

Heliad Equity Partners

German tech growth and venture portfolio

Heliad Equity Partners (HPBK) is a private equity investment company with a Germany-focused portfolio comprising listed and unlisted investments across four sectors: internet & tech, e-commerce, life sciences and media & entertainment. NAV returns of over 20% have been achieved in each of the last three financial years, driven by largest portfolio holding FinTech Group, although 2016 performance has been weaker, with listed holdings affected by market volatility. Management sees positive developments at portfolio companies supporting its aim of growing NAV by over 25% pa and also targets a narrowing of the discount through greater transparency.

Strengthened investment team

April 2016 saw managing director Stefan Feulner depart Heliad, with Thomas Hanke returning as CEO having spent a year at portfolio company FinTech Group. Gunter Greiner also joined the investment team, bringing over 15 years' experience in technology, growth and restructuring investments, alongside Hanke and Theo Woik, who each have more than 10 years' private equity experience.

Concentrated tech growth and venture portfolio

While still dominated by its €56.6m holding in FinTech Group, Heliad is diversifying its portfolio, maintaining its focus on companies with disruptive business models or structural issues. Four new investments have been made in 2016: healthcare data exchange software provider Tiani Spirit, personal life coaching platform my better life, emergency calls solutions provider Libify and Switzerland-based digital self-service platform developer MUUME Group, expanding the portfolio to 12 holdings.

Broadening its investor appeal

To increase transparency and broaden its appeal to a wider investor base, from April 2016 Heliad committed to report in both English and German and publish quarterly NAV statements. Management has implemented a sustainable dividend policy, targeting a dividend yield of at least 3%, with a dividend of €0.20 per share paid for FY15 and €0.15 paid for FY14.

Valuation: Wide discount has scope to narrow

Heliad's share price discount to NAV narrowed from 55.0% in February 2016 to 24.8% in August 2016, but has recently widened to 35.2%. Factors contributing to the wide discount may include the level of Heliad's management and performance fees as well as recent performance lagging the LPX Europe index.

12 months ending	Total share price return (%)	Total NAV return (%)	LPX Europe (%)	LPX Europe NAV (%)	DAX 30 (%)
30/09/12	(4.3)	(2.8)	15.7	(0.9)	31.2
30/09/13	8.6	14.8	36.7	14.0	19.1
30/09/14	113.1	40.8	3.8	4.9	10.2
30/09/15	25.2	2.3	14.5	5.3	2.0
30/09/16	20.7	0.9	28.0	21.0	8.8

Source: Thomson Datastream, Bloomberg, Edison Investment Research. Note: Discrete total return performance in euros up to last reported NAV.

Investment companies

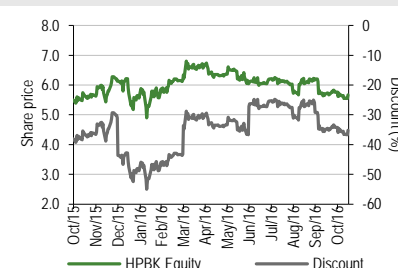
16 November 2016

Price €5.67
Market cap €54.0m
NAV* €83.3m

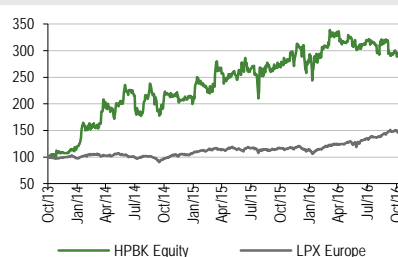
NAV per share* €8.76
Discount to NAV 35.2%
Dividend yield 3.5%

*NAV as at 30 September 2016

Share price/discount performance



Three-year performance vs index



Share details

Code HPBK
Listing Frankfurt
Shares in issue 9.5m

Business description

Heliad Equity Partners is a Germany-based listed investment company focused on listed and unlisted smaller companies in German-speaking countries. Investments typically comprise growth and venture stage technology companies operating disruptive business models or facing structural issues.

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