



INVALDA

INL

# Invalda INVL – today and tomorrow

15 May 2019

## THE PURPOSE OF THE MEETING

The purpose is to answer the following questions:

What is Invalda INVL?

What does Invalda INVL do?

Where does Invalda INVL go?

so that you can make an INFORMED decision to invest and / or cooperate with us if necessary.



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Who we are?

# HISTORY



## THE BEGINNING IN 1991

Founded in 1991 by a group of academics to accumulate funds and carry out investment activities.



## PRIVATE EQUITY PIONEERS IN THE BALTICS\*



## LISTED ON THE STOCK EXCHANGE SINCE 1995



## DEALS

Over its history Invalda INVL has executed deals worth more than EUR 1.4 bln.



## DISTRIBUTIONS FOR SHAREHOLDERS

From the beginning of the listing, the company paid out EUR 53.4 million (dividends and share buy-backs)

# BUSINESS

Value of investment in the asset management business as of 31.12.2018  
**EUR 10.25 mln**

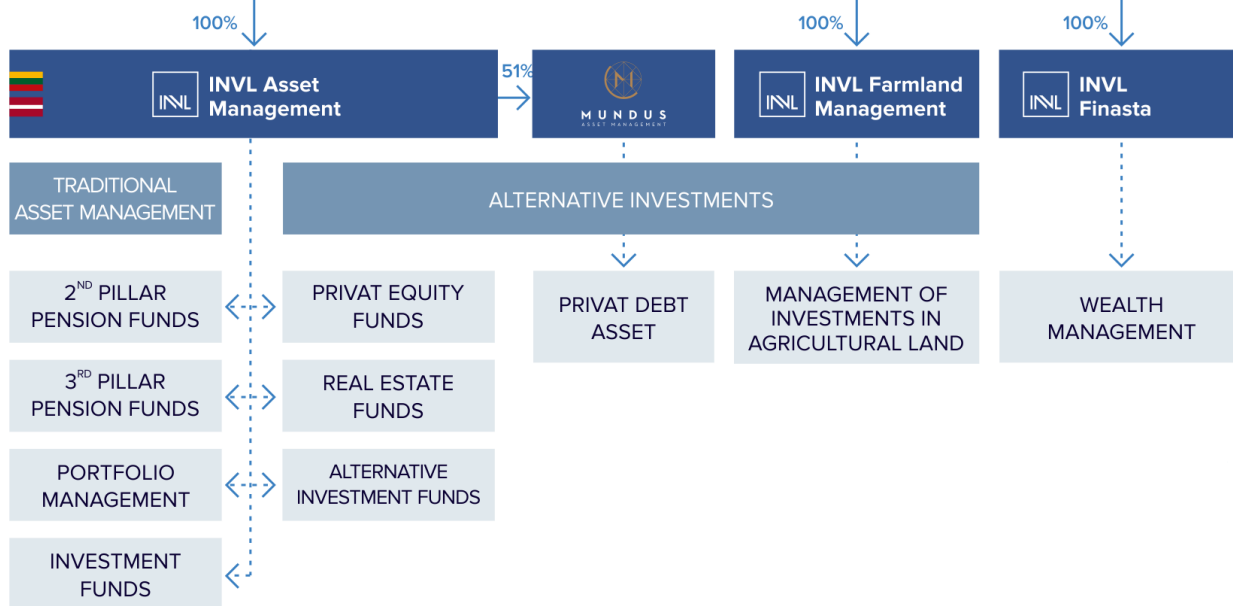
**INVALDA** **INL**

Investment of own assets into managed products  
**EUR 18.10 mln**

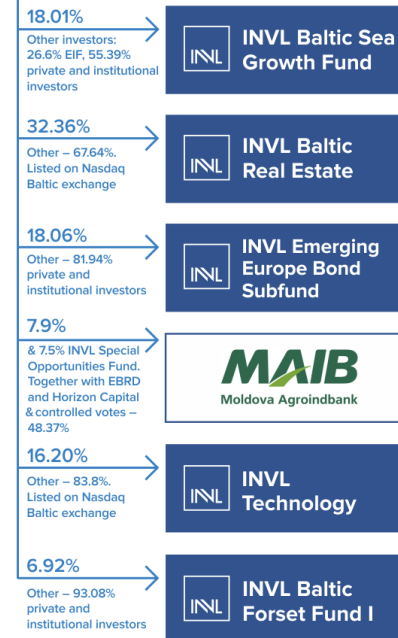
Investment of own assets into other businesses  
**EUR 31.25 mln**

