

Private Equity Holding AG

September 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.

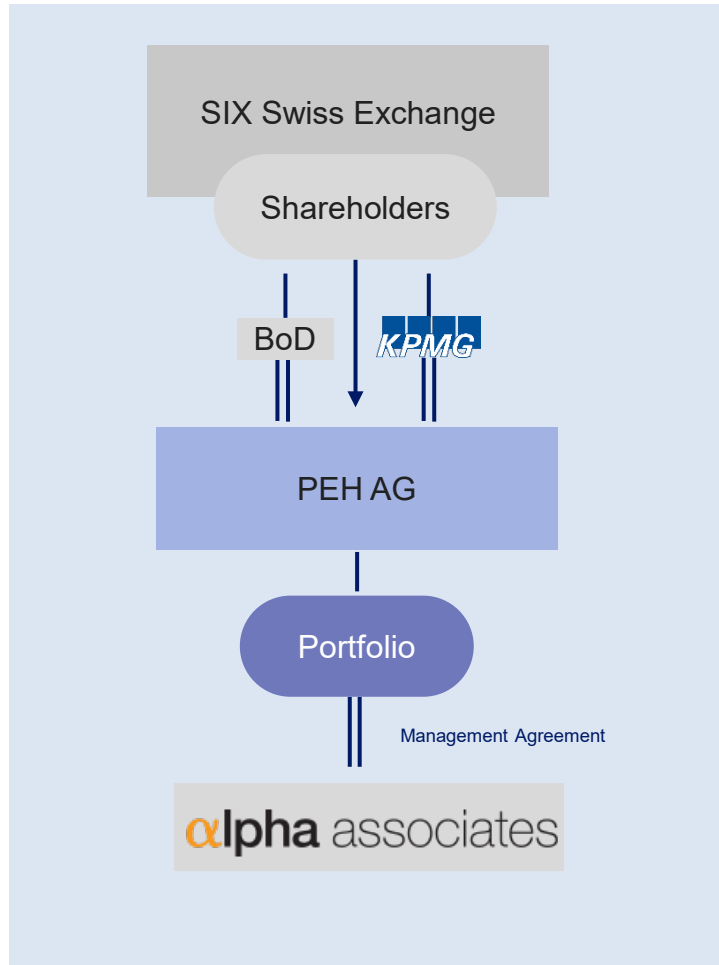




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PEH offers institutional and private investors the opportunity to participate in a simple and **tax-efficient** manner in a **diversified** and **professionally** managed **private equity portfolio**.



- Private Equity Holding AG (PEH) is a SIX-listed Investment Company that invests in funds and direct investments.
- Alpha Associates has been managing PEH’s portfolio since 2004; since then, the NAV per share has increased by 427% (total return).
- In recent years, a large part of the cash flows has been used for share buybacks and distributions to shareholders, and more recently increasingly for investment activities.
- Depending on both, the liquidity situation of the company and the discount level the balance between the strategic pillars is adjusted accordingly.
- The aim is to further increase the NAV per share.

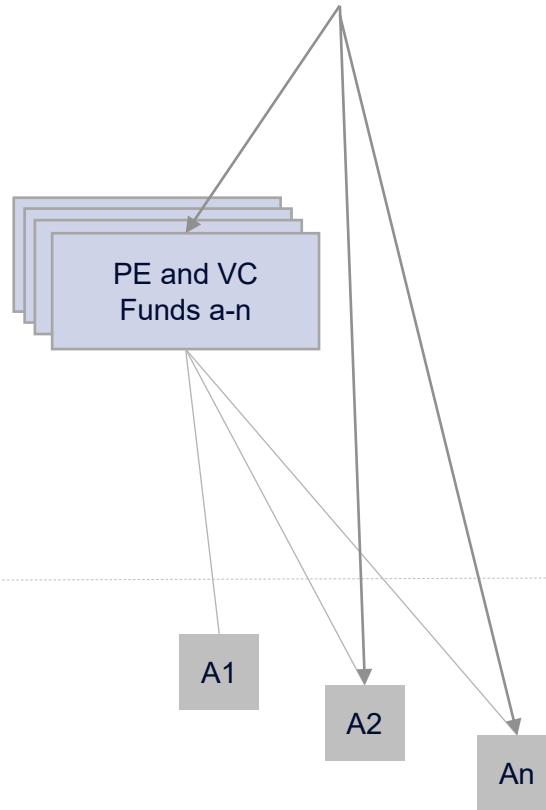


Private Equity Holding AG



Private Equity & Venture Capital Fund Investments

83%





Direct Co-Investments

17%

Examples

Investindustrial   

 HIGHLAND EUROPE 

 SYCAMORE PARTNERS 

 BLOSSOM 

 **EAGLETREE**
CAPITAL

RENAISSANCE® 

dss+ 

Design Holding | International Design Group



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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

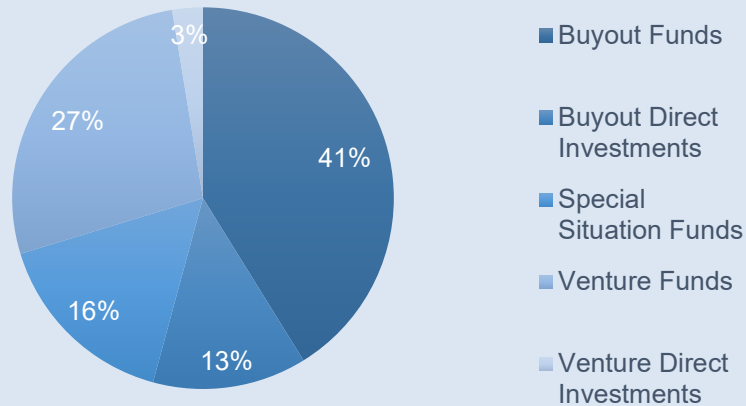
Robust Balance Sheet & Positive Cash Flow from Portfolio



