

# H1 2019 Results Presentation

24<sup>th</sup> July 2019



ALANTRA

# I. Alantra continues with revenue and net profit growth in 2019 with increasing activity in both business divisions

## H1 2019 Highlights

### Net revenues reached €81.8 Mn (+16.4% vs. H1 2018) generating a net profit of €12.1 Mn (+32.6% vs. H1 2018) in the fee business

- Investment Banking revenues have grown by 29.6%, driven by a strong performance of the corporate finance division and specially of the International Credit Portfolio Advisory business (ACPAI). Asset Management revenues decreased by 8.3%, due to lower performance fees (-18.5%)
- Operating expenses have grown by 42.1% to €75.3 Mn, due to (i) an increase of fixed personnel expenses (+€8.0 Mn) related to the expansion of the Group and higher variable remuneration (+€6.9 Mn) in the IB division linked to better performance and (ii) an increase related to higher amortization (according to the new NIIF16 standards) and impairment costs (+€6.8 Mn)

### In addition to the fee business, the Group has generated profits from portfolio divestments (€0.6 Mn) and extraordinary results of €8.9 Mn resulting in a total net profit of €21.7 Mn (+57.6% vs H1 2018)

- The extraordinary results are mainly related to the closing of the transaction by which Mutua Madrileña becomes a majority shareholder in Alantra Wealth Management, acquiring a c.25% stake from Alantra and a c.25% stake from the executive team
- As a consequence of the transaction, Alantra will from now onwards consolidate Alantra Wealth Management under the equity method and has therefore adjusted its remaining stake to market value in its Balance Sheet

### Investment Banking highlights: (i) Alantra named 'European Corporate Finance House of the Year 2019', (iii) acquisition of urbanData Analytics (ii) 83 announced deals 2019YTD<sup>1</sup>

- Named 'European Corporate Finance House of the Year 2019' by Real Deals
- Acquired a majority stake in urbanData Analytics, a technology company operating in the Proptech segment to expand Alantra's CPA service offering
- Advised on 83 deals in 2019YTD<sup>1</sup>, of which 47% were M&A transactions

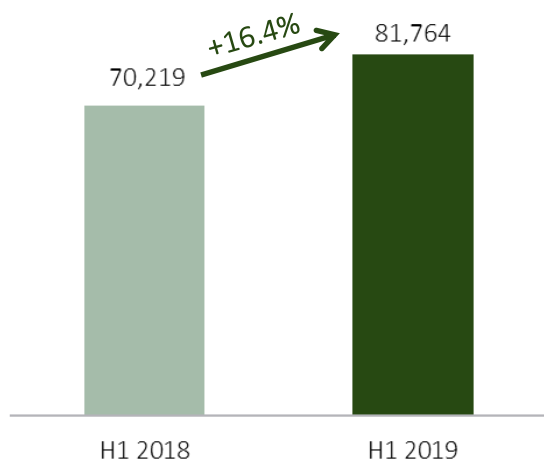
### Asset Management highlights: (i) closing of ACP transaction, (ii) launch of venture capital activity and (iii) growth in AUM

- Completed the first phase of the acquisition of a strategic stake in Access Capital Partners (24.49%)
- Entered venture capital via strategic partnership with Asabys Partners, acquiring a 35% stake
- Increased total fee-earning AUM from the direct investment business by €327 Mn over the last twelve months reaching €2.1Bn

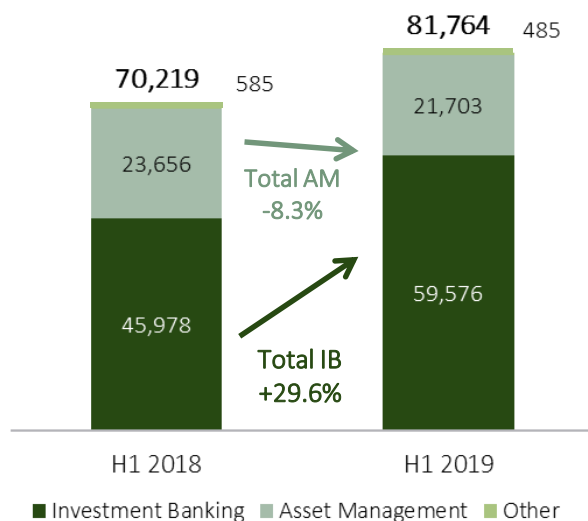
1) As of 19<sup>th</sup> July 2019

## II. Net revenues reach €81.8 Mn (+16.4% vs. H1 2018)

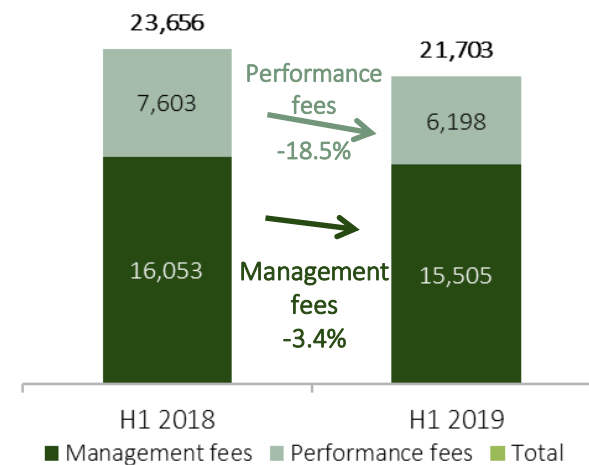
Net revenues for 2019 H1  
(€'000)



Net revenues by division for 2019 H1  
(€'000)



