



28 May 2026

## Closed End Investments



Source: LSEG, 2026

## Market data

|                     | EPIC/TKR       | NBPE/NBPU     |
|---------------------|----------------|---------------|
| Price (£)           |                | 13.68/\$19.24 |
| 12m high (£)        |                | 16.36/\$22.50 |
| 12m low (£)         |                | 12.86/\$17.20 |
| Shares (m)          |                | 42.3          |
| Mkt cap (£m)        |                | 577           |
| NAV (Apr'26)        | £20.18/\$27.42 |               |
| Disc. to £ NAV (%)  |                | -32           |
| Free float          |                | 100%          |
| Ctry/Ccy of listing | UK - GBP/\$    |               |
| Market              | FTSE 250, STMM |               |

## Description

NB Private Equity Partners (NBPE) leverages the platform of its manager, the PE division of Neuberger, including its relationships, deal flow and expertise, and has built a portfolio of 72 direct investments diversified by manager, sector, geography and size. It focuses on investing in companies that benefit from secular tailwinds and/or lower cyclicality, with high barriers to entry, or the delivery of mission-critical products or services.

## Company information

|                       |                                                                                      |
|-----------------------|--------------------------------------------------------------------------------------|
| Chair                 | William Maltby                                                                       |
| NEDs                  | Caroline Chan, Trudi Clark, Pawan Dhir, Louisa Symington-Mills, Wilken Von Hodenberg |
| Key mgrs. (Neuberger) | Peter von Lehe, Paul Daggett                                                         |
|                       | +44 (0)20 3214 9002                                                                  |

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## Key shareholders (31 Dec'25)

|                           |      |
|---------------------------|------|
| Evelyn Partners           | 8.4% |
| Quilter                   | 8.3% |
| Schroders                 | 8.1% |
| Jupiter (6 May'26)        | 5.2% |
| City of London (1 May'26) | 5.0% |
| Treasury shares (May'26)  | 6.8% |

## Diary

|         |                    |
|---------|--------------------|
| Mid-Jun | May monthly update |
| 11 Jun  | AGM                |

## Analyst

 Mark Thomas [mt@hardmanandco.com](mailto:mt@hardmanandco.com)

Disclosure: the relevant analyst is a shareholder in NBPE

## NB PRIVATE EQUITY PARTNERS

## 2025 results: looking to future realisations

As expected, NBPE's results to end-December 2025 i) confirmed the resilient operating performance of its investee companies (average EBITDA growth 9%) – in our view, the key driver to long-term value creation, ii) saw NBPE NAV growth lag EBITDA growth, some rating compression in specific sectors (software ca.10% portfolio) and modest listed-holding share price falls. Going forward, NBPE's portfolio is mature, and multiple market dynamics are structurally favourable to realisations. Potential quarterly noise around global uncertainties aside, medium-term realisations look good.

- **Realisations outlook:** Medium-term realisations look likely to be strong, with a mature exit-ready portfolio, industry-wide dry powder, GPs seeking liquidity, AI efficiency gains meaning more deals may hit hurdle returns, and new exit options. Short term, there may be noise, with both weak and strong quarters.
- **Buybacks:** From the start of 2025 to 24 April 2026, NBPE repurchased ca.4m shares, at a cost of \$81m (inc. dividends total 11% fund returned to shareholders). The weighted average discount was 27%, and accretion to NAV ca.\$0.62 p/sh. The programme has been accelerated through 2025-26.
- **Valuation:** The 32% discount is in line with direct peers (average 32% including HGT). In our thematic notes, we have looked at what may lead to a reversion to what we consider a more sustainable historical level (10%-15%). The discount appears anomalous with a resilient, conservative NAV and peers.
- **Risks:** Sentiment to costs, the cycle (inc. higher-for-longer interest rates), realisation volatility, the duration of the discount and potential AI disruption to software businesses are all issues for NBPE, as they are across the listed PE sector. They are sentiment issues, and do not reflect reality, as we see it.
- **Investment summary:** NBPE is uniquely focused in the low-cost, attractive co-investment subsector of the long-term, market-beating PE sector. It has proved resilient in downturns, and premiums on exit give comfort in the NAV. Its portfolio is diversified but has enough concentration for conviction holdings to add value. The discount appears anomalous with market-beating returns.

## Financial summary and valuation

| Year-end Dec (\$m)                  | 2022  | 2023  | 2024  | 2025  | 2026E | 2027E |
|-------------------------------------|-------|-------|-------|-------|-------|-------|
| Interest and dividend income        | 5     | 7     | 9     | 2     | 1     | 2     |
| Net fin. assets/liab. gains (FVTPL) | (74)  | 58    | 47    | 71    | 142   | 156   |
| Total expenses                      | 38    | 38    | 36    | 32    | 35    | 37    |
| Net asset change from ops.          | (109) | 27    | 17    | 39    | 107   | 119   |
| PE invest.                          | 1,401 | 1,321 | 1,298 | 1,212 | 1,339 | 1,380 |
| Net debt (incl. ZDP)                | (66)  | (120) | (17)  | (17)  | (105) | (116) |
| NAV per share (\$)                  | 28.38 | 28.07 | 27.53 | 27.94 | 30.18 | 33.06 |
| NAV per share (£)                   | 23.59 | 22.02 | 21.98 | 20.77 | 22.44 | 24.58 |
| S/P prem./disc. (-) to NAV*         | -33%  | -24%  | -28%  | -22%  | -39%  | -44%  |
| Dividend p/sh (\$)                  | 0.94  | 0.94  | 0.94  | 0.94  | 0.94  | 0.94  |
| Yield                               | 5.8%  | 5.5%  | 5.6%  | 5.1%  | 5.1%  | 5.1%  |
| Year-end exch. rate (£:\$)          | 1.203 | 1.275 | 1.253 | 1.345 | 1.345 | 1.345 |

\*2026-27E NAV to current s/p; Source: Hardman &amp; Co Research

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# Results summary

## Results to end-December 2025

| NBPE and benchmark annualised total returns (%) |        |         |         |          |
|-------------------------------------------------|--------|---------|---------|----------|
| As @ 31 December 2025                           | 1 year | 3 years | 5 years | 10 years |
| NAV TR (\$)                                     | 5.0%   | 2.9%    | 7.9%    | 10.4%    |
| MSCI World TR (\$)                              | 21.6%  | 21.7%   | 12.7%   | 12.7%    |
| Share price TR (£)                              | 7.5%   | 5.2%    | 11.6%   | 13.1%    |
| FTSE All-Share TR (£)                           | 24.0%  | 13.6%   | 11.7%   | 8.4%     |

Source: NBPE, Report and Accounts, Hardman & Co Research

Modest NAV growth, with private company valuations up, but listed down

- ▶ Indicative NAVs of \$27.80/£20.67 per share for December 2025 were announced in [the factsheet](#). With these results, the fully audited NAV per share was \$27.94 (£20.77), with a 5% NAV TR in the 12 months to 31 December 2025 (up from 1.5% the year before). There was an increase in private valuations (3.9% in 2025 on a constant currency basis, 2024: 6.9%) and positive FX effects offset by quoted holdings (-0.8%, constant currency).

Investee company average EBITDA growth strong at 10% (2024: 12%) and margins widened again

- ▶ Portfolio company operating companies, on average<sup>1</sup>, delivered LTM revenue and EBITDA growth of 9.1% and 9.7%, respectively (2024: 8.0% and 13.1%). To see further wider margins on accelerated, near-double-digit revenue growth in the current environment is encouraging. Also, these numbers do not include companies owned for less than a year, and recent investments have shown above-average growth.

Stable realisation proceeds but still below long-run average level. Uplifts 17% vs. five-year average 30%.

