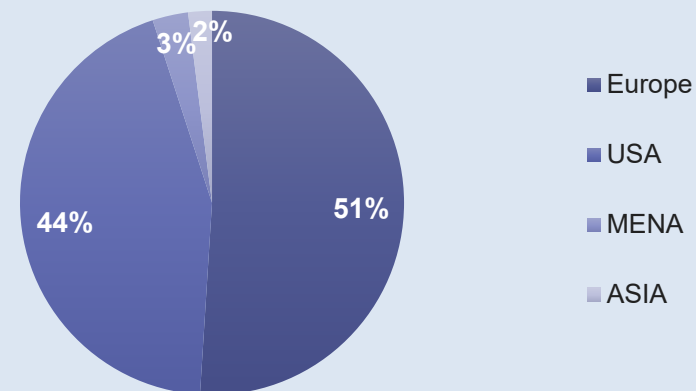
Industry Segments

(Fair Value)



Geographies

(Fair Value)






Portfolio Update

Directly and indirectly, PEH is invested in more than 800 Companies


IT / Software
41%




Consumer
19%




Financials
14%




Industrials
13%




Health Care
8%

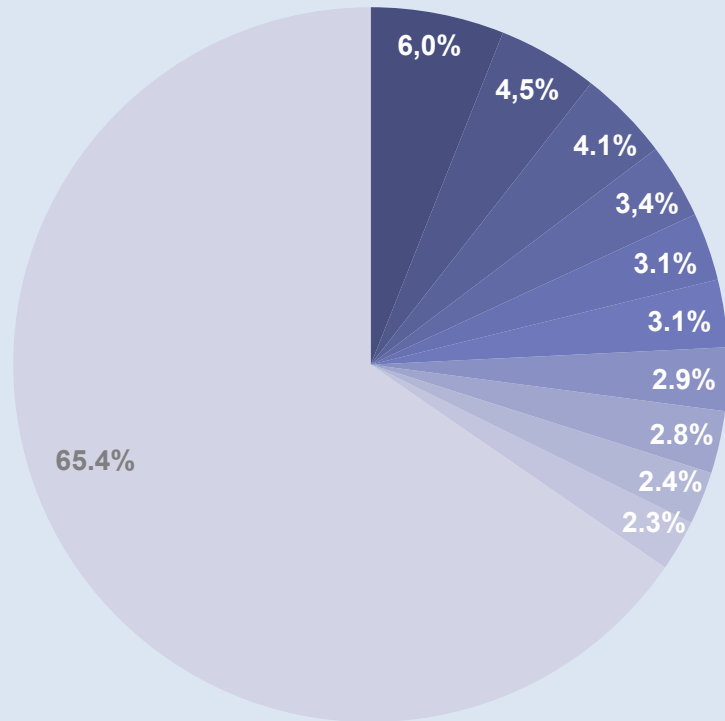





Portfolio Update

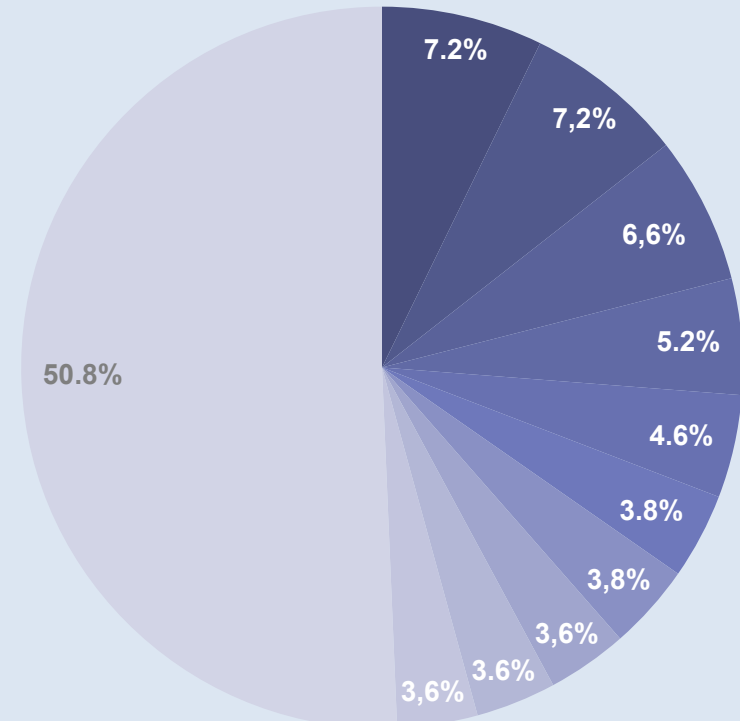
Concentration Analysis

Fair Value - Risk



- dss+
- Eagletree IV
- Growth Fund III
- Renaissance Learning
- Earnix
- Others
- ALPHA CEE Opportunity IV
- Growth Fund II
- Pollen Street III
- Highland Europe II
- Shawbrook

Unfunded - Opportunity



- Procuritas VII
- Abry Heritage II
- Cinven VIII
- Medicxi IV
- Francisco Agility III
- Others
- Francisco VII
- Investindustrial Growth III
- Highland Europe V
- Eagletree VI
- HIG Middle Market LBO IV



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Profile



Description	Abry Partners is a north-american investment firm focusing on mid-market companies active in media, communications and business IT-services.
Investment category	Buyout
Geography	USA & Canada
Investment year	Since 2008
Industry	Media & Communications

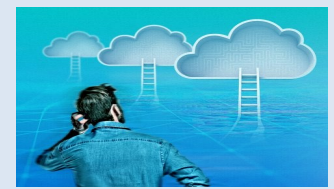
PEH Investment

Fund	Abry Partners VIII
Fund size	USD 1.9 billion
Fair Value	EUR 1.7 million
% of PEH	0.4%

Investment examples

rackspace

Rackspace is a leading global multi-cloud solutions provider to enterprise customers. The Company provides services in more than 150 countries and serves customers from 11 data centers located on four continents.



link mobility

LINK Mobility is Europe's leading provider within mobile communications, specializing in messaging, digital services and data intelligence. LINK offers a wide range of innovative and scalable solutions across industries and sectors.




Millennium Trust is a leading provider of comprehensive, tech-enabled retirement and investment solutions for employers, financial advisors, institutions and individuals, acting as a custodian for Retirement Accounts.