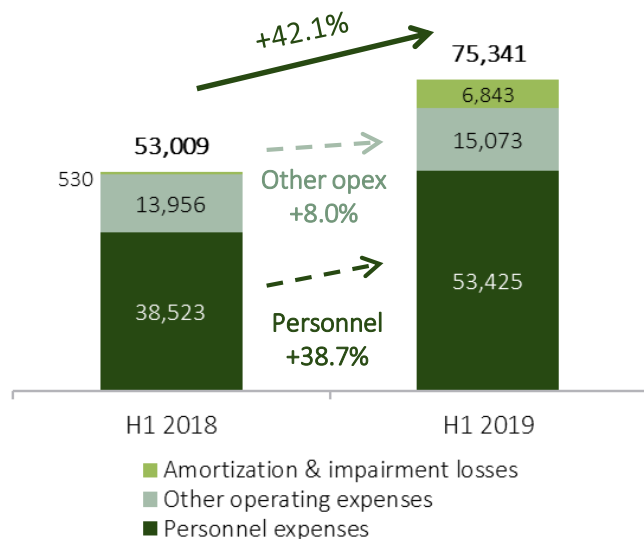
Breakdown of AM revenues by type  
(€'000)



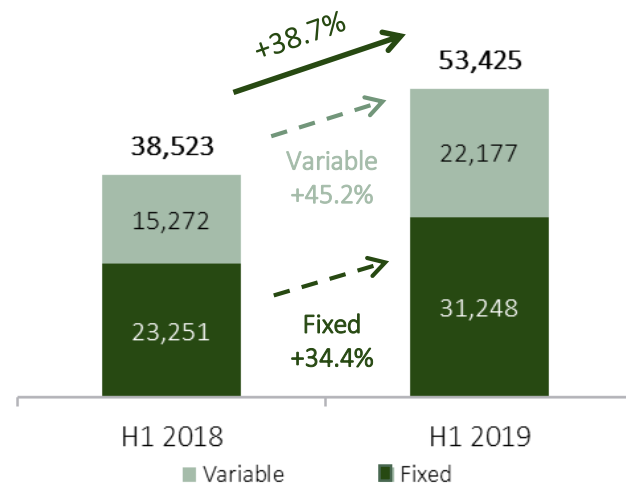
- Net revenues increased by 16.4% reaching €81.8 Mn mainly driven by the growth in the investment banking division (+29.6%)
- Net revenues from asset management decreased by 8.3% mainly due to lower performance fees (-18.5%)
  - Management fees slightly decreased due to (i) a change in the consolidation perimeter by which Alantra Wealth Management will from now onwards be consolidated under the equity method and therefore will not be included in the revenues and (ii) the full divestment of QMC II, while the new fundraisings in debt and EQMC are not yet fully incorporated in the H1 P&L

### III. Operating expenses reach €75.3 Mn

Total operating expenses 2019 H1 (€'000)



Breakdown of personnel expenses in 2019 H1 (€'000)

