Full year results presentation

4 June 2020

Highlights

- AUM up 22% on 31 March 2019 to €45.3bn, with **€10.2bn of new money raised**

- **Fund Management Company profits up 27%** to £183.1m (2019 : £143.8m); average fee rates maintained

- Investment Company loss of £72.3m (2019: £134.5m profit) reflecting lower unrealised valuations of portfolio in the final quarter as a result of Covid-19, leading to Group profit before tax down 60% to £110.8m (2019: £278.3m)

- **€11.4bn of dry powder** available to support portfolio companies and take advantage of market opportunities

- Robust financial position, with well capitalised balance sheet underpinned by **£1.2bn of liquidity**

- Final ordinary dividend 35.8p per share; total ordinary dividends in the year up 13% to 50.8p per share

Resilient business model and strong balance sheet means ICG is well positioned for growth despite Covid-19

Note: Numbers presented throughout are non IFRS alternative performance measures and exclude the impact of the consolidation of certain funds and CLOs following the adoption of IFRS 10

Our response to Covid-19

Firm & operations

- Remained fully operational across all our functions globally
- Wellbeing and mental health support provided to employees
- Developing strategy for return to offices

Portfolio

- In active dialogue with our portfolio companies
- Working with management teams to address challenges
- Significant capital available to support companies as necessary

Clients

- Maintaining close contact with clients
- Receiving inbound enquiries on opportunities in current environment

Resilient business model

Leading diversified global alternative asset manager

- Closed-end and long duration nature of funds
- Long-term visibility of management fees
- Fund Management Company profit is the key driver of shareholder value
- Business model is underpinned by a strong, well-capitalised balance sheet
- Balance sheet portfolio is heavily diversified, investing alongside our funds
- Structural trend towards alternatives expected to continue, with current conditions presenting investment opportunities for private capital

Operating Review

Market fundamentals remain strong

- We expect long-term trends to continue and, as after the GFC, potentially further accelerate in the wake of the current crisis
- Impact of Covid-19 results in expectation that fundraising, realisation and investments will be slower in the near term
- Existing strategies will benefit from new opportunities in the current environment
- Three opportunistic strategies in market, investor demand uncertain at this point
- There is deal flow across strategies with several transactions in exclusivity

ESG fully embedded across our business

Covid-19 response

- ICG charitable donations aimed at reducing impact of Covid-19
- Number of portfolio companies directing operations and resources towards response efforts in their respective regions

Climate change initiatives

- Climate risk assessment targeted across all strategies
- Carbon footprint analysis for European Fund VII in progress and Infrastructure Equity near completion

Enhancing our ESG framework

- Developing ESG tools and resources for portfolio companies
- Continue to explore new sustainable and impact strategies

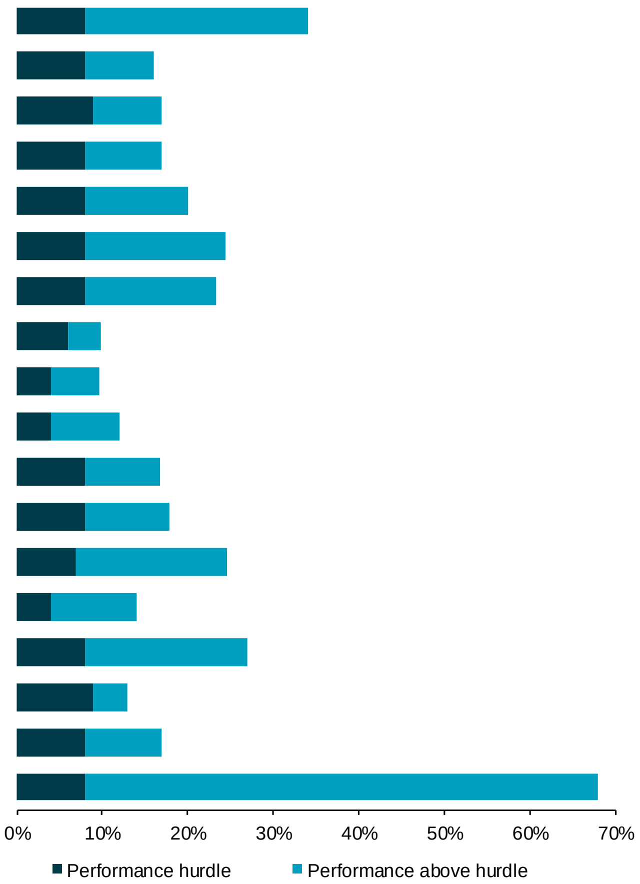
Other corporate initiatives

- ICG's London HQ will move during FY21; sustainable fit out achieves SKA Gold rating
- New HQ accelerates our emissions reduction targets
- Carbon offsetting through SolarAid partnership

Strong fund performance

Fund	Target MM	Realised MM[1]
ICG Minority Partners Fund 2008 (fully realised January 2016)	1.9x	2.0x
ICG Recovery Fund 2008 (fully realised March 2017)	2.0x	1.9x
Longbow UK Real Estate Debt Investments II (fully realised April 2017)	1.4x	1.6x
ICG Strategic Secondaries Carbon Fund (fully realised March 2020)	n/a	1.7x
ICG Mezzanine Fund III 2003	1.6x	1.9x
ICG Europe Fund V	1.6x	2.0x
ICG Europe Fund VI	1.6x	1.7x
Senior Debt Partners I	n/a	1.2x
Senior Debt Partners II	n/a	1.2x
Senior Debt Partners III	1.2x	1.2x
Asia Pacific Mezzanine Fund I 2005	1.6x	1.9x
Asia Pacific Fund II 2008	1.6x	1.9x
Intermediate Capital Asia Pacific Fund III	1.7x	1.5x
Nomura ICG Fund	1.3x	1.1x
North America Private Debt Fund	n/a	1.4x
ICG-Longbow UK Real Estate Debt Investments III	n/a	1.3x
ICG-Longbow UK Real Estate Debt Investments IV	n/a	1.3x
ICG Strategic Secondaries Fund II[2]	1.8x	2.5x

IRR on realised assets[1]