Cash and cash equivalents  
**EUR 7.07 mln**

## ASSET MANAGEMENT



## GENERAL PARTNER INVESTMENTS



## OTHER INVESTMENTS



----->  
MANAGEMENT

————>  
OWNERSHIP. DIRECTLY AND INDIRECTLY OWNED VOTES

31.03.2019

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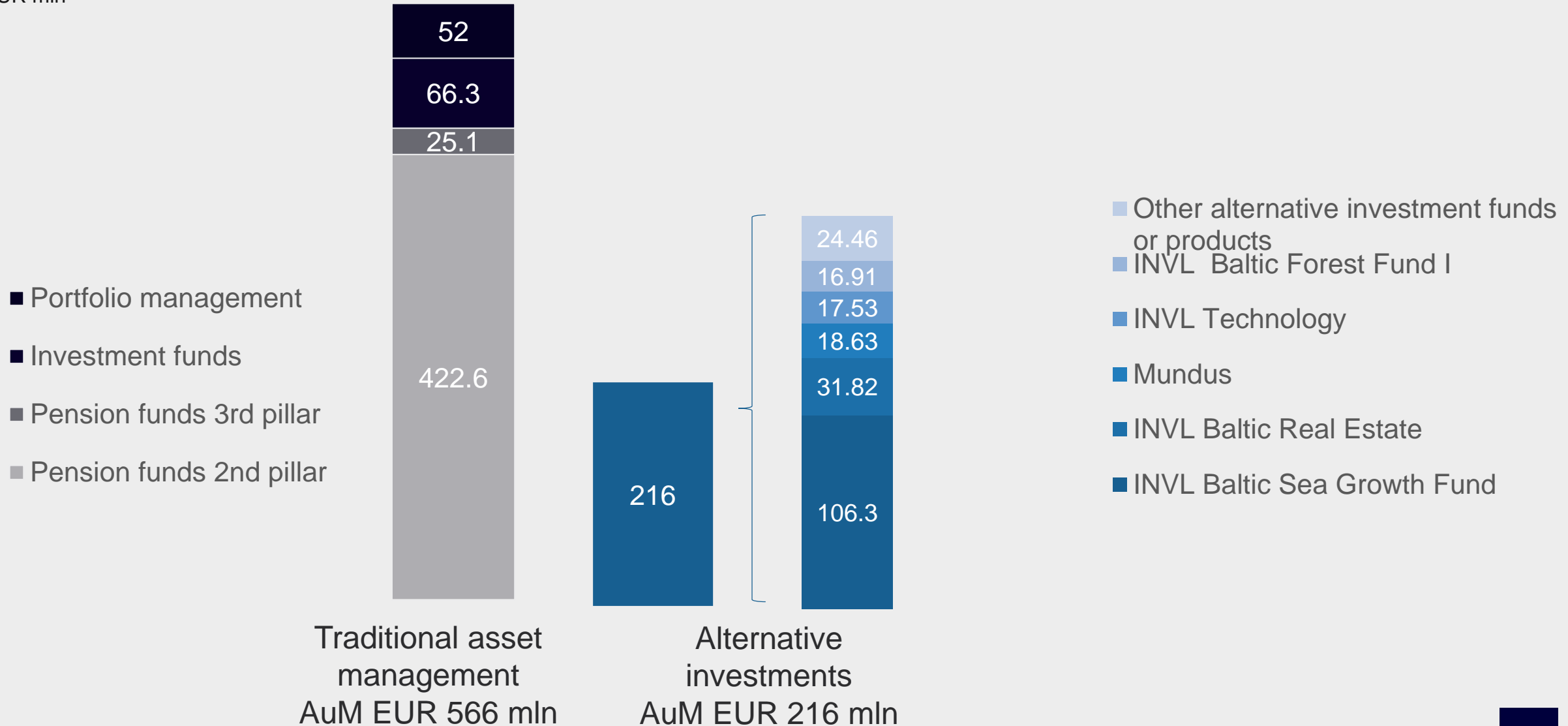


# ASSET MANAGEMENT BUSINESS

# ASSET MANAGEMENT BUSINESS IN NUMBERS (1)

Assets under management as of 31-12-2018, plus EUR 106.3 mln attracted by INVL Baltic Sea Growth Fund during the first closing held in February 2019,

EUR mln

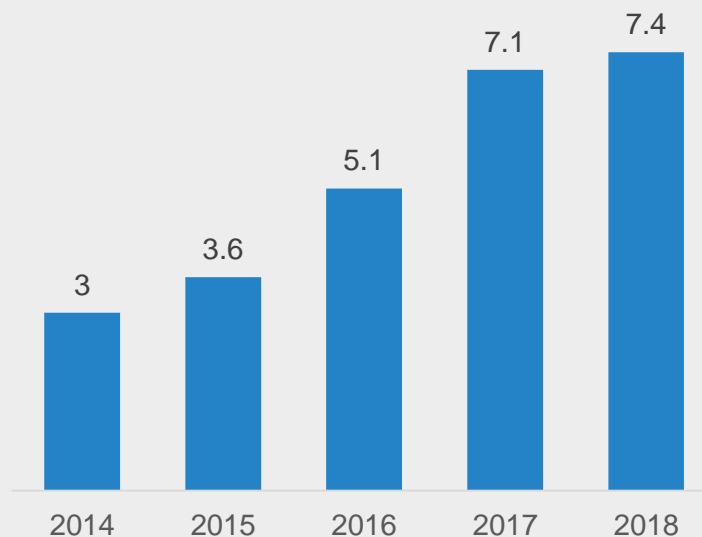


# ASSET MANAGEMENT BUSINESS IN NUMBERS (2)

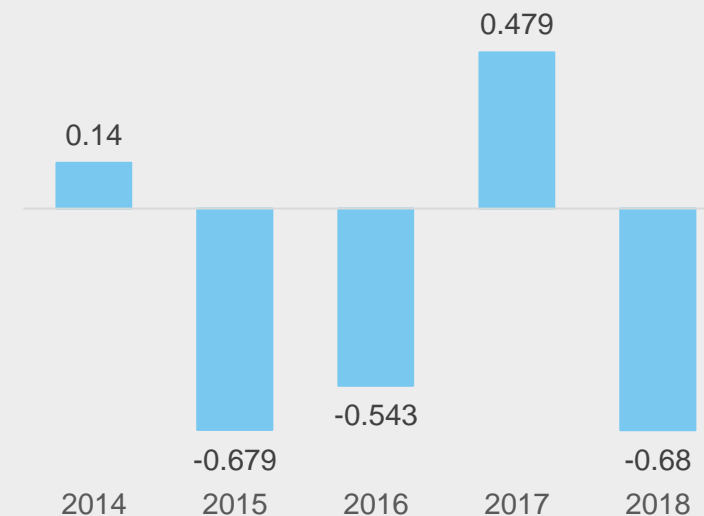
31-12-2018, EUR mln



AuM



Income



Results





# INVL BALTIC SEA GROWTH FUND

### MANAGEMENT TEAM

Proprietary deals & mature insight

- Leading PE house active since 1991
- Most seasoned PE team in the Baltics together 10+ years
- Unique combined experience
- Strong corporate governance
- Solid track record: c. € 500M invested, c. € 1,2 Billion returned
- Cash-on-cash 2,2x and IRR 22.2%

