



14 October 2026

Closed End Investments



Source: LSEG, 2026

Market data

EPIC/TKR	ICGT
Price (p)	1,390
12m high (p)	1,611
12m low (p)	1,288
Shares (m)	60.1
Mkt cap (£m)	835
NAV p/sh. (Jul'26, p)	2,091
Disc. to NAV (%)	-34
Country/Ccy	UK/GBP
Market	Premium equity closed-ended investment funds

Description

ICG Enterprise Trust (ICGT) is a listed private equity (PE) investor, providing shareholders with access to a portfolio of European and US investments in profitable, cash-generative, unquoted companies. It invests in companies managed by ICG and other leading GPs directly and through funds. It strikes a balance between concentration and diversification, risk and reward.

Company information

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Aud. Cttee. Chr.	Alastair Bruce
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Key shareholders

Retail Col. Thread. Inv.	
Saving Plans	31.2
Retail II	7.7
Retail Harg. Lans.	5.9

Diary

Jan'27	3Q results to Oct
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Analyst

Mark Thomas	mt@hardmanandco.com
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Disclosure: the relevant analyst is a shareholder in ICG Enterprise Trust

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ICG ENTERPRISE TRUST PLC

Investor questions answered and 1HFY'27 results

ICGT recently hosted two webinars to answer questions submitted by Hardman & Co readers. In [Part 1](#), the manager discussed the trust's approach to PE investing, and its positioning in uncertain times through its defensive growth strategy. He also reviewed recent market challenges, the outlook for transaction activity/exit uplifts, AI opportunities and risks (including the impact on software). [Part 2](#) covered ICGT's gearing and interest-rate sensitivity, dividend policy, share buybacks and the sector-wide persistent discounts to NAV, the sustainability of shareholder returns and demand for shares.

- **1HFY'27 results:** The key takeaways from ICGT's [results and presentation](#) were i) strong and accelerating operating company EBITDA and revenue growth 16% and 11%, respectively, ii) through-cycle interest from buyers (24 exits at 3.0x cost multiple, 9.4% uplift on exit), and iii) modest software exposure.
- **Other issues:** i) diverse growth drivers, ii) strong, flexible balance sheet to both invest and return capital, iii) 64% of portfolio pre 2022 vintage (high exit potential), iv) stable EV/EBITDA 15.8x and debt to EBITDA 4.8x, v) proceeds of £84m and investments £65m, vi) five-year portfolio return cont. ccy. 10.2%.
- **Valuation:** ICGT's NAV valuations are conservative (regular realisation uplifts), the ratings undemanding, and the ongoing carry value against cost is modest. The 34% discount to NAV is anomalous, we believe, with defensive, market-beating returns, and is above pre-COVID-19 levels. The 2027E yield is 3.0%.
- **Risks:** PE's post-expense, long-term returns are market-beating, but it is an above-average cost model. Sector sentiment may be adverse to the perceived interest rate risk, IPO market, and performance in economic slowdowns. We believe ICGT's permanent capital structure is right for illiquid assets.
- **Investment summary:** ICGT has consistently generated superior returns, by identifying managers and investments where value can be added, with a strategic focus on defensive growth and exploiting ICG synergies. Valuations appear conservative, and governance is strong. It seems anomalous, in our view, to have this record of outperformance and to trade at a discount to NAV.

Financial summary and valuation

Year-end Jan (£000)	2023	2024	2025	2026	2027E	2028E
Total income	2,271	2,874	1,113	2,565	2,406	2,406
Realised gains	9,311	(1,044)	1,530	(1,365)	-	-
Unrealised gains	175,890	40,413	132,626	14,949	157,068	167,578
Investment manager fees	(17,013)	(16,148)	(15,873)	(16,063)	(16,232)	(17,283)
Other expenses	(1,956)	(1,769)	(1,501)	(2,271)	(2,407)	(2,552)
Rtn. on ord. act. pre-tax	164,525	17,366	107,510	(8,429)	133,502	142,816
NAV per share (p)	1,903	1,909	2,073	2,045	2,256	2,486
NAV total return	15%	3%	12%	1%	13%	13%
S/P prem./disc. (-) to NAV *	-43%	-36%	-35%	-24%	-38%	-44%
Investments (£m)	1,349	1,296	1,470	1,309	1,396	1,484
Dividend per share (p)	30	33	36	39	42	45

*S/P discount to NAV 2023-26 actual NAV and share price on that date, 2027-28 forecast NAV to current share price. Source: Hardman & Co Research

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1H'FY27 results to Jul'26 summary

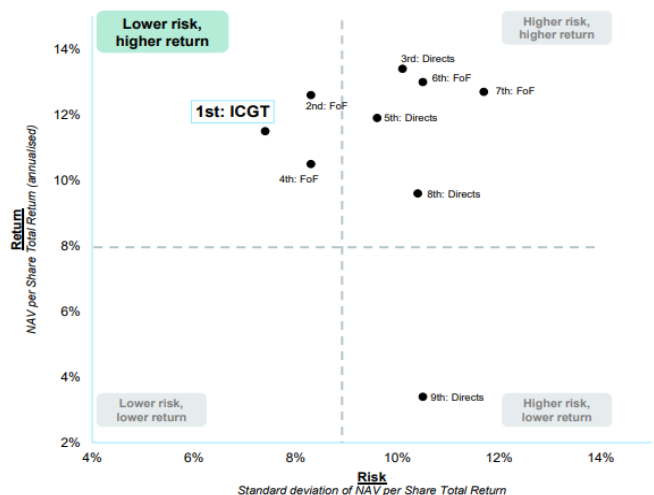
The six-month period demonstrated growth across multiple areas, positive net portfolio cashflow and selective investment. This is a continuation of recent trends and reflects the business strategy that has made ICGT one of the top "ISA millionaires" stocks in the listed PE space.