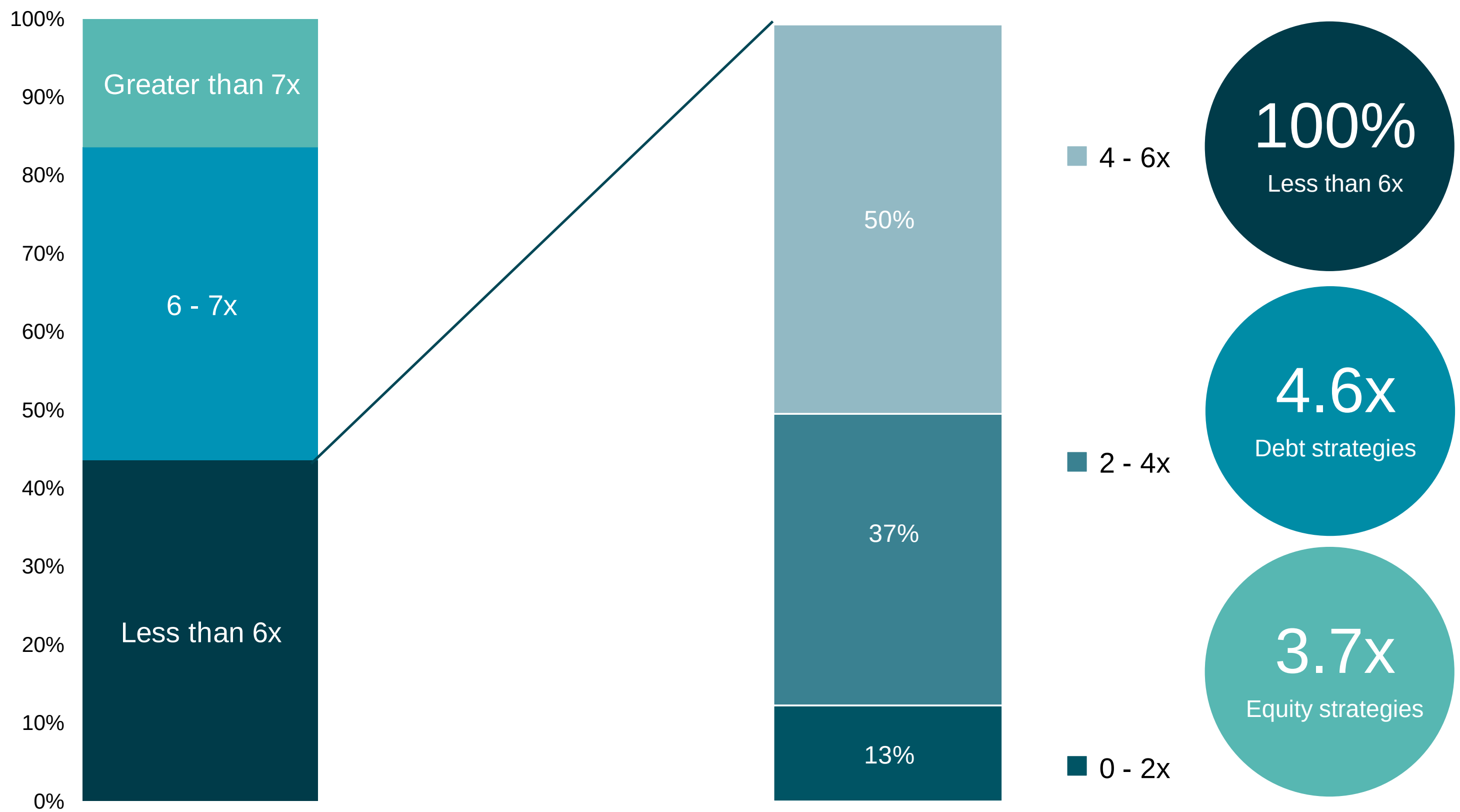


[1] Shows only funds with one or more realised assets and, for partially realised funds, excludes any data on unrealised assets
[2] Strategic Secondaries invests in assets at a discount to NAV and exits those assets relatively quickly, resulting in an exceptionally high IRR in the early stages of the fund

Conservative structuring underpins consistent fund performance

Debt / EBITDA level for US buyout transactions in 2019

Avg. Net Debt / EBITDA for ICG strategies

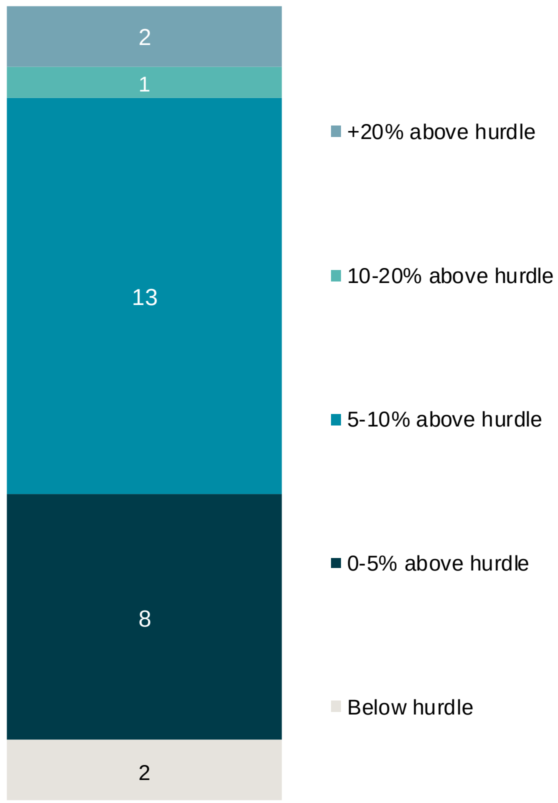


Source: S&P Global market intelligence - LCD quarterly leverage lenders review Q1 2020. Issuers with EBITDA greater than $50m

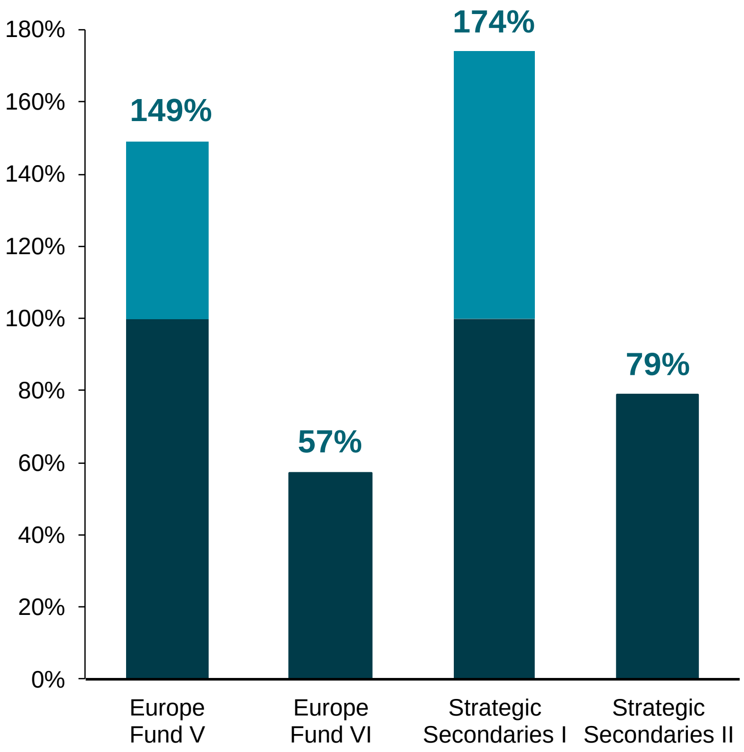
Note: CLO and Real Estate strategies have been excluded as this is not a relevant metric

