

# First 9 months 2019 results presentation

30<sup>th</sup> October 2019



ALANTRA

# I. Alantra growth continues in 2019, both in revenue (+42.4%) and net profit (+50.8%), with increasing activity across divisions

## 2019 YTD Highlights

### Net revenues increased by 42.4% reaching €150.7 Mn mainly driven by the growth in the investment banking division (+52.7%)

- Net revenues from asset management increased by 20.2% mainly due to an increase in performance fees (+133.7%)
- Management fees slightly decreased due to (i) a change in the consolidation perimeter by which Alantra Wealth Management will from now onwards be consolidated under the equity method and (ii) the full divestment of QMC II, not yet fully offset by QMC III's fundraising

### Net profit attributable to the parent of €30.7Mn (+50.8%), of which €26.0 Mn derived from the fee business (+81.0%)

- In addition to the fee business, the Group has generated profits from portfolio divestments of €1.3 Mn and extraordinary results of €3.5 Mn resulting in a total net profit of €30.7 Mn (+50.8% vs last year)

### Investment Banking highlights: (i) 145 announced deals 2019YTD<sup>1</sup> and (ii) N+1 Singer ranked as No.1 Financial Adviser in UK ECM

- Advised on 145 deals in 2019YTD<sup>1</sup> (+34% vs. last year), of which 41% were M&A transactions
- N+1 Singer has been awarded Top 1 Investment Bank by volume and among the Top 5 by number of transactions in the UK, published in the latest ECM Insight Report (ECMi) for Q3 2019
- Reinforcement of the CPA team through the incorporation of more than 70 professionals throughout the year, including UDA professionals. In total, the CPA team has grown to 140 professionals

### Asset Management highlights: growth in assets under management, relevant activity and recruitment of senior professionals

- Total fee-earning AUM from the direct investment business increased by €140 Mn over the last twelve months, reaching €2.2Bn
- New addition to the hotel portfolio managed by Alantra REIM (NH Sotogrande), one acquisition and a secondary disbursement by Alantra Private Debt team and investment in health start up Cara Care by Asabys (VC)
- Two senior partners joining Alantra WM team and one senior MD joining Alantra's CRU team to strengthen the Group's fundraising capabilities

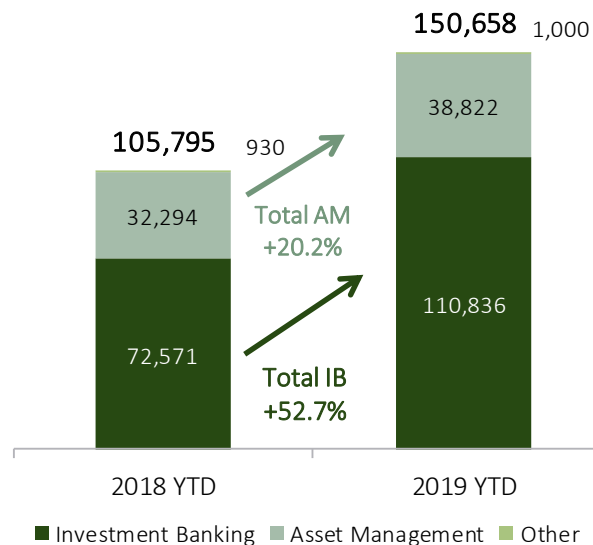
1) As of 23<sup>rd</sup> October 2019

## II. Net revenues reach €150.7 Mn (+42.4% vs. last year)

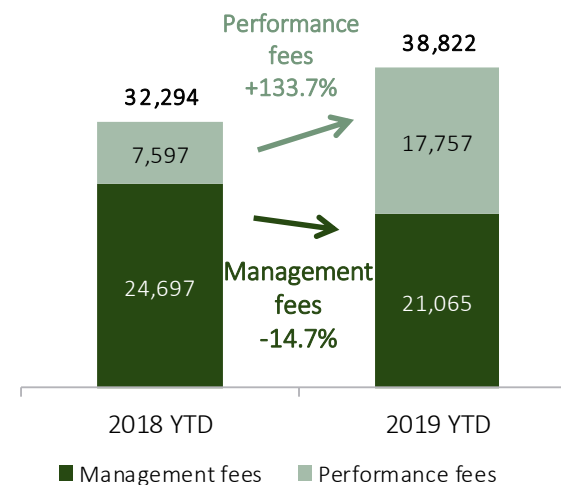
Net revenues for 2019 YTD  
(€'000)



Net revenues by division for 2019 YTD  
(€'000)