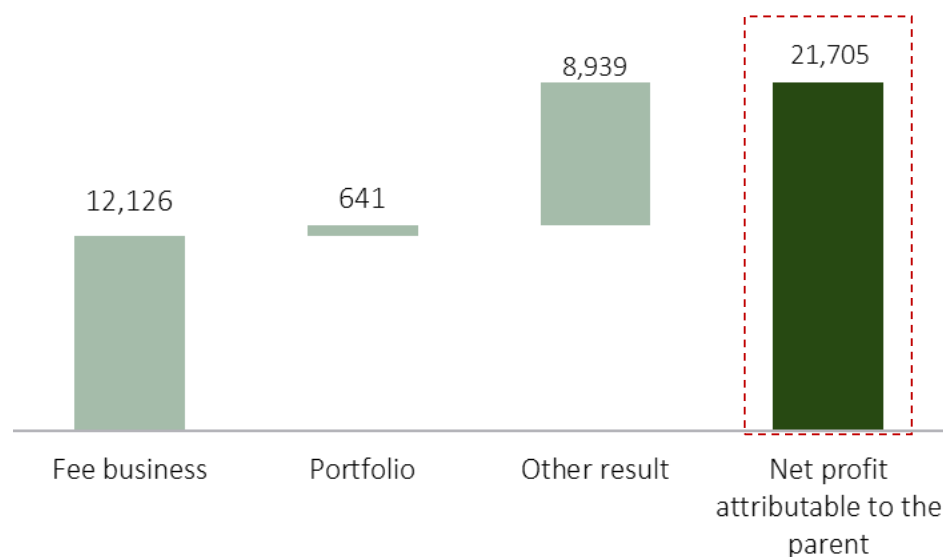


Operating expenses have grown by 42.1 % to €75.3 Mn, due to

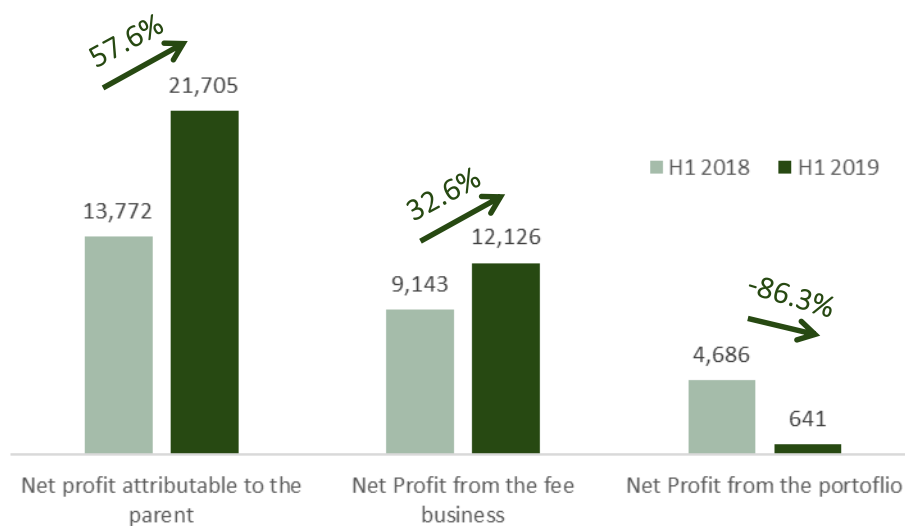
- an increase of fixed personnel expenses (+€8.0 Mn) related to the expansion of the Group (CPA International, San Francisco, China, Chicago, Equities Italy),
- higher variable remuneration (+€6.9 Mn) in the IB division linked to better performance; and
- an increase related to higher amortization (according to the new NIIF16 standards) and impairment costs (+€6.8 Mn)

## IV. Net Profit of €21.7 Mn (+57.6% vs. H1 2018)

2019 H1 net profit breakdown<sup>1</sup>  
(€'000)



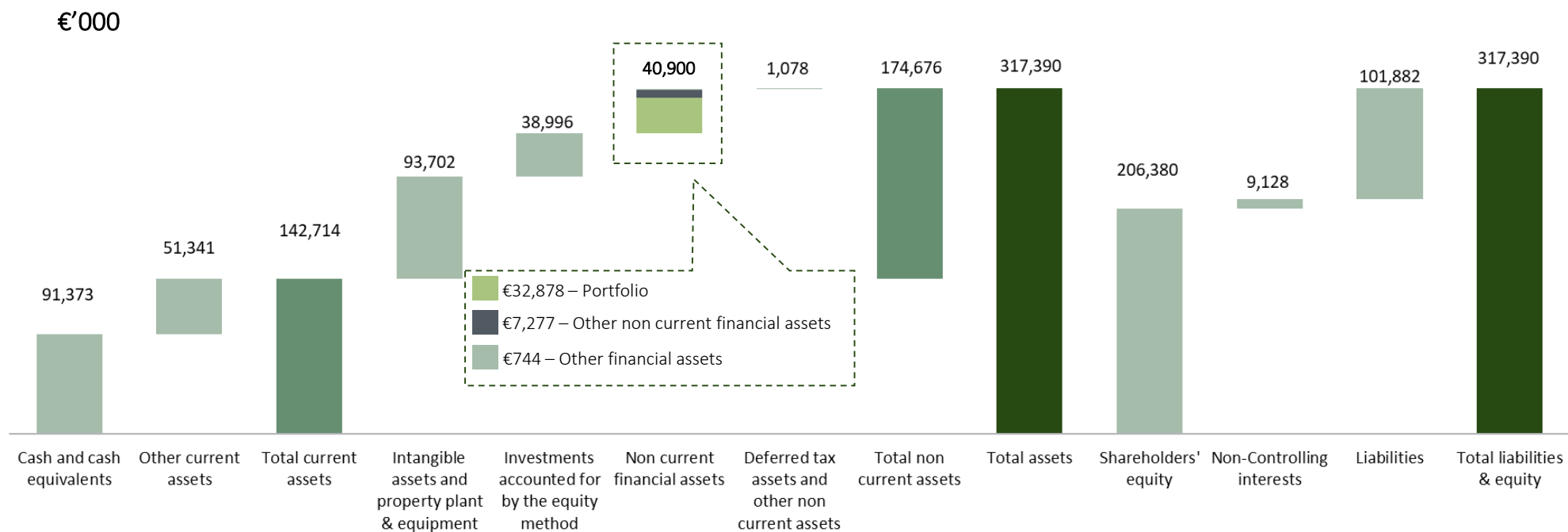
Evolution of the net profit attributable to the parent  
(€'000)



- Net profit attributable to the fee business reached €12.1 Mn (+32.6%), mainly driven by the improved performance of the IB business
- In addition to the fee business, the Group has generated profits from portfolio divestments (€0.6 Mn) and extraordinary results of €8.9 Mn resulting in a total net profit of €21.7 Mn (+57.6% vs H1 2018)
  - The extraordinary results are mainly related to the closing of the transaction by which Mutua Madrileña becomes a majority shareholder in Alantra Wealth Management, acquiring a c.25% stake from Alantra and a c.25% stake from the executive team
  - As a consequence of the transaction, Alantra will from now onwards consolidate Alantra Wealth Management under the equity method and has therefore adjusted its remaining stake to market value in its Balance Sheet

1) Net profit attributable to the parent

## V. Strong Balance sheet as of 30<sup>th</sup> June 2019



- €206.4 Mn of shareholders' equity attributable to the parent and no financial leverage
- €95.5 Mn of cash and cash equivalents<sup>1</sup>
- Non current financial assets include a portfolio of investments in products managed by the group valued at €32.9 Mn

1) €91.4 Mn of cash and of cash equivalents and €4.2 Mn of deposits

# VI. Investment banking activity

## I. Alantra named 'European Corporate Finance House of the Year 2019'



83 transactions advised  
2019YTD<sup>1</sup>  
(+11% vs same period in 2018)

- 39 M&A transactions
- 24 credit portfolio advisory deals
- 8 debt advisory deals
- 7 ECM transactions
- 5 strategic advisory transactions