- ▶ NAV p/sh of 2,091p, as at 31 July 2026. Six-month NAV p/sh total return of 3.3% and five-year annualised return of 8.4%.
- ▶ Portfolio return on a sterling basis of 3.6% over the six months, driven by directs investments.
- ▶ Portfolio operating companies reporting LTM revenue growth of 11% and EBITDA growth of 16% (FY'26 10% and 13%, respectively). EV/EBITDA 15.8x and net debt/EBITDA 4.8x, both stable on the FY'26.
- ▶ Total proceeds were £84m, of which £32m came from the exits of two of the top 30 companies (Curium, Yudo). A further ca.£70m of proceeds is expected to be received in coming quarters from two further large exits (Exail, Ambassador Theatre Group). 24 full exits at a weighted-average multiple of invested cost (MOIC) of 3.0x and uplift to carrying value of 9.4%.
- ▶ Continuing to invest selectively with total new investments of £65m and new fund commitments of £104m. This is below recent years, reflecting the opportunities that meet ICGT's hurdle rate as well as keeping balance sheet strength and returning capital to shareholders via dividends and buybacks. The current wide discount generates significant NAV enhancement with the latter.
- ▶ £20m buybacks executed in 1H, increasing NAV per share by 14.9p (0.7%). Q2 dividend of 9.5p per share; board intention remains to pay total FY'27 dividends of at least 42p per share (FY'26: 39p).

ICGT's defensive growth strategy has again delivered a strong relative performance, and, since 2020, it has been delivering sector-level returns for a below-sector level of risk (see chart below).

Listed PE annualised returns (NAV p/sh) vs. risk (SD of NAV total return)

Since January 2020:



Source: ICGT 1HFY'27 results presentation, slide 2, Hardman & Co Research

Investor Webinar Part 1

Summary

In the first episode, Colm Walsh, Co-Manager of ICG Enterprise Trust, discusses the trust's approach to investing in private equity and its positioning in an uncertain economic environment. The conversation explores ICGT's defensive growth strategy, recent market challenges and the outlook for transaction activity and exit uplifts. It then reviews the opportunities and risks presented by AI, including the trust's exposure to software and how its managers are approaching a rapidly changing technology landscape.

Key moments

- ▶ 00:47 – The reasons to invest in ICGT
- ▶ 02:22 – Defensive growth matters
- ▶ 04:49 – NAV growth relative top investee company earnings growth
- ▶ 06:27 – The outlook for private equity realisations
- ▶ 08:52 – The outlook for exit uplifts
- ▶ 10:18 – ICGT and the AI challenge
- ▶ 12:54 – AI benefits to the portfolio

Can you give a brief introduction to the trust and highlight why investors should buy ICGT over other listed PE vehicles?

ICGT offers unique exposure to difficult-to-access companies

ICGT is the oldest listed PE vehicle (formed 1981). It invests in mature, profitable, cashflow-positive companies, with secular growth; an investment space which is increasingly difficult to access in public markets. It is a focused exposure where the interests of shareholders are front of mind. ICGT also has an innovative approach to shareholder returns (two buybacks and dividends) as well as focusing on generating good strong and consistent returns from new investments.

Hardman comment: *In our notes, we review the opportunities and risks from making an investment in ICGT (see Appendix 1). It has a distinctive investment focus (defensive growth), a manager with a unique downside risk perspective as well as new business introduction opportunities, and capital allocation policies unlike any other.*

We are living in very uncertain times. ICGT's strategy is defensive growth. How does that position ICGT across the whole range of economic conditions?

GPs manage change all the time and there is nothing new in that

The new normal is uncertainty, but every decade has had challenges and volatility – collapse of communism and the internet are just two examples. Experience of uncertainty is a key factor for the trust, and the managers it invests with. There will be different changes each time, but managing through periods of change is a consistent competency.

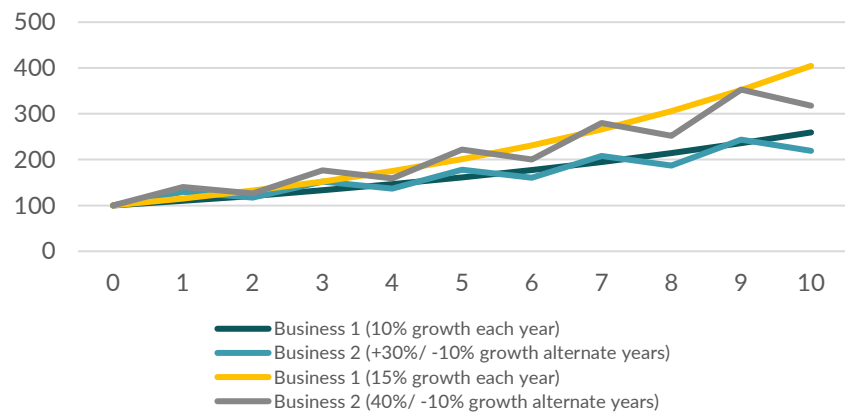
Defensive growth strategy results in investing in resilient companies

Defensive growth businesses, ICGT's core investment focus, have resilience to GDP fluctuations and reasons to grow which are noncyclical. Typically, there is underlying macro trend to support growth (many reflecting the very factors that present macro challenges; e.g. AI or digitalisations). ICGT investments have multiple different themes and so ICGT has diversity in its portfolio. The core driver is that non-cyclical growth should deliver consistent growth. Many larger listed companies are dependent on narrow themes, while ICGT is diversified and so has an attractive risk-adjusted return profile.

