

Electra Private Equity PLC
2019 Results – Supplementary Information

12 December 2019



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Overview

- NAV as at 30 September 2019 of £210.0m (548.4 pence per share);
- Following the disposal of SPC and two smaller assets post year end and the £12m Special Dividend being paid on 24 January 2020 pro forma NAV of £199.4m (520.6 pence per share);
- TGI and Hotter both have improved trading since March 2019 valuation:

<i>(£ millions)</i>	LTM maintainable EBITDA	
	Mar-19	Sep-19
TGI Fridays	24.8	26.9
Hotter Shoes	5.0	6.2

- Main retained controlled assets have LTM maintainable EBITDA and Net Debt of:

	LTM EBITDA	Net Debt
– TGI Friday	£26.9m	(£47.4m)
– Hotter Shoes	£ 6.2m	(£13.6m)
– Sentinel	£ 2.4m	(£12.2m)
– Corporate		<u>£17.9m</u>
Total	£35.5m	(£55.3m)

- Management teams significantly strengthened in each remaining portfolio company in 2019;
- Business plans and resources are in place with management incentivised for optimised realisation by the end 2021;
- AGM proposal to align Electra executive incentivisation with strategy for realisation by the end 2021, recognising earlier realisation if appropriate.

Composition of Net Asset Value

	Pro Forma NAV Sep 18 after disposals and Special Dividends		Announced NAV Sept 19		Pro Forma NAV Sep 19 after disposals and Special	
	NAV	NAV per share (pence)	NAV	NAV per share (pence)	NAV	NAV per share (pence)
<i>(£ millions)</i>						
TGI Fridays	124.6	325.6	141.4	369.2	141.4	369.2
Hotter Shoes	6.8	17.9	33.0	86.2	33	86.2
SPC	7.3	19.0	9.0	23.6	-	-
Sentinel	4.1	10.6	3.2	8.3	3.2	8.3
Other	6.9	18.0	5.8	15.2	4.2	11.0
Investment Portfolio	149.7	391.1	192.4	502.5	181.8	474.7
Cash & Cash Equivalents	31.6	83.5	17.9	46.6	17.9	46.6
Other Net Assets/ (Liabilities)	(0.6)	(1.6)	(0.3)	(0.7)	(0.3)	(0.7)
Net Asset Value	180.7	473.0	210.0	548.4	199.4	520.6

Note:

- Proforma as at 30 September 2018: after disposal of Photobox and Knight Square and Special Dividends of £161m;
- Announced NAV as at 30 September 2019: as per results announcement on 12 December 2019;
- Proforma as at 30 September 2019: after announced disposals of SPC and two smaller assets, and declared Special Dividend of £12m;

TGI Fridays

- Operating data:

<i>(£ millions)</i>	<u>Year ended 31 December</u>		<u>9 months to 30 September</u>		<u>LTM to</u>
	<u>2017</u>	<u>2018</u>	<u>2018</u>	<u>2019</u>	<u>30/09/2019</u>
Sales	216.0	208.8	151.9	157.0	214.0
Operating Profit	22.3	14.2	9.3	10.8	16.1
EBITDA	33.3	25.3	17.0	18.3	26.9
Free Cash Flow ⁽¹⁾	(4.3)	6.6	0.9	2.3	8.0