Profile	
Description	Eagletree is a north-american investment firm focusing on mid-market companies active in Media and Communications, Consumer Products and Water and Industrial sectors.
Investment category	Buyout
Geography	USA & Canada
Investment year	2015
Industry	Media & Communications, Consumer Products and Water and Industrial sectors
PEH Investment	
Fund	Eagletree IV
Fund size	USD 790 million
Fair Value	EUR 16.2 million
% of PEH	4.1%

Investment examples



Gaylord Chemical Company, L.L.C.


Gaylord is the world's premier manufacturer of dimethyl sulfide (DMS), dimethyl sulfoxide (DMSO) and environmentally safe, non-toxic solvents with a variety of commercial applications in agriculture, microelectronics, petrochemical, pharmaceutical and other end markets. Gaylord serves a global customer base in more than 60 countries.






WaterFleet is an industry-leading provider of mobile water and wastewater treatment solutions for remote locations and other displaced populations. The company's innovative technology and green solutions have transformed the remote-location water and domestic wastewater industry.





FuseFX is an award-winning studio providing full-service visual effects across a global set of studios for episodic television, feature films, commercials, virtual and VR productions. The company has a strong presence across the entire feature and episodic spectrum, including major film studios, traditional and cable networks.





Profile



Description	Highland Europe is a growth-stage technology fund that invests in European internet, mobile, and software companies.
Investment category	Venture
Geography	Europe
Investment year	2018
Industry	Technology

PEH Investment

Fund	Highland Europe III
Fund size	EUR 450 million
Fair Value	EUR 6.5 million
% of PEH	1.7%

Investment examples



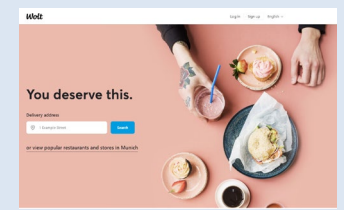
Huel is a meal replacement available in powder, liquid, or bar forms.