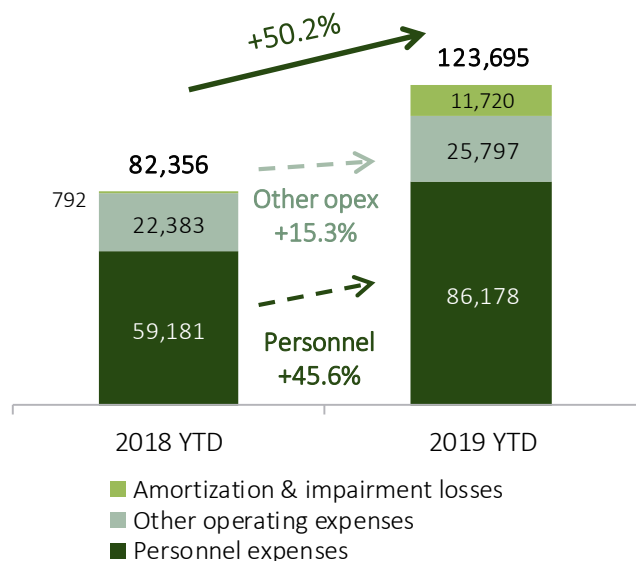
Breakdown of AM revenues by type  
(€'000)



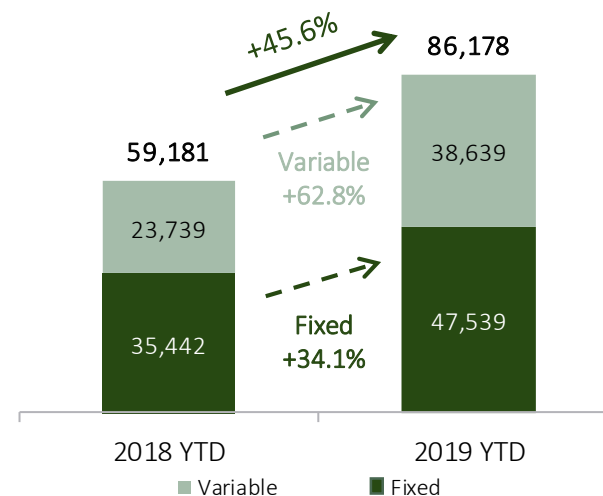
- Net revenues increased by 42.4% reaching €150.7 Mn mainly driven by the growth in the investment banking division (+52.7%)
- Net revenues from asset management increased by 20.2% mainly due to an increase in performance fees (+133.7%)
  - Management fees slightly decreased due to (i) a change in the consolidation perimeter by which Alantra Wealth Management will from now onwards be consolidated under the equity method and therefore will not be included in the revenues and (ii) the full divestment of QMC II, not yet fully offset by QMC III fundraising

### III. Operating expenses reach €123.7 Mn (+50.2%)

Total operating expenses 2019 YTD (€'000)



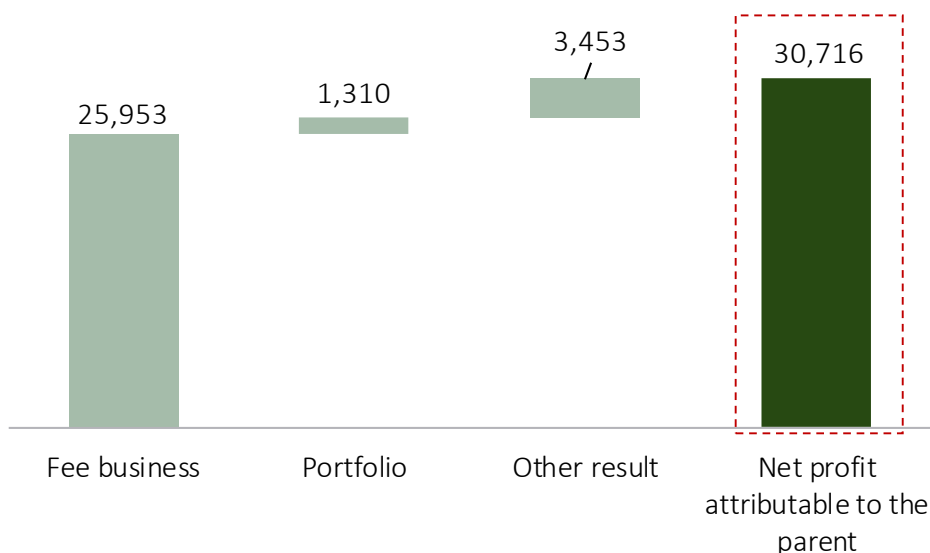
Breakdown of personnel expenses in 2019 YTD (€'000)