- ▶ Total realisation proceeds were stable at \$180m (2024: \$179m), but there has been a positive mix change with co-investment realisations up 57%. \$180m represents 14% of the opening portfolio value (only slightly below the five-year average rates). Uplifts to the carrying value three quarters before (to avoid any exit distortion) averaged 17%, well below the five-year average of 30%, which includes the strong 2021. We discuss this in more detail below.

Average hold period 5.8 years – many assets ready for exit

- ▶ The average private company hold period is 5.8 years (2024: 5.2 years), which, in our view, is evidence of a portfolio with investee companies mature enough to be realised when market conditions are appropriate.

New investment, as expected, slower in 2025 but accelerating in 2026

- ▶ New investments totalled \$23m (2024: \$104m, 2023: \$22m, 2022: \$55m). End-2025 saw NBPE 100% invested against its long-run target range of 100%-110%. It had \$302m of cash and undrawn credit line available at the year-end.

Stable dividend

- ▶ \$0.94 per share of dividends were paid during 2025, as in 2024 and 2023. The board has maintained the nominal \$ dividend and paid over the 3% NAV target. We expect a stable dividend for the next two years.

Valuation ratings and gearing broadly stable

- ▶ Private portfolio LTM/EBITDA valuation multiple was 15.3x (15.3x at end-2024). Weighted average net debt was 5.4x (5.3x end-2024).

Buybacks accelerating

- ▶ Buybacks have been on an accelerating trend (1H'25: \$14m; 2H'25: \$45m; and YTD'26: \$21m).

<sup>1</sup> Enlarged portfolio basis – 83% total direct equity portfolio in 2025 – see p19 2024 accounts, p22 2025 R&A

## March 2026 NAV update (given with results)

In addition to the full-year results, NBPE provided an update to end-March, which confirmed the key messages from the November CMD of accelerating new investment and buybacks. Market uncertainty, in our view, has deferred some exits to later in 2026-27. The key issues from the March update are:

### \$ NAV TR decrease of 1.3% YTD'26

- ▶ \$ NAV TR decrease of 1.3% YTD'26, with 31 March 2026 NAV per share of \$27.12 (£20.57). YTD NAV has been driven by negative FX adjustments and declines in quoted holdings as the 31 March 2026 monthly NAV estimate does not include any 1Q'26 private company valuations.

### Investment level now 110%

- ▶ Investment level is currently 110% due to \$79m of new investment commitments, of which \$68m was invested in 1Q'26. The 110% level is at the top of the long-term average range (105%-110%) and new investments approaching the \$100m annual guidance announced in November 2025. We expect further new investment but at a slower pace than in 1Q'26, matched with realisation activity.

### Still has nearly \$200m of available liquidity

- ▶ Available liquidity of \$196m (\$16m cash/liquid investments and \$180m of credit line), down from the end-2025 level of \$302m, primarily due to new investments and the dividend payment. A key feature of the co-investment model is that it does not incur long-term PE fund commitments, and NBPE has huge flexibility on when to invest. Adjusted unfunded commitments were only \$44m at end-March, with available liquidity 4.5x these commitments. Many listed peers have this ratio below 1x, with commitments covered by future realisations not available liquidity.

### 1Q slower realisations

- ▶ Realisation proceeds received in the first three months of 2026 have slowed sharply (YTD \$10m, at time of results) driven by uncertainty over the economic outlook, interest rates and appropriate valuations following the Iran war. We discuss the long-term positive drivers to realisations below, and, in our view, this is a delay to, rather than absence of, future proceeds.
- ▶ As noted above, buybacks have been accelerated with the current discount being above the average 27% achieved since the start of the programme in 2025. The potential for NAV accretion at present levels is high.

## Outlook

### Positive outlook

NBPE has reiterated the strategic guidance given in the November CMD, notably new investments ca.\$100m, with NBPE at the higher end of its target 105%-110% invested level and continued buybacks. Significantly, the portfolio is at a mature/harvesting stage, and realisations are likely to happen. While the uncertainty seen in 1Q'26 has led to a quiet quarter, exits are likely once markets reopen. We discuss this in more detail below, noting the multiple market and company-specific factors, which, in our view, make strong realisations probable, at worst over the medium term, noting that short-term noise may see exits deferred.

# Key theme 1: how NBPE is delivering superior long-term value

Superior long-term performance historically delivered

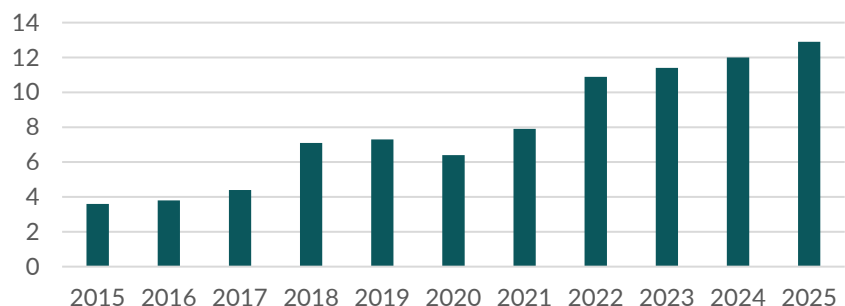
Key drivers include:

- Attractive PE market
- NBPE focused in attractive PE subsector
- Neuberger’s track record of picking good GPs
- New investment accelerating, with NBPE having strong balance sheet
- Benefits from Neuberger platform
- Sector and subsector choices provide good risk/return and secular growth
- Mid-life deals deliver early uplifts
- Accretive buybacks undertaken

In previous reports – see, for example [2024: short-term noise over long-term growth](#) (12 May 2025) or [1H’25 results: turning the corner](#) (6 November 2025) – we have highlighted how NBPE has delivered superior long-term value. The five-year to end-2025 gross IRR on direct investments has been 14.0%, with a 2.8x multiple to cost and an average uplift on exit of 30%. The 10-year share price total return is nearly 5% p.a. above the FTSE All share index. In summary, the key drivers are:

- ▶ PE-backed businesses, as an industry, should outperform because the PE backer brings expertise, financial strength and deal-making options unavailable to standalone businesses.
- ▶ Within PE, the low fee structure and below-average liquidity, blind pool and other risks of the co-investments bring attractive risk/reward characteristics. NBPE is uniquely focused in this subsector.
- ▶ We are expecting greater divergence in GP performance, with the good managers outperforming weaker ones by a greater degree than in the past. Neuberger has a proven track record of picking good managers, Neuberger’s strategy sees NBPE partner with 47 managers (as at end-March 2026), thus introducing diversification.
- ▶ To deliver long-term value also requires new investment. NBPE has \$196m of available liquidity to make investments, but, perhaps more importantly, the Neuberger franchise has been generating an increasing number of opportunities for NBPE to participate in. This is just one of the benefits of having Neuberger as the manager.

Weekly co-invest. opportunities originated across the Neuberger platform



Source: Slide 17 NBPE [April 2026 investor presentation](#), Hardman & Co Research

- ▶ NBPE’s stated investment approach is to focus on sectors with secular growth, which can see through-cycle increased revenue. In the portfolio section that follows, we illustrate the sector diversity. Taking the analysis one stage further, and looking at subsectors, we believe that the growth resilience would be even more evident (e.g. Action is not your typical consumer business).
- ▶ Generally, with traditional co-investment, these are held at cost in year one as the GPs implement their value-creation plan. In a mid-life deal (an increasing focus for Neuberger) given the GP has held the assets for a number of years already, it is typically well into its value-creation journey; so, there is potential for earlier uplifts.