Consistent returns see compounding benefits

Hardman comment: The chart on p3 shows that ICGT has been delivering sector levels of returns for below-sector risk. A core result of ICGT's strategy is the consistency of its returns in addition to their level. In multiple notes, we have reviewed how consistent returns compounding over time earn higher returns than one generated by volatile profiles (most recently see p5 of [FY'26 results: look to future realisations](#) (10 June 2026)).

Benefit from compounding steady annual growth (indexed to 100 in year 0)



Source: Hardman & Co Research

A more normal exit environment will see NAV growth more in line with operating company growth and ICGT's portfolio significantly exit-ready

NAV growth has been disappointing in recent years. Why is that and what will see NAV growth more in line with the very strong revenue and EBITDA growth of the underlying companies?

Across the PE market, there have been lower transaction volumes than what may be expected to be a normal level. This led to fewer exits and exit uplifts, and ICGT also did not see the benefit of fresh valuations, which arise on exits. All of this led to a lower NAV growth profile than targeted, or expected, over the medium term.

Looking at why that happened, the prolonged period of low exit volumes was due to multiple factors – including the global political environment, conflicts, domestic politics – all combining to make it harder to sell companies.

Looking forward, some of these are easing and there has been an uptick in volumes. Encouragingly, several companies, which managers had tried to sell in the past, have come back to market and been successfully exited. Volumes closer to historical averages will help the NAV growth.

Hardman comment: We have addressed the divergence between NAV growth and operating company performance in multiple previous notes. See, for example, pp7-9 of [FY'26 results: look to future realisations](#). In addition to the very important realisation volume and uplift issues there are technical factors, portfolio changes, relative sectors rating changes, listed comparable changes and the impact of interest rates on bottom line earnings vs. EBITDA. In the most recent note, we reviewed how EBITDA growth and NAV returns may align more closely due to maturing new investments, the delivery of secondary investment returns and the alignment of earnings with EBITDA growth.

Longer hold periods as realisations slow – what is the impact on the trust?

Good companies held for longer will generate growth

ICGT can see the portfolio still growing and compounding, so is very positive about ultimate performance. Just to reiterate, it is also seeing green shoots in the exit market. A good example is the exit of USI, a large US insurer whose realisation was

delayed by macro concerns and AI and then it was sold at a very attractive premium valuation.

Hardman comment: *An ongoing shift from public to private markets has been seen for many years/decades now. As PE has become an increasing proportion of the investment portfolio, it has massively increased the availability of equity and debt finance for privately held companies. There is no longer a need to sell out a business to ensure future growth financing, so structurally increasing the potential for longer hold periods. In the near past, market conditions have limited exit opportunities, cyclically extending hold periods. The latter may be expected to moderate when macro conditions stabilise, but, in our view, hold periods will remain higher than the long-term averages.*

Apart from realisation volumes, uplift levels on exits are well below the peaks of 2020-21. What is the outlook from here?

Hard to forecast uplift levels as very mix-of-exit dependent. Fundamental way companies are valued is unchanged.

It is very difficult to forecast. Lower recent uplifts are a function of mix. Typically, there are higher uplifts on sales to strategic buyers and to other PE buyers while continuation fund exits have lower uplifts. Lower transaction volumes have driven an increase in continuation funds as a proportion of exits and hence lower overall uplifts. There has not been a change in the fundamental way companies are valued.

Hardman & Co view is that uplifts will normalise well above current levels but below the 30%+ historical average

Hardman comment: *As outlined in recent notes, we believe uplifts are likely to increase from their current levels as the exit market normalises but are unlikely to return to the peak levels seen in 2020-21. An average of 20%+ rather than 30%+ appears more likely. Greater value will be created in the hold period from operationally improving businesses (AI should help here), and we expect greater divergence between those managers who have the skills to do this and those who were perhaps more reliant on financial engineering and exits. This trend appears to us to play well to ICGT's core approach.*

What are the threats and opportunities from AI and exposure to software?

ICGT GPs have been managing AI threats and opportunities for many years before it became a "hot topic"

Certainly, AI has been a theme for 2026. ICGT is very diversified by sector and growth themes and, so, unlike some peers, is not overly reliant on software, which saw some, but not all, companies face sharp valuation moves. At the time of the presentation, it was just 12% of the portfolio. The GPs have been very selective, and AI risks and opportunities, across all sectors, have been part of their consideration for some years.

When software and other valuations became inflated, ICGT was very cautious on new investment, although it has not shared publicly the opportunities it turned down. ICGT's investment approach to each individual company has a strong downside risk focus, resulting in a portfolio with controlled exposure to software; and, where it has invested, it is in companies that are less exposed to AI risk. Valuations of software have come back from their troughs but not in a uniform way. Cyber security held up very well and cyber security companies are likely to see benefits as AI increases cyber risk. ICGT companies are not only resilient to threats but can benefit, as AI enhances functionality and improves product.