### BALTIC SEA ATTRACTIONS

- Dynamic, transparent, resilient Baltic Sea countries
- Fast-growing, prudently managed economies
- Lack of PE competition
- Baltic companies as stepping stone for regional expansion
- Organic / M&A expansion across Nordics, Poland, Germany
- Strong strategic buyer interest

## INVL BALTIC SEA GROWTH FUND

Differentiated Investment Opportunity

#### Fund overview

- First Closing: €106M; Target €200M; Hard cap €300M; Team: €20M
- Ticket sizes: € 10M – € 30M
- Investment approach: Growth capital, buyout and buy & build; Generalist across sectors
- Control or decisive influence on strategy, management and financing
- Focus region: Baltic States, Poland, Germany, Nordics and opportunistically across the rest of the EU
- Portfolio: 2 deals signed in 2018
- Tangible pipeline: 18 deals worth c. €220M - €320M

#### Target companies & Value creation approach

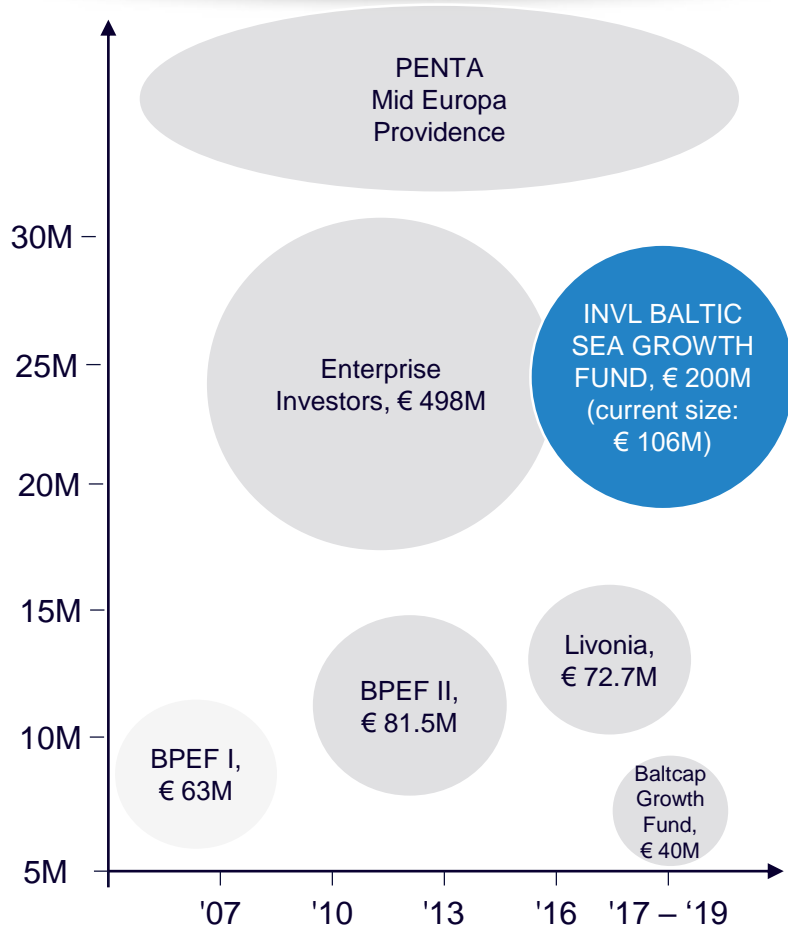
- Prospective market leaders / regional champions
- Cross border expansion opportunities
- Market consolidation
- Active operational value creation
- Customized solutions for complex situations



Signatory of:



**Lack of PE Competition**



**Non regional funds are mostly targeting larger tickets**

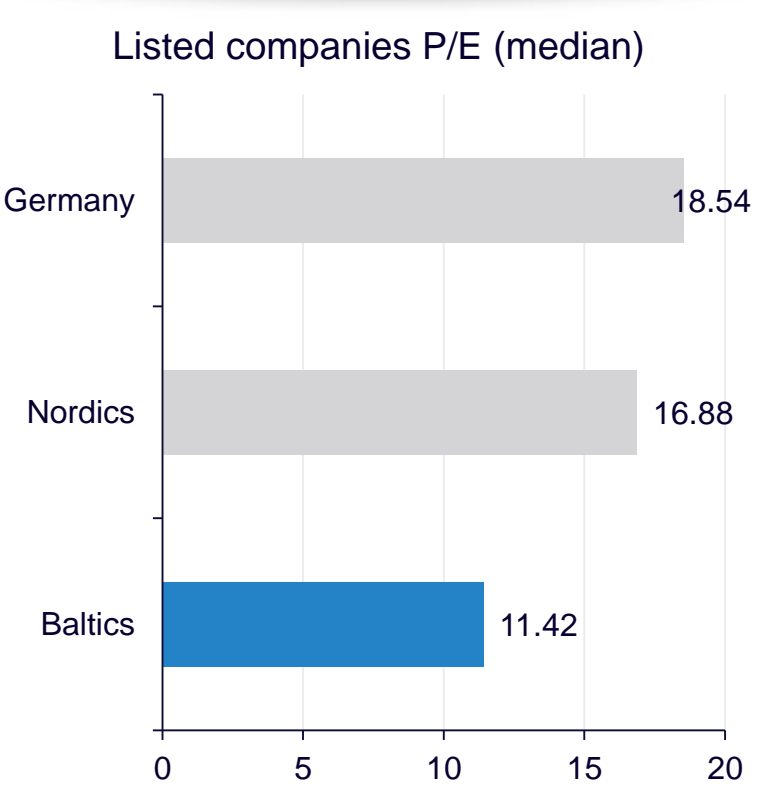
**Baltic Succession Issues**

- Lack of succession planning in local companies established 20 – 25 years ago
- Pressure to exit
- Reluctance of sales to competitors