Well balanced sector coverage

- FIG (35%)
- Health & Pharma (7%)
- Industrials (17%)
- Real Estate (5%)
- BSS (12%)
- Infrastructure (1%)
- CGR (12%)
- Natural Resources (1%)
- Tech (10%)



European Corporate  
Finance House of the  
year 2019 – by Real  
Deals

THE PRIVATE  
EQUITY  
AWARDS  
2019

Selected  
recent  
transactions

2019

Alantra advised Cevian Capital on the sale of its stake of Swiss quoted Panalpina to DSV

Supply chain solutions

2019

Alantra advised Nord Kapital and Habu on the sale of Nobu Group to Tubacex and Senaat

Oil & Gas

2019

Alantra advised TPG Real Estate Partners on the acquisition of 75% of Tempore Properties from Sareb for €330Mn

Real Estate

2019

Alantra advised US-based Maine Pointe on international investment

Professional services

2019

Alantra acted as independent advisor to Stadler Rail on its CHF 1.5Bn IPO on the SIX Swiss Exchange

Transport infra

2019

Alantra has advised Palladium Hotel Group on the creation of JV vehicle with Azora Capital, which has acquired a set of assets with an EV of €228Mn (Acquisition + Capex)

Real Estate

2019

Alantra advised Aduno on the sale of Cashgate, a leading consumer & leasing finance business in Switzerland, to Cembra

Consumer finance

2019

Alantra advised the founders of Mecalux on a €265Mn Holdco/Opco Financing for the share buyback of minority shareholders

DCM / Alternative financing

2019

Alantra advised Eurobank Ergasias S.A. on Greece's first public NPL Securitization – Pillar Finance D.A.C

Distressed Banking

2019

Alantra advised Vivona Brands, an Inflexion Private Equity company, on its sale to US-based Webster Equity Partners

Beauty & wellbeing

1) As of 19<sup>th</sup> July 2019

# VI. Investment banking activity

## II. Acquisition of UDA, expanding geographical footprint and increasing sector specialization



### Acquisition of urbanData Analytics



Alantra, through its credit and real estate portfolio advisory division, has acquired a majority stake in **urbanData Analytics**, a **technology company** operating in the **PropTech segment**



Alantra CPA will expand its current service offering and support UDA in increasing its **services portfolio**, **strengthening its market position** and developing its presence in **new geographies**



### Strengthened the CPA senior team (3 MDs & 3 Directors recruited 2019YTD)

#### Madrid

1 MD  
1 Director



#### London

1 MD  
1 Director

#### Lisbon

1 Director

#### Milan

1 MD



### Corporate finance: incorporated 7 MDs, added 3 new offices and increased sector specialization



Chicago

Grew Alantra's presence in the US by incorporating **3 senior professionals** (2 MDs and 1 VP) **specialized in the insurance sector**. Through this new incorporation Alantra opened an **office in Chicago**, its fourth presence in the US



Hong Kong

Incorporation of **1 MD** to **build out Alantra's presence in South East Asia**



Copenhagen

Augmented Alantra's presence in the **Nordics** through the **incorporation of 1 MD** based in **Copenhagen**



Hired **3 MDs** for Alantra's UK and US teams to reinforce the **healthcare and technology sectors**



# VII. Asset management activity

## I. Launch of the Venture Capital activity, strengthening the Real Estate practice and substantial fundraising of ACP

1

Launch of venture capital activity via strategic partnership with Asabys Partners



Alantra becomes a **strategic partner of Asabys Partners** through the **acquisition of a 35% stake** in the firm

Founded in 2018, Asabys is a **Pan-European Venture Capital firm specialized in life sciences and health** sectors investments, led by **Josep Sanfeliu and Clara Campàs**

The transaction has the support of **Banc Sabadell**, one of the sponsors of the project and the **anchor investor in Asabys' first vehicle**

**Sabadell Asabys Health Innovation Investments**, with a +€60Mn fund size, has **carried out three transactions in different countries in Europe**

2

Incorporation of Juan Velayos as a Managing Partner to reinforce Alantra's Real Estate practice

Velayos will be responsible for further **developing the strategies and geographic reach of Alantra's real estate practice**

Prior to joining Alantra, Velayos was **CEO of Spanish property developer Neinor Homes**. Previously, he headed PwC's global and Spanish real estate practice. He also was CEO of public real estate company Renta Corporación, and a partner at Uría Menéndez Abogados

3

**Access Capital Partners: completion of the transaction and strong fundraising**

Alantra completed the first phase of the **acquisition of a strategic stake in Access Capital Partners** (acquisition of 24.49%)

First closing of **Access Capital Fund VIII Growth Buy-out Europe**, securing **€412 Mn** (target size of the fund €850 Mn)

First closing of **Access Capital Fund Infrastructure II** at **€170 Mn**, (target size of the fund €300 Mn)

# VII. Asset management activity

## II. Growth in assets under management, relevant activity and recruitment of senior professionals

### 4 Private Equity: one acquisition by Alantra PEF III

- Acquisition of a majority stake in Frías Nutrición, a Spanish leader in the production and distribution of healthy food products & beverages
- c.60% of the fund invested in 7 portfolio companies

### 5 Active Funds: €1,064 Mn AUM (+2.6% growth vs. June 2018)

- EQMC Fund:
  - €973 Mn<sup>1</sup> in AUM (+9% vs. June 2018)
  - NAV per share growth of 14.4% in H1 2019, which implies an accumulated net IRR of 15.9% since inception (2010)
  - Recruited a senior director to reinforce the investment team
- QMC Fund:
  - QMC III AUMs standing at €91 Mn<sup>2</sup> (+105% vs. June 2018)
  - QMC III NAV per share growth of 10.1% in H1 2019, outperforming the evolution of its benchmark (IBEX MC +4.7%). QMC III's NAV per share has grown by 5.8% since inception (October 2017), outperforming its relevant indexes (IBEX 35, IBEX MC) 16% and 17% respectively
  - QMC II portfolio completely divested, generating a net IRR of 15.8%