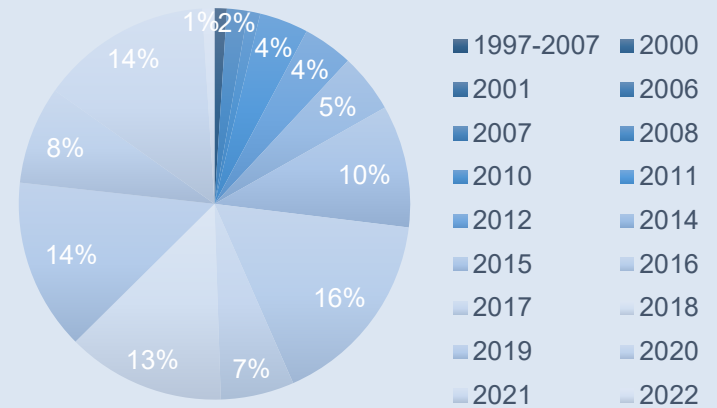
Strategy

Portfolio is broadly diversified

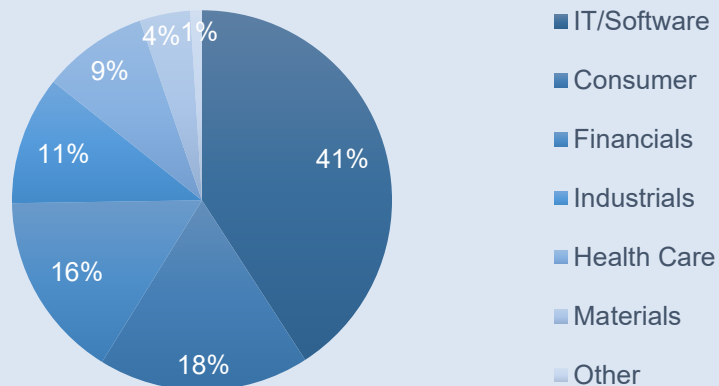
Investment Stages (Fair Value + unfunded Commitments)



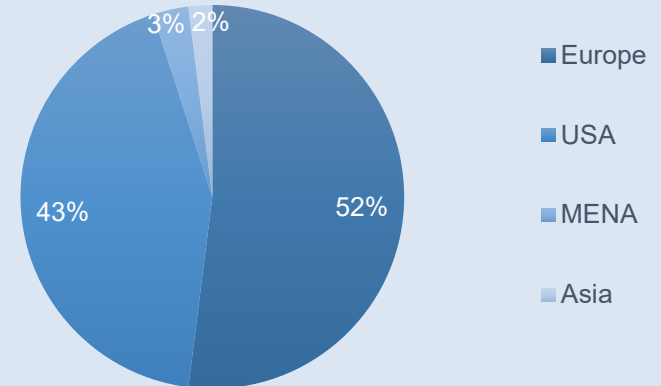
Vintage Year (Fair Value)



Industry Segments (Fair Value)



Geographies (Fair Value)