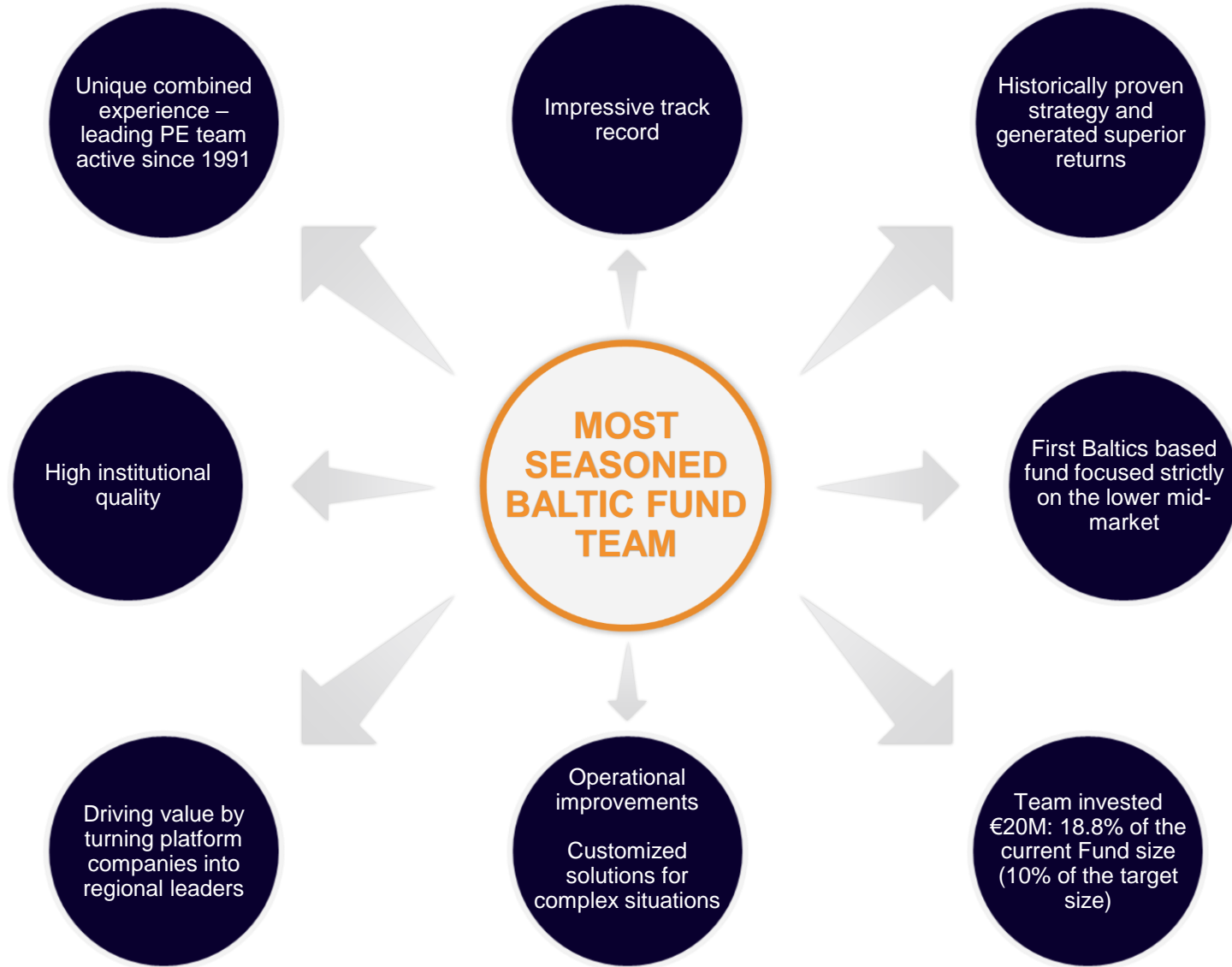
**Baltics as Expansion Platform**

- Convenient geographical position
- Strong cultural and economic ties with Nordics & Poland
- Entrepreneurial spirit of Baltic management teams – building great from nothing

**Low Valuation**



Source: Bloomberg, September 2018  
Companies with market cap > 20M



**Strategy**

- Buyout, Growth capital, Buy and Build
- Industry agnostic; focus on themes
- Baltic Sea region