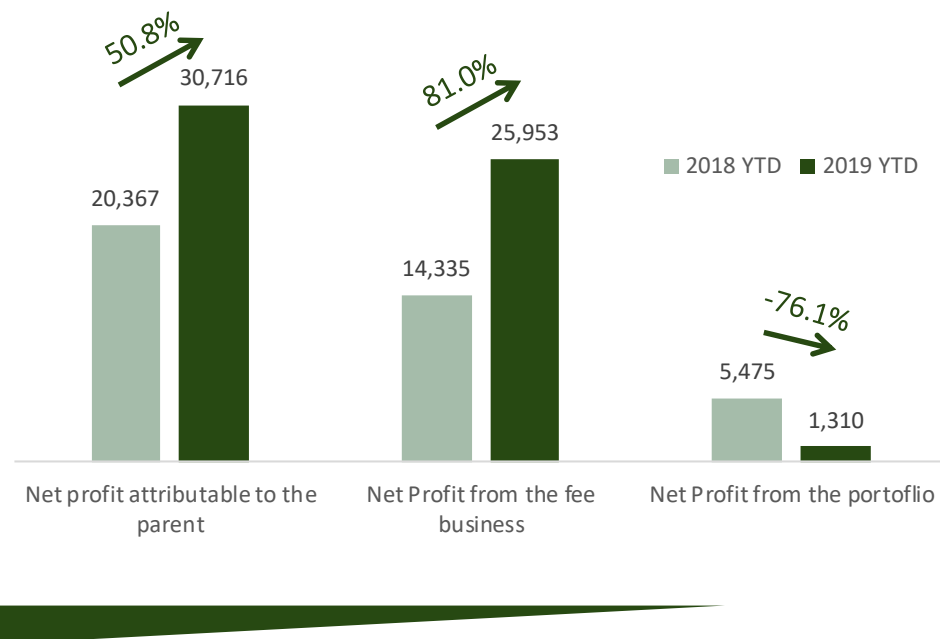
- Operating expenses have grown by 50.2 % to €123.7 Mn, due to three main factors:
  - An increase in fixed expenses, both fixed personnel expenses (+34.1%) and other operating expenses (15.3%), related to the expansion of the Group (CPA International, San Francisco, China, Chicago, Equities Italy and UDA). According to the new NIIF16 standards, rental costs have been reclassified to Amortization expenses
  - A higher variable remuneration (+€14.9 Mn) linked to better performance
  - A review of the business plans for the coming years in light of a potential macroeconomic downturn resulting in a €7.5Mn impairment of goodwill

## IV. Net Profit of €30.7 Mn (+50.8% vs. last year)

2019 YTD net profit breakdown<sup>1</sup>  
(€'000)



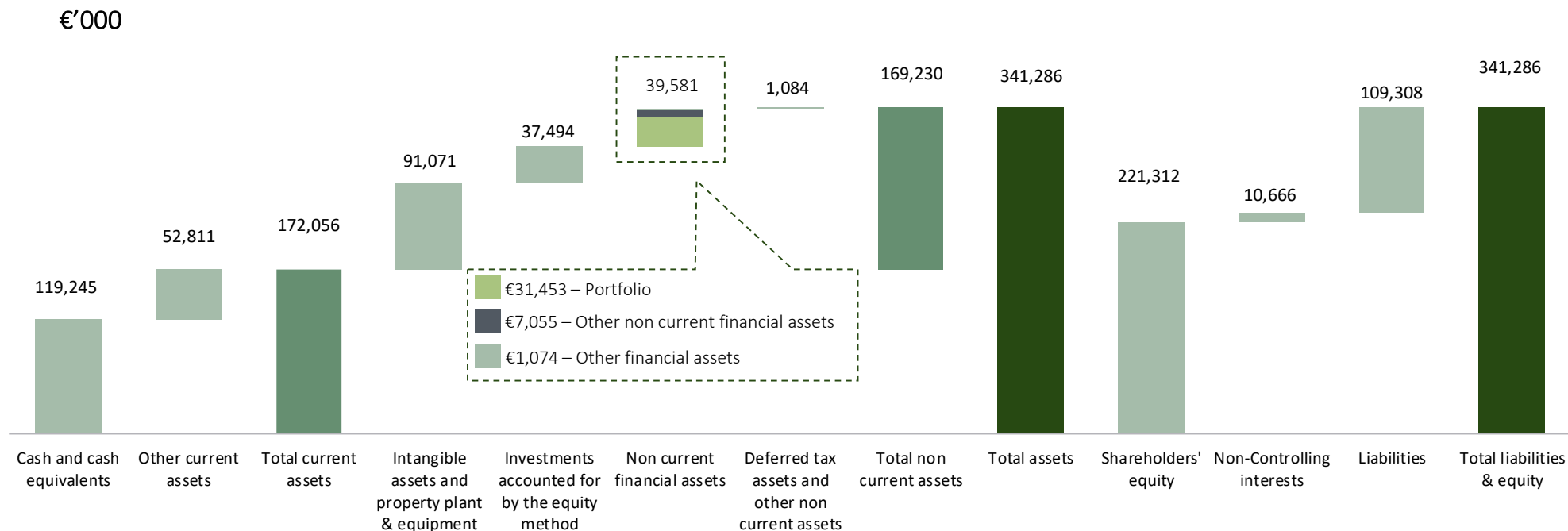
Evolution of the net profit attributable to the parent  
(€'000)