### 6 Private Debt: successful fundraising of Alteralia II and two new investments

- €303 Mn<sup>3</sup> in AUM (+22% vs June 2018)
- Alteralia II has reached the hard cap of €200 Mn<sup>3</sup>
- 2 investments 2019YTD: (i) OnTime, a provider of integrated logistics services (April 2019) and (ii) FoodBox, a multi-brand restaurants' chain (June 2019)
- The investment team has been reinforced with an MD

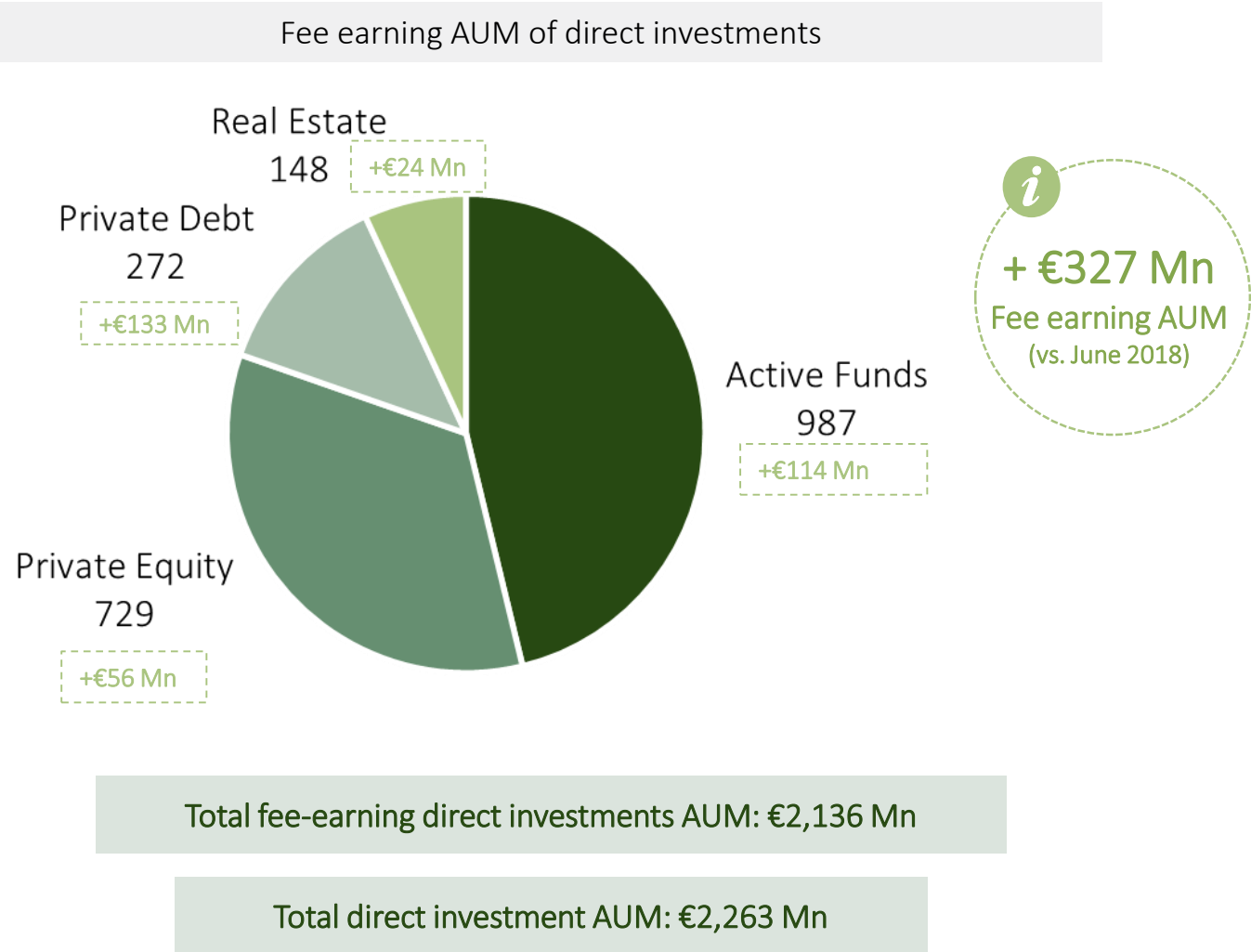
1) Includes €73 Mn of secured commitments