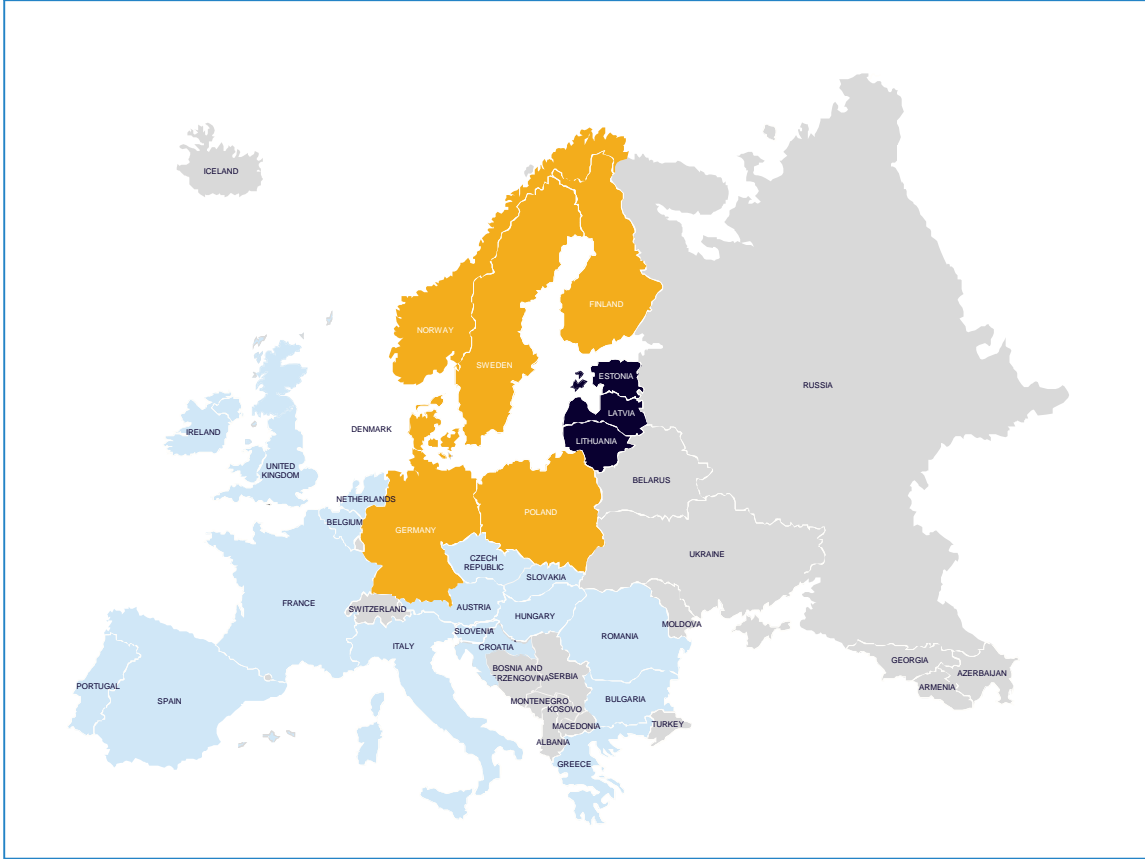
**Portfolio**

- Control or significant influence
- 8 – 12 investments; € 10M – € 30M tickets
- Companies with improvement potential

**Exit routes**

- Trade sales to strategic buyers
- Sales to financial sponsors
- IPO (if market develops in the region)

**Geographic Focus**



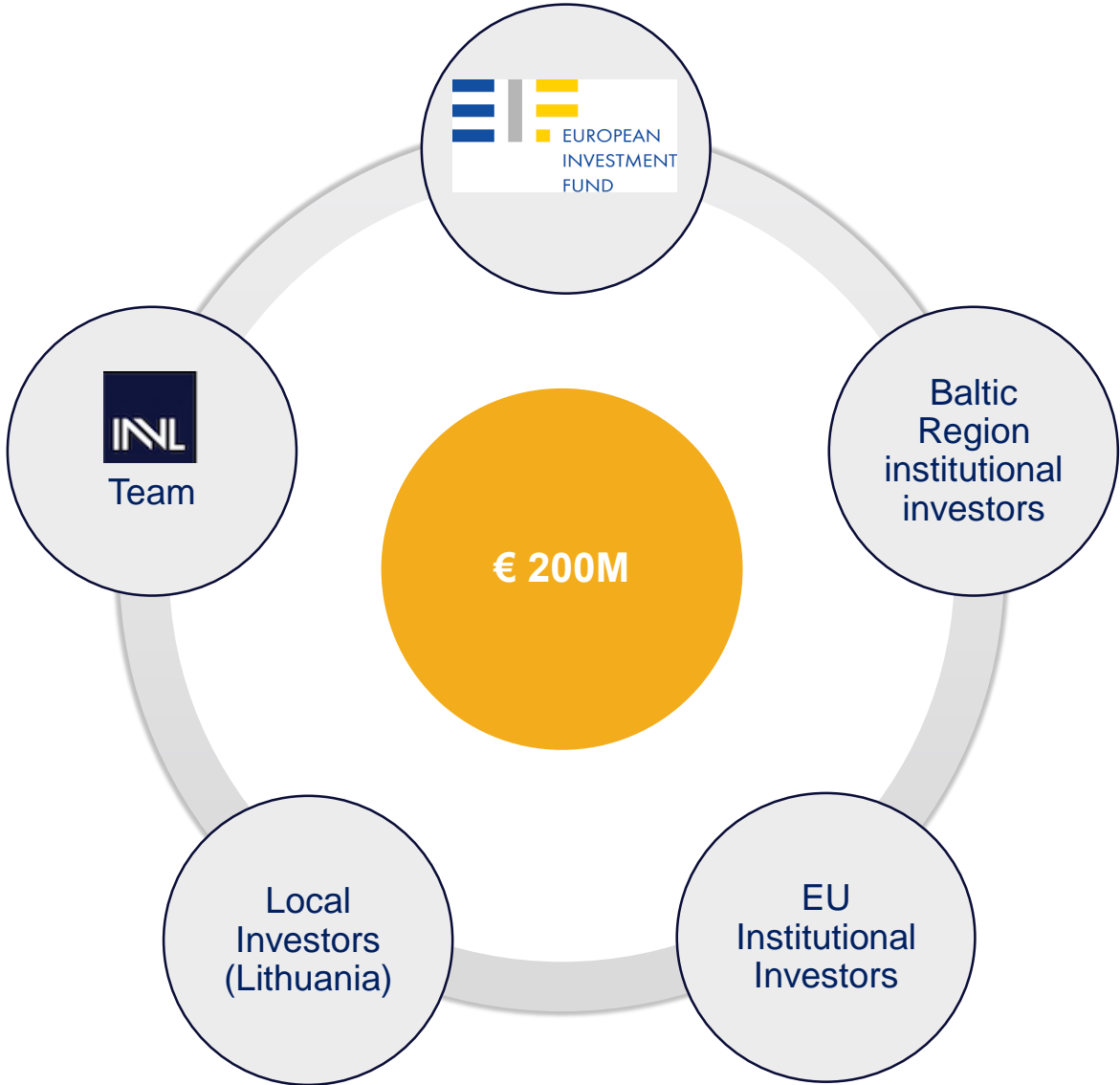
- Primary focus for initial acquisitions
- Primary focus for expansion
- Secondary focus – in case of opportunity (no active sourcing)