- Net profit attributable to the fee business reached €26.0 Mn (+81.0%)
- In addition to the fee business, the Group has generated profits from portfolio divestments of €1.3 Mn and extraordinary results of €3.5 Mn resulting in a total net profit of €30.7 Mn (+50.8% vs last year). The extraordinary results are related to (i) the closing of Alantra WM transaction (see H1 2019 report) and (ii) the goodwill impairment as described in the previous page

1) Net profit attributable to the parent

## V. Strong Balance sheet as of 30<sup>th</sup> September 2019



- **€221.3 Mn of shareholders' equity** attributable to the parent and no financial leverage
- **€119.2 Mn of cash and cash equivalents**
- Non current financial assets include a **portfolio of investments in products managed by the group** valued at **€31.5 Mn**

# VI. Investment banking activity

## I. Increased deal activity and market recognition



145 transactions advised  
2019YTD<sup>1</sup>

(+34% vs same period in 2018)

- 59 M&A transactions
- 33 credit portfolio advisory deals
- 30 ECM transactions
- 18 debt advisory deals
- 5 strategic advisory transactions



Incorporation of  
4 new MDs

- 3 M&A bankers (Chemicals, UK and Denmark)
- 1 CPA banker



CPA  
reinforcement

- More than 70 professionals joined in 2019YTD, including UDA professionals
- In total, the CPA team has grown to 140 professionals



N+1 Singer ranked as the  
No.1 Financial Adviser by  
Volume in UK ECM

- N+1 Singer has been awarded as the Top 1 Investment Bank by volume and one of the Top 5 by number of transactions in the UK, published in the latest ECM Insight Report (ECMi) for Q3 2019
- YTD N+1 Singer have completed 15 transactions with an aggregate value of £553 Mn

- Q3 2019 highlighted transactions:



- 3<sup>rd</sup> largest transaction in the UK: Placing & Retail Offer of £300Mn
- Acting as the Company's Financial Adviser & Broker



- 4<sup>th</sup> largest transaction on AIM: Accelerated Bookbuild raising £20.25Mn
- Acting as the Company's Joint Broker

Selected recent transactions during 2019 Q3

2019



Alantra has advised Rite – Hite on the sale of Caljan to investment AB Latour

Material Handling Tech

2019



Alantra has advised Grupo Lyrsa, a Spanish leader in the metallurgical recycling sector, on its sale to Derichebourg

Industrial services

2019



Alantra has advised BCR Group, a Chinese retail display solution provider, on its sale to Partners Group

In-store fixtures

2019



Sole financial advisor to Delorio Foods, a portfolio company of LaSalle Capital, on its sale to Rudolph Capital

Food Products

2019



Alantra has advised Palladium Hotel Group on its joint venture with Azora Capital to invest €500Mn in the European resort hotel sector

Hotels

2019



Alantra has advised Pharmamar on the sale of its two non-core business activities: Zelnova & Copyr

Pharmaceuticals

1) As of 23<sup>rd</sup> October 2019

# VII. Asset management activity

## II. Growth in assets under management, relevant activity and recruitment of senior professionals (i)

### 1 Active Funds: €966 Mn fee-earning AUM (+7.7% growth vs. last year)

- EQMC Fund:
  - €886 Mn in AUM (+13.8% vs. last year)
  - NAV per share growth of 8.1% in 2019YTD, which implies an accumulated net IRR of 15.0% since inception (2010)
- QMC Fund:
  - AUMs standing at €81 Mn (-32.1% vs. last year)
  - NAV per share growth of 8.9% in 2019YTD, which implies an accumulated net IRR of 4.6% since inception (2017)

### 2 Private Debt: 12.1% increase in AUM, one new investment and second disbursement in a portfolio company

- €286 Mn in fee-earning AUM (+12.1% vs last year)
- One new investment and second disbursement in a portfolio company in Q3 2019:
  - Investment in Grupo INV, a provider of integrated security services (€15Mn)
  - Second disbursement in OnTime to fund CAPEX needs (€2.7Mn), where Alantra Private Debt had already invested €18.6 Mn