Hardman comment: *The threats and opportunities from AI remain, in our view, uncertain, with the potential for significant divergence between winning and losing businesses. To us, the way that PE had enhanced the digitalisation of its investments is very encouraging for the way that it may adopt AI. It is not possible to independently verify ICGT's comments that its managers have been considering the impact of AI for several years before it became the "hot topic", but the core competency of managing change, and historical technology adoption strongly support the assertion.*

Investor Webinar Part 2

Summary

In the second episode, Colm Walsh, Co-Manager of ICG Enterprise Trust, covers the trust's approach to gearing and interest-rate sensitivity, as well as how the underlying portfolio is managed through different market and interest-rate environments. It reviews ICGT's dividend policy, share buybacks and the persistent discount to NAV affecting listed private equity trusts. Colm addresses questions around the sustainability of shareholder returns and the balance between retail, wealth management and institutional demand for ICGT shares.

Key moments

- ▶ 0:44 – Gearing and interest-rate sensitivity
- ▶ 4:25 – Tackling the discount to NAV
- ▶ 5:13 – The thinking behind ICGT's dividend and buyback policies
- ▶ 7:07 – Can buybacks really close the discount?
- ▶ 7:45 – How sustainable is the dividend?
- ▶ 9:01 – Where will future demand for ICGT shares come from?

How does ICGT think about gearing at both the trust and underlying company levels?

Trust level only marginal, temporary gearing to manager operational cashflows

At the trust level, ICGT uses limited gearing to manage fluctuations in operating cashflows. It cannot be certain on the precise timing when calls will be made or when realisation proceeds received. It uses a revolving credit facility in order to be fully invested, and minimise cash drag effects. At latest reported period, before the presentation, it was ca.3% geared – very low relative to many peers. The key point is, there is no permanent leverage.

At operating company level, gearing above public markets, but companies chosen for their resilient cashflows

At operating company level, ICGT has an approach focused on downside protection and the capital structure is very important to that. One major benefit of being part of ICG is having colleagues in credit markets and private debt. This generates an institutional knowledge of capital structures and the risks inherent in different structures. The average valuation is a little under 16x EBITDA and leverage under 5x. This is higher than public markets, but investee companies are selected for their resilient, defensive cashflows and ability to sustain debt.

Hardman comment: *In our view, the approach to gearing is materially driven by the culture of the board and having a defensive growth strategy is very consistent with below-peer gearing. Having more than public market gearing is a feature of PE, but we believe ICGT will be at the conservative end of its market. Additionally, we have noted in previous reports, over many years, that the culture of the manager (ICG) and its focus on the downside is a further factor in keeping leverage low. See for example [Intermediate Capital Group/ICGT: friends with benefits](#) (2 December 2021).*

What are the direct and indirect effects of interest rates?

ICGT investments looking to generate returns from operational improvements, not financial gearing, which lower interest rate risk

All else being equal, ICGT would prefer lower rates, but it invests with experienced managers who have been through multiple rate cycles, and so know how to manage higher rate environments. They do not invest in businesses dependent on financial leverage for returns and have multiple options for growth and value creation. They look at changing the operation/focus of companies and not just financial management.

Hardman & Co notes unchanged target returns for new investment across PE sector despite changes in interest rates. Managing AI much more important than short-term interest rate noise.

Hardman comment: We concur with ICGT that managing the interest rate environment over the medium term is just one of the many challenges GPs have to control. In our view, the structural changes from AI are likely to be significantly more important to medium-term returns than probable cyclical movements in interest rates. Across the market, we have seen that target IRRs on new business are unchanged despite interest rate movements. Higher-for-longer interest rates are more challenging, both operationally and in terms of the exit environment, and the mix of how returns are achieved is changing, but it does not mean that investment returns will automatically be lower going forward.

Across the sector, discounts to NAV remained stubbornly large and different companies have taken different approaches to narrow it. ICGT has a dividend policy with two distinct buyback policies. Why have you chosen to do it this way and what is the evidence it is working?

Board capital allocations look at both short- and long-term investor returns

Capital allocation policy is driven by the board. They are sensitive to both returns on new investments, over the medium and long term, and also to immediate shareholder returns via dividends and buybacks. The dividend has a progressive policy (ca.10% CAGR over 10 years, Hardman & Co 2027E dividend yield 3%) – based on investor feedback that they want recurring returns.

One aim of buybacks is to moderate the volatility in discount. The long-term programme supports market liquidity being active frequently and at any level of discount. This moderates the impact of low-volume-related spikes on any trading day. The opportunistic programme is only active at wider discounts and can remove stock overhangs at such times, moderating the discount volatility that way. Buybacks are no panacea for a lower discount. Discounts are a sector problem and should reduce as investors become more comfortable with the asset class.

Hardman comment: We concur with ICGT that buybacks alone are not a panacea for a wide discount, especially when they are a sector-wide issue. The multiple approach of dividend and two distinct buyback programmes give ICGT ongoing flexibility as well as meaning that investors have more visibility on capital returns than, say, companies doing infrequent tender offers.

With the trust cash primarily generated from realisations, how sustainable is the dividend?

ICGT has balance sheet strength to ensure dividend sustainability both from cash and capital perspectives

Historically, investment trusts could only pay dividend from income (revenue reserves). Rules were changed so they can now pay from capital reserves, making the dividend more sustainable. Not every investor wants dividends, but some would also like to see a higher one. The policy reflects feedback from the investor base, which, on balance, likes a recurring return.

Hardman comment: The low current leverage gives ICGT considerable flexibility in deploying cash into new investments, the dividend and buybacks. The ca.£25m likely cost of the FY'27 total dividend appears modest in relation to realisations, and, given the balance sheet strength, we do not foresee any sustainability issue.

Demand for shares/incremental buyers – how reliant is the trust on retail investors?