Disciplined approach to realisations anchors performance

FY20 realised assets; performance against hurdle

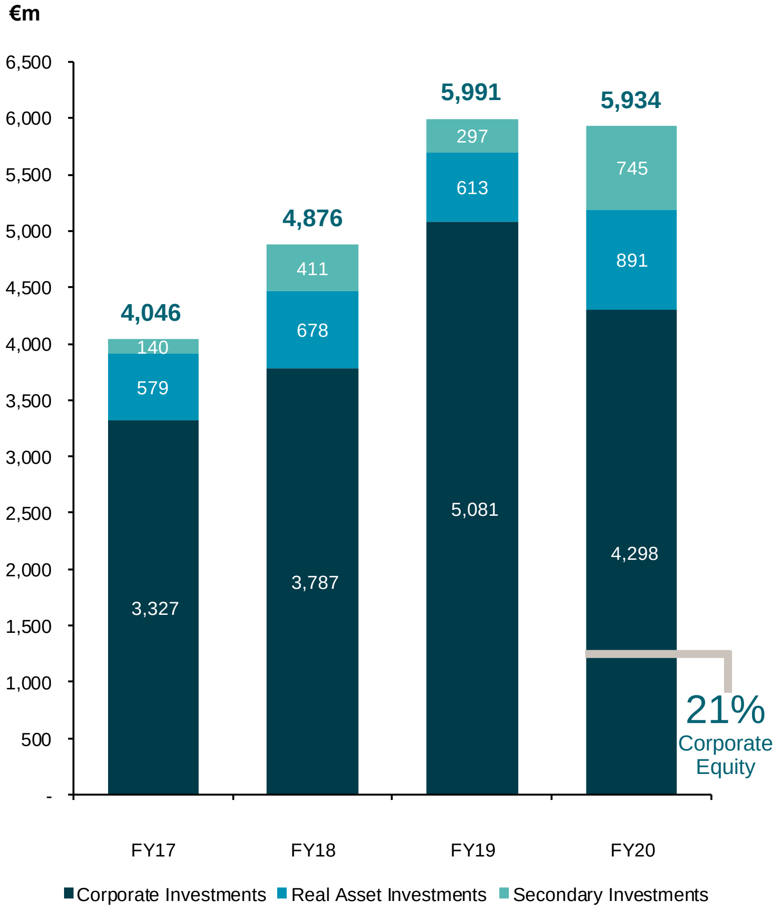


Gross distributions relative to paid in capital

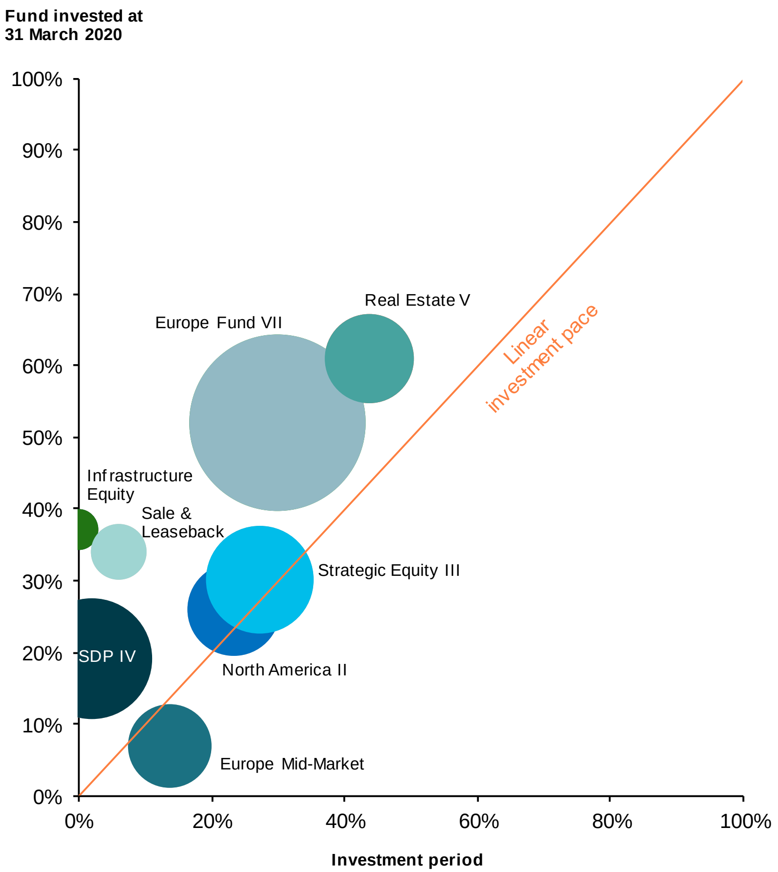


Note: Gross distributions relative to paid in capital has been calculated here for some of our larger funds using gross realised return as a percentage of invested cost

Selective approach to deployment



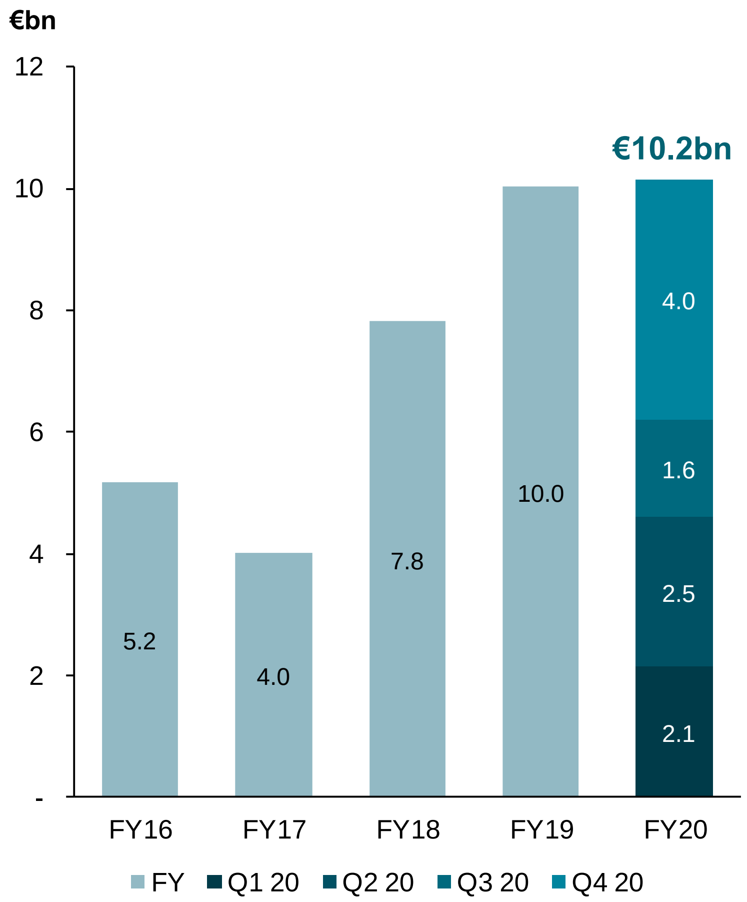
Note: Amounts invested include third party and balance sheet capital for our direct investment funds



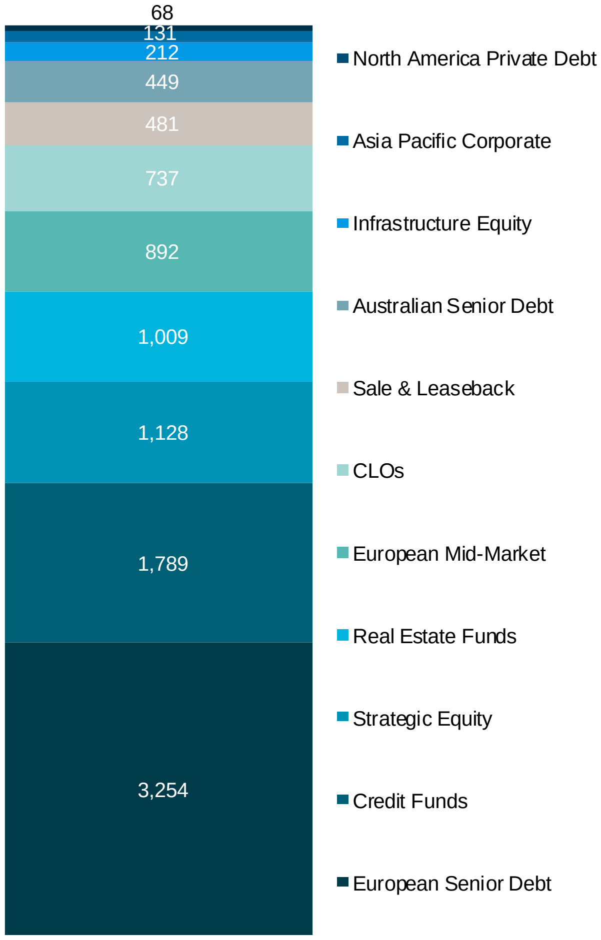
Note: SDP IV represents the co-mingled fund only and excludes any undrawn commitments