### 3 Real Estate: acquisition of NH Sotogrande hotel

- Alantra REIM reinforces its hotel portfolio with the acquisition of NH Sotogrande
  - The 4-star hotel is located in the south of Spain (Sotogrande, Cádiz) and next to one of the best golf courses in Spain (La Cañada)
- With this investment, Alantra REIM reaches €173Mn in AuM



# VII. Asset management activity

## II. Growth in assets under management, relevant activity and recruitment of senior professionals (ii)

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### 4 Venture Capital: Asabys co-led a \$7 Mn Series A round into health start up Cara Care

- Asabys co-led a \$7 Mn Series A round with Johnson & Johnson Innovation into Berlin-based digital health start up Cara Care
- Cara Care offers a digital therapeutic app for digestive diseases to improve gastrointestinal health

### 5 Access Capital Partners: successful closings of buy-out, infra and private debt funds

- Second closing of Access Capital Fund VIII Growth Buy-out Europe, securing €446 Mn (target size of the fund €850 Mn)
- Third closing of Access Capital Fund Infrastructure II at €185 Mn (target size of the fund €300 Mn)
- Second closing of Access Capital Private Debt Fund III at €55 Mn (target size of the fund €125 Mn)

### 6 Wealth Management: incorporation of two partners to boost business growth

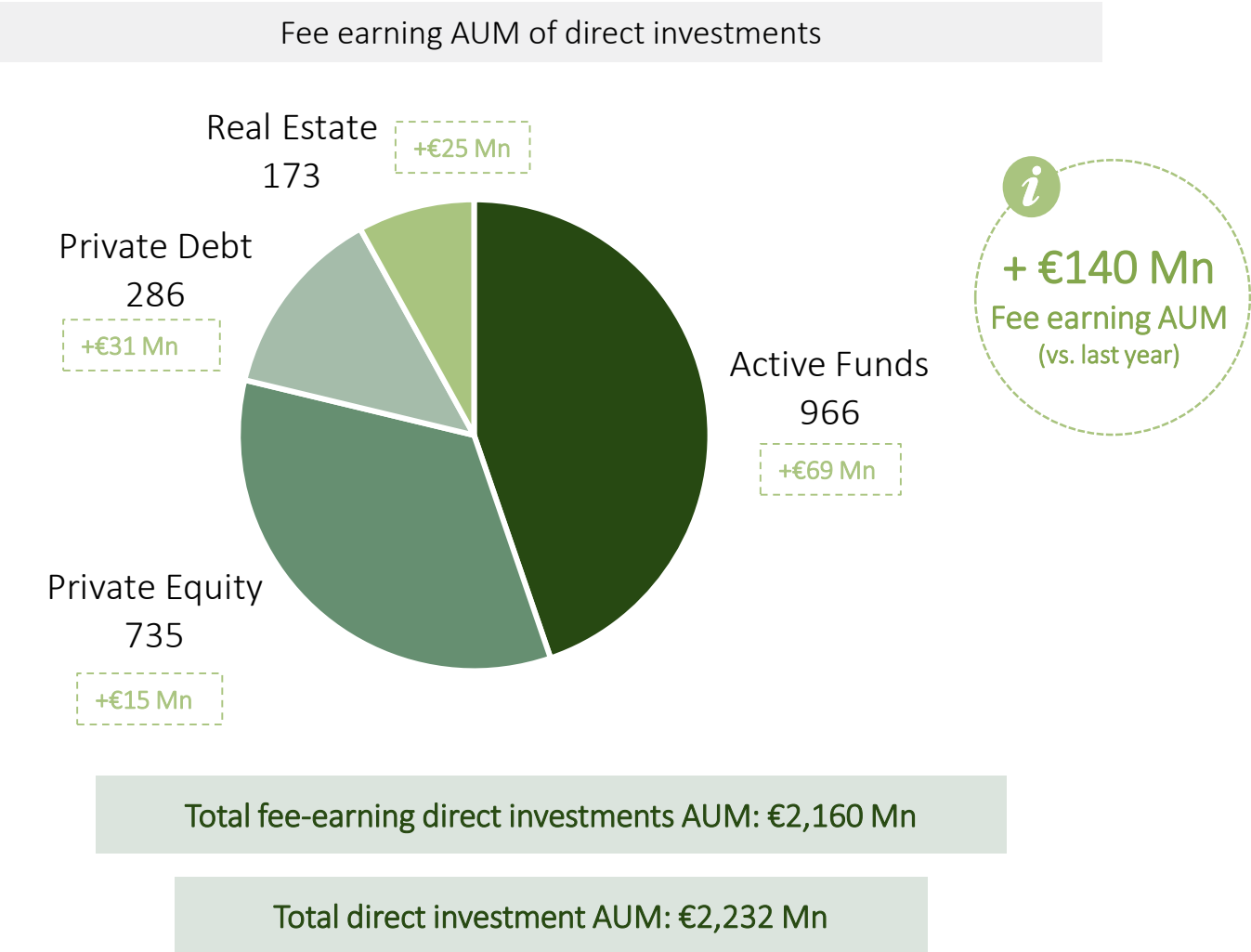
- Alantra WM reinforces its team through the incorporation of two senior partners, Antxon Elósegui and Gabriel Crespo, with over 20 years of experience in the industry