- ▶ The capital allocation policy was updated in early 2025, with a willingness to balance new investments and return capital to shareholders through the dividend policy and buybacks. There appears to be a willingness to deploy more capital for buybacks when the discount is unusually high, and this should prove NAV-accretive.

## Key theme 2: realisations outlook

Positive realisation outlook allowed for increased investment and buybacks. Despite uncertainty in 1Q, long-term drivers for realisations very positive.

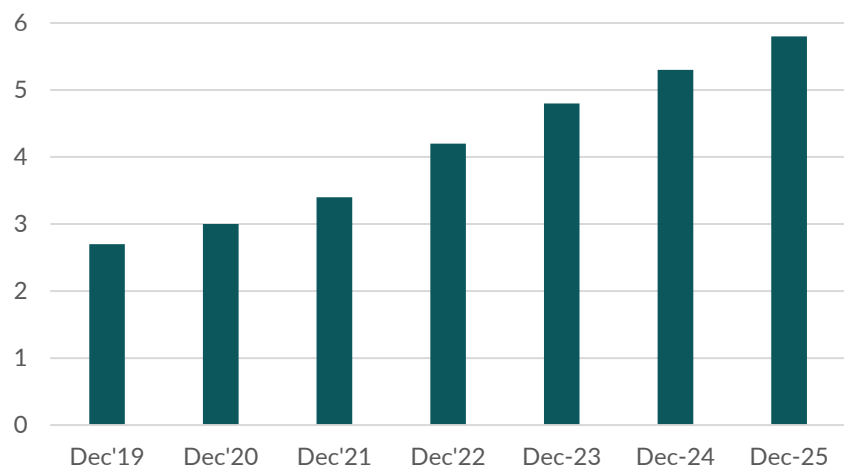
In our view, investors are sensitive to realisations and the impact on NBPE's liquidity, investment outlook and capital returns. In our note, [2025 CMD: good returns from low-risk PE model](#) (3 December 2025), we highlighted how a positive outlook for realisations in 2026-27 (on which NBPE has reasonable visibility) meant that NBPE could not only increase its level of investments (1Q'26 with \$79m committed to five new investments, of which \$68m was actually invested) but also accelerate its buyback programme and maintain a high dividend (yield currently 5.1%). Clearly, uncertainty has risen since; but, in considering realisations, investors should consider both long-term (which remain very positive) and short-term factors. It is worth remembering that exits are controlled by the GP partner, with Neuberger itself having only a limited influence of the process.

NBPE has a mature portfolio ready for exits

Long-term considerations include:

- ▶ Following excellent exit opportunities in 2020-21, especially in technology-related investments, realisations were accelerated from subsequent years into that period, leaving the stock of exit-able businesses at relatively low levels. As a result of exits, the average age of the portfolio was below normal. Over time, this has been rebuilt, and the chart below highlights how the average age of the portfolio has nearly doubled since the end of 2020. As slide 33 of the [presentation](#) shows, only 15% of the portfolio is in vintages 2022-26, with the vast majority in what may be considered as being in a harvesting stage and ready for exit should the right opportunity arise. Across the industry, there has been a trend for private equity to hold for longer periods, but NBPE's age profile means that a greater proportion of the investee companies are now ready for sale.

Average age of portfolio (years)



Source: NBPE Report and Accounts, Hardman & Co Research

Exceptional fund raising in 2022 led to near-record dry powder, and increasingly approaching time when it has to be deployed or commitment expires

- ▶ We note that the PE industry, especially the larger players, had an exceptional year of fund raising in 2022. Dry powder across the industry is \$2.2bn, close to its peak of \$2.3bn and more than 2x the 2015 level. In our view, many of these vehicles will be looking to deploy the capital over the next few years before they have to return it to investors/the commitments expire. NBPE's mid-sized businesses mean that selling to larger funds is a well-established exit route.

**Debt finance available**

- ▶ The availability of debt financing is also good currently. One advantage that GPs bring to their investee companies is treasury management, including access to all forms of finance, while many standalone entities may only have access to traditional banks finance. Whatever part of the market that offers best terms and availability is open to PE-backed businesses; with, for example, most recently private credit funds being a large source of funds. Over 80% of private credit funds' AUM are in firms with PE funds. We expect the providers of credit to change over time, but PE-backed businesses can access whoever is in the market at the time.

**In our view, AI opens up new efficiency gains, making previously unattractive deals appealing**

- ▶ We have highlighted in previous notes that new investment target returns are broadly unchanged over recent years, despite all the interest rate and socioeconomic noise. How PE returns will be delivered has changed, with a much higher expectation of operational value-added rather than leverage/multiple gains. In considering potential operational efficiencies, in our view, the effective implementation of AI creates options for value creation for buyers that was not available a few years ago. PE-backed businesses have generally delivered digitalisation capably, which bodes well for their adoption of AI.

**GPs under pressure to generate cash**

- ▶ We believe that GPs are under pressure from their investors to see cash returns. Low levels of distributions saw some investors realise holdings in the secondary market to manage their portfolios and generate liquidity for new PE investments. This is clearly not an ideal position for the investors to be in.

**Evolution of continuation vehicles as growing exit option**

- ▶ The PE market is continually evolving, creating a significant new exit route through GP-led secondary deals, including continuation vehicles. Such deals, in recent years, have accounted for half the value of secondary deals compared with just a quarter 10 years ago. This trend may depress exit uplifts, as deals are typically around NAV, but it will assist realisation volumes and confidence in the market.

**Material uplifts on exits still being seen but well below five-year average levels**

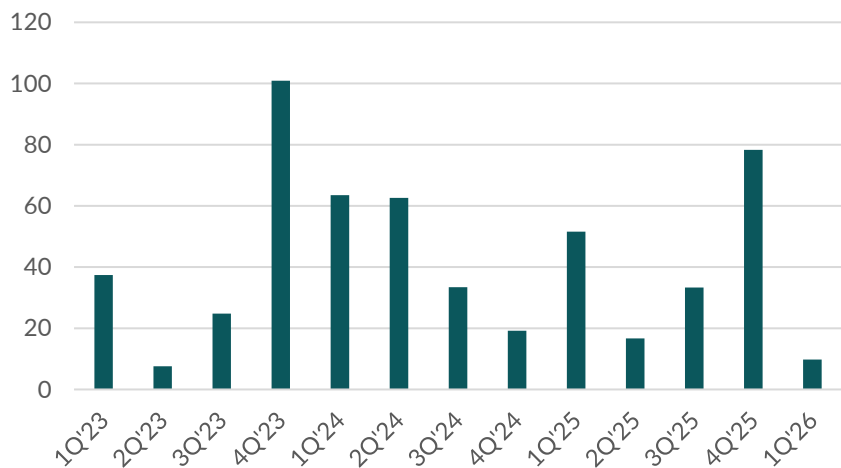
- ▶ 2025, while an increase on recent years, was a below-average year for uplift on exits with an average uplift of 17% (2024: 6%; 2023: 11%) against the five-year average of 30%. Going forward, we do not expect the 30% level of uplift, with more value being created over time in the NAV by operational gains rather than just on exit. However, we still expect uplifts to be seen and give confidence in the valuation process.
- ▶ Looking to the future, NBPE 2026 investments (see slides 24-29) have refreshed the portfolio. So, once the existing mature investments are crystallised, there is a further flow of potential realisations. Investors will note from slides 24-25 that four of the six new investments are expected to be direct beneficiaries of the move to AI adoption. This new investment has been balanced with the return of capital, including buybacks, generating immediate accretion.

## Near-term factors

Quarters of uncertainty have been seen in 2Q'23 and 2Q'25 and followed by very strong realisations

As can be seen below, in recent years, there has been considerable volatility in the quarterly realisation rate, often impacted by macro events. The Ukraine war and uncertainty over interest rates saw a weak 2Q'23, only for a sharp recovery in 4Q'23. Similarly, Liberation Day, in April 2025, saw a sharp slowdown in realisations, only for 4Q'25 to be the second best in three years.