Strategy

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


IT / Software
41%




Consumer
18%




Financials
16%




Industrials
11%



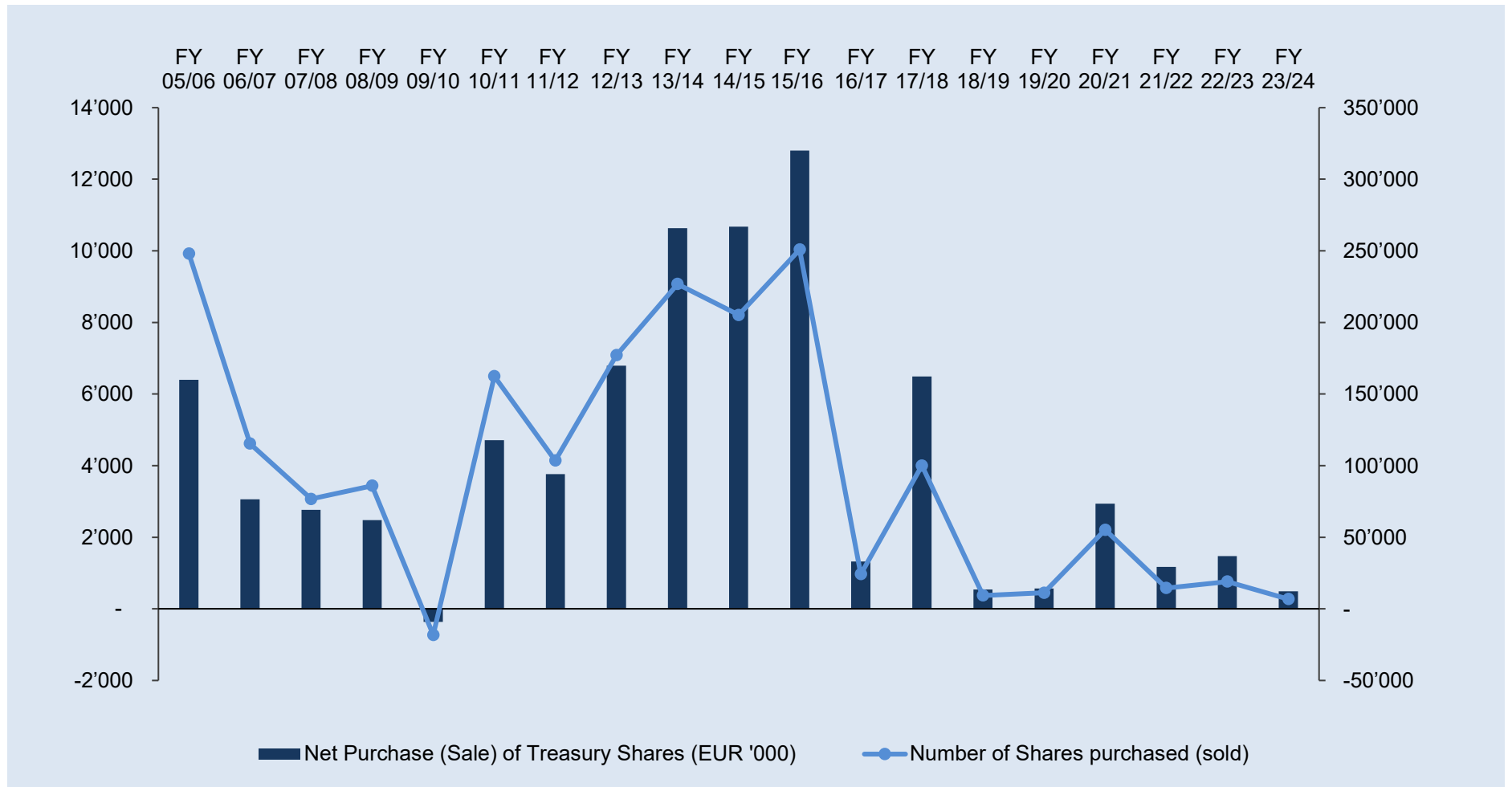

Health Care
9%






Strategy

Since 2005, more than 40% of the shares outstanding at that time have been purchased

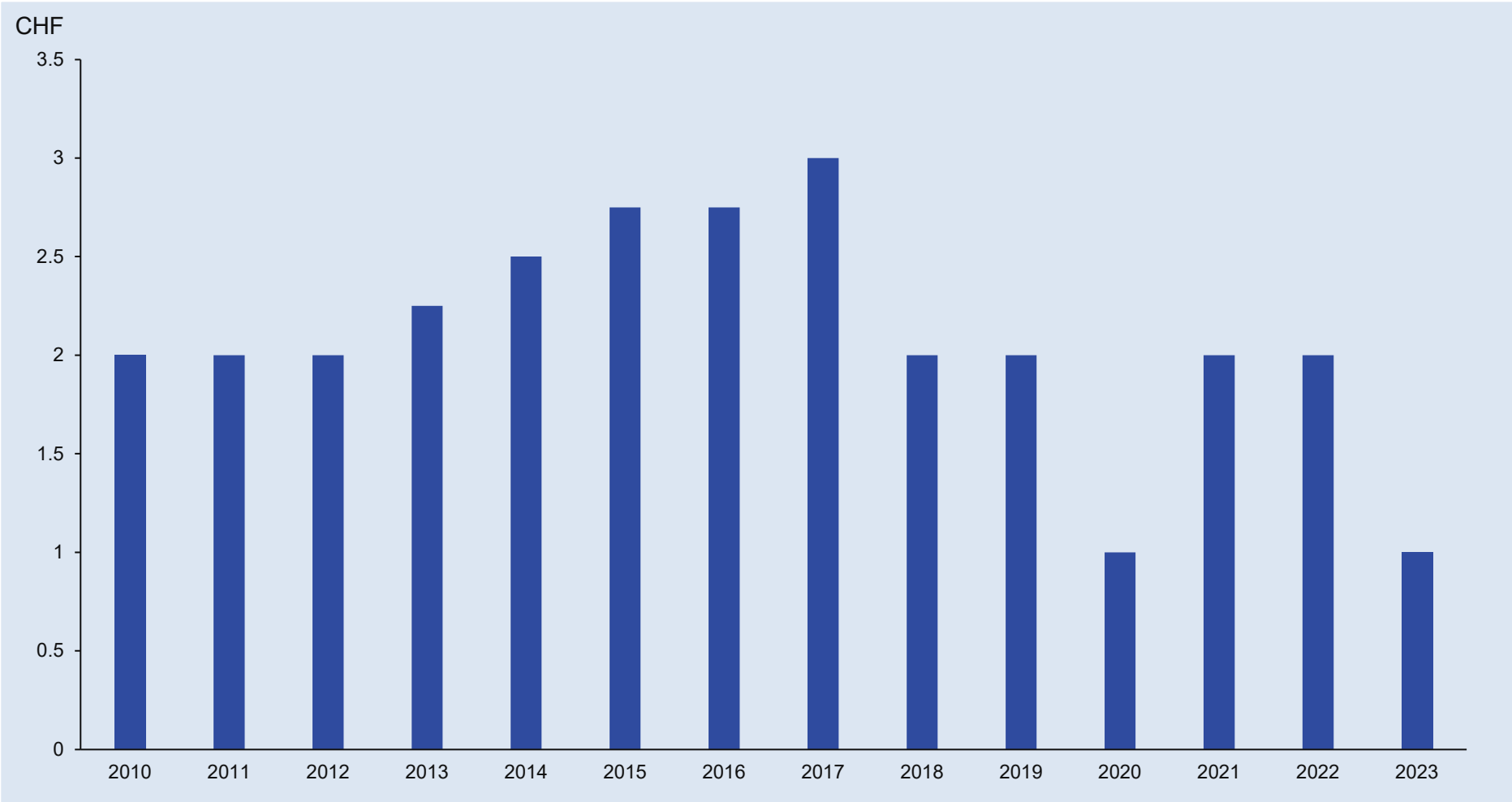


Since April 2005, PEH has acquired ca. 1.9 million shares for more than EUR 78 million. These transactions have substantially condensed the intrinsic value per share for the remaining shareholders.



