

# Building and scaling a platform



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**William Rucker**  
Chair

## To my fellow shareholders,

It is a pleasure to write to you as Chairman of ICG, a role I am honoured to have taken on in January 2023. I would like to start by expressing my gratitude on behalf of the Board to Andrew Sykes, who fulfilled the duties of Interim Chairman while the search for a permanent Chairman was undertaken. I look forward to his continued insight and guidance around the Board table in his role as Senior Independent Director.

Since Andrew's letter last year, geopolitical and economic uncertainty has continued to rise. The economic landscape has become increasingly complex, with inflation reaching multi-year highs in a number of countries, which has in turn forced central banks to raise interest rates at a time when many economies are slowing down. Today, the outlook remains nuanced. Certain countries and sectors are more vulnerable, while others are demonstrating significant resilience.

Elevated levels of uncertainty present difficulties for Boards. Many businesses, ICG included, can react tactically in the short term as opportunities present themselves. However, to create long-term value, they are required to make strategic decisions around allocating economic and intellectual capital, and then to pursue these vigorously and consistently over a number of years. An unclear outlook and an increasing cost of capital make these decisions more challenging, and we have seen some of the implications of this during the last twelve months in elevated volatility within public markets, a transfer of value from equity to debt, reduced valuations in many sectors, and a slowdown in M&A activity globally.

Against this background, I am comforted that private markets have shown a remarkable ability to adapt and innovate across economic cycles. Indeed, ICG's business model today is the result of a strategic decision taken over a decade ago to pivot to being a third-party asset manager – a transition that was pursued with determination and to great effect. There have been a number of periods of economic uncertainty during that time since the Global Financial Crisis, including the Euro crisis, Brexit, and of course Covid-19 pandemic. Throughout all of these we have focused on executing a clear strategy of expanding our product offering, client base, and AUM. This has been delivered consistently and successfully, and in doing so we have grown and diversified the sources and robustness of our fee income.

There is always the risk that long-term ambitions get forgotten during periods of short-term challenge. Concerted efforts to reduce our environmental impact and to enhance diversity, equity and inclusion in the workplace must not be seen as optional and “only for the good times”. I am proud to Chair in ICG an organisation that is action-orientated in these areas, being amongst the first group of alternative asset managers to commit to net zero (by 2040) and exceeding its commitment made under the UK Women in Finance Charter two years earlier than planned. Of course, many other initiatives in these areas continue and I am pleased with the progress we have made over the last 12 months.

As a direct result of these decisions and actions, ICG today is better positioned – strategically, financially, operationally and culturally – than at any time in our history. We manage our clients’ assets across a broad range of products, spanning the entire capital structure from common equity to senior debt. From the perspective of our portfolio companies, we are a partner who can provide the most appropriate form of capital to meet their needs. For our clients, this diversification allows us to help them achieve their investment objectives in their alternative asset allocations – whether in Structured and Private Equity, Private Debt, Real Assets, or Credit. For shareholders, the diversity of our business is a powerful driver of resilience and growth, providing multiple avenues to increase our AUM and thereby develop further long-term streams of management fee income.

A consequence of our business and financial model is that we are able to sustain business activity across economic cycles, and this is visible in the results we report for FY23. We continued to deploy and realise our clients’ capital, and recorded year-on-year growth across AUM, fee income, FMC PBT and the distributions made to our shareholders<sup>1</sup>.

Our confidence in the long-term and through-cycle prospects of ICG is underlined by our simplification of the dividend policy to being progressive. We are also stating that we intend over the long-term to increase the dividend per share by at least mid-single digit percentage points on an annualised basis. The breadth and scale of ICG today allows us to have this dividend policy as an integral part of our approach to capital allocation, running alongside commitments to our funds and using our balance sheet to seed new strategies.

None of this is instant. Building and scaling a platform that generates compounding growth over the long-term takes time, and that is precisely what we are doing at ICG. In recent months, Andrew Sykes and I have had a number of discussions with shareholders in a variety of forums. We have both been encouraged by the level of engagement around ICG; the clear understanding our shareholders have of the business; and the thoughtful, long-term view with which they approach ICG’s strategy and our potential to generate long-term equity value. I look forward to more discussions with shareholders and our broader stakeholders in the coming months.

1. Including the proposed final dividend of 52.2p for the year ending 31 March 2023

## OUR GROUP

**We are global, but multi-local rather than multinational**

**582 employees**

**16 countries**

Post year-end there were two changes to the Board. Kathryn Purves stepped down after nine years as a Non-Executive Director, during which time she made a wide-ranging contribution including chairing the Risk Committee and more recently serving as Senior Independent Director. We also announced the appointment of David Bicarregui, who joined ICG in April and who will take up the role of CFO in July, replacing Vijay Bharadia. I would like to pass on my and the Board's thanks to Kathryn and to Vijay for their significant contributions to ICG.

The last twelve months have demonstrated the strategic and financial benefits of our scale and diversification. Notwithstanding our strong historical growth, I believe the investments we have made give us substantial runway to continue to grow in the coming years, and that in many respects ICG is still at the beginning of its journey. Mindful of the uncertainty and volatility we may face in the future, we are well positioned to navigate complex markets for the benefit of our clients, portfolio companies and shareholders.

Over a number of decades I have watched and admired ICG’s growth and development from afar. I am excited at the prospect of being actively involved in its future, and look forward to working with the ICG team, our shareholders and other stakeholders in the years to come.



**William Rucker**  
Chair