ICGT trying to attract a range of institutional and retail investors

ICGT has a long heritage of a significant retail base (ca.50% retail, 50% institutional). Retail investors face more difficulties to access PE even though it meets many of their needs (diversity, long-term focus, exposure to all sectors and sizes of companies). Keen to see more demand and they have seen growth in holdings on the big retail platforms. ICGT is looking to increase all shareholders with improved communication.

1H FY'27 portfolio overview

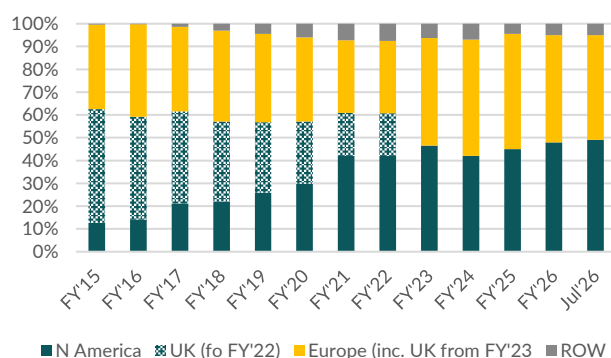
The top 30 companies accounted for 38% of the portfolio value with a material impact on the ratios from exits and new additions. The enlarged portfolio 69% is less impacted and, as can be seen, has generated accelerated growth. The table below gives some of the key performance, valuation and gearing metrics across both disclosures.

Key portfolio metrics						
	FY'25 Top 30 (40% portfolio)	FY'25 Enlarged (67% portfolio)	FY'26 Top 30 (37% portfolio)	FY'26 Enlarged (70% portfolio)	1H FY'27 Top 30 (38% port.)	1H FY'27 Enlarg. (69% portfolio)
LTM revenue g (%)						
Average	9.0	11.2	10.2	9.5	8.4	11.3
% negative	12*	14*	10.5	16.7	20.4	20.0
% >20%	13	16	14.4	14.1	19.0	19.5
LTM EBITDA g (%)						
Average	15.5	15.3	13.9	13.1	13.7	16.2
% negative*	16	18	11.6	15.6	17.9	17.3
% >20%	31	29	34.5	17.6	21.5	23.3
EV/EBITDA						
Average (x)	15.4	15.2	15.9	15.7	16.7	15.8
<10x (%)	9	10	7.8	9.1	6.3	10.9
>20x (%)	15	15	21.2	19.7	28.1	21.1
Net debt/EBITDA						
Average (x)	4.0	4.4	4.7	4.8	4.8	4.8
<2x (%)	27	17	16.2	12.5	14.7	12.1
>6x (%)	35	29	29.0	26.8	29.5	26.6

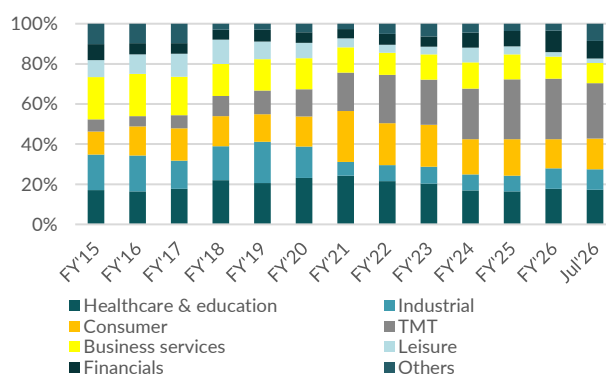
* We understand the vast majority have falls under 5%. It is not uncommon for new companies to see heavy investment before realising the benefits.

Source: ICGT Report and Accounts, Hardman & Co Research

Geographical distribution of portfolio, FY'15-1H FY'27 (%)

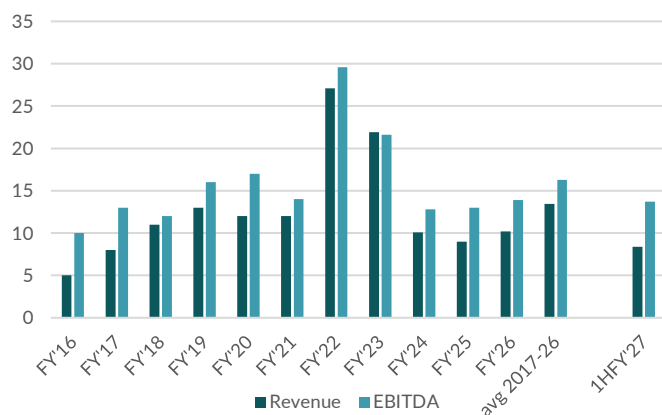


Sectoral distribution of portfolio, FY'15-1H FY'27 (%)

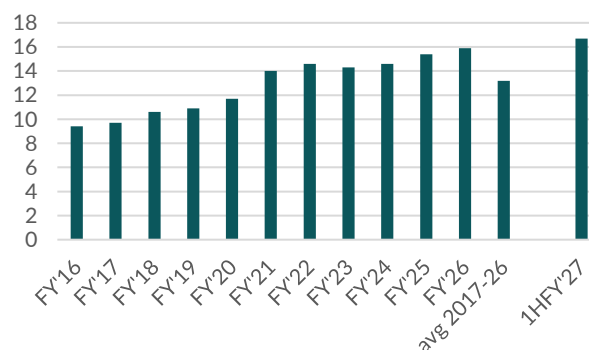


Note: UK now included in Europe; Source: ICGT Report and Accounts and website, Hardman & Co Research

Top 30 LTM revenue and EBITDA growth, FY'16-1HFY'27 (%)