NBPE realisations by quarter (\$m)



Source: NBPE Report and Accounts, Hardman & Co Research

Near-term factors in 2026 include:

Strong equity markets help confidence, valuations, IPO market, and has seen increasing commentary about diversifying away from the Magnificent Seven

- ▶ Perhaps surprisingly, strong listed equity markets may:
  - Give confidence to both trade and financial buyers.
  - Support a higher valuation when buyers and sellers may have a gap in their valuation expectations.
  - Provide a potentially stronger IPO market as an exit route. The US saw 216 IPOs in 2025 (2024: 176) with proceeds of \$47.4bn (2024: \$33.0bn).<sup>2</sup> In the UK, in 2025, IPOs raised £2.1bn, up 170% on 2024.<sup>3</sup>
  - A simple google search shows the increasing noise around the need to diversify away from the “Magnificent Seven” stocks. While they were the key, arguably nearly the only, driver to US rising equity markets, the potential appetite for other stocks in IPOs was, for some time, more limited. Growing interest outside this group increases potential demand for PE-backed IPOs.
- ▶ NBPE has no direct investment exposure to the Iran war. However, in our view, it is at risk to the secondary effects; *inter alia*, including higher inflation leading to higher interest rates, a potential economic slowdown and macro-

No direct Iran war exposure but secondary effects of interest rates, macroeconomic uncertainty and limited deal activity appear likely

<sup>2</sup> [https://www.ey.com/en\\_us/insights/ipo/ipo-market-trends#:~:text=Larger%20IPOs%20drove%20IPO%20activity,dozen%20raised%20over%20%241%20billion.](https://www.ey.com/en_us/insights/ipo/ipo-market-trends#:~:text=Larger%20IPOs%20drove%20IPO%20activity,dozen%20raised%20over%20%241%20billion.)

<sup>3</sup> [https://www.ey.com/en\\_uk/newsroom/2026/01/ipo-eye-q4-2025-london-stock-exchange#:~:text=There%20were%2011%20IPOs%20in,the%20Alternative%20Investment%20Market%20\(AIM\).](https://www.ey.com/en_uk/newsroom/2026/01/ipo-eye-q4-2025-london-stock-exchange#:~:text=There%20were%2011%20IPOs%20in,the%20Alternative%20Investment%20Market%20(AIM).)

uncertainty affecting deal activity. We have, in previous notes, highlighted the resilience of PE and NBPE's model to macro downturns. In terms of the impact on realisations, in our view, this is likely to affect mostly the timing of exits (a quarter or two delays) rather than the value of exits, as evidenced by the experience in 2Q and 4Q 2023 and 2025.

#### Potential AI disruption to software appears limited:

- ca.10% of portfolio
- company-specific factors reduce risk and part of investment decision for some years
- NBPE does not appear to be highest-rated, highest-leverage subsector
- 100% software co debt cov-lite

- ▶ Unsurprisingly, with AI being a hot topic, NBPE has given considerable attention to the matter (*inter alia*, see slides 39-43 of the April [presentation](#) for more details, including software company reviews).

- For NBPE, businesses in the software "sector" account for just over 10% of the portfolio.
- Every company, though, is different. NBPE believes its companies will be relatively resilient, with AI having been an investment consideration for its GP partners for some years.
- NBPE's software portfolio saw revenue and EBITDA growth of 6.7% and 10.2%, respectively. Its end-2025 EV/EBITDA multiple was 19.9x (down from 24.5x end-2024) while net debt/EBITDA end-2025 was 6.1x (this was as high as 8x, as recently as 2022). While the earnings growth, rating multiple and gearing are all above the overall NBPE portfolio, it is not in the super-growth, super-high-valuation subsector of the market (by comparison, in 2025, HGT reported 19% earnings growth, 25.2x EV/EBITDA and 7.4x leverage).
- Looking at some risk factors, 100% of debt to NBPE's software companies is cov-lite, and just 1% of debt matures before 2028.

#### AI creates organic and acquisition opportunities as well as threats

- ▶ We also note that the adoption of AI creates opportunities for value creation for those with the skills to effectively implement it.
  - In our view, the way that many GPs have digitalised companies sets a good precedent for AI adoptions. Furthermore, we believe that larger companies with the skills and budgets to adopt AI are better positioned, and being PE-backed provides investee companies with resources that would not be available on a standalone basis. NBPE highlighted a survey result on AI adoption on page 27 of the annual [report and accounts](#).
  - We note from slide 13 of NBPE's [presentation](#) that the deal valuation multiples across the PE industry are at 10-year lows (10.6x EV/EBITDA in the US and 9.9x in Europe). This partially reflects mix (less highly-rated software, by way of example) and, in some sectors, ratings compression. Lower acquisition prices will assist new investment returns.

## Key theme 3: why future NAV TR is likely to be more aligned with EBITDA growth

Average EBITDA growth not fed through to same level of NAV returns in recent years, but will over time, in our view

The three- and five-year \$ NAV TR (3% and 8%, respectively) has been well below the average EBITDA growth of investee companies (13% and 16%, respectively, see chart on page 5). 2025 was no different, seeing a total NAV return of 5% against the 10% average investee company EBITDA growth. 2025 saw private company valuations rise 3.9% in constant currency terms, down from 6.9% in 2024. We believe that the long-term value will reflect the earnings growth of investee companies, so it is important to understand why there has been a divergence in recent years and what may change to see the two more aligned and/or NAV growth to accelerate ahead of EBITDA growth, as it has in some past years. We believe industry-wide factors are the primary drivers to divergence, with only modest NBPE-specific noise.

The reason for short-term variances can include:

Portfolio mix factors include companies captured by sampling, proportion of new companies

- ▶ Portfolio mix changes:
  - The EBITDA growth stats are based on the “enlarged portfolio” companies (52 companies/83% of value) but not the portfolio in its entirety. Additionally, they are subject to certain exclusions (see note 6 on p118 of the 2025 R&A for full details). *Inter alia*, this excludes investments in the portfolio which are public, and not valued on EV/EBITDA, but all of those companies filter into NAV growth. There is an inherent definitional disconnect between EBITDA growth and NAV growth by virtue of the data itself. In our view, over time, distortions will even out; but, in any given period, there may be noise.
  - The portfolio composition, and so average EBITDA growth, constantly changes with new companies entering and others being exited.
  - New companies, typically, are valued by GPs at cost for the first year, and NBPE also excludes them from the growth statistics.
  - Slide 14 of the [presentation](#) showed the relative value creation of the most mature elements of the portfolio compared with newer investments, with the latter showing the greatest value accretion. Specifically, the LTM value change in \$ was +15.2% for 2020–24 vintages against +2.6% for 2019 and earlier vintages. While the maturing book is good for potential exit opportunities, it is less so for value creation.
- ▶ In 2025, the software element of NBPE portfolio (just over 10% of total) saw a reduction in its average rating of a fifth (from 24.5x EV/EBITDA in 2024 to 19.9x at end-2025). This factor alone reduced NAV growth by ca.2%

2% NAV growth hit in 2025 from software valuation ratings

Exit uplifts important to portfolio and NAV growth, accounting for about half of returns over medium term

2025 around half the usual benefit

2022-25 depressed by unusually high exits in 2020-21. Businesses sold earlier than may have been expected. This now worked through.

Interest rates affected:

- PE-backed businesses are more highly geared, therefore seeing earnings and so value volatility to a greater degree than EBITDA
- Valuations
- Interest rates one of many variables built into investment theses. In our view, AI much more critical than short-term interest rate noise.