### 7 Capital raising unit: incorporation of one senior managing director to strengthen the Group's fundraising capabilities

- Manuel Delgado has joined Alantra's to lead the CRU team and strengthen the Group's fundraising capabilities

# VII. Asset management activity

III. Assets under Management as of 30<sup>th</sup> September 2019



Annex



# Annex

## I. Consolidated income statement for 2019 YTD

€ Thousand	30/09/2019	30/09/2018	%
<b>Net income</b>			
Investment banking	110,836	72,571	52.7%
Asset Management	38,822	32,294	20.2%
<i>Management Fees</i>	21,065	24,697	(14.7%)
<i>Success Fees</i>	17,757	7,597	133.7%
Others	1,000	930	7.5%
<b>TOTAL Net income</b>	<b>150,658</b>	<b>105,795</b>	<b>42.4%</b>
<b>Other operating income</b>	<b>56</b>	<b>-</b>	<b>-</b>
Personnel Expenses	(86,178)	(59,181)	45.6%
<i>Fixed cost</i>	(47,539)	(35,442)	34.1%
<i>Variable cost</i>	(38,639)	(23,739)	62.8%
Other operating expenses	(25,797)	(22,383)	15.3%
Amortisation	(4,013)	(790)	408.0%
Impairment losses /gains on disposal of property plants & equipment	(7,707)	(2)	-
<b>TOTAL Operating Expenses</b>	<b>(123,695)</b>	<b>(82,356)</b>	<b>50.2%</b>
<b>Operating Profit (Loss)</b>	<b>27,019</b>	<b>23,439</b>	<b>15.3%</b>
Finance income (expense) attributable to Portfolio	2,704	2,814	(3.9%)
Other finance income (expense)	19,180	(1,461)	(1412.8%)
<b>Net Finance Income (expense)</b>	<b>21,884</b>	<b>1,353</b>	<b>1517.4%</b>
Result of companies registered by the equity method	2,309	1,807	27.8%
Non-controlling Interests	(9,205)	(2,231)	312.6%
Income Tax	(11,291)	(4,001)	182.2%
<b>NET PROFIT ATTRIBUTABLE TO THE PARENT COMPANY</b>	<b>30,716</b>	<b>20,367</b>	<b>50.8%</b>
<b>NET PROFIT DERIVED FROM FEE BUSINESS</b>	<b>25,953</b>	<b>14,335</b>	<b>81.0%</b>
<b>NET PROFIT DERIVED FROM PORTFOLIO</b>	<b>1,310</b>	<b>5,475</b>	<b>(76.1%)</b>
<b>ORDINARY NET PROFIT</b>	<b>27,263</b>	<b>19,810</b>	<b>37.6%</b>
<b>Earnings per share (Euros)</b>	<b>30/09/2019</b>	<b>30/09/2018</b>	<b>%</b>
Basic	0.80	0.53	50.0%
Diluted	0.80	0.53	50.0%

# Annex

## II. Consolidated balance sheet as of 30<sup>th</sup> September 2019

ASSETS			
€ Thousand	30/09/2019	30/06/2019	%
<b>NON-CURRENT ASSETS</b>	<b>169,230</b>	<b>174,676</b>	<b>(3.1%)</b>
Intangible assets	69,630	71,455	(2.6%)
Property, plant & equipment	21,441	22,247	(3.6%)
Investments accounted for by the equity method	37,494	38,996	(3.9%)
Non current financial assets	39,581	40,900	(3.2%)
Deferred tax assets	1,084	1,078	0.6%
Other non current assets	-	-	-
<b>CURRENT ASSETS</b>	<b>172,056</b>	<b>142,714</b>	<b>20.6%</b>
Trade and other receivables	43,765	43,508	0.6%
Trade receivables	38,124	29,571	28.9%
Other receivables	2,899	3,344	(13.3%)
Current tax assets	2,742	10,593	(74.1%)
Current financial assets	6,263	6,038	3.7%
Other current assets	2,783	1,795	55.0%
Cash and cash equivalents	119,245	91,373	30.5%
<b>TOTAL ASSETS</b>	<b>341,286</b>	<b>317,390</b>	<b>7.5%</b>