StarLeaf is a cloud provider for video conferencing space, offering reliable video conferencing technology, secure app-based messaging and integrated cloud-based meeting room systems.

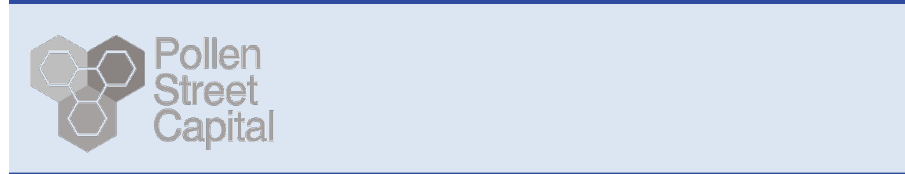


Wolt is a Finnish technology company known for its food-delivery platform. Customers can order food from the platform's restaurant partners and either pick it up or have it delivered by the platform's courier partners.





Profile



Description	Pollen Street Capital is a UK-based private equity fund manager focused on investing in businesses in the financial services sector
Investment category	Buyout
Geography	Europe
Investment year	2017
Industry	Financial Services

PEH Investment

Fund	Pollen Street III
Fund size	GBP 332 million
Fair Value	EUR 12.0 million
% of PEH	3.1%

Investment examples



Aryza is a global provider of case management and process automation software solutions for regulated industries, serving insolvency practitioners, lenders, and regulators. Aryza's solutions automate a wide range of back and middle office activities including customer data collection, administration, and payment processing.



Kingswood is an international wealth manager offering bespoke wealth planning and investment management solutions. Through its expanding network of local offices across both the UK and the US, Kingswood manages approx. £9.1 billion.



Punkt@ is a leading insurance services platform, focused primarily on the motor insurance market in Poland. The company has grown to become a key player in the market through offering clients a proprietary technology-enabled proposition which spans the insurance life cycle.





Profile



Description A US-based heating and BBQ-pellets manufacturer, marketer and distributor

Investment category Direct Co-Investment

Geography USA

Investment year 2021

Industry Industrials/Manufacturing

PEH Investment

Invested amount USD 5.0m

Fair Value EUR 4.9m

Description

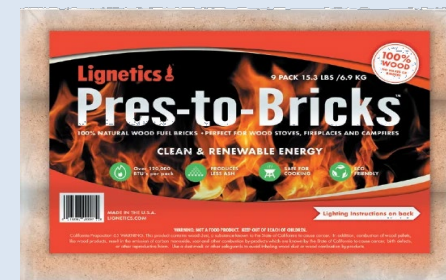
Leading US wood pellet manufacturer

Lignetics is the leading US wood pellet manufacturer that controls 53% of the nationwide residential heating capacities and is circa 16x as large as the next largest competitor.

The company offers efficient, cost effective and environmentally friendlier heating products (both regenerative and lower CO2-emissions) than major alternatives for its end-users (oil and propane).

Growth potential

The demand for the company's current main product, heating pellets upcycled from wood waste, is inelastic and shall further benefit from trends towards sustainability. The company's second major product category, BBQ pellets, offers substantial growth opportunities.





Profile

RENAISSANCE®

Description	Digital learning solutions provider
Investment category	Direct Co-Investment
Geography	North America
Investment year	2018
Industry	Software

PEH Investment

Invested amount	USD 6.6m
Realised amount	EUR 11.8m
Fair Value	EUR 11.2m

Description

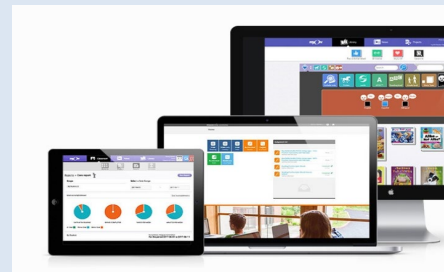
Ongoing internationalization

Renaissance is a leader in pre-K–12 learning analytics, enabling educators to drive phenomenal student growth. Renaissance’s solutions facilitate the ability to analyse, customise, and plan personalized learning paths for students. Renaissance products are used in approximately one-third of U.S. schools and more than 70 countries worldwide.