Not all companies valued on EBITDA metric – e.g. listed

- ▶ The impact of exit activity is material. Exit uplifts are a core part of PE returns and, where accounting has been conservative, it could be argued they represent some of the ongoing value added by the PE manager, not just the exit option taken. NBPE has consistently seen exit uplifts (five-year average to December 2025, 30% on three quarters before sale). With normal realisations between 15% and 20% of the portfolio, the uplift would represent 4.5%-6% NAV accretion on the pre-exit level. As noted on page 3, the 10-year \$ NAV growth has been just above 10%, suggesting exit uplifts accounted for half of historical returns. In FY'25, proceeds were 14% of the opening portfolio value, at an average uplift of 17%; i.e., adding just 2.4% to portfolio value. This is around half the average historical level to be expected.
- ▶ In our view, in calendar years 2020-21, there was an above-normal number of exits across the industry as GPs took advantage of the high valuations available at the time. In essence, this accelerated returns and meant that, in calendar years 2022-23, there were fewer businesses that were ready for sale and so there was a below-normal number of exits. Additionally, those businesses that had been adversely affected by COVID-19 needed to rebuild financial track records for a couple of years before they could reasonably be sold. Overall, we believe these factors are now significantly worked through, and so the number of exit-able businesses is growing at a time when exit options have been increasing.
- ▶ In our view, there remains considerable uncertainty over the level of interest rates. The Iran war appears likely to have an impact on inflation and so see interest rates kept higher for longer than they would otherwise have been. Equally, the trend had been for declining rates. With PE-backed businesses, on average, having higher leverage than non-PE-backed businesses, the rising interest rates seen in 2022-23 had an adverse impact on bottom-line earnings, even though it did not affect EBITDA growth. In our view, valuations are driven by bottom-line earnings, and so the NAV growth was depressed relative to earnings growth. Active treasury management saw the effect of higher interest costs spread over several years; however, looking forward, the gap between earnings growth and EBITDA growth, in our view, will moderate and, in a falling rate environment, could turn positive. The relative growth in PE-backed businesses' earnings will be faster than non-PE-backed companies, as the former have a greater benefit from reducing funding charges.
- ▶ Additionally:
  - Rating multiples typically reduce if rates rise as the present value of future earnings falls.
  - Our note, [Value creation in a higher-rate environment](#) (7 March 2024), reviewed what PE-backed businesses are doing about higher rates and how target returns on new investment remains unchanged in recent years. It does, however, take time for the operational improvements to feed through to value creation and so the NAV.
- ▶ The valuation approach is not always driven by EBITDA multiples – most obviously for listed holdings where quoted prices are used (6% end-2025 portfolio).

## Key theme 4: downside resilience

In terms of overall sensitivity to a recessionary environment, we have written multiple times (see Appendix) on why PE, and NBPE specifically, should be considered an all-weather investment. In summary:

Choice to invest in established, profitable businesses with less rating volatility than venture

- ▶ The vast majority of NBPE investee companies are EBITDA-positive, as it is investing in established, profitable businesses. It is not present at the venture capital stage, where valuation ratings are most vulnerable to the discounting of future cashflows at higher discount rates.

Despite slower market activity, Neuberger platform has seen acceleration in deal opportunities and activity

- ▶ Higher rates have affected market activity, and a continued period of uncertainty and high rates could see this continue. However, NBPE's strategy has moderated the effects in a couple of ways: i) NBPE has continued to see exits at uplifts to carrying value, reflecting its choice of attractive businesses and being in the mid-market, which has slowed at less of a pace than large deals; and ii) the number of opportunities for co-investment across the Neuberger Platform has been rising as GPs seek greater equity support in deals.

We addressed, in our initiation, the resilience of NBPE investments to downturns

- ▶ On pp31-33 of our initiation, [Co-investments generating superior performance](#), we reviewed why, in our view, NBPE's NAV should prove resilient to any downturn. This reflects the incremental value of PE as a whole to investee companies with committed capital, strategic optionality, operational support, long-term focus and defensive sector positioning. This market-wide resilience is enhanced by incremental risk reduction adopted by Neuberger and NBPE. Its strong outperformance through COVID-19 and, more recently, in 2022 with valuations increasing 4.4% (ex-FX), despite a decline of more than two turns in the multiple, is ample proof that the theory works in practice. The manager's views on resilience were provided in a December 2022 review called [Private Equity in the economic headwinds](#) and a detailed analysis entitled [The historical impact of economic downturns on private equity](#), published in May 2022.

Further evidence in 2025 supports our view

In terms of further evidence from the 2025 results, we note:

- ▶ modest portfolio leverage with, we believe, strong operating company cashflow generation;
- ▶ further widening average EBITDA margins; and
- ▶ NB's platform continues to see an increasing number of co-investment opportunities. In considering what happens in a downturn, in 2020, we note it fell to 6.5 per week from 7.3 in 2019, a relatively modest decline.

Sub-whole portfolio analysis provides further support for this opinion

We recognise that portfolio statistics do not tell the whole picture, as there may be individual companies within the portfolio that are especially stressed, even if the portfolio as a whole is robust. Based on historical disclosure, in our opinion, it appears likely that the companies facing the most challenging conditions with higher gearing are among the smaller companies in the portfolio.

## Other issues

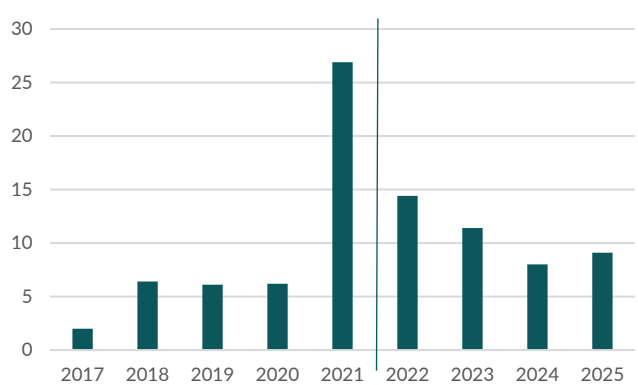
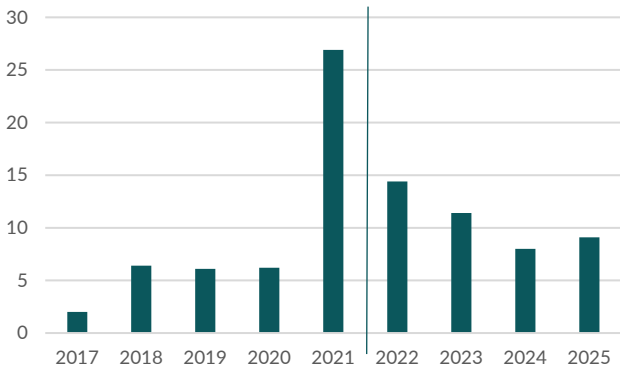
Other issues include:

- ▶ NBPE's highest conviction holdings (and so largest positions) have made the greatest contribution to valuations uplifts. As slide 19-20 of the [presentation](#) noted, there was a 16% uplift in the top 10 holdings. They represented ca.41% of portfolio NAV, and contributed \$41m of the \$46m total increase in private company valuations in 2025.
- ▶ As we highlighted in [2025 CMD: good returns from low-risk PE model](#) (3 December 2025), the Neuberger platform has been managed to focus on more mid-life, and co-underwritten deals over traditionally structured ones (see Appendix for description of the different types of deals). In 2025, the former two accounted for 82% of NAV compared with 18% in traditional deals. They were just 31% of NAV in 2015.
- ▶ Slide 51 of the [presentation](#) reviewed financing risk among NBPE's top 30 companies: i) 83% of value has cov-lite financing; ii) the majority of debt matures in 2028 and beyond; and iii) 62% by value has an interest coverage ratio >2.0x.
- ▶ Slide 29 considered the performance of more recent investments. Those made in 2024 and 2025 are held at a weighted average 17.9x EBITDA multiple with reasonable levels of leverage (4.3x). Since acquisition, they have delivered 21.5% and 22.8% revenue and EBITDA growth, respectively. In terms of value, they are held at 1.4x gross MOIC, generating a ca.20% average gross IRR.
- ▶ Slide 58 reviews NBPE's public holdings. There are now nine positions, accounting for just 6% of NAV. Of the \$66m, 83% is in the top three names (\$25m GFL, \$19m Autostore and \$10m in Chewy/Petsmart). The trends in NBPE's NAV have been heavily influenced by these holdings, with strong gains in 2020-21 but weakness since. Hindsight would say more have been sold at the initial partial exit, but it is worth bearing in mind that these top 3 have delivered 3.0x/4.2x realised/total multiple of invested capital generated. From an investment perspective, they have been good investments, even though they have introduced NAV volatility.