Strategy

Annual dividend payments > CHF 1 per share

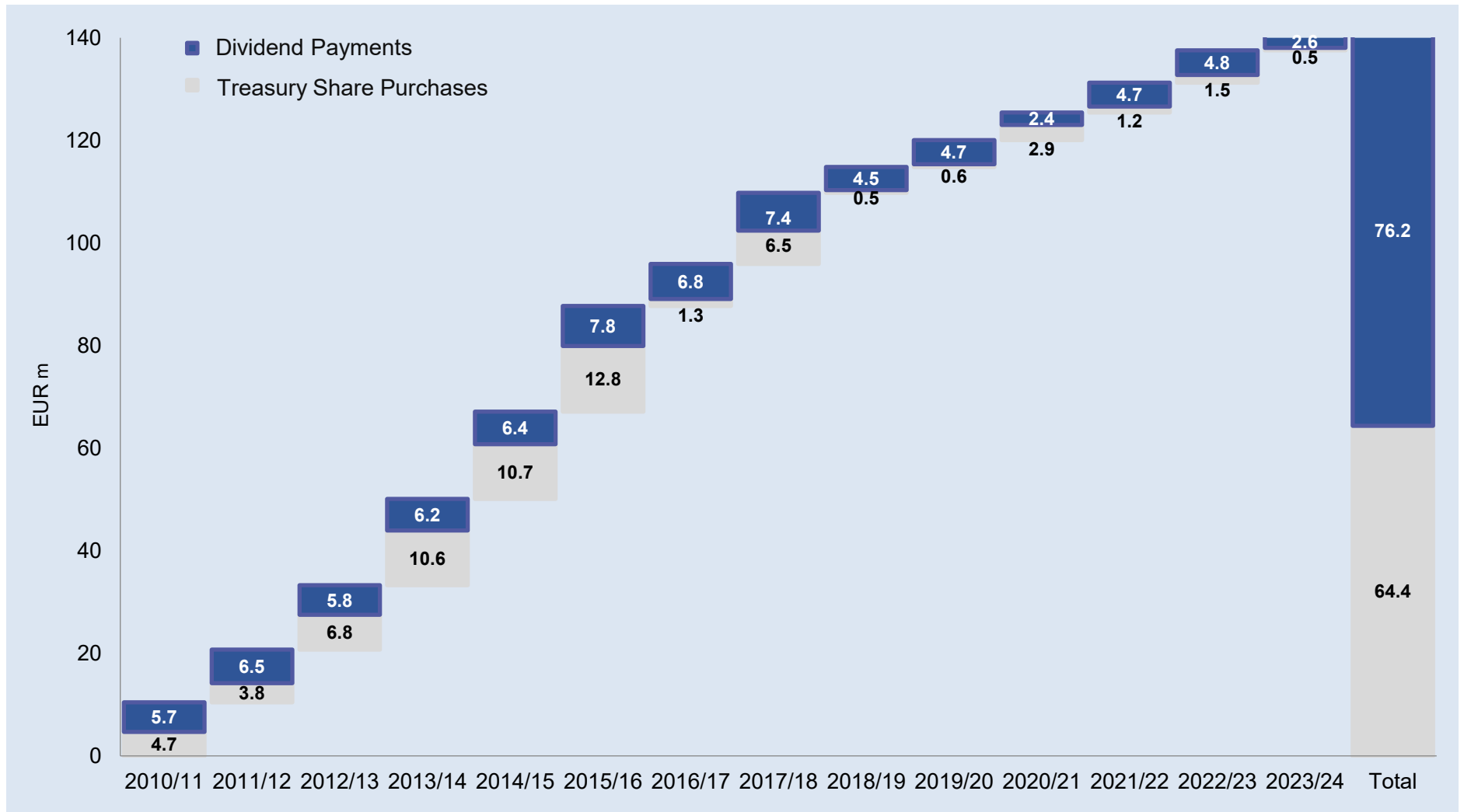


Since 2010, cumulative dividends of CHF 29.25 per share have been distributed to shareholders.