2) Includes €4 Mn of secured commitments

3) Includes €31 Mn of secured commitments

# VII. Asset management activity

III. Assets under Management as of 30<sup>th</sup> June 2019



Annex



# Annex

## I. Consolidated income statement for 2019 H1

€ Thousand	6/30/2019	6/30/2018	%
<b>Net income</b>			
Investment banking	59,576	45,978	29.6%
Asset Management	21,703	23,656	(8.3%)
<i>Management Fees</i>	15,505	16,053	(3.4%)
<i>Success Fees</i>	6,198	7,603	(18.5%)
Others	485	585	(17.1%)
<b>TOTAL Net income</b>	<b>81,764</b>	<b>70,219</b>	<b>16.4%</b>
<b>Other operating income</b>	<b>56</b>	<b>1</b>	<b>-</b>
Personnel Expenses	(53,425)	(38,523)	38.7%
<i>Fixed cost</i>	(31,248)	(23,251)	34.4%
<i>Variable cost</i>	(22,177)	(15,272)	45.2%
Other operating expenses	(15,073)	(13,956)	8.0%
Amortisation	(2,640)	(528)	400.0%
Impairment losses /gains on disposal of property plants & equipment	(4,203)	(2)	-
<b>TOTAL Operating Expenses</b>	<b>(75,341)</b>	<b>(53,009)</b>	<b>42.1%</b>
<b>Operating Profit (Loss)</b>	<b>6,479</b>	<b>17,211</b>	<b>(62.4%)</b>
Finance income (expense) attributable to Portfolio	915	1,975	(53.7%)
Other finance income (expense)	20,076	(3,688)	-
<b>Net Finance Income (expense)</b>	<b>20,991</b>	<b>(1,713)</b>	<b>-</b>
Result of companies registered by the equity method	879	1,264	(30.5%)
Non-controlling Interests	(2,225)	(1,204)	84.8%
Income Tax	(4,419)	(1,786)	147.4%
<b>NET PROFIT ATTRIBUTABLE TO THE PARENT COMPANY</b>	<b>21,705</b>	<b>13,772</b>	<b>57.6%</b>
<b>NET PROFIT DERIVED FROM FEE BUSINESS</b>	<b>12,126</b>	<b>9,143</b>	<b>32.6%</b>
<b>NET PROFIT DERIVED FROM PORTFOLIO</b>	<b>641</b>	<b>4,686</b>	<b>(86.3%)</b>
<b>ORDINARY NET PROFIT</b>	<b>12,766</b>	<b>13,829</b>	<b>(7.7%)</b>
<b>Earnings per share (Euros)</b>	<b>6/30/2019</b>	<b>6/30/2018</b>	<b>%</b>
<b>Basic</b>	<b>0.57</b>	<b>0.37</b>	<b>54.5%</b>
<b>Diluted</b>	<b>0.57</b>	<b>0.37</b>	<b>54.5%</b>

# Annex

## II. Consolidated H1 2019 income statement by segment

€ Thousand	Investment Banking		Asset Management		Structure		Portfolio		Rest		Consolidation adjustments		Total Group	Total Group
	6/30/2019	6/30/2018	6/30/2019	6/30/2018	6/30/2019	6/30/2018	6/30/2019	6/30/2018	6/30/2019	6/30/2018	6/30/2019	6/30/2018	30/06/2019	30/06/2018
Revenue	59,576	45,978	21,703	23,656	485	585							81,764	70,219
Ordinary income among segments	349	462	2,265	846	2,252	2,339					(4,866)	(3,647)		
Other operating revenue	56									1			56	1
Personnel expenses	(35,466)	(25,810)	(9,037)	(10,571)	(2,969)	(1,937)	(88)	(205)	(5,866)				(53,425)	(38,523)
Other operating expenses	(9,932)	(8,865)	(1,935)	(2,121)	(3,206)	(2,970)							(15,073)	(13,956)
Other operating expenses among segments	(1,521)	(1,253)	(3,340)	(2,373)	(5)	(21)					4,866	3,647		
Depreciation and amortisation charge	(1,874)	(234)	(305)	(171)	(461)	(123)							(2,640)	(528)
Impairment of non-current assets	(69)	(2)	(130)						(4,004)				(4,203)	(2)
Gain (loss) on disposal of non-current assets														
Other profit (loss)														
<b>Operating profit (loss)</b>	<b>11,119</b>	<b>10,276</b>	<b>9,221</b>	<b>9,266</b>	<b>(3,904)</b>	<b>(2,127)</b>	<b>(88)</b>	<b>(205)</b>	<b>(9,870)</b>	<b>1</b>			<b>6,479</b>	<b>17,211</b>
Finance income							134	469	45	33			179	502
Finance income among segments										276		(276)		
Finance cost	(4)		(2)		(4)				(73)	(53)			(83)	(53)
Finance cost among segments										(276)		276		
Changes in fair value of financial segments							57	(189)					57	(189)
Gain (loss) from reclassification of financial assets at amortised cost to financial assets at fair value														
Gain (loss) from reclassification of financial assets at fair value through other comprehensive income to financial assets at fair value														
Exchanges differences									(176)	(57)			(176)	(57)
Impairment loss/reversal on financial instruments	1,328	(3,611)						1,588	4,743				6,071	(2,023)
Gain (loss) on disposal of financial instruments														
Financial instruments at amortised cost							724	107	14,219				14,943	107
Other financial instruments														
<b>Net Finance Income (Costs)</b>	<b>1,324</b>	<b>(3,611)</b>	<b>(2)</b>		<b>(4)</b>		<b>915</b>	<b>1,975</b>	<b>18,758</b>	<b>(77)</b>			<b>20,991</b>	<b>(1,713)</b>
Profit (loss) of equity-accounted investees	664	1,086	215	178									879	1,264
<b>Profit (loss) before tax</b>	<b>13,107</b>	<b>7,751</b>	<b>9,434</b>	<b>9,444</b>	<b>(3,908)</b>	<b>(2,127)</b>	<b>828</b>	<b>1,770</b>	<b>8,888</b>	<b>(76)</b>			<b>28,349</b>	<b>16,762</b>
Income tax expense	(2,872)	(3,188)	(2,191)	(2,304)	783	575	(190)	3,112	51	19			(4,419)	(1,786)
<b>Consolidated profit (loss) for the period</b>	<b>10,235</b>	<b>4,563</b>	<b>7,243</b>	<b>7,140</b>	<b>(3,125)</b>	<b>(1,552)</b>	<b>638</b>	<b>4,882</b>	<b>8,939</b>	<b>(57)</b>			<b>23,930</b>	<b>14,976</b>
<b>Profit (loss) attributable to the parent</b>	<b>8,748</b>	<b>3,962</b>	<b>6,502</b>	<b>6,733</b>	<b>(3,125)</b>	<b>(1,552)</b>	<b>641</b>	<b>4,686</b>	<b>8,939</b>	<b>(57)</b>			<b>21,705</b>	<b>13,772</b>
<b>Profit (loss) attributable to non-controlling interests</b>	<b>1,487</b>	<b>601</b>	<b>741</b>	<b>407</b>			<b>(3)</b>	<b>196</b>					<b>2,225</b>	<b>1,204</b>