# OUR CURRENT AND PROSPECTIVE INVESTORS

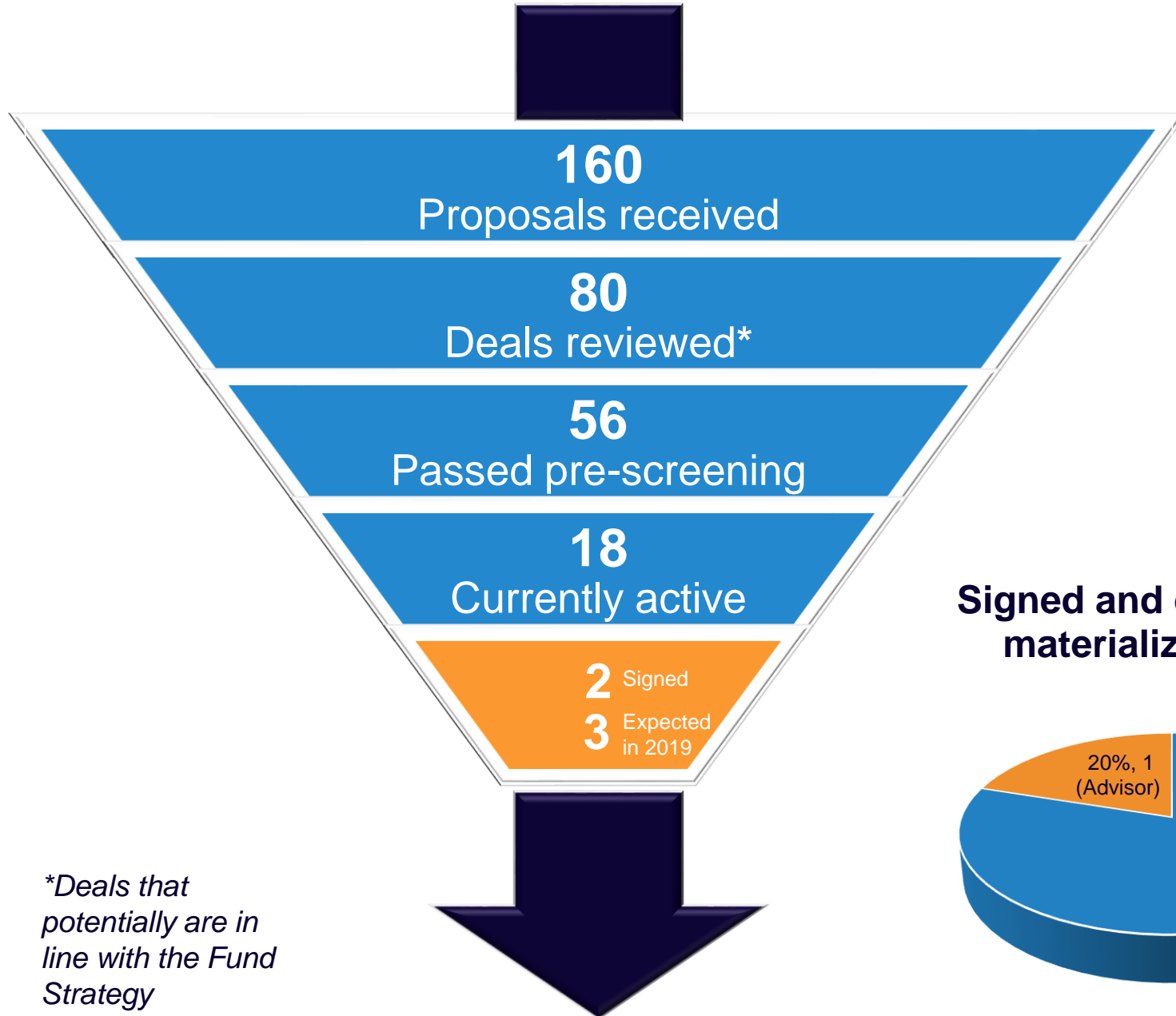
1<sup>st</sup> Close held on February 7, 2019  
€ 106.3M

Target: € 200M



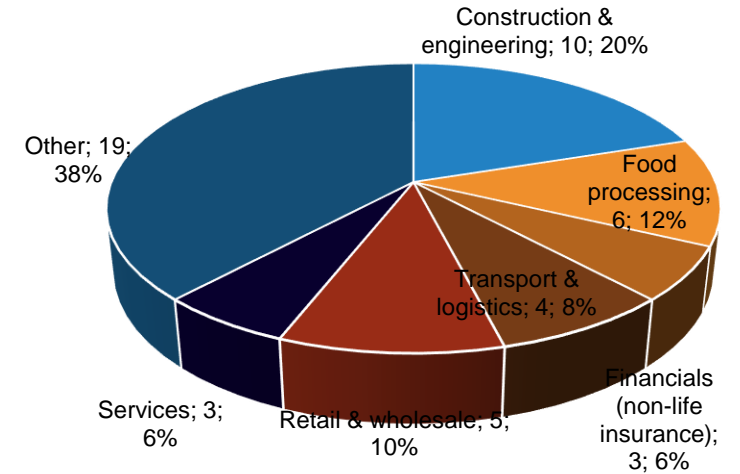


# DEAL FLOW STATISTICS WITHIN 01.01.2017– 12.04.2019



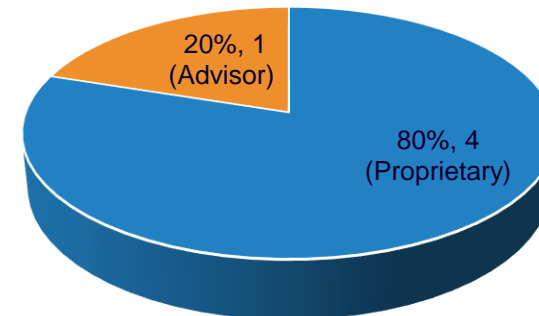
*\*Deals that potentially are in line with the Fund Strategy*

