



# Q1 Trading Statement

For the period to 30 June 2020

Embargoed until 7:00am on 21 July 2020

## Highlights

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- Continued AUM growth: total AUM up 1% on 31 March 2020 to €45.6bn, with third party fee earning AUM 1.4% higher at €36.4bn over the same period
- Existing portfolios performing well: positive indications of a recovery in valuations, with resumption in realisation activity at pre-Covid-19 valuations
- Investment activity rebounding as Covid-19 restrictions ease: €2.4bn of deals in exclusivity, good indicator of investment pace and future fundraising pipeline
- Fundraising momentum continues, in line with expectations: €1.2bn of new money raised in the first quarter, with good visibility for the coming months
- Robust financial position: well-capitalised balance sheet, with £1.1bn of available liquidity

## Benoit Durteste, CEO, said:

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“I want to thank all our employees and those of our portfolio companies for their dedication and commitment during these challenging times. People are fundamental to ICG’s success and their health is of utmost importance.

“The start of the financial year has been encouraging. Our portfolios are showing signs of improved performance, noticeably better than expected at year-end, indicating a recovery of valuations from their end of March lows. We have also seen an early rebound in investment activity as lockdown measures have eased and business activity resumes. This bodes well for next year’s fundraising prospects.

“We are approaching this market from a position of strength. Our diversified strategies and global capabilities are more relevant than ever in today’s markets. Our business is in a resilient position, with long-term fee streams, diversified portfolios and well-capitalised balance sheet. We are therefore well-placed for significant long-term growth and value creation.”

## Business review

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Total AUM increased 1% over the three months to 30 June 2020 to €45.6bn, including our €2.3bn balance sheet investment portfolio. We have made an encouraging start to the fundraising year, with €1.2bn of new money raised despite the longer onboarding process in place since the start of the pandemic. We saw further inflows for our Senior Debt Partners strategy, net inflows across our Capital Market strategies, and raised €0.2bn for our Asia Pacific strategy. In addition, we priced a €0.4bn European CLO in March which closed in the current quarter.

We have good visibility on fundraising for the coming months, and overall our expectations remain that fundraising will be slower in the current financial year given disruption caused by Covid-19 and the natural fundraising cycle for our larger funds. Once Senior Debt Partners is fully raised we will not have any larger funds in the market during the current financial year. We continue to make good progress with our new Sale and Leaseback and Infrastructure Equity strategies, raising €0.5bn and €0.3bn of third party money respectively to date.

Third party AUM by strategic asset class at 30 June 2020 was as follows:

	Corporate Investments €m	Capital Market Investments €m	Real Asset Investments €m	Secondary Investments €m	Total Third Party AUM €m
At 31 March 2020	20,689	13,831	4,944	3,365	42,829
Additions	665	501	70	-	1,236
Realisations	(378)	(50)	(106)	(25)	(559)
FX and other	(40)	1	(83)	(99)	(221)
At 30 June 2020	20,936	14,283	4,825	3,241	43,285
Fee earning AUM - at 30 June 2020	15,780	13,711	3,709	3,163	36,363

Our strong origination capability means we can continue to source attractive investments for our funds, while maintaining our rigorous and disciplined investment approach. The total amount of capital deployed on behalf of our direct investment funds was €411m in the quarter (three months to 30 June 2019: €1,049m), with a further €2.4bn of deals in exclusivity. This compares to €5.9bn deployed across the whole of the last financial year.

The direct investment funds are investing as follows, based on third-party funds raised at 30 June 2020:

Strategic asset class	Fund	% invested at 30 June 2020	% invested at 31 March 2020	Assets in fund at 30 June 2020	Deals completed in Q1
Corporate Investments	ICG Europe Fund VII	53%	52%	8	0
Corporate Investments	Europe Mid-Market Fund	7%	7%	1	0
Corporate Investments	North American Private Debt Fund II	31%	26%	8	1
Corporate Investments	Senior Debt Partners IV <sup>1</sup>	17%	16%	4	0
Corporate Investments	Asia Pacific Fund III	93%	93%	8	0
Real Asset Investments	ICG Longbow Real Estate Fund V	63%	61%	15	1
Secondary Investments	Strategic Equity III	32%	30%	3	0

<sup>1</sup> Co-mingled fund, excluding mandates and undrawn commitments

85% of our AUM is in closed-end funds where outflows only occur with the realisation of the underlying portfolio companies. Realisation activity slowed materially in the quarter, and we currently expect it to remain subdued for the remainder of the current financial year. That said, we will capitalise on attractive opportunities to realise assets that underpin the performance of our funds and return capital to the balance sheet.

The balance sheet investment portfolio was £2.1bn at 30 June 2020 (31 March 2020: £2.2bn). As the balance sheet invests solely to support our fund management activities, its portfolio will fluctuate in size depending on the deal activity, and performance, of the funds in which it invests.

The balance sheet remains well funded with unutilised cash and debt facilities of £1,055.8m at 30 June 2020 (31 March 2020: £1,216.5m) and no material refinancing requirements in the next 12 months.

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## About ICG

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ICG is a global alternative asset manager with over 30 years' history.

We manage €45.6bn of assets in private debt, credit and equity, principally in closed-end funds. We provide capital to help companies grow through private and public markets, developing long-term relationships with our business partners to deliver value for shareholders, clients and employees.

We operate across four asset classes – corporate, capital market, real asset and secondary investments. In addition to growing existing strategies, we are committed to innovation and pioneering new strategies across these asset classes where the market opportunity exists.

ICG is listed on the London Stock Exchange (ticker symbol: ICP). Further details are available at: [www.icgam.com](http://www.icgam.com). You can follow ICG on LinkedIn <https://www.linkedin.com/company/52126>.