# Annex

## III. Consolidated balance sheet as of 30<sup>th</sup> June 2019

### ASSETS

€ Thousand	6/30/2019	3/31/2019	%
<b>NON-CURRENT ASSETS</b>	<b>174,676</b>	<b>161,148</b>	<b>8.4%</b>
Intangible assets	71,455	73,938	(3.4%)
Property, plant & equipment	22,247	24,904	(10.7%)
Investments accounted for by the equity method	38,996	12,422	213.9%
Non current financial assets	40,900	48,767	(16.1%)
Deferred tax assets	1,078	1,117	(3.5%)
Other non current assets	-	-	0.0%
<b>CURRENT ASSETS</b>	<b>142,714</b>	<b>156,278</b>	<b>(8.7%)</b>
Available for sale financial assets	-	12,224	(100.0%)
Trade and other receivables	43,508	36,697	18.6%
Trade receivables	29,571	29,476	0.3%
Other receivables	3,344	1,786	87.2%
Current tax assets	10,593	5,435	94.9%
Current financial assets	6,038	9,260	(34.8%)
Other current assets	1,795	1,551	15.7%
Cash and cash equivalents	91,373	96,546	(5.4%)
<b>TOTAL ASSETS</b>	<b>317,390</b>	<b>317,426</b>	<b>(0.0%)</b>

### LIABILITIES AND EQUITY

€ Thousand	6/30/2019	3/31/2019	%
<b>EQUITY</b>	<b>215,508</b>	<b>214,666</b>	<b>0.4%</b>
<b>SHAREHOLDERS EQUITY</b>	<b>209,577</b>	<b>210,600</b>	<b>(0.5%)</b>
Capital	115,894	115,894	0.0%
Share premium	111,863	111,863	0.0%
Reserves	(32,079)	3,067	(1145.9%)
Treasury shares	(399)	(399)	0.0%
Net profit attributable to the parent	21,705	5,223	315.6%
Interim dividend	(7,407)	(25,048)	(70.4%)
<b>VALUATION ADJUSTMENTS</b>	<b>(3,194)</b>	<b>(2,795)</b>	<b>14.3%</b>
<b>EQUITY ATTRIB. TO EQ. HOLD. OF THE PARENT</b>	<b>206,383</b>	<b>207,805</b>	<b>(0.7%)</b>
<b>NON-CONTROLLING INTERESTS</b>	<b>9,125</b>	<b>6,861</b>	<b>33.0%</b>
<b>NON-CURRENT LIABILITIES</b>	<b>29,111</b>	<b>33,798</b>	<b>(13.9%)</b>
Financial liabilities	25,351	30,156	(15.9%)
Liabilities with credit institutions	2,458	2,474	(0.6%)
Other liabilities	22,893	27,682	(17.3%)
Non current provisions	2,257	2,150	5.0%
Deferred tax liabilities	1,503	1,492	0.7%
<b>CURRENT LIABILITIES</b>	<b>72,771</b>	<b>68,962</b>	<b>5.5%</b>
Liabilities associated with non-current assets held for sale	-	11,179	(100.0%)
Financial liabilities	6,392	1,558	310.3%
Trade and other payables	64,742	54,141	19.6%
Suppliers	9,390	6,258	50.0%
Other payables	38,259	35,472	7.9%
Current tax liabilities	17,093	12,411	37.7%
Other current liabilities	1,637	2,084	(21.4%)
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>317,390</b>	<b>317,426</b>	<b>(0.0%)</b>

### III. Glossary (i)

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#### Identified business segments

**“Business Segments”** refer to each operating segment or component identified and classified as such by Alantra that (a) engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the group); (b) whose operating results are regularly reviewed by the entity’s chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and (c) for which discrete financial information is available.

**“Investment Banking”**. The identified Alantra business segment which (in keeping with the definition provided in the Prospectus filed with the CNMV on 28 July 2015 in conjunction with the application to have the new shares issued as a result of the Merger admitted to trading, hereinafter, the "Prospectus") provides financial advisory services to companies or entities on corporate transactions (corporate finance and M&A) and equity research and brokerage services to institutional investors.

**“Asset Management”**. The identified Alantra business segment which, in accordance with the information provided in the Prospectus, consists of the management of and provision of advice in relation to various classes of assets for institutional investors, high net worth individuals/family offices and other professional investors through specialist investment funds or customer investment portfolios.

**“Corporate”**. The identified Alantra business segment which encompasses the universe of revenues and expenses corresponding to Alantra's governance and development structure (corporate governance, strategic management, corporate and business development and corporate services such accounting and financial reporting, risk management and control, human resource management and legal services, among others) and which, either because they relate to the Group parent - as a listed entity - or the management of the Group as a whole, are not directly attributable to the Investment Banking, Asset Management or Portfolio segments. The Corporate segment also includes the invoicing of services related to Alantra Group companies that are associates, i.e., not fully consolidated. In light of Alantra's ongoing growth at both the corporate and business levels, the significance of the services encompassed by the Corporate area justifies its classification as an independent segment.