# Key portfolio metrics

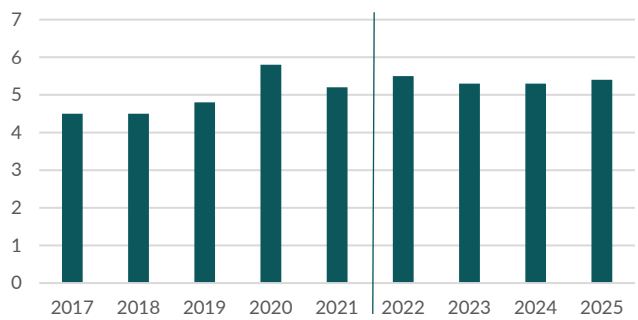
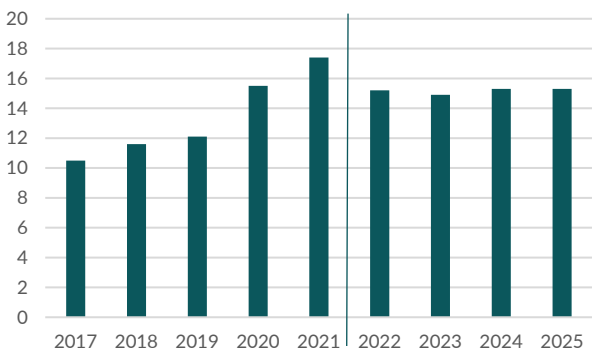
The charts below show some of the key metrics for NBPE.

**Reported average LTM revenue growth (%)**      **Reported average LTM EBITDA growth (%)**



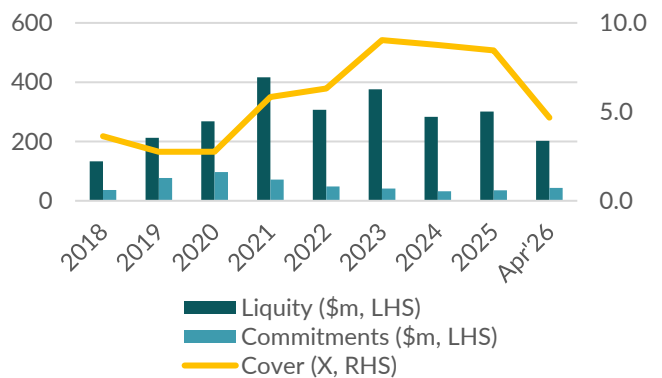
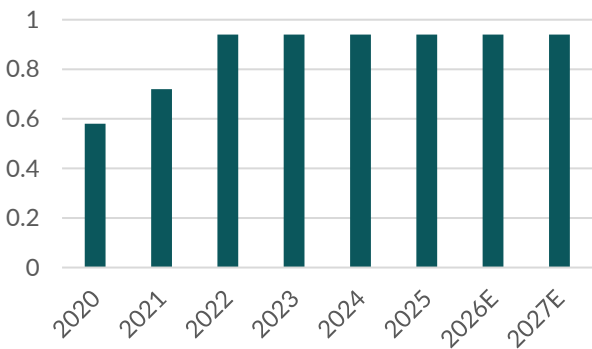
Note: unadjusted for 2022 methodology change, which stripped out some (high) outliers. Source: NBPE Report and Accounts, Hardman & Co Research

**EV/EBITDA (x)**      **Debt to EBITDA (x)**



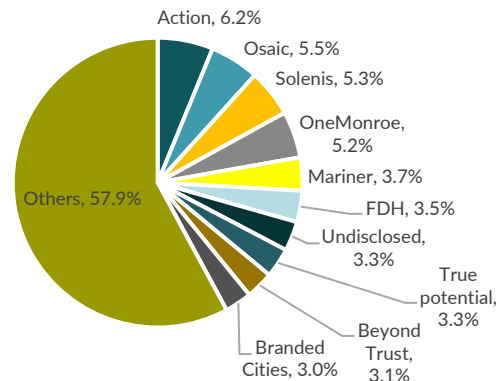
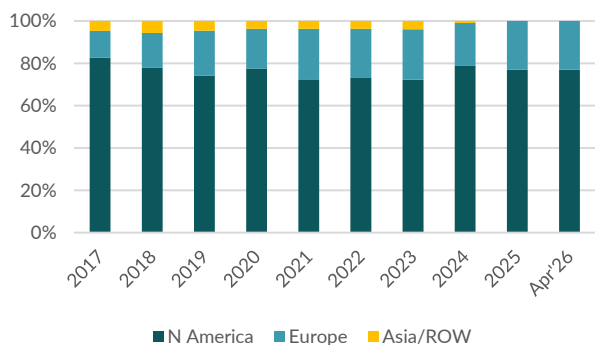
Note: unadjusted for 2022 methodology change, which stripped out some (high) outliers. Source: NBPE Report and Accounts, Hardman & Co Research

**Dividend (c)**      **Available liquidity, commitments and cover (\$m)**



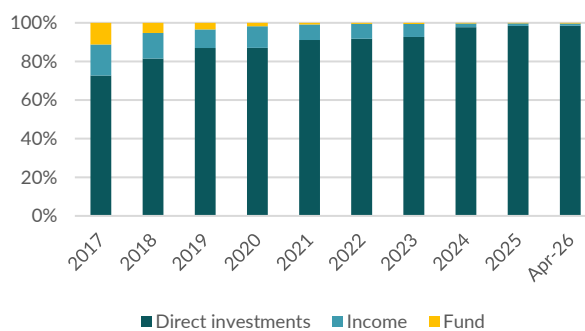
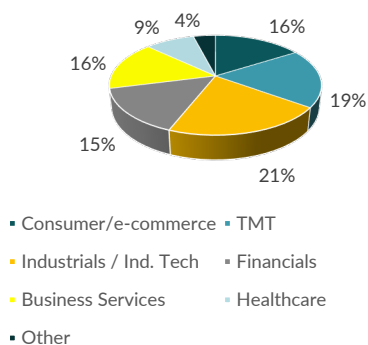
Source: NBPE Report and Accounts and April 2026 Factsheet, Hardman & Co Research