Very strong fundraising year

5 year trend

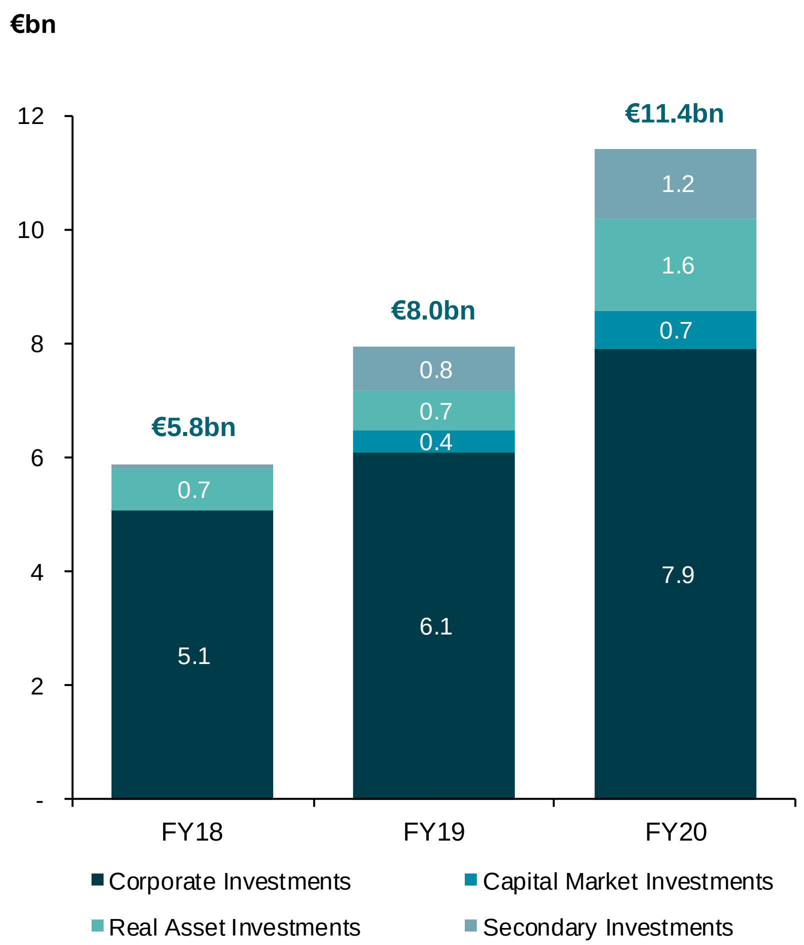


Funds raised in FY20 by strategy (€m)

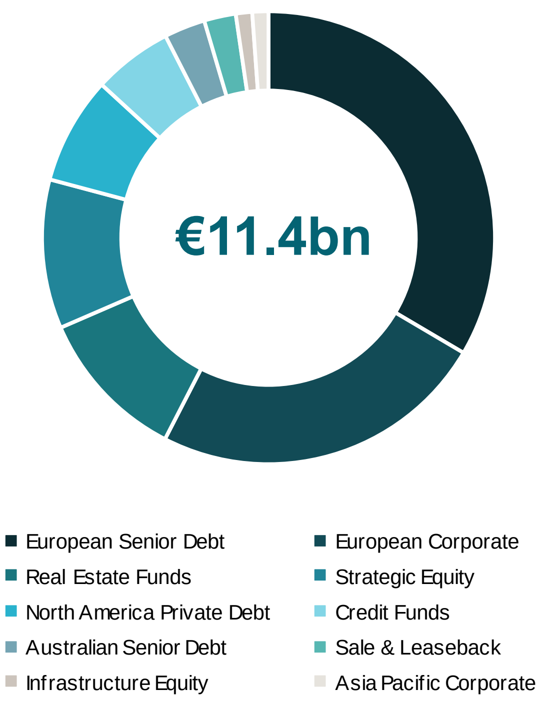


Substantial dry powder

3 year trend



Dry powder by strategy



Fundraising outlook and focus on future growth

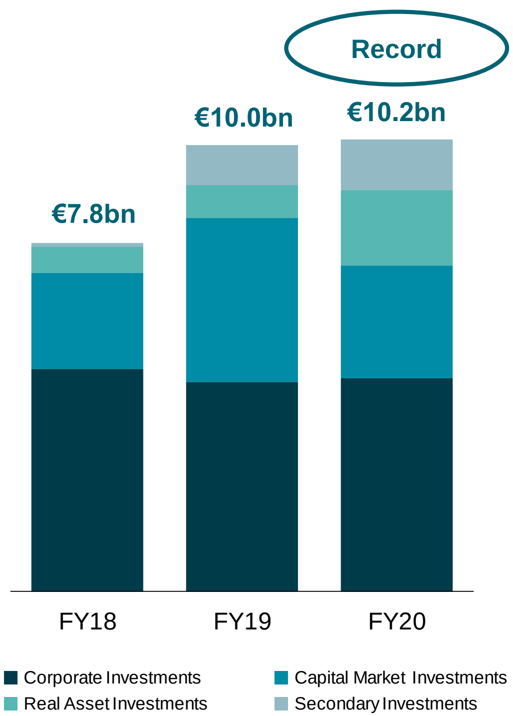
- FY21 was always going to be a low point in our natural fundraising cycle
- Senior Debt Partners, Sale & Leaseback and Infrastructure Equity will continue to fundraise throughout the year
- Able to answer client demand with three opportunistic strategies in the market
- New strategies currently in development and will be launched when the market for new funds re-opens