Strategy

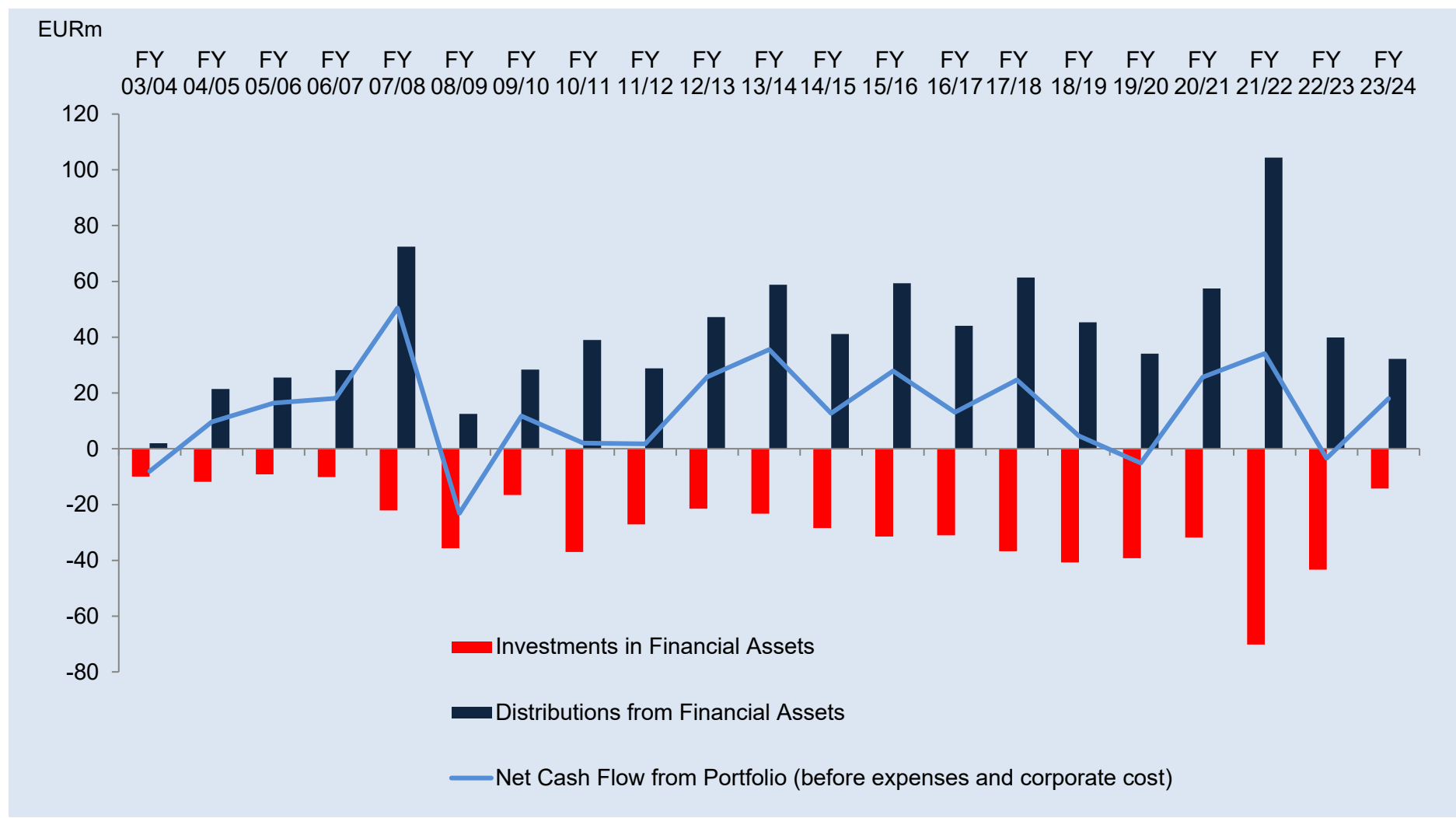
Since 2010, PEH distributed over EUR 140 millions to its shareholders





