

ANNUAL FINANCIAL RESULTS
RESULTS FOR THE YEAR ENDED 30 JUNE 2019

MARKET INFORMATION

Index: JSE All Share

Sector: Financials – Speciality Finance

R1.9 billion total assets and
R11.34 NAVPS
R0.7 billion invested during
the year in **5** new Portfolio
Companies

R1.4 billion invested
capital or **74%** of total assets*

 * Increasing to R1.6 billion and
82% post year-end.

19 Portfolio Companies
with a value-weighted age
of **1.5 years**
INTRODUCTION

EPE Capital Partners Ltd is an investment holding company, registered and incorporated in Mauritius as a public company. It is listed on the Johannesburg Stock Exchange (“JSE”) and offers shareholders long-term capital appreciation by making commitments and investments into Funds or Direct Investments that are managed by Ethos Private Equity (Pty) Limited (“Ethos”), providing the Company with largely indirect exposure to a diversified portfolio of unlisted private equity type investments (“Portfolio Companies”). The Group refers to the consolidated results of the Company and its subsidiary.

OVERVIEW

Ethos Capital ended the year with total assets of R1.9 billion and increased its NAVPS to R11.34. This

represents the 12th successive quarter since listing that the Group has increased its NAVPS per share although the increase during the year was muted largely as a result of the macroeconomic headwinds and the fact that Ethos Capital invested c. 50% (R0.7 billion) of its capital during the year. Ethos had a very active year on the investment front acquiring or investing in seven assets.

Ethos Capital increased its invested capital to R1.4 billion or 74% of total assets as at year-end and a further transaction is due to complete imminently that will increase the invested capital to R1.6 billion (82% of total assets). The Group currently has indirect exposure to 19 Portfolio Companies, operating in a number of industries/sectors and geographies, that are managed by a Manager with strong sector

expertise, domain knowledge and with Value Add abilities. Given the uncertain economic outlook, Ethos has focused much of its efforts on improving the fundamentals and outlook for its Portfolio Companies through financial and operational restructuring and positioning these businesses to benefit from an improved macroeconomic outlook.

Many of the Portfolio Companies are at the early stages of their investment cycle (average holding period of 1.5 years) and the portfolio is valued at 6.9x EBITDA. The Company has also invested in some exciting non-South African businesses which are showing good growth and all the Portfolio Companies continue to benefit from Ethos’ transformational interventions which should deliver strong growth in the coming year.

EXTRACT OF STATEMENT OF FINANCIAL POSITION

	Group		Company	
	30 June 2019 R'million	30 June 2018 R'million	30 June 2019 R'million	31 Dec 2018 R'million
ASSETS				
Non-current assets				
Unlisted investments at fair value	1,427.3	711.9	1,427.3	711.9
Current assets	501.0	1,202.9	500.5	1,202.4
Other assets and receivables	16.7	1.0	16.7	1.0
Money market investments at fair value	481.0	1,188.5	481.0	1,188.5
Cash and cash equivalents	3.6	13.4	3.1	12.9
TOTAL ASSETS	1,928.6	1,914.8	1,928.1	1,914.3
EQUITY AND LIABILITIES				
Total Ordinary shareholders' equity	1,785.5	1,772.8	1,920.5	1,907.8
Non-current liabilities	135.5	135.5	-	-
Current liabilities	7.6	6.5	7.6	6.5
TOTAL EQUITY AND LIABILITIES	1,928.6	1,914.8	1,928.1	1,914.3
NET ASSET VALUE	1,785.5	1,772.8	1,920.5	1,907.8
Basic Net Asset Value per share (Rand)	11.34	11.00	11.23	10.93
Attributable shares in issue ('000)	157,500	161,100	171,000	174,600

THE ADVISOR: ETHOS

Ethos acts as Ethos Capital's Investment Advisor. In addition, Ethos is the Manager of the Funds that Ethos Capital invests in. Ethos is an investment firm that manages investments in private equity and mezzanine transactions in South Africa and other sub-Saharan African countries. Ethos has a 35-year history and an unparalleled record of successful, sustainable investing across economic and political cycles that has delivered 96 realised investments at a 36% gross IRR and a 2.7x multiple of cost.

RESPONSIBILITY STATEMENT

This short-form announcement is the responsibility of the Directors of Ethos Capital and is only a summary of the information in the full announcement and does not contain full or complete details. The announcement is itself not audited but extracted from audited results. Any investment decision should be based on the full announcement which is available from today at:

<https://senspdf.jse.co.za/documents/2019/JSE/ISSE/EPEE/EPE062019.pdf>

and is published on the Company's website at:

<https://ethoscapital.mu/investors/reports-results/>

Copies of the full announcement may also be requested from the Company Secretary (represented by Mr Ravi Cunnoosamy) at no charge at +230 (0) 403 6000, during office hours, or at ethoscapital@corior.com.

INVESTMENT PORTFOLIO – AT 30 JUNE 2019

Name	Commitment R'million	Valuation R'million	% of total assets
Primary/Secondary Investments			
Ethos Mid Market Fund I	950.0	492.0	25.5
Ethos Fund VII	1,250.0	278.7	14.4
Ethos Ai Fund I	150.0	95.1	4.9
Ethos Fund VI	142.0	92.1	4.8
Ethos Healthcare Platform	48.0	44.7	2.3
Ethos Mezzanine Partners 3	250.0	41.7	2.2
Co-investments			
Primedia Group (Pty) Ltd	171.0	182.4	9.5
Kevro Holdings (Pty) Ltd	100.0	107.0	5.5
Channel Vas Investments Ltd BVI	100.0	93.6	4.9
	3,161.0	1,427.3	74.0

TOP 10 UNDERLYING PORTFOLIO COMPANIES – AT 30 JUNE 2019

Name	Business description	Year*	% of total assets
Channel Vas	FinTech service provider	2018	21.1
Kevro	Corporate clothing and gifting	2017	10.5
Primedia	Media	2017	8.5
Synerlytic	Specialised analytical and testing services	2019	5.5
Gammatek	TMT accessory distribution	2018	5.1
Twinsaver	Manufacturing (FMCG)	2015	3.8
Vertice	MedTech	2018	3.1
TymeBank	Banking	2019	2.4
Chibuku	Brewing and distribution	2018	2.2
MTN Zakhele Futhi	Telecommunications	2017	2.1
			64.3
Other (9 Portfolio Companies)			9.7
Total underlying investments			74.0

* Initial acquisition date by Ethos Fund

TOP 10 PORTFOLIO COMPANIES

SPONSOR

DIRECTORATE AND ADMINISTRATION

Registered office: Ethos Capital, 6th Floor, Tower A, 1 Cybercity, Ebene, Mauritius
Directors: Yvonne Stillhart (Chairperson), Derek Prout-Jones, Kevin Allagapen, Michael Pfaff, Yuvraj Juwaheer

www.ethoscapital.mu

INCORPORATED IN THE REPUBLIC OF MAURITIUS

REGISTRATION NUMBER: C138883 C1/GBL

ISIN: MU0522S00005

SHARE CODE: EPE

www.ethos.co.za

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