Financial Review

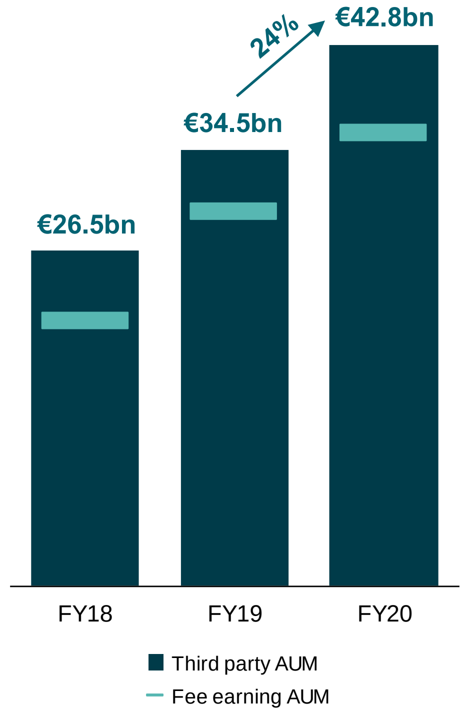
Fund Management Company

Strong growth in FMC performance

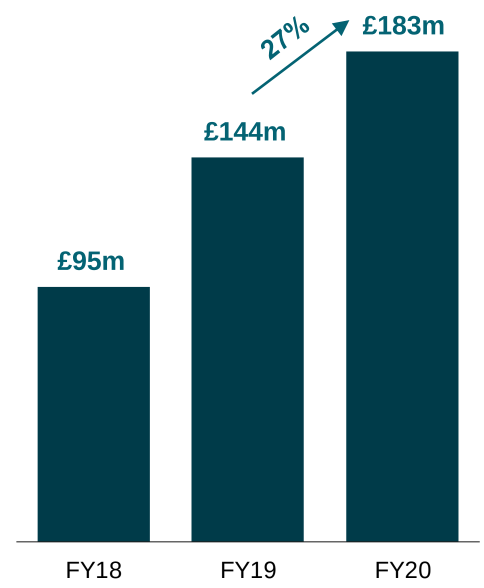
Fundraising



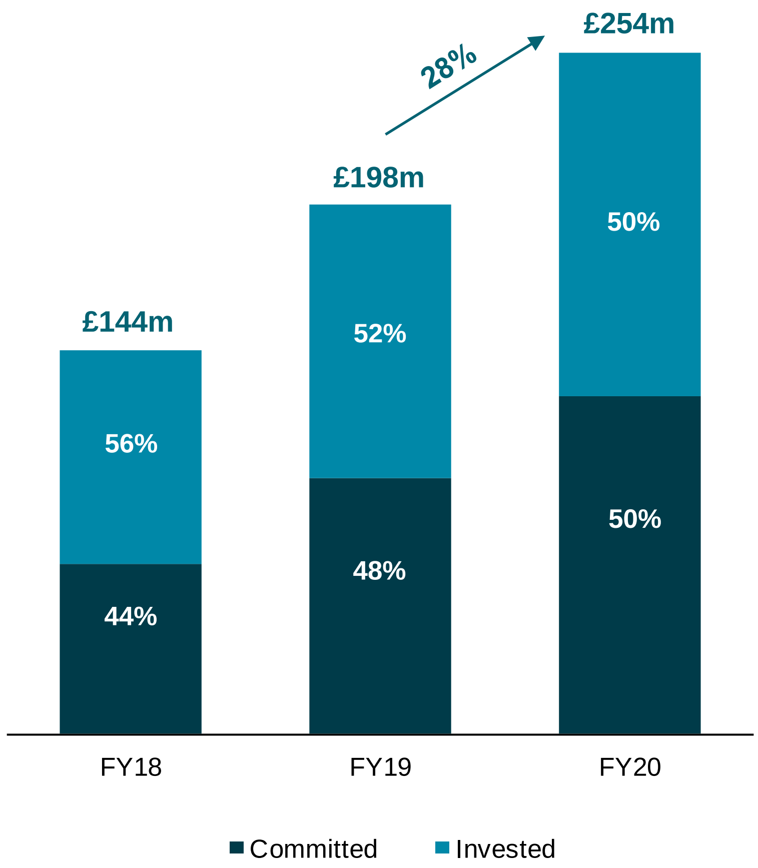
AUM



Profit



Resilient management fees



£1.8bn

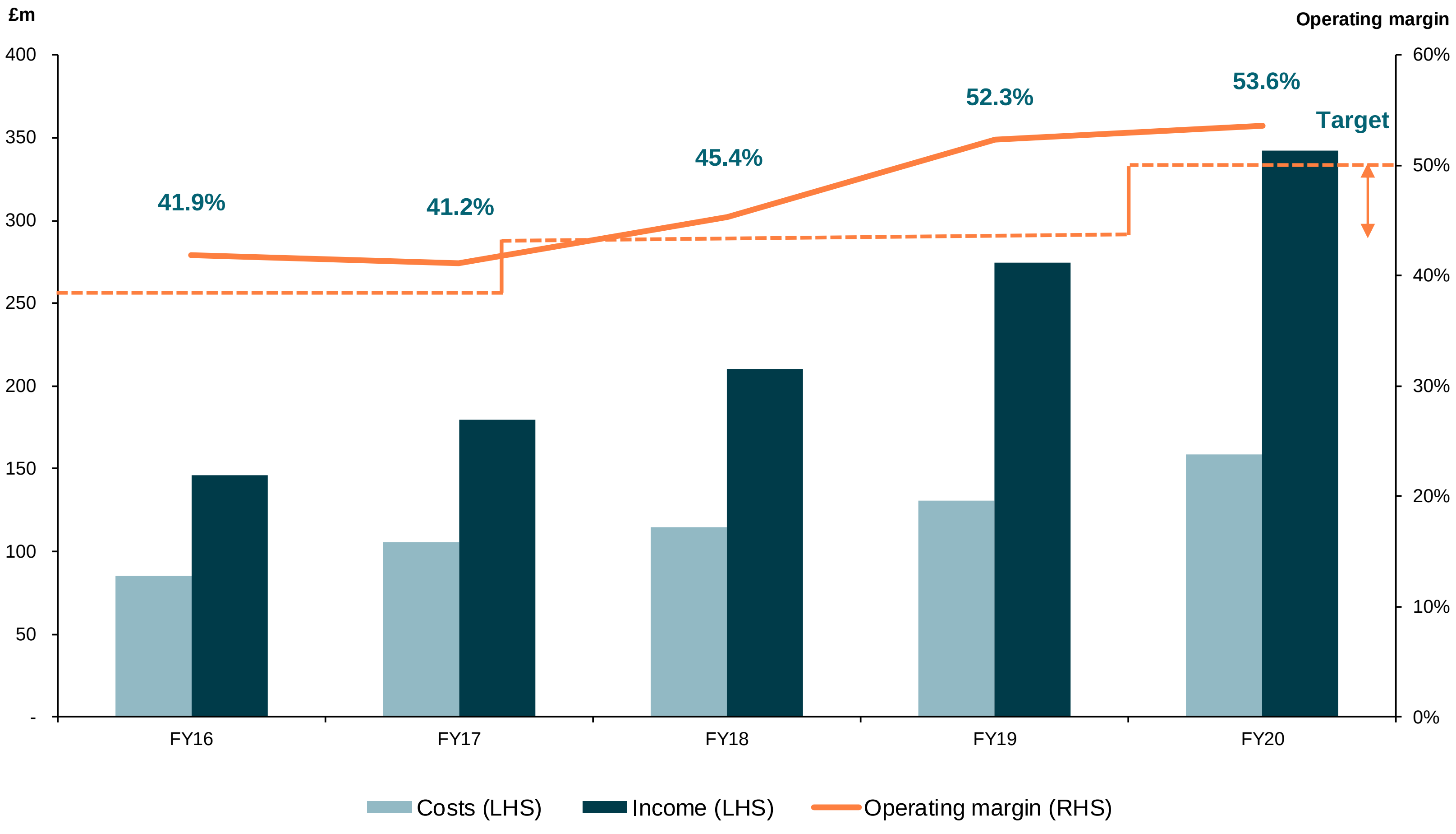
Management fee visibility
10 years [1]