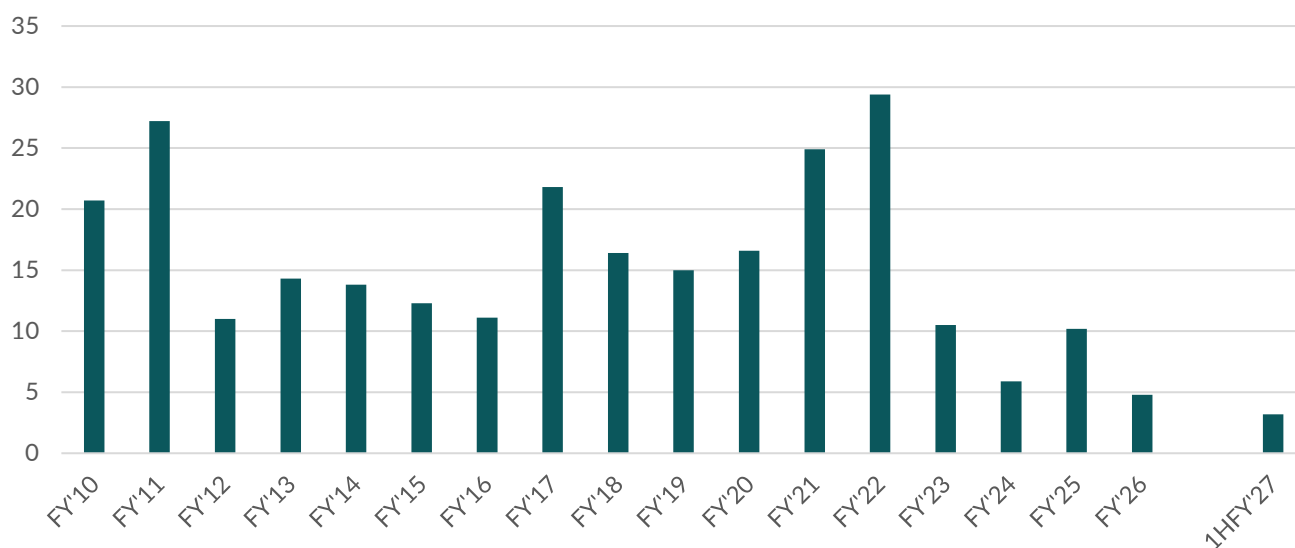


Top 30 EV/LTM EBITDA, FY'16-1HFY'27 (x)



Source: ICGT Report and Accounts and interim announcement, Hardman & Co Research

Underlying constant-currency portfolio growth, FY'10-1HFY'27 (%)

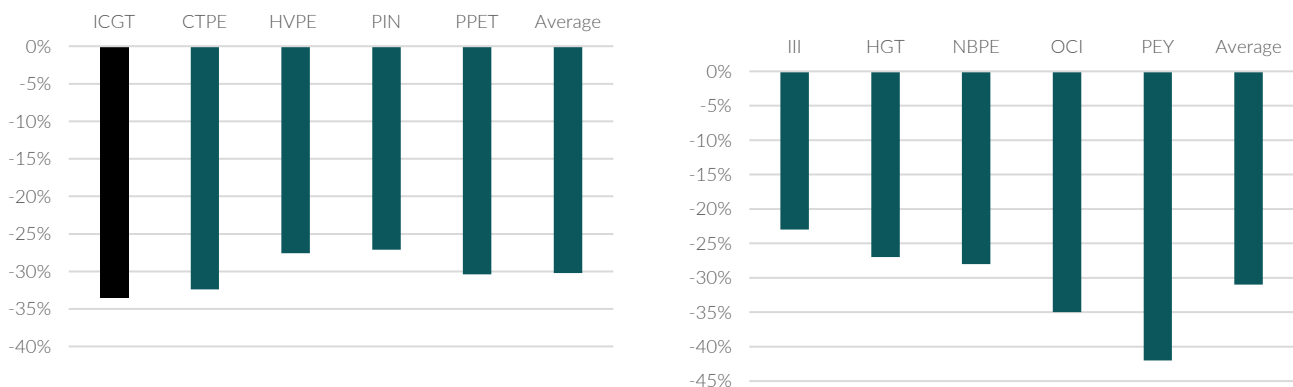


Source: ICGT Report and Accounts, Hardman & Co Research

Valuation

Despite its strong absolute performance and consistent uplift to carry value on exit, ICGT trades at a discount to NAV. This is not uncommon in the PE market, and ICGT's discount is slightly above the average of its immediate peers. We note that NAVs for some peers are updated monthly.

Current share price discount to NAV for immediate peers (left chart) and wider peers (right chart)



Source: Company websites, factsheets and presentations, LSE, Hardman & Co Research; priced at 14 October 2026

What could lead to a rerating?

We see 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 further closing 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 would help. This could coincide with further confidence that a US recession has been avoided, or a market view that interest rates have peaked, or less tariff uncertainty. In our view, when markets believe they have clarity on the interest rate environment, a significant drag on the share price could reduce rapidly.

Second element is final 15%-20% discount to par. ICGT's continued delivery of returns likely to be a key driver.

The second element to a rerating is the elimination of the company-specific discount. We would characterise the trust as having a sustained discount of around 15%-20% (average year-end January 2017-20 was 18%), with sector-driven noise on top. Given the market-beating returns and conservative approach to NAV (in our view, proven by uplifts on exits), this company-specific discount appears anomalous. The key drivers to its elimination are:

- ▶ Continued delivery of superior performance.
- ▶ Market recognition of this: in recent years, ICGT has revamped its website, started a monthly newsletter, clarified its portfolio metrics with a move away from the previous high-conviction definition, held its first-ever investor day, and enhanced portfolio disclosure. Given the number and breadth of these actions, we expect further communication enhancements going forward.
- ▶ Further sales in the secondary market of non-core holdings at a discount well below that of the trust.

