TresVista

Catalyzing Your Impact

INVESTOR RELATIONS

MAY 2024

INVESTOR REPORTING (QUARTERLY PORTFOLIO REPORT)

TresVista
Catalyzing Your Impact

Request and Guidelines Provided

- Create a fund review report for LPs which contains investment company performance and market overview

Methodology and Final Deliverable

- Collected information from portfolio teams, cross checked and tied together the numbers
- Updated investment details and commentary of various portfolio companies to track and monitor financials and KPIs
- Updated fund statistics, credit statistics, and data around portfolio investments
- Tracked changes in management of portfolio companies
- Provided commentary on the current economic environment and market outlook

Value Creation

- Implementing commercial, operational and ESG best practices, including best-in-class business processes and systems;
- Investing in R&D and innovation; and
- Consolidating the fragmented microbial control solutions market through buy and build, with two transformational add-on acquisitions already completed since PE's investment for a combined EV of c. $XXbn, requiring no incremental Fund N equity.

Progress and Trading Update

- PE's investment in Company A signed in Feb-XX and completed in Jul-XX. Company A performed well in XXXX, driven by a cyclical recovery across most end-markets (particularly in SPS) and pricing actions implemented that successfully mitigated cost inflation
- In line with PE's strategy to consolidate the microbial control market, in Dec-XX, Company A acquired companies Y and X for a combined Enterprise Value ('EV') exceeding $XXbn, requiring no incremental Fund N equity
  - Company Y is a leading provider of biocides for Paints & Coatings that is highly synergistic with Company A, acquired bilaterally for an EV of $XXm (XXx Jun-XX EBITDA post-synergies). The existing family owners re-invested at an attractive premium to Fund N
  - Company Z is a high-growth business with strong and complementary positioning to Company A in Hygiene and Consumer markets. The company was acquired for an EV of $XXm (XXx FYXX EBITDA PF synergies). The founder re-invested into Company A at an attractive premium to Fund N
- On a standalone organic basis, Company A's revenues increased by XX% and EBITDA was in line with prior year. Pro forma for acquisitions, revenues increased c. XX% vs prior year and EBITDA increased c. XX%, with both companies Y and Z delivering strong performance vs prior year
- Significant progress has been made building the leadership function, with a newly appointed CEO at completion, CFO joining in Apr-XX, Chief Technology Officer, new business unit leaders and several other high caliber executive appointments
- In terms of PE and management's focus areas, the carve-out from XYZ is progressing well and the business is building standalone functions to be fully independent. Alongside executing the carve-out, PE is working with management to implement the Value Creation Plan, supported by PE's Portfolio team, to implement commercial, operational and ESG best practices, including investment in R&D and innovation to drive further growth, alongside improving margins
- Leverage at 31-Dec was XXx, with PE's Capital Markets team implementing a covenant-lite debt financing

Financial results (31-Dec y/e)[1,2]

$m	FY XXXX	FY XXXX	LTM Jun-XX	LTM Jun-XX	LTM % growth
Revenue	XX.X	XX.X	XX.X	XX.X	XX.X
EBITDA	XX.X	XX.X	XX.X	XX.X	XX.X
EBITDA margin	XX.X%	XX.X%	XX.X%	XX.X%	N/A
Net debt (at completion: $2,705m)	N/A	XX.X	N/A	XX.X	XX.X
Net debt/leverageable EBITDA (at completion: 6.2x)	N/A	XX.Xx	N/A	XX.Xx	

[1] Financials are shown pro forma for acquisitions
[2] FYXX represents the first reporting period for Company A on a standalone basis, post carve-out from XYZ Group AG. Prior periods reflect trading as part of XYZ Group AG
[3] Net debt at 31-Dec-XX includes the releveraging impact of the Company Y and Company Z acquisitions

Drivers of Value

- Strengthen management
- Buy and build
- Operational improvement
- Commercial excellence

Valuation

30-Jun-XX: XX.Xx EBITDA

31-Mar-XX: XX.Xx EBITDA

Methodology: Based on comparable listed companies and precedent transactions, with a discount applied

Debt Repayment

Through 31-Dec-XX: 1%

After 31-Dec-XX: 99%

Covenant Headroom

Cov-lite (4)