Strategy

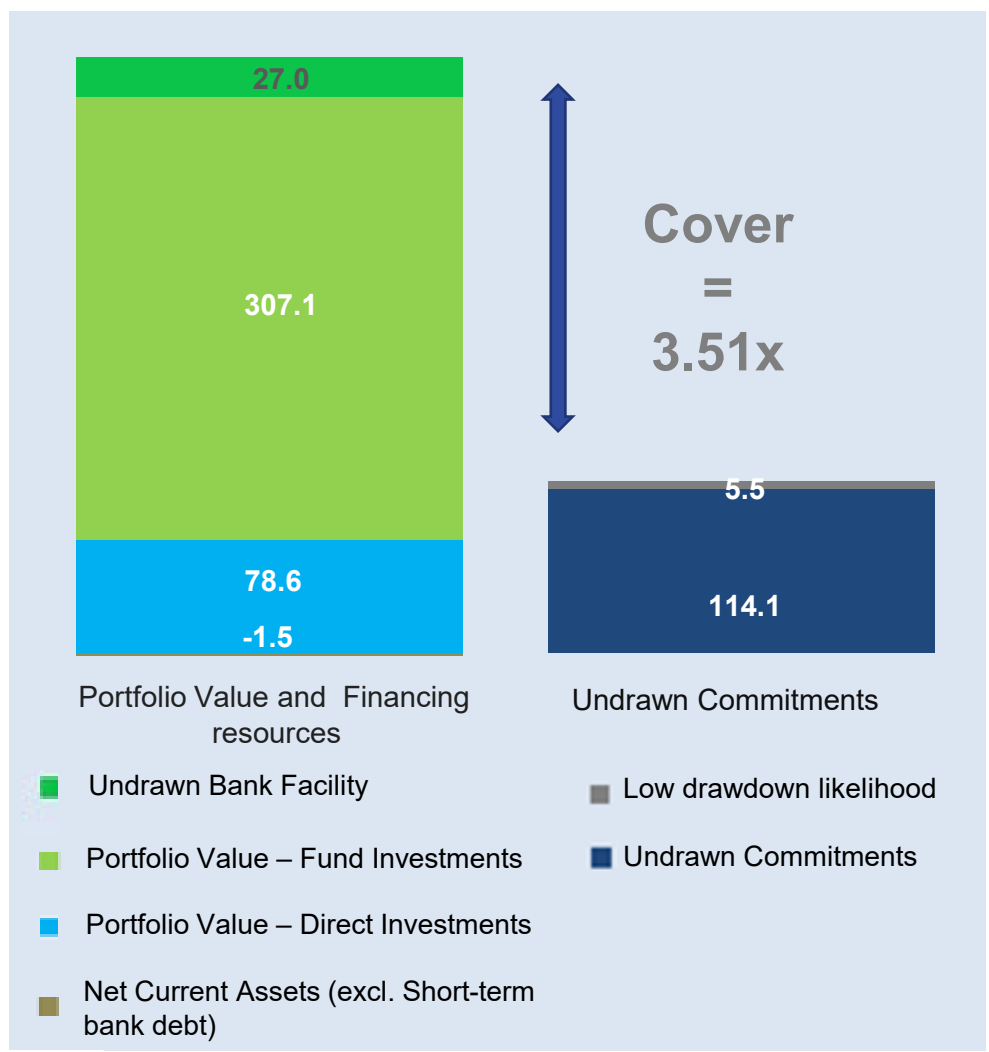
Portfolio Cash Flows 2004 – 2023



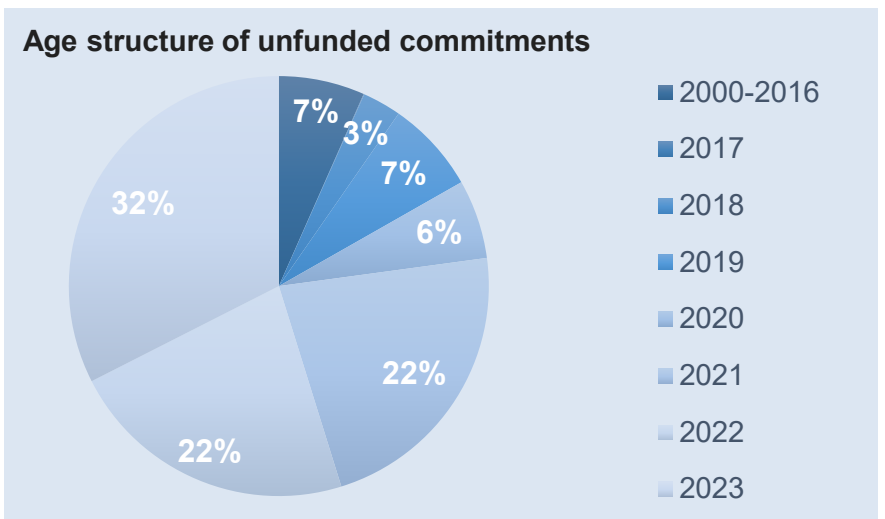


Strategy

Solid balance sheet and positive cash flows



- Balance sheet without any long-term debt
- Prudent over-commitment strategy
- Regular cash flow simulations at portfolio and company level to optimise the investment strategy





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Profile

abry partners

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 1.6 million
% of PEH	0.7%

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.



M MILLENNIUM TRUST COMPANY

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	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 5.9 million
% of PEH	1.5%

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.



JobTeaser is a leading recruitment and university marketing platform for young talents in Europe. JobTeaser is directly connected with 750 schools and universities, enabling students and young graduates to find their career path.





Profile		Description	
		Leading global consulting firm	
Description		dss+ is a leader in environmental health and safety with 700 consultants worldwide in 40 countries.	
Investment category		Megatrends offer potential	
Geography		DSS takes a holistic, integrated approach to ensure that changes are not only sustainable but continue to improve themselves in the future. The focus is not just on the processes and technical barriers that protect companies and their resources. dss+ focuses on developing skills and knowledge to create a long-lasting and robust culture. The goal is to increase productivity, reduce accident rates, exceed regulatory requirements and increase return on investment while addressing technical, behavioral and cultural issues.	
Investment year			
Industry			
PEH Investment			
Invested amount			
Realised amount			
Fair Value			





Profile



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

PEH Investment

Invested amount	USD 8.9m
Realised amount	EUR 11.8m
Fair Value	EUR 13.0m

Description

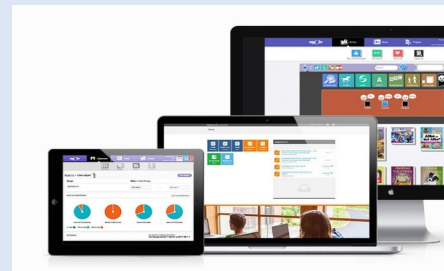
Ongoing internationalization

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 is growing both organically and through strategic acquisitions. In 2022, PEH was able to execute a very successful partial sale of Renaissance Learning.