Financials

Other than a slightly increased buyback (and associated NAV accretion), our forecasts are unchanged.

Income statement (£000)

Year-end Jan	2026			2027E			2028E		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
Overseas interest and dividends	2,306		2,306	2,306		2,306	2,306		2,306
Deposit interest & other	259		259	100		100	100		100
Realised gains on investments		(1,365)	(1,365)			-			-
Unrealised gains on investments		14,949	14,949		157,068	157,068		167,578	167,578
FX gains and losses	0	3,533	3,533	0	0	0	0	0	0
Investment managers' fees	(1,606)	(14,457)	(16,063)	(1,623)	(14,609)	(16,232)	(1,728)	(15,555)	(17,283)
Other expenses	(2,271)	-	(2,271)	(2,407)	-	(2,407)	(2,552)	-	(2,552)
Return before finance costs and taxation	(1,312)	2,660	1,348	(1,624)	142,459	140,834	(1,874)	152,023	150,149
Interest payable and similar expenses	(927)	(8,850)	(9,777)	(695)	(6,638)	(7,333)	(695)	(6,638)	(7,333)
Return on ordinary activities before taxation	(2,239)	(6,190)	(8,429)	(2,320)	135,821	133,502	(2,569)	145,385	142,816
Taxation	-	-	-	-	-	-	-	-	-
Return on ordinary activities after tax	(2,239)	(6,190)	(8,429)	(2,320)	135,821	133,502	(2,569)	145,385	142,816

Source: ICGT Report and Accounts, Hardman & Co Research

Balance sheet (£000)

@ 31 Jan	2020	2021	2022	2023	2024	2025	2026	2027E	2028E
Non-current assets									
Unquoted investments	571,143	604,306	202,009	269,178	260,296	305,229	314,939	343,247	364,441
Quoted investments	1,231	35,702	0	0	0	0	0	0	0
Subsidiary investments	206,042	267,554	921,738	1,079,897	1,036,086	1,164,320	993,961	1,053,236	1,119,625
Total non-current assets	778,416	907,562	1,123,747	1,349,075	1,296,382	1,469,549	1,308,900	1,396,483	1,484,066
Current assets									
Cash & cash equiv.	14,470	45,143	41,328	20,694	9,722	3,927	33,837	9,769	7,204
Receivables	1,142	162	2,205	2,416	2,258	2,018	1,486	1,486	11,982
Total assets	794,028	952,867	1,167,280	1,372,185	1,308,362	1,475,494	1,344,223	1,407,738	1,503,252
Creditors	483	851	9,303	6,274	5,139	11,171	5,081	4,975	5,000
Gross debt				65,293	20,000	131,931	66,570	66,570	75,000
Net assets	793,545	952,016	1,157,977	1,300,619	1,283,223	1,332,392	1,272,572	1,336,193	1,423,252
NAV per share (p)	1,152.12	1,384.3	1,690.1	1,903.0	1,909.4	2,072.9	2,044.6	2,255.6	2,486.5

Source: ICGT Report and Accounts, Hardman & Co Research

Cashflow (£000)

Year-end Jan	2020	2021	2022	2023	2024	2025	2026	2027E	2028E
Sale of portfolio invests.	107,179	147,545	100,982	32,143	40,611	19,966	60,090	60,090	60,090
Purch. of portfolio invests.	(95,417)	(86,134)	(75,125)	(62,245)	(25,162)	(34,144)	(50,605)	(50,605)	(50,605)
Cashflow to sub. inv.					(116,084)	(152,174)	(154,775)	(190,000)	(190,000)
Cashflows from sub. inv.					195,300	125,769	320,137	250,000	250,000
Net cashflows to sub. inv.	(34,446)	(6,486)	(2,524)	(10,162)	79,216	(26,405)	165,362	60,000	60,000
Interest income	5,832	1,231	3,647	1,829	1,695	494	708	708	708
Dividend income	1,290	5,445	1,854	394	779	547	1,452	1,452	1,452
Other income	381	71	2	46	509	53	259	2,306	2,306
Invest. mgr. charges paid	(9,499)	(10,334)	(6,207)	(21,218)	(15,647)	(16,021)	(16,240)	(16,232)	(17,283)
Other expenses	(1,227)	(1,419)	(1,570)	(1,567)	(2,596)	(1,881)	(1,998)	(2,000)	(2,000)
Net cash inflow/(outflow) from op. activities	(25,907)	49,919	21,059	(60,780)	79,405	(57,391)	159,028	55,719	54,668
Bank facility fee	(2,576)	(1,410)	(3,318)	(1,728)	(3,970)	(2,011)	(2,572)	(2,572)	(2,572)
Interest paid	(61)	(440)	(50)	(1,963)	(5,571)	(545)	(6,492)	(7,333)	(7,333)
Proceeds from borrowing		-	-	65,293	(46,845)	111,931	(70,267)	-	8,430
Purchase of shares into treas.	(2,628)	(775)	(2,679)	(2,016)	(13,068)	(35,851)	(27,987)	(45,000)	(30,000)
Dividends	(15,192)	(15,822)	(17,849)	(19,866)	(21,694)	(22,308)	(23,404)	(24,881)	(25,758)
Net cash infl. from fin. activs.	(20,457)	(18,447)	(23,896)	39,719	(91,148)	51,215	(130,722)	(79,785)	(57,233)
Net inc. in cash & cash equiv.	(46,364)	31,472	(2,837)	(21,058)	(11,743)	(6,176)	28,306	(24,067)	(2,565)
Opening cash & cash equiv.	60,626	14,470	45,143	41,328	20,694	9,722	33,837	33,837	9,769
FX effects	208	(799)	(978)	424	771	381	1,604	-	-
Closing cash & cash equiv.	14,470	45,142	41,328	20,694	9,722	3,927	33,837	9,769	7,204