Product mix enabled growth

Renaissance Learning strongly benefits from both, "in classroom" products as well as "at home practice" products. The company continues to demonstrate very strong momentum and was able to further accelerate organic growth initiatives and innovation across its product suite.

After a follow-on investment at the beginning of the financial year to finance a complementary add-on acquisition PEH carried out a highly successful partial sale of Renaissance Learning.



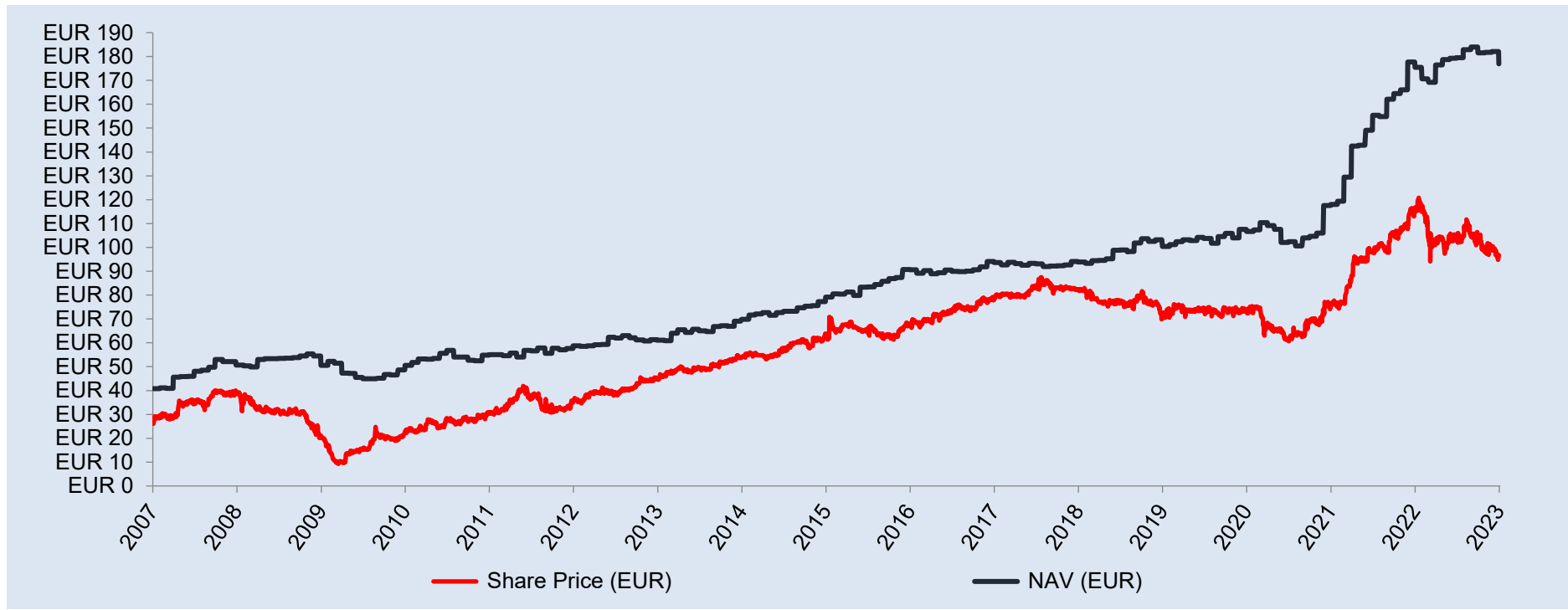


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Performance

Monthly NAV and Share Price January 2007 - December 2022

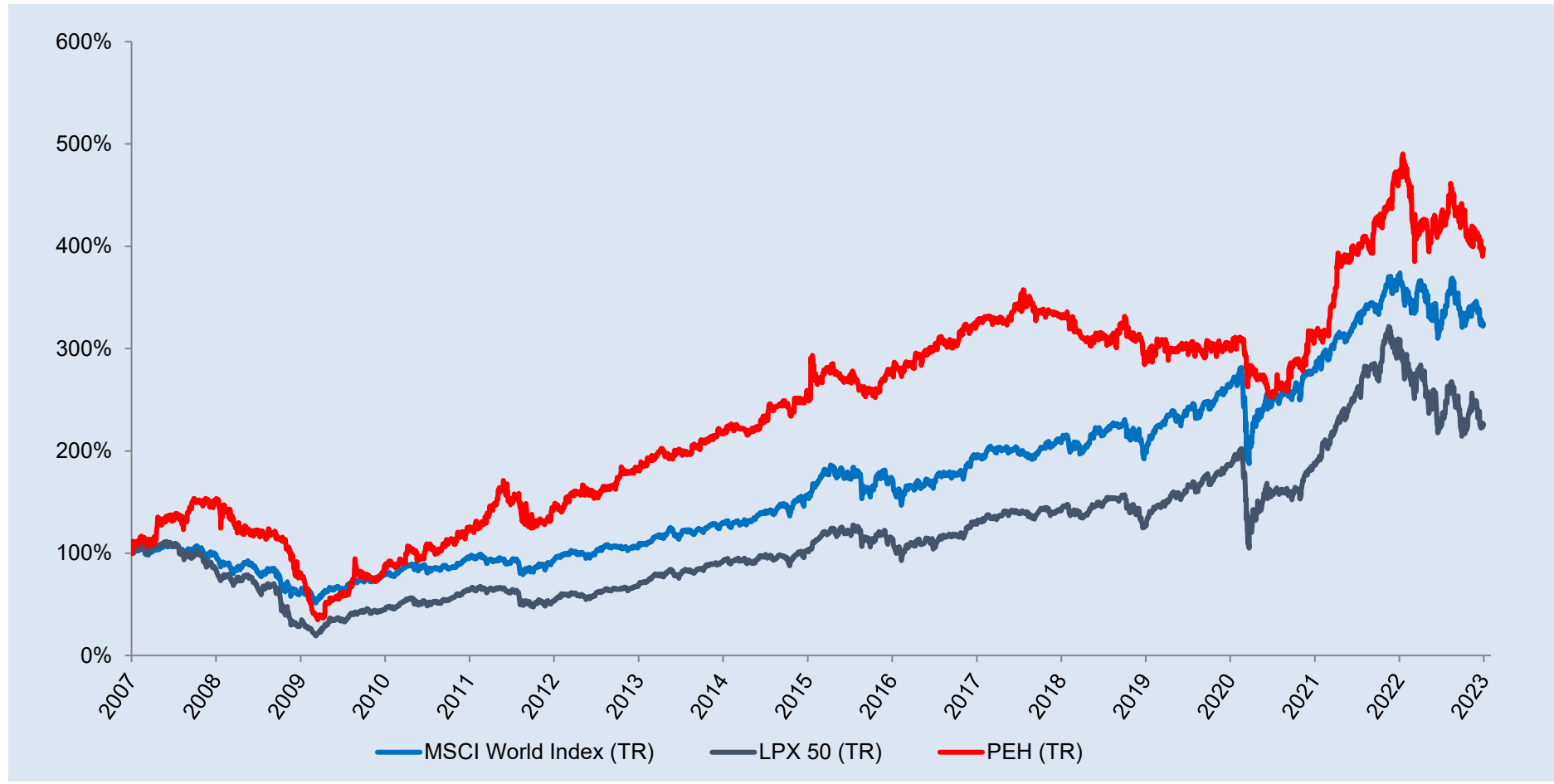


- 4.21x NAV growth since 2007 (in EUR, including dividend payments).
- 8 positive months within the calendar year 2022.
- Share price level around CHF 73, i.e. a significantly widened discount.