## Deals by sector\*

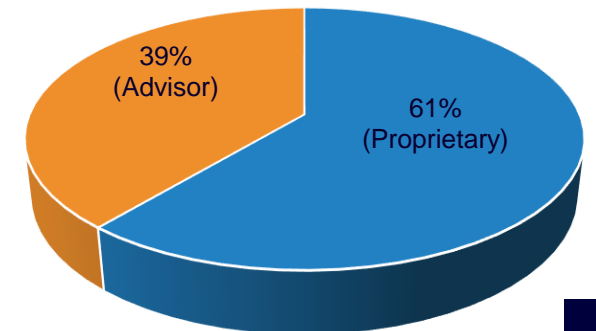


*\*Deals after pre-screening and not closed in the market*

## Signed and expected to materialize in 2019



## Active deals



# PRINCIPLES OF ASSET MANAGEMENT

Actively proceed with only what we understand and have faith in:

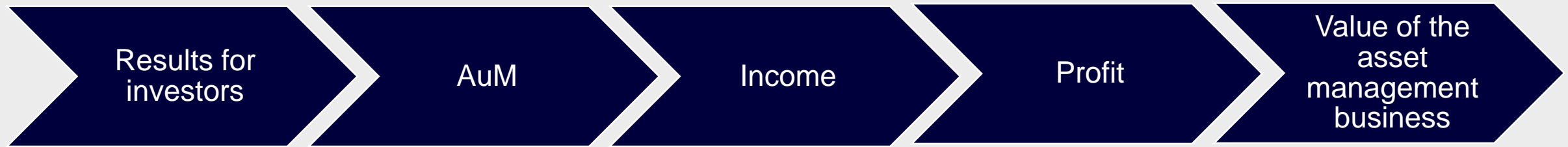
- what brings benefit to our clients;
- what creates value for Invalda INVL.





# THE FUTURE OF THE ASSET MANAGEMENT BUSINESS

The growth of the asset management business and its value



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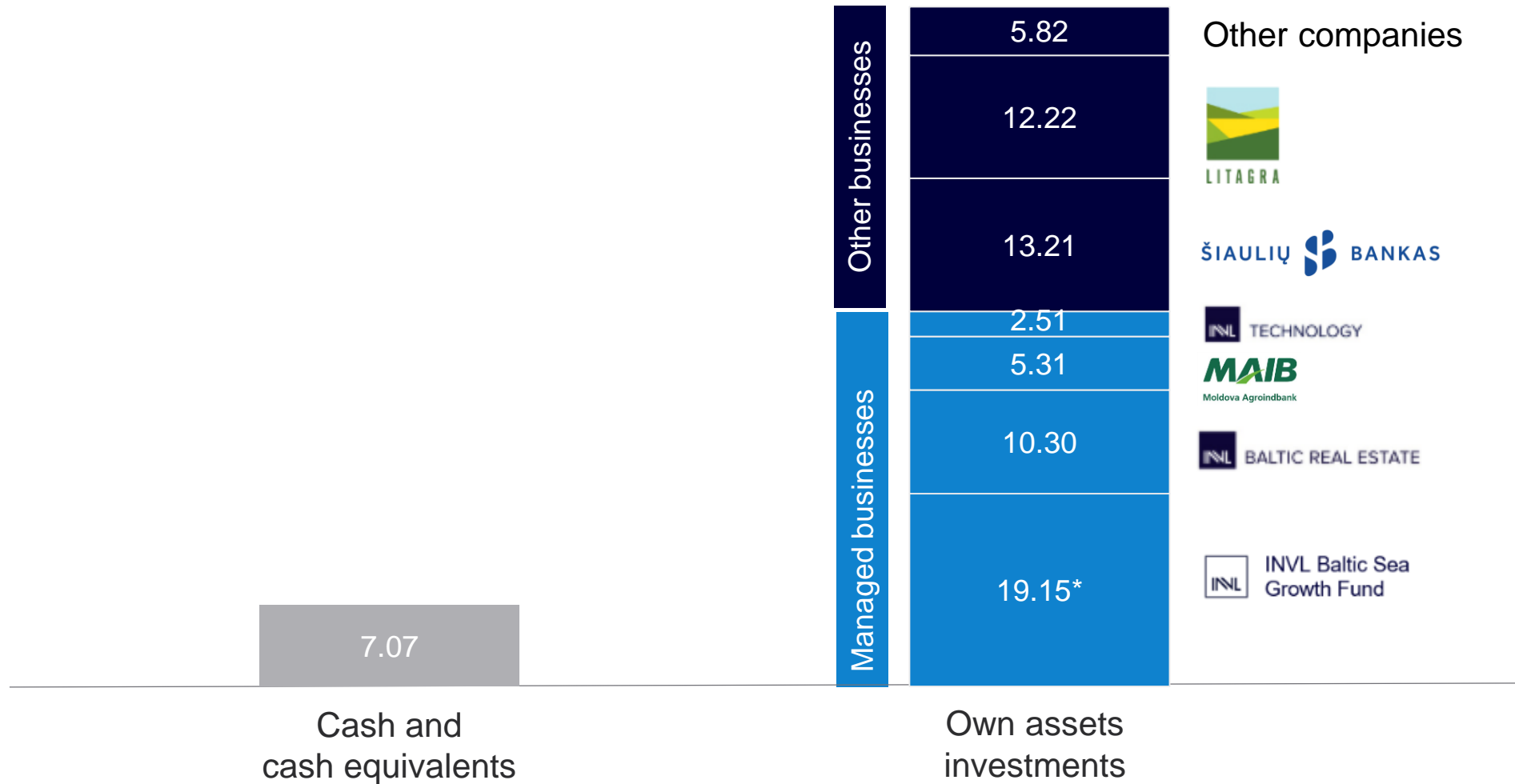


# OWN INVESTMENT ASSETS

# OWN INVESTMENT ASSETS

value as of 31-12-2018, EUR mln

\* Additionally, Invalda INVL's commitment, which has been publicly announced on 08.02.2019, to invest in INVL BSGF, is included






# INVESTMENT PRINCIPLES

- Return.
- Evaluation of:
  - i. our expertise and knowledge of how and why value will be created,
  - ii. strategic relevance,
  - iii. risk.