LIABILITIES AND EQUITY			
€ Thousand	30/09/2019	30/06/2019	%
<b>EQUITY</b>	<b>231,978</b>	<b>215,508</b>	<b>7.6%</b>
<b>SHAREHOLDERS EQUITY</b>	<b>222,945</b>	<b>209,577</b>	<b>6.4%</b>
Capital	115,894	115,894	0.0%
Share premium	111,863	111,863	0.0%
Reserves	(27,722)	(32,079)	(13.6%)
Treasury shares	(399)	(399)	0.0%
Net profit attributable to the parent	30,716	21,705	41.5%
Interim dividend	(7,407)	(7,407)	0.0%
<b>VALUATION ADJUSTMENTS</b>	<b>(1,633)</b>	<b>(3,194)</b>	<b>(48.9%)</b>
<b>EQUITY ATTRIB. TO EQ. HOLD. OF THE PARENT</b>	<b>221,312</b>	<b>206,383</b>	<b>7.2%</b>
<b>NON-CONTROLLING INTERESTS</b>	<b>10,666</b>	<b>9,125</b>	<b>16.9%</b>
<b>NON-CURRENT LIABILITIES</b>	<b>28,227</b>	<b>29,111</b>	<b>(3.0%)</b>
Financial liabilities	23,573	25,351	(7.0%)
Liabilities with credit institutions	-	2,458	(100.0%)
Other liabilities	23,573	22,893	3.0%
Non current provisions	3,688	2,257	63.4%
Deferred tax liabilities	966	1,503	(35.7%)
<b>CURRENT LIABILITIES</b>	<b>81,081</b>	<b>72,771</b>	<b>11.4%</b>
Financial liabilities	8,336	6,392	30.4%
Liabilities with credit institutions	2,377	-	-
Other liabilities	5,959	6,392	(6.8%)
Trade and other payables	68,041	64,742	5.1%
Suppliers	6,538	9,390	(30.4%)
Other payables	54,640	38,259	42.8%
Current tax liabilities	6,863	17,093	(59.8%)
Other current liabilities	4,704	1,637	187.4%
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>341,286</b>	<b>317,390</b>	<b>7.5%</b>

### III. Glossary (i)

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#### Identified business segments

**“Business Segments”** refer to each operating segment or component identified and classified as such by Alantra that (a) engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the group); (b) whose operating results are regularly reviewed by the entity’s chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and (c) for which discrete financial information is available.

**“Investment Banking”**. The identified Alantra business segment which (in keeping with the definition provided in the Prospectus filed with the CNMV on 28 July 2015 in conjunction with the application to have the new shares issued as a result of the Merger admitted to trading, hereinafter, the "Prospectus") provides financial advisory services to companies or entities on corporate transactions (corporate finance and M&A) and equity research and brokerage services to institutional investors.

**“Asset Management”**. The identified Alantra business segment which, in accordance with the information provided in the Prospectus, consists of the management of and provision of advice in relation to various classes of assets for institutional investors, high net worth individuals/family offices and other professional investors through specialist investment funds or customer investment portfolios.

**“Corporate”**. The identified Alantra business segment which encompasses the universe of revenues and expenses corresponding to Alantra's governance and development structure (corporate governance, strategic management, corporate and business development and corporate services such accounting and financial reporting, risk management and control, human resource management and legal services, among others) and which, either because they relate to the Group parent - as a listed entity - or the management of the Group as a whole, are not directly attributable to the Investment Banking, Asset Management or Portfolio segments. The Corporate segment also includes the invoicing of services related to Alantra Group companies that are associates, i.e., not fully consolidated. In light of Alantra's ongoing growth at both the corporate and business levels, the significance of the services encompassed by the Corporate area justifies its classification as an independent segment.

**“Portfolio”**. The identified Alantra business segment which is defined, in keeping with that stated in the Prospectus, as the activity consisting of the pursuit of capital gains by taking ownership interests in companies, funds or investment vehicles managed by the Alantra Group's asset management teams and subsequently selling those interests. The current portfolio originated in two ways: (i) the universe of companies invested in by the Company in its former capacity - prior to the Merger - as a private equity firm and which at the date of the Merger had not yet been disposed of or sold; and (ii) Alantra's investments in vehicles managed or advised on by the Group.

**“Other”**. It is defined, by default, as the host of items that do not correspond to any of the business segments (i.e., that are not part of either the Investment Banking, Asset Management, Corporate or Portfolio segments).