[1] Assumes fee rates remain constant and deployment and realisations are in line with our standard assumptions

Other income

CLO dividends	Performance fees
▶ Represent 12% of FY20 total FMC income	▶ Represent 7% of FY20 total FMC income
▶ Dependent on funds meeting leverage covenant tests	▶ Only recognised when highly probable
▶ Expected to be temporarily lower in FY21 dependent on credit rating downgrades	▶ Due to Covid-19, recognition deferred as dependent on the visibility of future realisations

Operating margin continues to improve



Financial Review

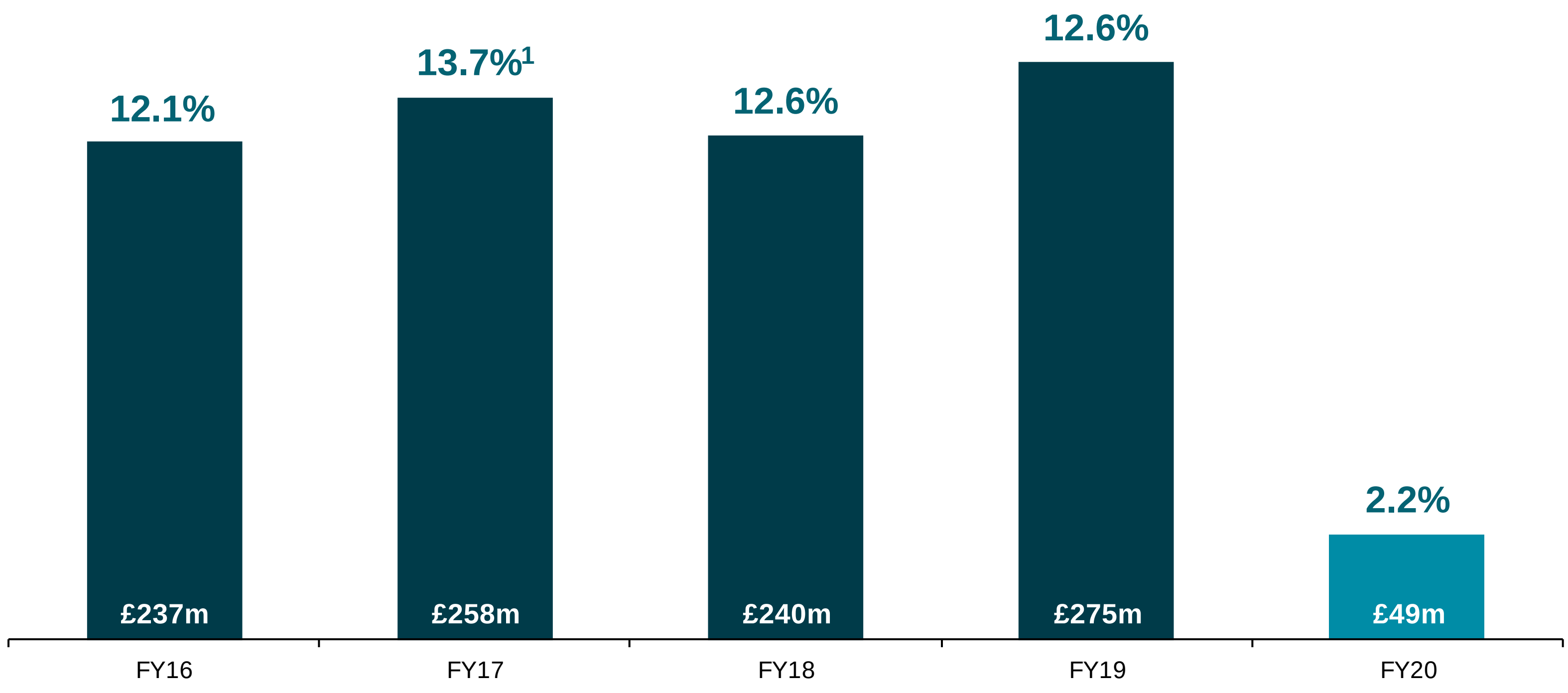
Investment Company

Entering crisis with strong, diversified balance sheet

	FY09	FY20
Diversification		
Net gearing	2.67x	0.76x
Liquidity	£0.3bn	£1.2bn

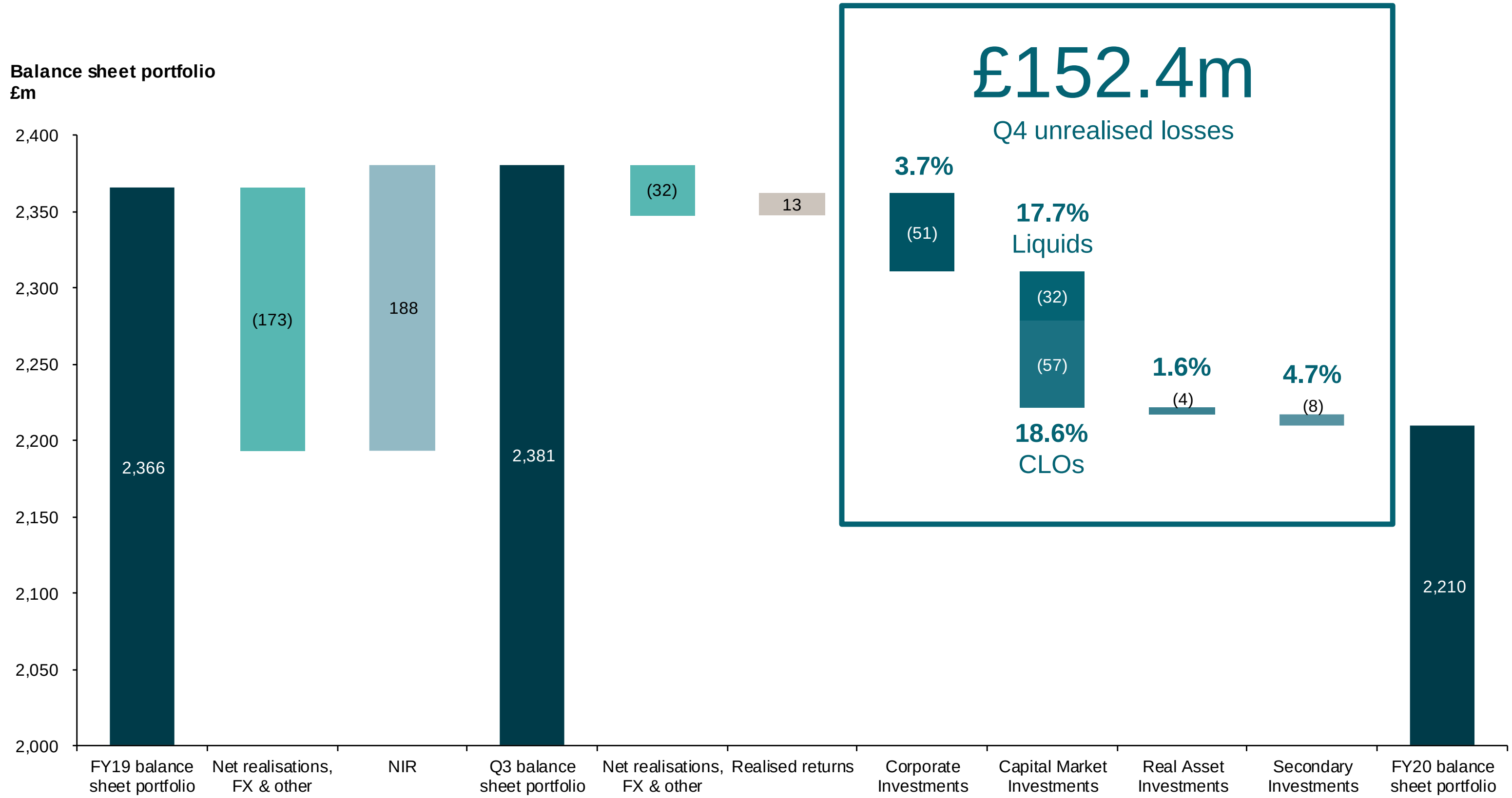
Net investment returns impacted by Covid-19