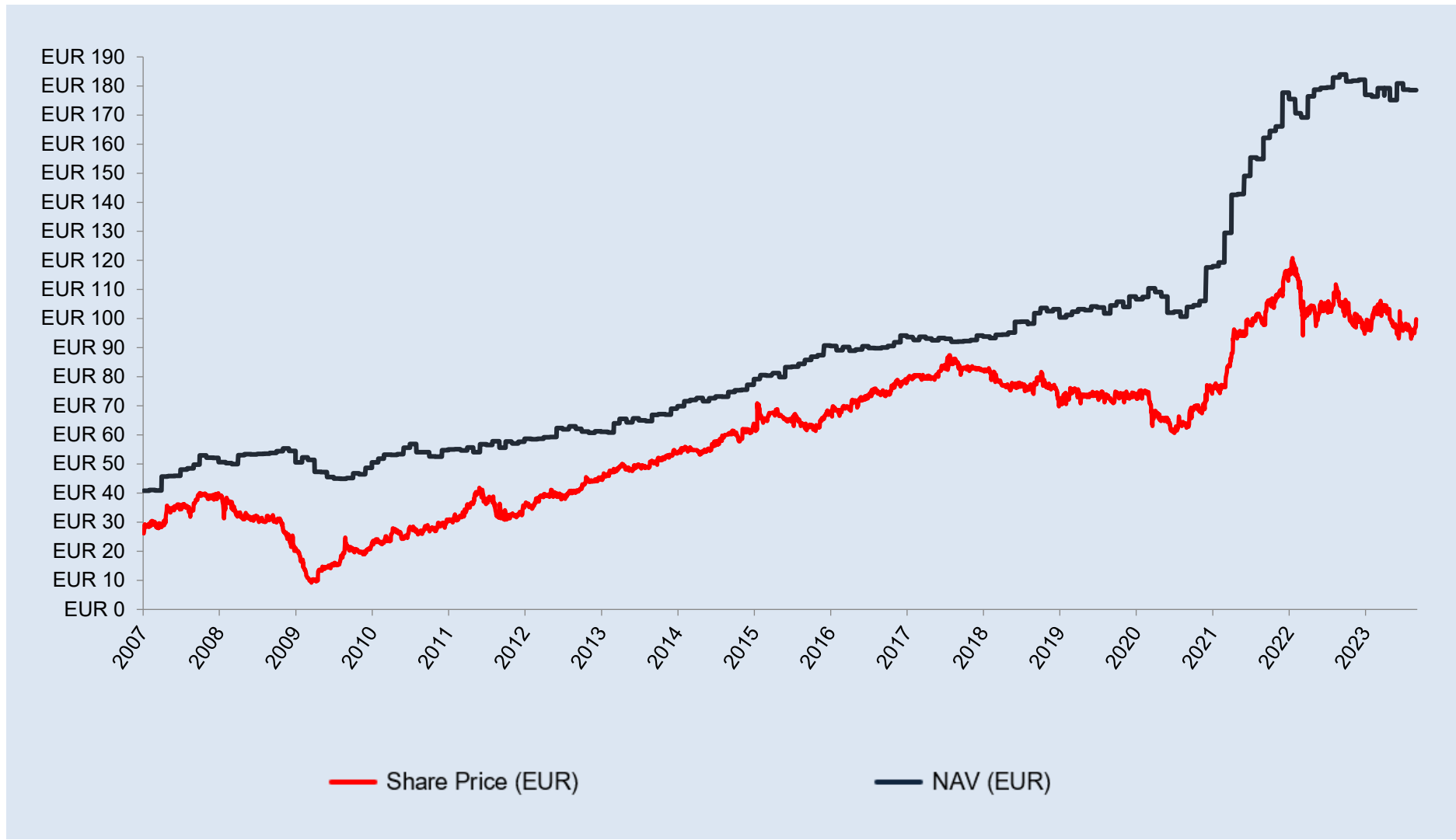


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Performance

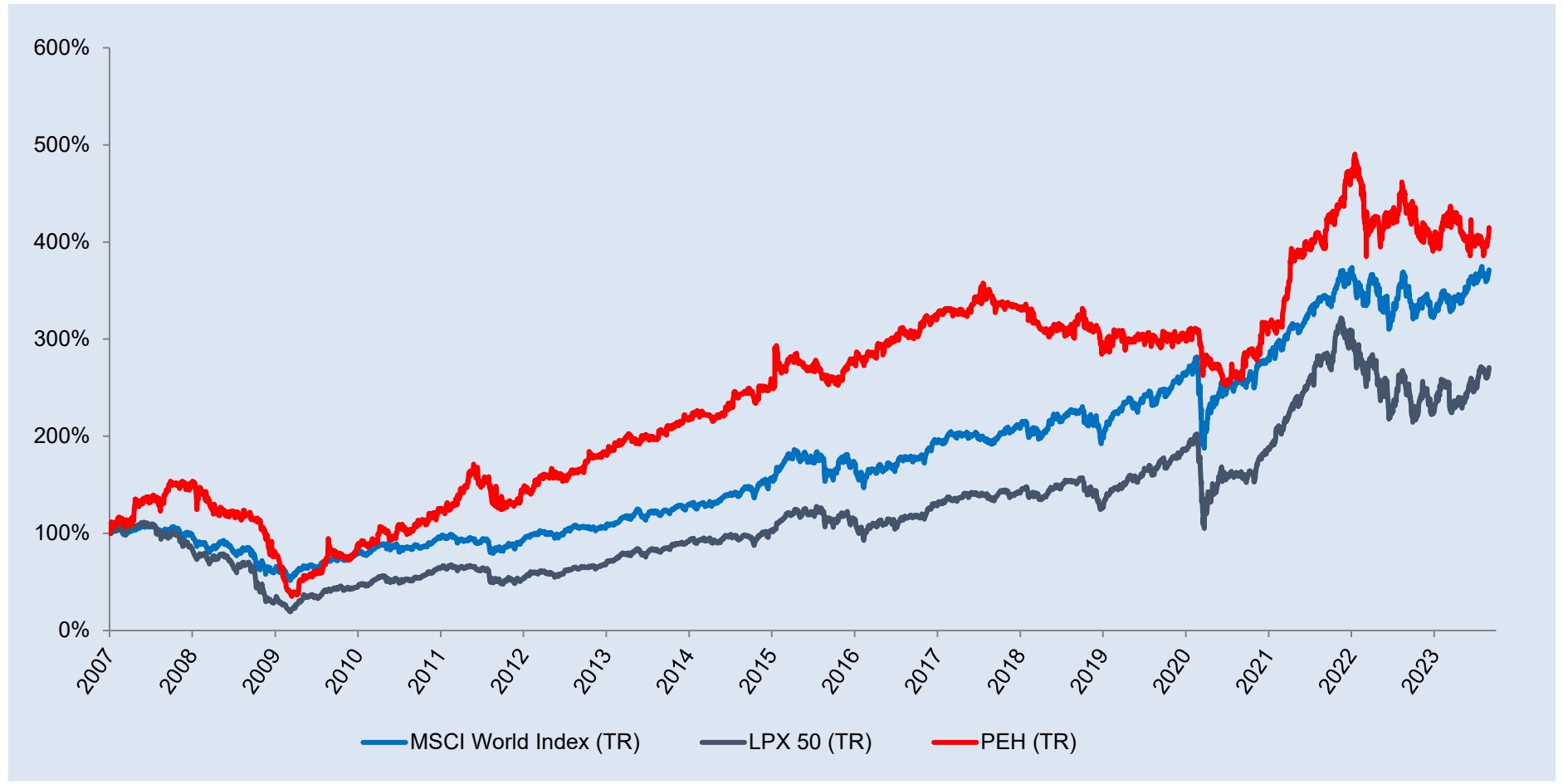
Monthly NAV and Share Price January 2007 – August 2023