# OWN ASSETS

Own investment assets are a source for:

-  further investments into development of the asset management business;
-  new investments into products managed by INVL;
-  potential distribution for shareholders.

# THE FUTURE OF THE INVESTMENT ACTIVITIES

We will continue investing into products managed by INVL:

- Aligned interests of our clients' and ours positively affect mutual trust and long-term cooperation;
- this strengthens the asset management business;
- this is the optimal choice for us.



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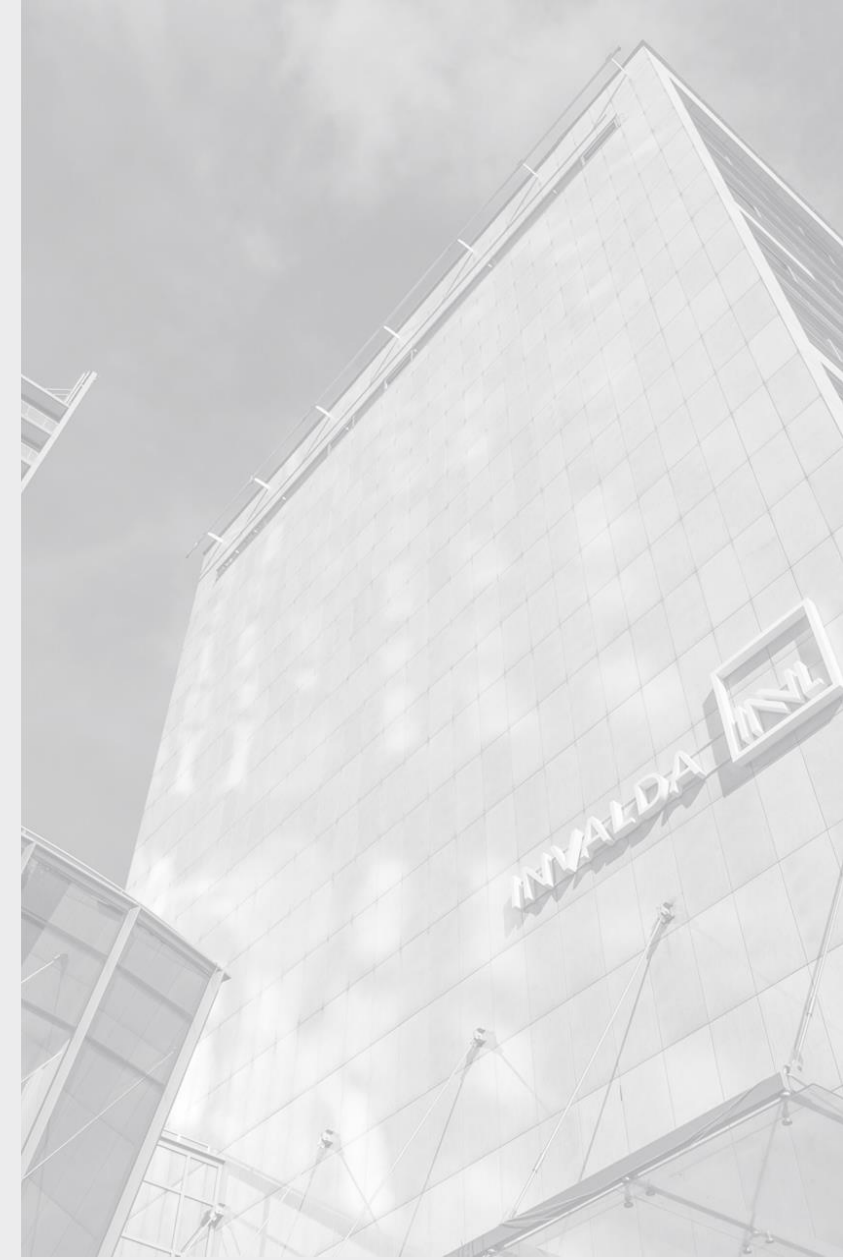


What's next?

# VALUE CREATION FOR SHAREHOLDERS OF INVALIDA INVL

## Invalda INVL leading ASSET MANAGEMENT GROUP:

- Creating value for those who invest and work with us;
- Growing the asset management business and its value;
- Successfully investing own assets in products managed by INVL;
- Making distributions for shareholders.







## IMPORTANT INFORMATION RELATED TO INVALIDA INVL SHARES AND INVESTING

- When investing, you assume the investment risk. Investments can be both profitable and loss-making: you may not obtain financial benefit and you may lose some or all of the invested amount. The past results of investments only show the changes in the value of the investments over a past period. Past results do not guarantee future performance.
- The information provided does not encompass all the information disclosed by the company and should be read together with the company's publicly announced financial information. The financial data provided should be evaluated together with the financial statements. The data presented reflect the situation for a past period of time and results for a past period are not a reliable indicator of future performance.
- Before making a decision to invest, you should personally or with the help of investment advisors assess the characteristics of the selected investments as well as the applicable fees and all investment-related risks. You should also carefully read the Prospectus, Rules and other related documents. These documents are available on the website [www.invalidainvl.com](http://www.invalidainvl.com).
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