**“Portfolio”**. The identified Alantra business segment which is defined, in keeping with that stated in the Prospectus, as the activity consisting of the pursuit of capital gains by taking ownership interests in companies, funds or investment vehicles managed by the Alantra Group's asset management teams and subsequently selling those interests. The current portfolio originated in two ways: (i) the universe of companies invested in by the Company in its former capacity - prior to the Merger - as a private equity firm and which at the date of the Merger had not yet been disposed of or sold; and (ii) Alantra's investments in vehicles managed or advised on by the Group.

**“Other”**. It is defined, by default, as the host of items that do not correspond to any of the business segments (i.e., that are not part of either the Investment Banking, Asset Management, Corporate or Portfolio segments).



### III. Glossary (ii)

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**“Fee Business”** is defined as the group or aggregate of the Investment Banking, Asset Management and Corporate segments which, as a whole, are referred to as the service provision businesses, whether those services be financial advisory or management, whose revenues materialise in the form of fees and whose expenses are those necessary for their pursuit and development, mainly comprising staff costs. The following is specifically carved out of the Fee Business: losses or gains deriving from the Group parent's investments in the companies that perform the aforementioned activities (such as, for example, gains unlocked on the sale of investments in companies or businesses, goodwill impairment charges or foreign currency gains or losses); those losses or gains are included under segment termed Other.

- The decision to allocate 100% of the activity encompassed by the Corporate segment to the Fee Business reflects the fact that the vast majority of the time and/or investment of the resources included under Corporate are devoted to managing the growth and complexity emanating from the Investment Banking and Asset Management segments. This concept is all the more relevant as it underpins several of the alternative performance measures (APMs) used.

**“Recurring Business”**. The group or aggregate of segments comprising the Fee Business (Investment Banking, Asset Management, Corporate) plus the Portfolio segment.

#### Alternative performance measures

**“Alternative performance measures” or “APMs”** A measure of the past or future financial performance, financial situation or cash flows of a company other than the financial measures defined or described in the applicable financial reporting framework.

**“Fee Business Net Profit”**. The profit generated from the provision of advisory or management services under the umbrella of the Fee Businesses (i.e., that corresponding to the Investment Banking, Asset Management and Corporate segments), whose revenues materialise in the form of fees and whose expenses are those necessary for their pursuit and development, mainly comprising staff costs.

- Fee Business Net Profit is calculated as the sum of profit attributable to owners of the parent corresponding to the above three segments.
- The markedly different nature of Alantra's two businesses (Fee Business and Portfolio) justifies the breakdown of Fee Business Net Profit attributable to owners of the parent in the Company's public financial disclosures.

**“Portfolio Net Profit”**. The profit deriving from the investment in and subsequent disposal of shareholdings in companies, funds or other investment vehicles managed by the Alantra Group.

- Portfolio Net Profit is equal to the profit attributable to owners of the parent corresponding to the Portfolio segment.
- The markedly different nature of Alantra's two businesses (Fee Business and Portfolio) justifies the breakdown of Portfolio Net Profit attributable to owners of the parent in the Company's public financial disclosures.

### III. Glossary (iii)

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**“Recurring Net Profit”.** The profit derived from the Group's recurring or ordinary activities, i.e., that generated by the Investment Banking, Asset Management and Portfolio segments.

- Recurring Net Profit is the sum of Fee Business Net Profit and Portfolio Net Profit.
- Recurring Net Profit is an important indicator, in relation to net profit (or profit attributable to owners of the parent), insofar as it helps users assess what part of the Group's bottom line is attributable to the recurring businesses and not extraordinary accounting entries.

**“Financial Leverage”.** This metric is defined as the aggregate borrowings provided to the Group by banks, credit institutions and similar entities to fund its business operations. This measure excludes amounts due to employees, suppliers, companies within its scope of consolidation or their shareholders. It also excludes obligations to banks, credit institutions or similar entities when these obligations are specifically secured by assets in the same amount.

- Financial Leverage is calculated as the sum of balance sheet items grouped under “Bank borrowings” that meet the criteria defined in this APM. Hence the 2,458 thousand euros registered in the liabilities of the consolidated balance sheet as of 30<sup>th</sup> June 2019 are excluded.
- Financial Leverage is a meaningful indicator of changes in the Group's consolidated balance sheet.

**“Payout”.** This metric is defined as the percentage of profits the Company pays out to its shareholders.

- It is calculated as the total sum distributed by the Company to its shareholders in respect of a given reporting period (whether in the form of a dividend or a distribution charged against reserves or the share premium account) and the consolidated net profit, attributable to the controlling company, generated during that same period
- The payout indicates the extent to which shareholder remuneration is financed from profit for the year (or for the reporting period in question).

**“Dividend Yield”.** The return earned by the Company's shareholders by means of the dividends they receive.

- The Dividend Yield is calculated as the ratio between the total per-share sum distributed by the Company to its shareholders in respect of a given reporting period (whether in the form of a dividend or a distribution charged against reserves or the share premium account) and the share price as of a given date (which date shall be that referenced when the AMP is disclosed).
- Shareholders earn a return in two ways: gains in the price of the shares they hold and the remuneration they receive in the form of distributed dividends, reserves or share premium accounts. The Dividend Yield is the APM or benchmark indicator for the latter source of shareholder returns.

## IV. Disclaimer

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