Performance

Performance PEHN vs. LPX50 and MSCI World



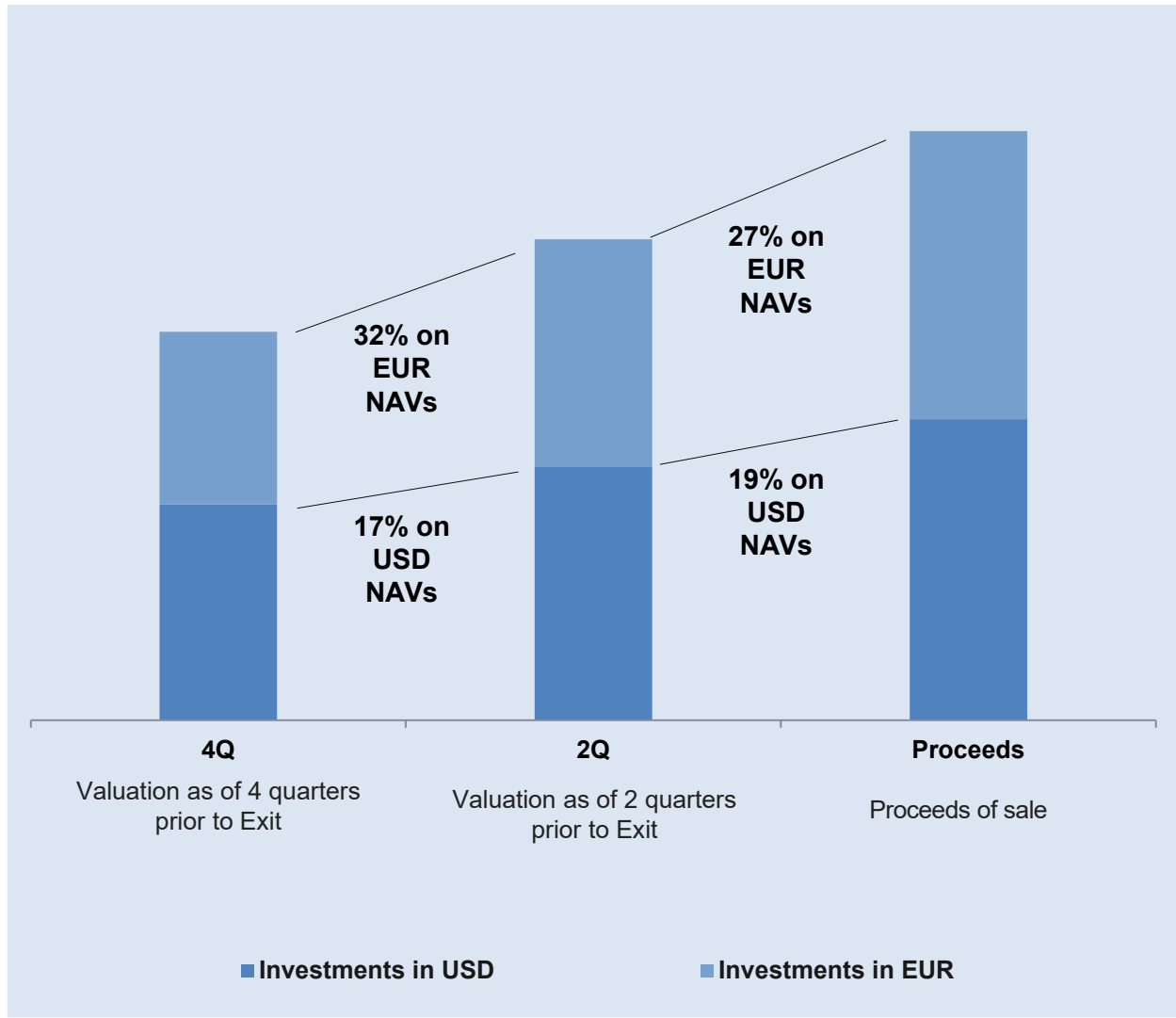
Outperformance PEHN vs. MSCI World Index: 43.5%

Outperformance PEHN vs. LPX-50 PE-Index: 144.0%



Performance

Conservative valuation policy



- 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 776 realisations including 93 write-offs.
- The reported NAV has proven to be extremely resilient and conservative over more than 10 years and several hundred liquidity events.



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Summary

Tax-efficient and broadly diversified private equity portfolio

PEH AG	Institutional and private investors have the opportunity to participate in a simple and tax-efficient manner in a diversified and professionally managed private equity portfolio with selective funds and direct investments.
Strong NAV growth per share	Significant NAV growth per share in recent years due to selective investments in top tier funds and direct co-investments as well as NAV accretion as a result of treasury share purchases.
Dividend policy	Consistent distribution policy offers attractive returns and reduces share price risk.
Prudent business policy	Solid balance sheet structure (no long-term debt) and broad diversification of the portfolio, moderate over-commitment.
Discount offers potential	The current share price reflects the quality of the portfolio only to a limited extent; the discount level is historically at a higher level.



Appendix



Key figures

As of August 31, 2023

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 381.2
NAV per Share	EUR 152.56 / CHF 146.28
Share Price	EUR 73.84 / CHF 70.80
Discount	(51.6)
Number of Shares Issued	2'550'000 registered shares (nominal value: CHF 6)
Number of Shares Outstanding	2'498'742
Distribution Policy	Annual distribution to shareholders
Shareholders > 3%	Partners of Alpha Associates AG (>33.3%), Dr. Hans Baumgartner, Chairman (>5%) Martin Eberhard, member of the Board of Directors (>3%)
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
Dr. iur, LL.M., attorney-at-law, Swiss national, Senior Partner Baumgartner Mächler.



Martin Eberhard
Swiss Banking School, Kellogg Graduate School of Management (AEP), Swiss national, Co-Founder and former CEO NZB Neue Zürcher Bank.



Dr. Petra Salesny
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
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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