**Geographical mix of assets (% portfolio value)      Largest holdings (% NAV)**



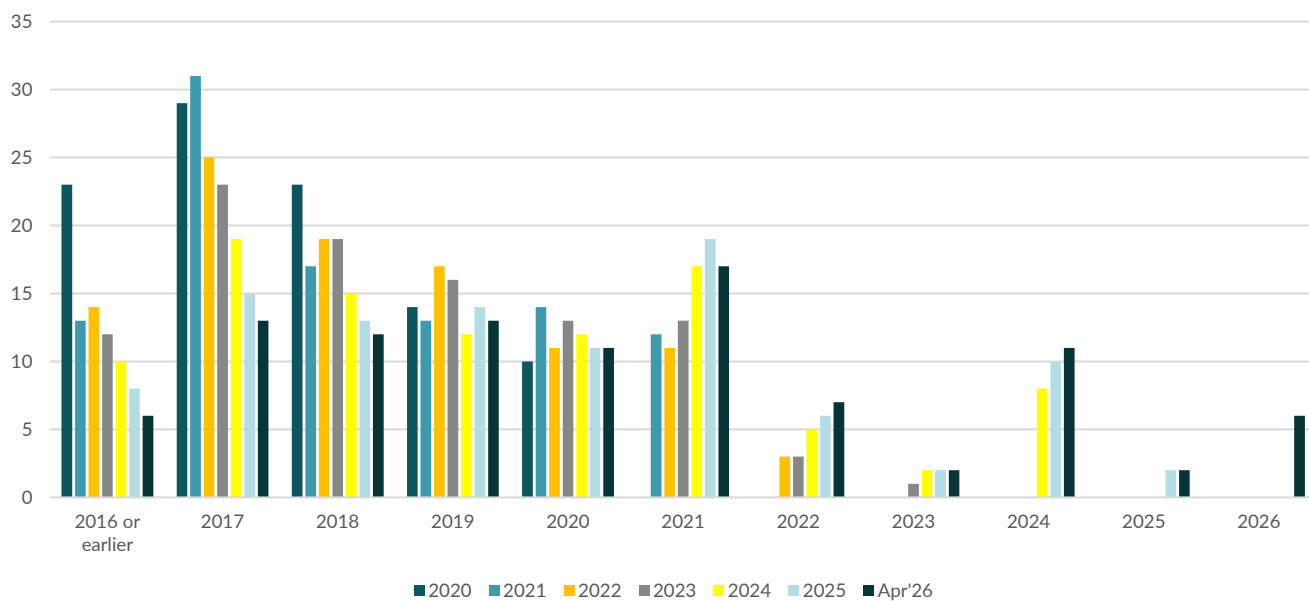
Source: NBPE Report and Accounts and April 2026 Factsheet, Hardman & Co Research

**Sectoral mix of investments (% portfolio value)      Mix by type of investment (% portfolio value)**



Source: NBPE Report and Accounts and April 2026 Factsheet, Hardman & Co Research

**Mix of investments by vintage at each period-end (% portfolio value)**



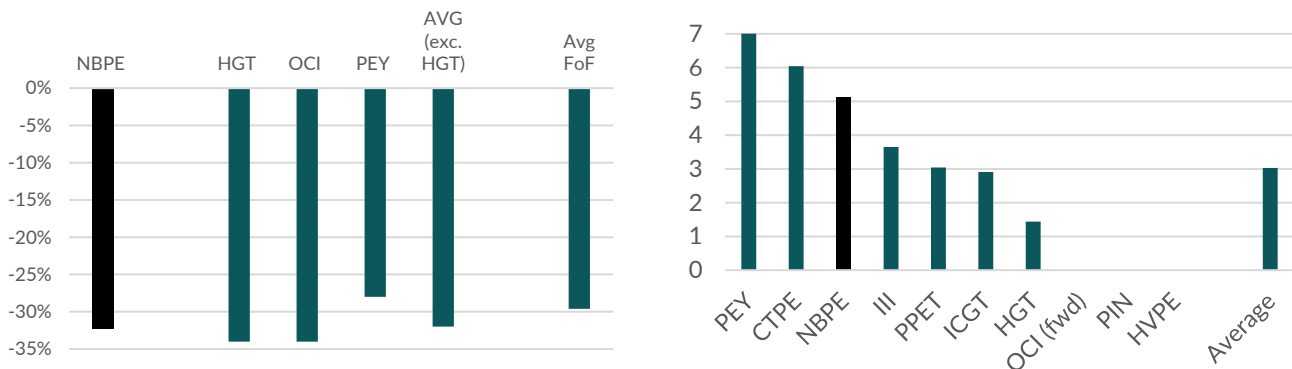
Source: NBPE Report and Accounts and April 2026 Factsheet, Hardman & Co Research

# Valuation

Discount is in line with most direct investing PE names

As the chart below shows, NBPE’s current reported discount to NAV (32%) is in line with the direct investing listed PE trusts, excluding HGT. Its dividend yield is appreciably above the sector average.

Current share price discount to latest NAV (LHS, %), and dividend yield (RHS, %) for narrow and wider peers



Source: Company websites, factsheets and presentations, Hardman & Co Research, priced at 27 May 2026

Sector-wide concerns about the validity of the current NAV and its resilience have been addressed in earlier sections and appear to be more sentiment issues than reality. If NBPE were a trading company, we would use a GGM model to reflect the value added by management. Using this model, it should trade on a multiple appreciably above NAV, given returns are a long way above cost of capital and that it has grown strongly over the medium term.

## What could lead to a rerating?

We reviewed in detail, in [our initiation](#), our view that there are two possible elements to a rerating.

First element is sector rerating, which, arguably, has already started

The first element of a rerating would be a reversal of the 2022-1Q'23 increase in sector-wide discounts. This requires more confidence in NAV and economic resilience, driven by i) continued exit uplifts and returns, which could give investors this confidence, and ii) a risk-on rather than risk-off environment, which will help. This may coincide with confidence that a US recession has been avoided or a market view that interest rates have peaked or lower tariff concerns.

Second element is final 10%-15% of the discount to par. NBPE requires delivery of returns but may take more time.

At the end of 2018, the discount was 21%, falling to 16% at the end of 2019. This rose to 29% at the end of 2020 on COVID-19, before falling again, at end-2021, to 21%. The group’s transition to being a co-investment vehicle has evolved (end-2017 nearly a third of PE investments were in income investments and funds, against just 2% at end-2024), so a migration from a fund-of-fund comparative valuation to a direct one has also been seen. Within this noise, and adjusting for the current business mix overall, we believe the trust to have an historical sustained discount of around 10%-15%. Given the returns in underlying companies driving market-beating investor returns, and the strong capital structure inherent in a co-investing vehicle, any discount appears to be a fundamental anomaly. In our view, eliminating it over the longer term is about delivery of returns, which, at some stage, is likely to be recognised by the market.

## Financials

Following the results, our forecast NAV is broadly unchanged. There has been a small uplift associated with a greater buyback than previously included in estimates.