Performance

Performance PEHN vs. LPX50 and MSCI World



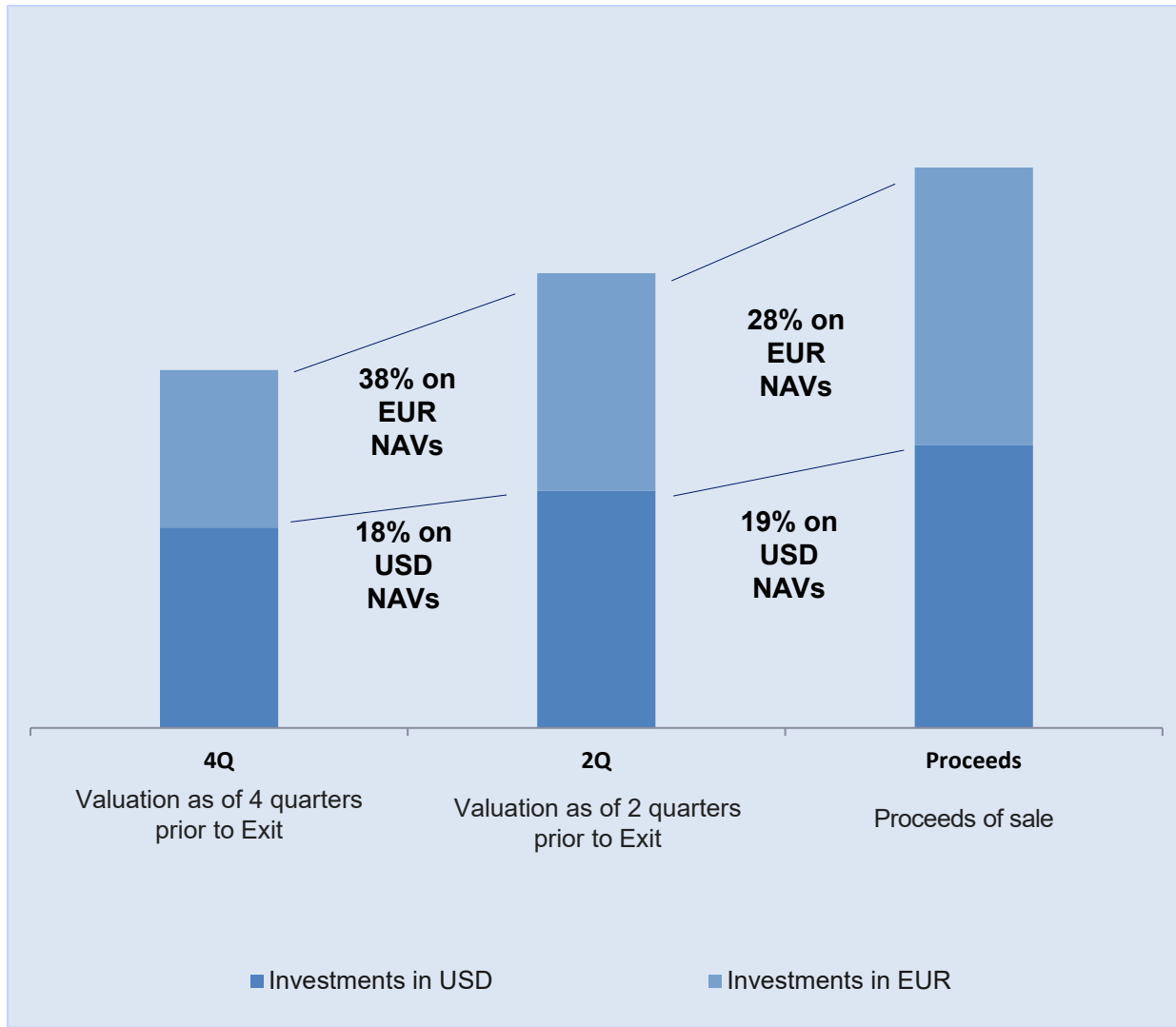
Outperformance PEHN vs. MSCI World Index: 75.4%

Outperformance PEHN vs. LPX-50 PE-Index: 172.8%



Performance

Conservative valuation policy provides for upside at exit



- Between 2010 and Q3 2022, the realised amounts in respect of underlying portfolio investments have been consistently higher than their valuations six and 12 months prior to the respective exit event.
- Our sample is based on 824 realisations including 78 write-offs.
- This analysis shows that private equity portfolios are valued prudently and, on average, significantly below their future potential.