Source: ICGT Report and Accounts, Hardman & Co Research

Appendix 1: Previous Hardman & Co ICGT research

Given the regulatory restrictions on distributing research on this company, the monthly book entry for ICGT can be accessed through our website, [Hardman & Co Research](#). Our detailed thematic reports are listed below. Each link below contains a click-through to our five-minute *Directors Talk* audio interviews. ICGT reported its [FY results to January 2026](#) on 7 May 2026. Other company announcements, such as buybacks, can be found on its [LSE news page](#).

- ▶ 2020: Our initiation report, [Outperformance through every stage of cycle](#) (6 July 2020) and [Defensive growth: explaining downside resilience](#) (8 September 2020).
- ▶ 2021: [ICGT's steps to value-adding portfolio construction](#) (22 February), [FY'21 results: blew the roof off, not just the doors](#) (20 May), [ICGT in personal pensions: do as the professionals do](#) (14 September) and [Intermediate Capital Group/ICGT: friends with benefits](#) (2 December).
- ▶ 2022: [Spotlight on secondaries](#) (2 March), [FY'22: you couldn't ask for more](#) (7 June) and [1H'23 and beyond: safe harbour in the storm](#) (10 November).
- ▶ [3Q'23: continued growth and resilience](#) (9 February 2023).
- ▶ [FY results: proving the market-beating model again](#) (1 June 2023).
- ▶ [Investor Day – defensive growth in practice](#) (10 July 2023).
- ▶ [1HFY'24: defensive growth/disciplined approach](#) (16 October 2023).
- ▶ [Putting the discount into perspective](#) (8 January 2024).
- ▶ [FY'24: portfolio companies performing strongly](#) (16 May 2024).
- ▶ [CM day 2024: defensive growth value creation](#) (28 June 2024).
- ▶ [Portfolio: 14% EBITDA growth + widening margins](#) (23 October 2024).
- ▶ [Unique approach to capital allocation](#) (28 January 2025).
- ▶ [Investing in resilience, delivering growth](#) (21 May 2025).
- ▶ [Investor seminar 2025: resilience and growth](#) (2 July 2025).
- ▶ [Mid-teens EBITDA growth and long-term returns](#) (21 October 2025).
- ▶ [Doubling realisations: sustainability and impact](#) (9 February 2026).
- ▶ [Shareholder seminar 2026: resilience and growth](#) (13 March 2026).
- ▶ [FY'26 results: look to future realisations](#) (10 June 2026).

See ICGT's 10 March 2026 and previous Capital Markets Day presentations and webcast [here](#).

Appendix 2: Defensive growth in practice

ICGT investing in well-established, profitable, medium-to-large businesses with proven resilience and with secular growth drivers

The core to why ICGT is a through-cycle investment lies in its defensive growth strategy. In more detail, this is what it means in practice:

- ▶ Mature businesses that are profitable and cash-generative (unlike early-stage venture capital investments, which can see loss rates 6x-7x those in buyouts).
- ▶ Established market positions, often with leading positions.
- ▶ Provider of mission-critical services.
- ▶ Pricing power, so that, for example, inflation pressures can be passed on.
- ▶ High-margin business models.
- ▶ Focus on medium-larger deals/funds.
- ▶ Avoiding investments where valuations may be based on future revenue projections rather than on current EBITDA/cash generation.
- ▶ Scalable platforms.
- ▶ Sectors or subsectors where income streams are non-cyclical and show secular growth.
- ▶ Multiple growth levers, such as bolt-on M&A or operational improvements.
- ▶ Strong management, with a proven track record, usually through multiple downturns.
- ▶ With recent co-investments, ICGT has been leveraging ICG plc's expertise and building downside protection into the structure of its deals, taking a very cautionary approach to such investments.
- ▶ PE is a long-term investment. ICGT has, for some time, assumed that exit multiples would be lower than entry ones for its co-investments – thus building in a cushion in its deal assessments. Also, investments have had to justify themselves on earnings growth, not multiple expansion.

Manager selection is critical

Picking the right managers has been, and increasingly will be, a key factor driving both returns and downside risk. ICGT's long-term track-record is evidence of its manager selection. We note that ICGT's two new managers in 2024 were very different. One was a very well-established GP with a long track record, and which had been followed by ICGT for many years. While the other is a new GP, the managers themselves have a long track record (and were known to ICGT for many years) and the entry pricing was very attractive. With a challenging fund-raising environment for new GPs, ca.50% of the fund was already invested, so ICGT faces limited blind-pool risk. Additionally, it invested at cost whereas many of the assets were already being marked up, so ICGT was buying into the fund at a discount to carrying value.

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Our expert team of sector analysts and market professionals collectively have over 400 years of experience. This depth of knowledge and a reputation for integrity have built trust with investors. With effective communication and precision distribution, we help companies disseminate their investment message to interested investors, as well as advise them on strategy.

Our smaller, boutique structure allows us to provide first-class customer service and to deliver a wide range of ad-hoc services for multiple clients with different needs.



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