- Leverage⁽²⁾

- Net debt to EBITDA: 1.8x

- Valuation

- Multiple (post-discount): 7.1x
- Electra now owns c.98% of economic value

- Recent developments

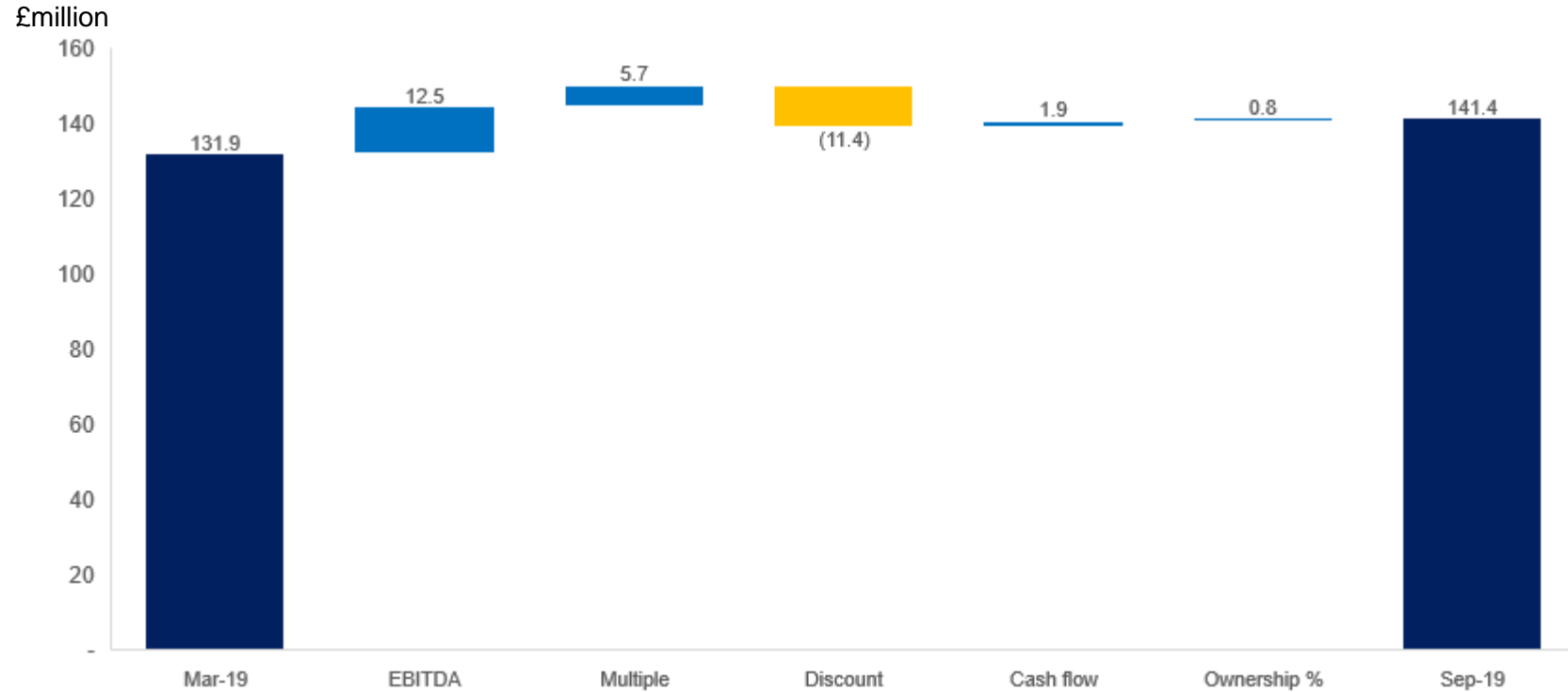
- Like-for-like sales +1.5% in the first 9 months with absolute sales +2.4%;
- 4 stores opened this year with 2 closed – currently 86;
- New management team in place.

(1) Operating cash flow less maintenance capital expenditures

(2) As at 30 September 2019

TGI Fridays (cont'd)

Movement in value since March 2019



- Increase in value driven by profit growth;
- Discount increased temporarily to reflect possible impact of management transition.

Hotter Shoes

- Operating data:

<i>(£ millions)</i>	Year Ended 31 January		9 months to 30 September		LTM to
	2018	2019	2018	2019	30/09/2019
Sales	100.8	93.0	58.6	54.4	88.9
Operating Profit	5.0	0.6	(2.9)	(0.2)	3.4
EBITDA	9.5	3.5	(1.0)	1.7	6.2
Free Cash Flow ⁽¹⁾	1.5	(1.2)	(9.4)	(3.7)	4.5

- Leverage:⁽²⁾

- Net debt to EBITDA: 2.2x

- Valuation:

- Multiple (post-discount): 7.8x
 - Electra now owns c.94% of economic value

- Recent developments

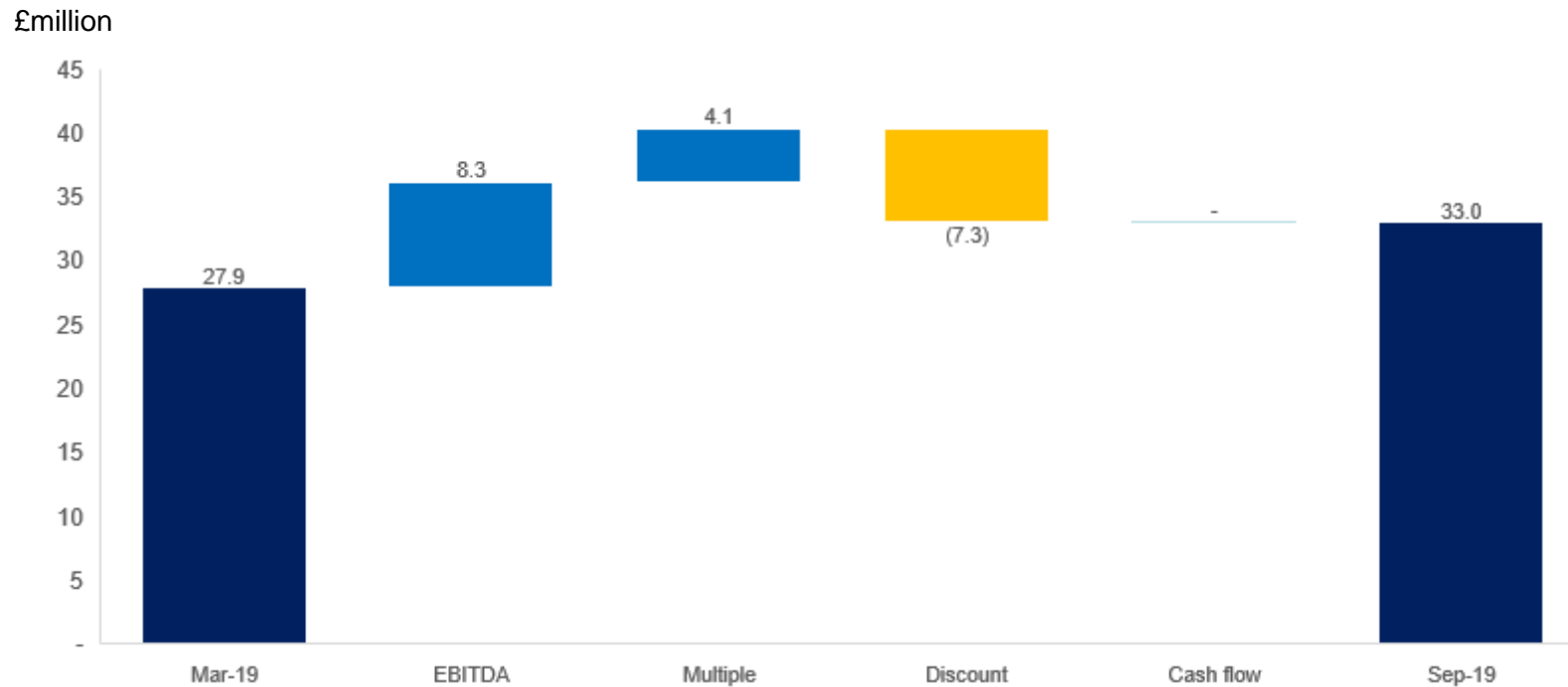
- 71% of channel profitability from direct marketing and delivery;
 - 20% of channel profitability from direct marketing and delivery to customers outside UK;
 - Ian Watson joined as CEO in March 2019;
 - New management structure and product team in place;
 - Focus on digitisation of marketing and operations.

(1) Operating cash flow less maintenance capital expenditures

(2) As at 31 October 2019

Hotter (cont'd)

Movement in value since March 2019



- Valuation increase driven by EBITDA growth offset by discount increase reflecting sensitivity to market conditions whilst strategy implemented

Sentinel

- Operating data:

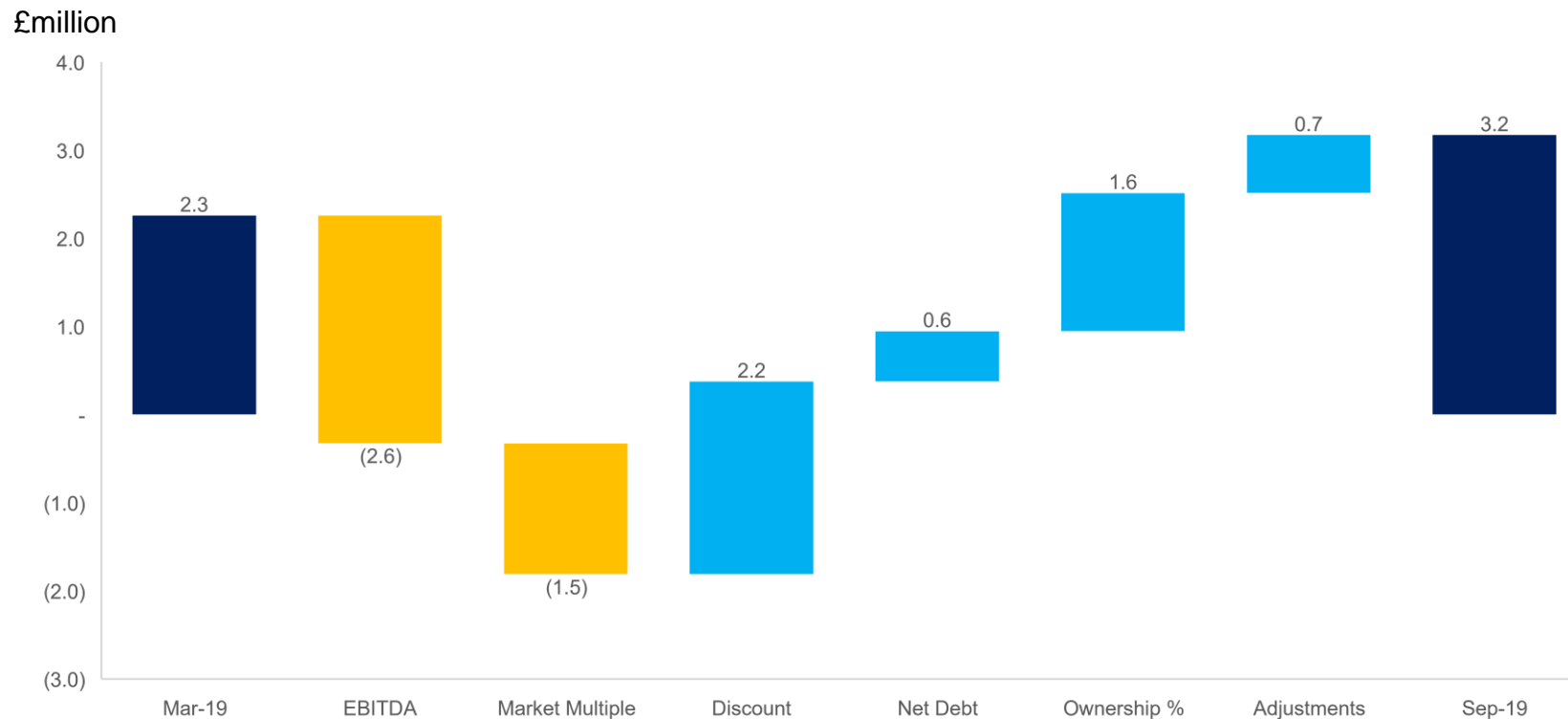
<i>(£ millions)</i>	<u>Year Ended 31 March</u>		<u>9 months to 30 September</u>		<u>LTM to</u>
	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>30/09/2019</u>
Sales	19.7	19.0	8.2	8.5	19.3
Operating Profit	2.0	0.3	(0.5)	(0.1)	0.8
EBITDA	3.1	1.3	0.1	0.5	1.7

- Leverage:⁽¹⁾
 - Net debt to EBITDA: 4.8x
- Valuation:
 - Multiple (post-discount): 7.5x
 - Electra now owns c.78% of economic value
- Recent developments:
 - New CEO undertaking cost rationalisation and business simplification exercise;
 - Facilities refinanced (extended);
 - Purchased remaining interest from a third party.

(1) As at 30 September 2019

Sentinel (cont'd)

Movement in value since March 2019



- Negative 220% of value movement resulted from combined changes in EBITDA and cash flow.