Appendix



Key figures

As of December 31, 2022

Structure	Swiss investment company (AG/Ltd)
Investment focus	Globally diversified portfolios of private equity funds, incl. secondary market investments and selected direct co-investments
Listing	SIX Swiss Stock Exchange (SIX: PEHN)
Total Equity	EUR 380.9
NAV per Share	EUR 152.00 / CHF 150.18
Share Price	EUR 71.86 / CHF 71.00
Discount	(52.7)
Number of Shares Issued	2'550'000 registered shares (nominal value: CHF 6)
Number of Shares Outstanding	2'505'606
Distribution Policy	Annual distribution to shareholders
Shareholders > 3%	Partners of Alpha Associates AG (>33.3%), Dr. Hans Baumgartner, Chairman (>5%)
Auditors	KPMG AG, Zurich
Portfolio Manager / Advisor	Alpha Associates (Cayman) L.P. / Alpha Associates AG
Fees	1.5% * 75% * NAV plus 2% * 25% * market capitalization plus 1% of direct investments; 10% performance fee with 6% hurdle and HWM CHF 500k Administration fee



Dr. Hans Baumgartner, Chairman & Delegate

Elected in December 2006, Dr. iur, LL.M., attorney-at-law, Swiss national, Senior Partner Baumgartner Mächler.



Martin Eberhard

Elected in June 2010, Swiss Banking School, Kellogg Graduate School of Management (AEP), Swiss national, Co-Founder and former CEO NZB Neue Zürcher Bank.



Dr. Petra Salesny

Elected in July 2018, Dr. iur, LL.M., Austrian national; Founding Partner of Alpha Associates and responsible for the structuring and raising of Alpha's funds-of-funds and investment programs, investor relations and marketing.



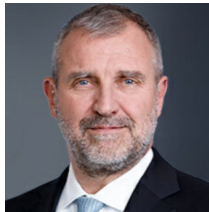
Fidelis Götz

Elected in July 2018, lic.rer.publ HSG, Liechtenstein national; Partner at Daniel Gresch & Partner, prior Co-Head Private Banking at Bank Sarasin & Cie and Head Private Banking North Asia at Credit Suisse



Experienced Team with Strong Track-Record in the Industry

Alpha Associates AG



Dr. Peter Derendinger, Partner, CEO; Swiss; Dr. iur., LL.M. (Northwestern University, Chicago), attorney; career at Credit Suisse as General Counsel, Head Corporate Centre and CFO Private Banking; member of the board of directors of a number of private companies and Chairman of Credit Suisse (Switzerland) AG.



Dr. Petra Salesny, Partner, COO; Austrian; Dr. iur, LL.M., admitted to the NY bar; career in law and M&A; active in private equity investing since 2001; due diligence, negotiation, structuring and execution of fund and direct investments and secondary acquisitions.



Petr Rojicek, Partner, CIO; Czech; Dipl.Ing., MBA; career in engineering and corporate finance, at UBS and Bank Vontobel; worked on corporate finance transactions in Emerging Europe since 1995; active in private markets since 1998; strong relationship network in the industry; close ties to CEE private equity community.



Jürg Kägi, Partner, CFO, Swiss, MA Econ., CPA. Joined Alpha in February 2018. Previous work experience include Head Finance of Itaú Private Bank Switzerland, Senior Manager Ernst & Young and Audit Manager at PwC.



Peter Wolfers, Partner, CRO & Head Compliance, German, MA Econ., LL.M. Joined Alpha Associates in 2005 and again in 2010, having spent two years at Horizon21, a Swiss investment manager. Guest lecturer on private equity and member of the managing board of the Swiss Association of Investment Companies.



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