Economic Environment and Market Outlook

Following a sharp contraction during XXXX, the European economy is expected to rebound faster than previously anticipated. European economic activity exceeded expectations in Q1-XX, and the improving health situation across the region led to faster easing of pandemic control restrictions in Q2-XX. A combination of effective containment strategies and significant vaccination progress has led to falling numbers of both new infections and hospitalisations across Europe, allowing the reopening of major European economies, which has particularly benefitted service sector businesses. Growing consumer and business confidence, as well as increased mobility trends, suggest a rebound in consumption is already underway and set to strengthen during H2-XX. There are also early signs of a recovery of travel and tourism activity, which should benefit from the new 'EU Digital COVID Certificate,' an EU initiative designed to restore the freedom of travel throughout the region. Together, these factors are expected to outweigh some temporary production input shortages and cost inflation hitting parts of the European manufacturing sector. Overall, Euro Area and UK GDP are forecast to increase by XX.X% and XX.X%, respectively, in XXXX and XX % and XX %, respectively, in XXXX(1). The rebound is expected to be particularly strong in countries such as Spain, France, and Italy, albeit from a lower base given the more pronounced impact of the pandemic on these economies in XXXX.

In terms of the broader outlook, following the sharp contraction in global economic output during XXXX, the world economy has rebounded strongly and is projected to achieve growth of XX % in XXXX and XX % in XXXX(1). The US rebounded particularly strongly during H1-XX, with accelerating economic growth supported by the unprecedented measures implemented through the XXXX CARES Act and the Biden administration's landmark $ XXm stimulus package, signed in Mar-XX. During Q2-XX, the pace of growth was the second highest in nearly 40 years, and GDP exceeded its prior peak of Q4-XX. The full year outlook remains robust, with growth of XX.X% forecast in XXXX(1).

Global equity markets performed strongly in H1-XX; the S&P 500 reached a new record high every month of H1-XX, and the FTSE 100 has rebounded to exceed the 7,000 level, with year-to-date gains of more than 7% offsetting most of the losses experienced in XXXX.

Despite the positive momentum and improved economic growth outlook, caution remains. A sustained global recovery is likely to be correlated to (i) the level of access to vaccines worldwide; and (ii) the risk of a resurgence in infection rates from emerging new variants of the virus, and consequent government-imposed restrictions. Notably, in recent months, advanced and emerging economies have shown diverging trajectories, with growth forecasts revised downward for some emerging economies (where vaccination rates remain low) and projections for many advanced economies (including the UK, Euro Area, and US) progressively revised upwards. There is also increasing potential for inflation to exceed central banks' long-term targets. While recent increases in prices are, in many cases, seen as temporary demand-supply mismatches, a tightening of monetary policy may ensue in the short- to medium-term to offset inflation, with economists forecasting that interest rates in many advanced economies could begin to rise from as early as XXXX, following a decade of record lows.

[1] Source: IMF World Economic Outlook, Jul-XX

PE Firm Approach

At the start of XXXX, Fund N was on pace at c. XX% committed to investments, and well positioned to continue to selectively pursue high quality potential investment opportunities. Against a backdrop of record private equity investment activity (with total deal value of $ XX bn during H1-XX(2)) and a continued robust valuation environment, PE has continued to exercise discipline while successfully navigating the evolving environment. Through PE's sector-regional matrix approach, five new Fund N investments have been signed in XXXX to date such that, in aggregate, Fund N is c. XX % committed, pro forma for the investments signed but not yet completed.

Cognisant of the wider economic environment, including the potential for rising interest rates in the coming years, for each new Fund N investment, the PE Deal and Capital Markets teams worked closely with the portfolio Company to identify and implement a capital structure that supports the investment strategy and maximises potential equity returns for Fund N without overleveraging the capital structure. The optimal capital structure may therefore have less leverage than the amount offered by financing institutions. The PE team is also focused on optimising the type of leverage and managing risk by reducing (or eliminating) financial maintenance covenants where possible; all eight of the Fund N investments to date are 'covenant-lite' as a result.

Looking ahead, the Capital Markets team continues to monitor financing markets to ensure that each portfolio Company has access to the optimal sources of capital available at any time. The Capital Markets team also seeks to refinance existing debt facilities to improve terms where possible and works with the portfolio companies to manage interest rate and currency risk using suitable treasury strategies.

[2] Source: X & Company, Jul-XX

Prepared an Investor report that covers portfolio and financial summary, fund performance, and market overview

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