| Profit and loss                                 |              |              |                |             |             |             |              |              |
|-------------------------------------------------|--------------|--------------|----------------|-------------|-------------|-------------|--------------|--------------|
| Year-end Dec (\$m)                              | 2020         | 2021         | 2022           | 2023        | 2024        | 2025        | 2026E        | 2027E        |
| Interest and dividend income                    | 9.5          | 5.7          | 4.5            | 7.1         | 8.5         | 1.5         | 1.4          | 1.5          |
| Expenses                                        |              |              |                |             |             |             |              |              |
| Inv. mgt. and services                          | 16.7         | 22.5         | 21.1           | 20.5        | 19.1        | 18.5        | 17.3         | 19.1         |
| Carried interest                                | 15.2         | 37.2         | -              |             |             | -           | 3.8          | 4.2          |
| Finance costs                                   |              |              |                |             |             |             |              |              |
| Credit facility                                 | 6.3          | 4.1          | 6.0            | 8.9         | 9.1         | 8.3         | 8.3          | 8.3          |
| ZDP shares                                      | 6.4          | 6.9          | 6.0            | 3.3         | 3.5         | -           | -            | -            |
| Administration and professional fees            | 3.5          | 4.3          | 4.5            | 4.9         | 4.8         | 5.1         | 5.5          | 5.9          |
| Total expenses                                  | 48.1         | 75.1         | 37.7           | 37.6        | 36.3        | 31.8        | 34.9         | 37.5         |
| Net investment income (loss)                    | (38.6)       | (69.3)       | (33.1)         | (30.5)      | (27.8)      | (30.3)      | (33.5)       | (35.9)       |
| Tax expense                                     |              |              | (2.3)          | (0.7)       | (2.3)       | (1.7)       | (1.7)        | (1.7)        |
| Net investment loss after taxes                 | (38.6)       | (69.3)       | (35.4)         | (31.3)      | (30.1)      | (32.0)      | (35.2)       | (37.6)       |
| Net realised gain (loss) on inv. and fx         | 90.2         | 212.4        | 53.4           | 82.5        | 32.9        | 83.0        | 80.9         | 89.3         |
| Net change in unrealised loss                   | 133.3        | 319.7        | (127.1)        | (24.1)      | 14.0        | (12.1)      | 60.8         | 67.2         |
| Net realised and unrealised gain (loss)         | 223.5        | 532.1        | (73.7)         | 58.4        | 47.0        | 71.0        | 141.7        | 156.5        |
| <b>Net change in net assets from operations</b> | <b>184.9</b> | <b>462.7</b> | <b>(109.1)</b> | <b>27.1</b> | <b>16.9</b> | <b>38.9</b> | <b>106.5</b> | <b>118.9</b> |
| Non-controlling interest                        | (0.4)        | (0.5)        | 0.1            | (0.1)       | -           | (0.1)       | (0.5)        | (0.5)        |
| <b>Net change in net assets</b>                 | <b>184.6</b> | <b>462.2</b> | <b>(108.9)</b> | <b>27.1</b> | <b>16.8</b> | <b>38.9</b> | <b>106.0</b> | <b>118.4</b> |
| Average no shares (m)                           | 47.5         | 46.8         | 46.8           | 46.5        | 46.3        | 45.3        | 42.0         | 39.3         |
| EPS (\$)                                        | 1.64         | 3.95         | 9.88           | 0.58        | 0.36        | 0.86        | 2.53         | 3.01         |
| DPS (p)                                         | 0.57         | 0.58         | 0.72           | 0.94        | 0.94        | 0.94        | 0.94         | 0.94         |

Source: NBPE, Report and Accounts, Hardman & Co Research

| Balance sheet                          |                |                |                |                |                |                |                |                |
|----------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Year-end Dec (\$m)                     | 2020           | 2021           | 2022           | 2023           | 2024           | 2025           | 2026E          | 2027E          |
| PE financial assets                    | 1,254.6        | 1,569.3        | 1,401.4        | 1,321.3        | 1,297.6        | 1,212.2        | 1,338.6        | 1,379.7        |
| Govt obligations                       | 0.0            | 0.0            | 0.0            | 115.2          | 0.0            | 18.9           | 0.0            | 0.0            |
| Cash                                   | 3.0            | 116.5          | 7.0            | 50.6           | 72.8           | 72.7           | 14.8           | 4.2            |
| Other assets                           | 9.1            | 3.5            | 2.7            | 2.3            | 1.8            | 1.6            | 1.6            | 1.6            |
| Proceeds receivable                    | 0.6            | 0.3            | 0.2            | 0.3            | 0.0            | 2.9            | 2.9            | 2.9            |
| <b>Total assets</b>                    | <b>1,267.4</b> | <b>1,689.6</b> | <b>1,411.3</b> | <b>1,489.8</b> | <b>1,372.2</b> | <b>1,308.2</b> | <b>1,357.9</b> | <b>1,388.4</b> |
| Liabilities                            |                |                |                |                |                |                |                |                |
| ZDP share liability                    | 157.0          | 162.0          | 72.8           | 80.4           | 0.0            | 0.0            | 0.0            | 0.0            |
| Credit facility loan                   | 35.0           | 0.0            | 0.0            | 90.0           | 90.0           | 90.0           | 120.0          | 120.0          |
| Carried interest payable to Special LP | 15.2           | 37.3           | 0.0            | 0.0            | 0.0            | 0.0            | 3.8            | 4.2            |
| Payables to Inv. Mgr.                  | 4.6            | 5.8            | 5.2            | 4.9            | 4.7            | 4.4            | 5.0            | 5.0            |
| Net deferred tax liability             | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            |
| Accrued expenses and other             | 2.4            | 2.2            | 4.1            | 7.0            | 2.1            | 2.2            | 2.2            | 2.2            |
| <b>Total liabilities</b>               | <b>214.2</b>   | <b>207.3</b>   | <b>82.1</b>    | <b>182.3</b>   | <b>96.8</b>    | <b>96.7</b>    | <b>131.0</b>   | <b>131.4</b>   |
| <b>Net assets</b>                      | <b>1,053.2</b> | <b>1,482.3</b> | <b>1,329.2</b> | <b>1,307.5</b> | <b>1,275.3</b> | <b>1,211.5</b> | <b>1,226.8</b> | <b>1,257.0</b> |
| Period end no shares (m)               | 46.8           | 46.8           | 46.8           | 46.6           | 46.3           | 43.3           | 40.6           | 38.0           |
| \$ NAV per share                       | 22.49          | 31.65          | 28.38          | 28.07          | 27.53          | 27.94          | 30.18          | 33.06          |
| £ NAV per share                        | 16.45          | 23.37          | 23.59          | 22.02          | 21.98          | 20.77          | 22.44          | 24.58          |

Source: NBPE, Report and Accounts, Hardman & Co Research

## Appendix 1: Previous Hardman & Co research on NBPE

Given the regulatory restrictions on distributing research on this company, the monthly book entry and other research on the company can be accessed via [Hardman & Co Research](#). Specific research reports include:

- ▶ [Co-investments generating superior performance](#) (initiation, 16 June 2023).
- ▶ [1H'23 results summary: continued growth](#) (3 October 2023).
- ▶ [2023 CMD: value creation from growing companies](#) (23 October 2023).
- ▶ [Value creation in a higher-rate environment](#) (7 March 2024).
- ▶ [Wider operating company EBITDA margins in 2023](#) (13 May 2024).
- ▶ [NB: adding value in attractive co-investment sector](#) (8 October 2024).
- ▶ [Update on: NAV, capital, Trump and interest rates](#) (18 March 2025).
- ▶ [2024: short-term noise over long-term growth](#) (12 May 2025).
- ▶ [1H'25 results: turning the corner](#) (6 November 2025).
- ▶ [2025 CMD: good returns from low-risk PE model](#) (3 December 2025).

## Appendix 2: co-investment types

The characteristics by type of deal are:

- ▶ **Traditional/Syndicated:** A deal with co-investors is done after the main deal is signed or already closed as the lead sponsor sells a portion of their equity stake to bring in additional capital for the transaction after it has been secured.
- ▶ **Co-Underwritten/Non-Syndicated:** A deal with co-investors is done before the purchase agreement is signed, as the lead sponsor partners with a co-investor early in the deal process, and they both carry out due diligence. This leverages the co-investor's due diligence capabilities and financial means, which can provide greater certainty in closing the deal and managing competition for the target company.
- ▶ **Mid-Life Co-Investments:** A deal with co-investors is done during an existing portfolio company's "mid-life"; i.e., after it has been acquired by the lead sponsor (typically, a couple of years later). The co-investor invests directly into an existing portfolio company owned by the lead sponsor to provide capital for growth initiatives, facilitate M&A, or to allow for partial divestitures by existing shareholders.

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