Net investment returns trend



[1] Net investment returns in FY17 exclude realised gains recycled from AFS

Portfolio value impacted by 6.4% in Q4



Note: Intelsat FY20 loss : £21.1m (Q4 : £11.2m). Now fully written off

Robust valuation governance

	Stage 1: Asset level valuation preparation	Stage 2: Strategy level valuation review	Stage 3: Group valuation assessment	Stage 4: Final valuation
Responsibility	Investment team	Investment team	Business Head	CEO, CFOO
Challenge		Investment Committee, CIO	CEO, CFOO, Heads of Finance, Risk Management & Treasury	External Auditors, Audit Committee

Key

- Responsibility
- Challenge

Valuation methodologies

	Valuation approach	% of Portfolio at 31 March 2020
Subordinated Debt and Equity[1]	▸ Valuation based on IPEV guidelines ▸ Earnings based valuation methodology with multiples derived from set of comparable listed and private market transactions ▸ DCF methodology applied where comparable multiples are unreliable	71%
Senior Debt	▸ IFRS 9 Expected Credit Loss (ECL) methodology applied ▸ Exposures bucketed into Stage 1 (no change in credit risk) Stage 2 (credit risk increased significantly) and Stage 3 (credit impaired)	2%
Real Estate	▸ Impairment methodology applied ▸ Independent valuations based on Royal Institute of Chartered Surveyors methodology utilised for certain assets	7%

Valuations dependent on market inputs

CLOs	▸ **Equity :** DCF, constant default rate (CDR) key driver for valuation, CDR rates more than doubled from historical rates ▸ **Debt :** DCF with market prices incorporated, aligned to IFRS requirements	13%
Liquid Credit	▸ External pricing sources	7%

Approach consistent with market and prior periods

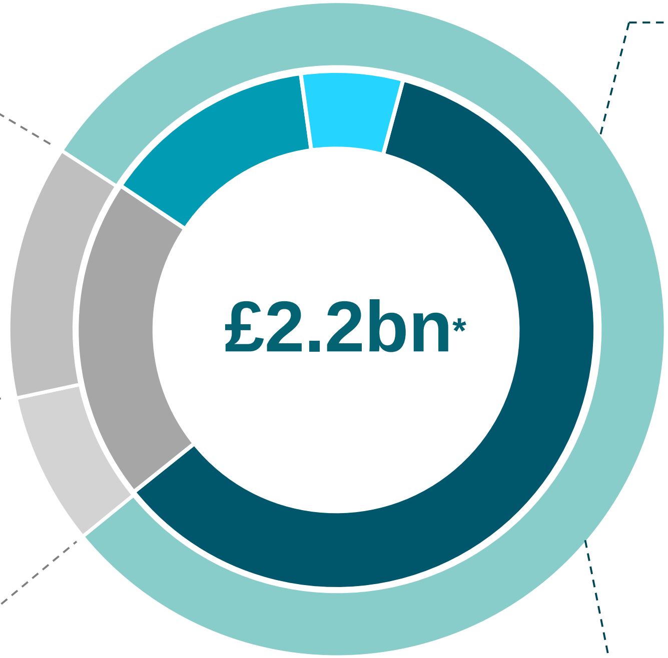
[1]Infrastructure Equity and Strategic Equity included within Subordinated Debt and Equity category

Heavily diversified investment portfolio

Capital market funds

13%
Risk retention investments

7%
Investment in liquid strategies



Direct investment funds

300+
Companies

36
Sectors

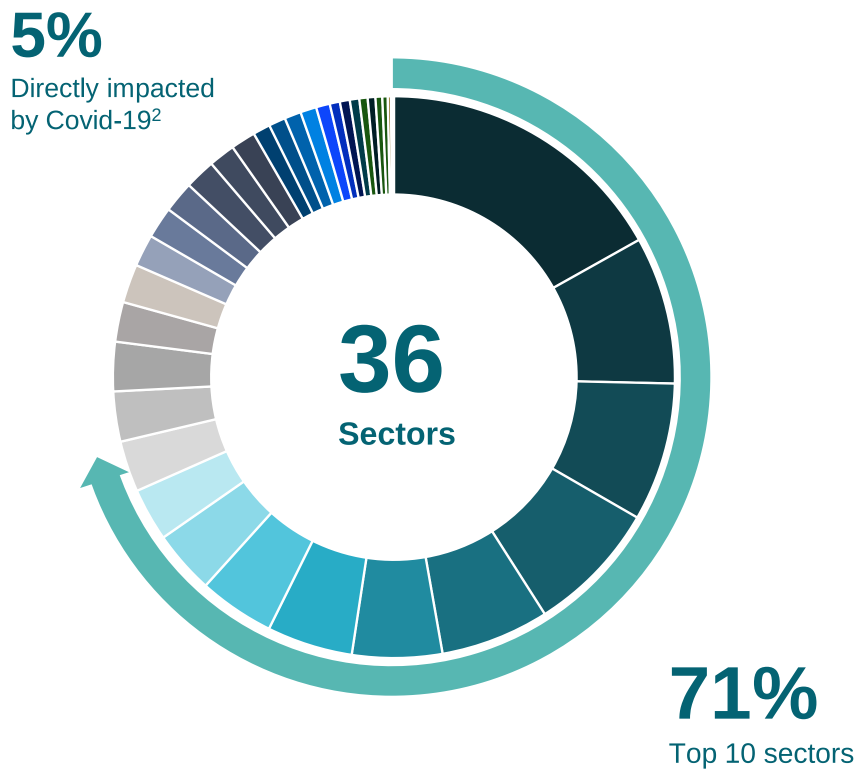
34
Countries

- Corporate Investments
- Capital Market Investments
- Real Asset Investments
- Secondary Investments

*Includes loans and investments held for the long term in addition to held for sale financial assets

Low exposure to sectors directly impacted by Covid-19

Balance sheet split by sector[1]