### III. Glossary (ii)

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**“Fee Business”** is defined as the group or aggregate of the Investment Banking, Asset Management and Corporate segments which, as a whole, are referred to as the service provision businesses, whether those services be financial advisory or management, whose revenues materialise in the form of fees and whose expenses are those necessary for their pursuit and development, mainly comprising staff costs. The following is specifically carved out of the Fee Business: losses or gains deriving from the Group parent's investments in the companies that perform the aforementioned activities (such as, for example, gains unlocked on the sale of investments in companies or businesses, goodwill impairment charges or foreign currency gains or losses); those losses or gains are included under segment termed Other.

- The decision to allocate 100% of the activity encompassed by the Corporate segment to the Fee Business reflects the fact that the vast majority of the time and/or investment of the resources included under Corporate are devoted to managing the growth and complexity emanating from the Investment Banking and Asset Management segments. This concept is all the more relevant as it underpins several of the alternative performance measures (APMs) used.

**“Recurring Business”**. The group or aggregate of segments comprising the Fee Business (Investment Banking, Asset Management, Corporate) plus the Portfolio segment.

#### Alternative performance measures

**“Alternative performance measures” or “APMs”** A measure of the past or future financial performance, financial situation or cash flows of a company other than the financial measures defined or described in the applicable financial reporting framework.

**“Fee Business Net Profit”**. The profit generated from the provision of advisory or management services under the umbrella of the Fee Businesses (i.e., that corresponding to the Investment Banking, Asset Management and Corporate segments), whose revenues materialise in the form of fees and whose expenses are those necessary for their pursuit and development, mainly comprising staff costs.

- Fee Business Net Profit is calculated as the sum of profit attributable to owners of the parent corresponding to the above three segments.
- The markedly different nature of Alantra's two businesses (Fee Business and Portfolio) justifies the breakdown of Fee Business Net Profit attributable to owners of the parent in the Company's public financial disclosures.

**“Portfolio Net Profit”**. The profit deriving from the investment in and subsequent disposal of shareholdings in companies, funds or other investment vehicles managed by the Alantra Group.

- Portfolio Net Profit is equal to the profit attributable to owners of the parent corresponding to the Portfolio segment.
- The markedly different nature of Alantra's two businesses (Fee Business and Portfolio) justifies the breakdown of Portfolio Net Profit attributable to owners of the parent in the Company's public financial disclosures.

### III. Glossary (iii)

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**“Recurring Net Profit”.** The profit derived from the Group's recurring or ordinary activities, i.e., that generated by the Investment Banking, Asset Management and Portfolio segments.

- Recurring Net Profit is the sum of Fee Business Net Profit and Portfolio Net Profit.
- Recurring Net Profit is an important indicator, in relation to net profit (or profit attributable to owners of the parent), insofar as it helps users assess what part of the Group's bottom line is attributable to the recurring businesses and not extraordinary accounting entries.

**“Financial Leverage”.** This metric is defined as the aggregate borrowings provided to the Group by banks, credit institutions and similar entities to fund its business operations. This measure excludes amounts due to employees, suppliers, companies within its scope of consolidation or their shareholders. It also excludes obligations to banks, credit institutions or similar entities when these obligations are specifically secured by assets in the same amount.

- Financial Leverage is calculated as the sum of balance sheet items grouped under “Bank borrowings” that meet the criteria defined in this APM. Hence the 2,377 thousand euros registered in the liabilities of the consolidated balance sheet as of 30<sup>th</sup> September 2019 are excluded.
- Financial Leverage is a meaningful indicator of changes in the Group's consolidated balance sheet.

**“Payout”.** This metric is defined as the percentage of profits the Company pays out to its shareholders.

- It is calculated as the total sum distributed by the Company to its shareholders in respect of a given reporting period (whether in the form of a dividend or a distribution charged against reserves or the share premium account) and the consolidated net profit, attributable to the controlling company, generated during that same period
- The payout indicates the extent to which shareholder remuneration is financed from profit for the year (or for the reporting period in question).

**“Dividend Yield”.** The return earned by the Company's shareholders by means of the dividends they receive.

- The Dividend Yield is calculated as the ratio between the total per-share sum distributed by the Company to its shareholders in respect of a given reporting period (whether in the form of a dividend or a distribution charged against reserves or the share premium account) and the share price as of a given date (which date shall be that referenced when the AMP is disclosed).
- Shareholders earn a return in two ways: gains in the price of the shares they hold and the remuneration they receive in the form of distributed dividends, reserves or share premium accounts. The Dividend Yield is the APM or benchmark indicator for the latter source of shareholder returns.



## IV. Disclaimer

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