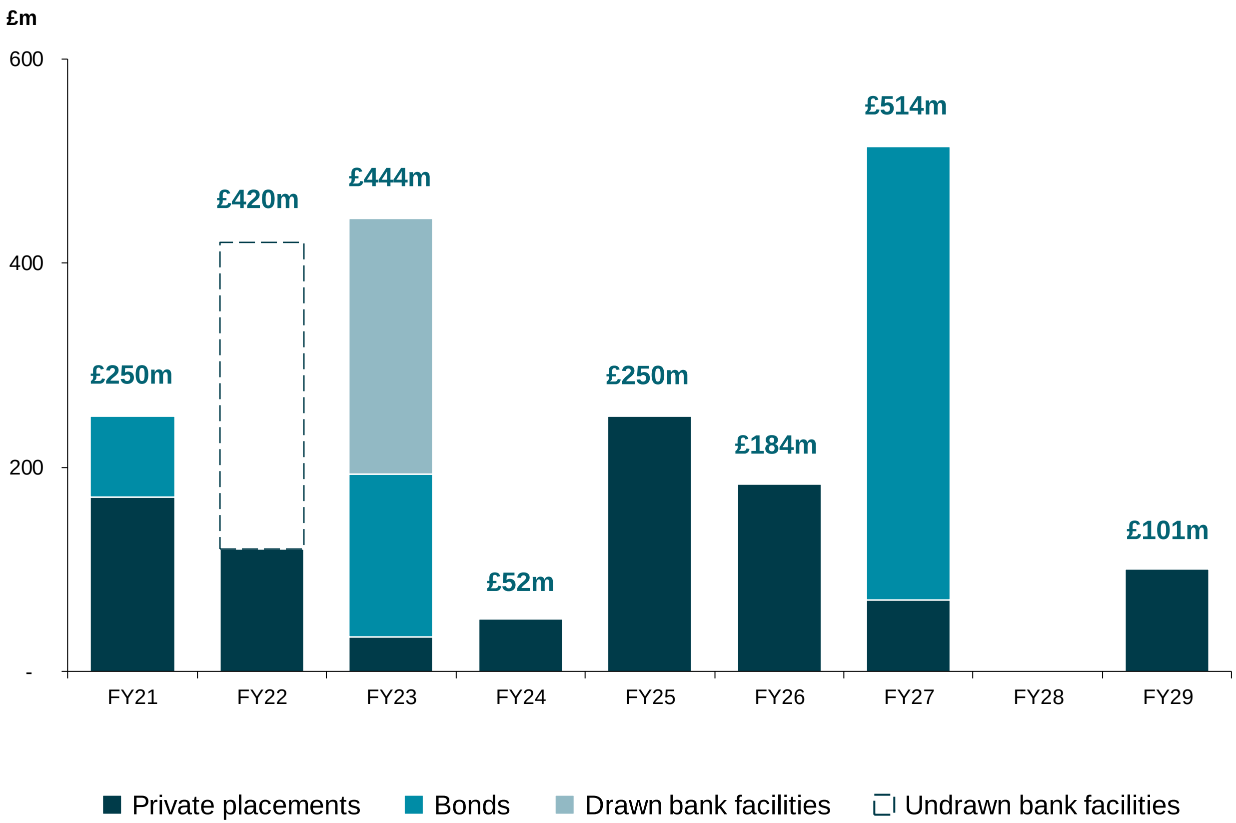
Top 10 sectors

- Healthcare services
- IT Services
- Diversified services
- Real estate
- Fire Products
- Food Products
- Manufacturing
- Infrastructure
- Software
- Telecommunications

[1]Sector split calculated by value of underlying investments
[2]Includes those sectors most directly impacted, namely Oil & Gas, Hotels, Restaurants & Leisure and Travel

Strong liquidity

Debt maturities



£917m
Unencumbered cash

£300m
Undrawn facilities

4.2 years
Average debt maturity

Well capitalised with significant headroom

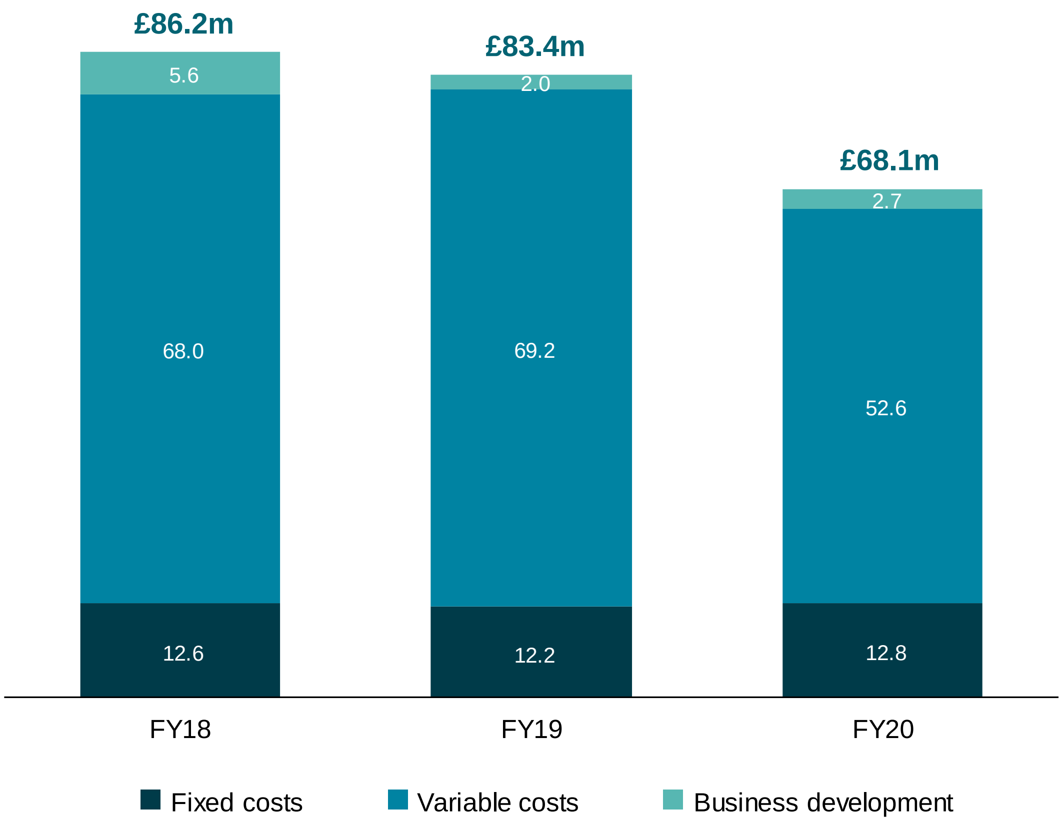
2.5x
Gearing covenant

£910m
Headroom

41%
Of closing portfolio

Cost discipline maintained

Operating costs by type



Guidance

Guidance - subject to Covid-19 developments

- **Fundraising:**
  - Was expected to be lower than prior year as no flagship fund in the market in FY21. Fundraising expected to be slower given Covid-19
  - No change to guidance of an average €6bn per annum over 3 year rolling period
- **FMC operating margin:** in excess of 50% over the long term; current year dependent on Covid-19
- **Performance fees:** recognition is deferred and will be dependent on visibility of future realisations
- **Net investment return:** difficult to predict given current market conditions
- **Net gearing:** within the range of 0.8x-1.2x
- **Dividends:** no change to guidance; committed to progressive policy representing 80%-100% of post tax FMC profit

Wrap up

Well placed for significant long-term growth and shareholder value creation

- Resilient business model with long-term capital and fee visibility
- Dry powder of €11.4bn to take advantage of market opportunities
- Balance sheet is heavily diversified, robust and has significant liquidity
- Alternative asset management industry growth to potentially accelerate in the wake of the current crisis
- No change in commitment to progressive dividend policy

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