



PRIVATE EQUITY:
MEERWAARDE OP
LANGE TERMIJN

Financieel Forum
30 september 2014

ACKERMANS & VAN HAAREN

Jaarverslag 2013

Annual report 2012

Rapport annuel 2011

Jaarverslag 2010

ACKERMANS & VAN HAAREN

ANNUAL REPORT 2009

Ackermans & van Haaren • Jaarverslag 2008

Ackermans & van Haaren • Annual report 2007

rapport annuel 2006



ACKERMANS &
VAN HAAREN
at a glance
1H14

A diversified
group active in
5 segments

Limited
number of
strategic
participations

Net result

€ 96 mio

Equity

€ 2,294 mio

Gross dividend

€ 1.70

Total payout: € 57 mio

Market
capitalization

€ 3,085 mio

Share price: € 92.09
(30/6/2014)

Personnel

22,706

We work for
growth

Development Capital

(via Sofinim & GIB)

GIB 50% Sofinim 74%

ICT & Engineering

Axe Investments
48%

Egemin
61%

Hertel
48%

Trasys
84%

Retail & Distribution

Distriplus
50%

Manuchar
30%

Turbo's Hoet Groep
50%

Groupe Flo
47%

Real Estate Development

Atenor
11%

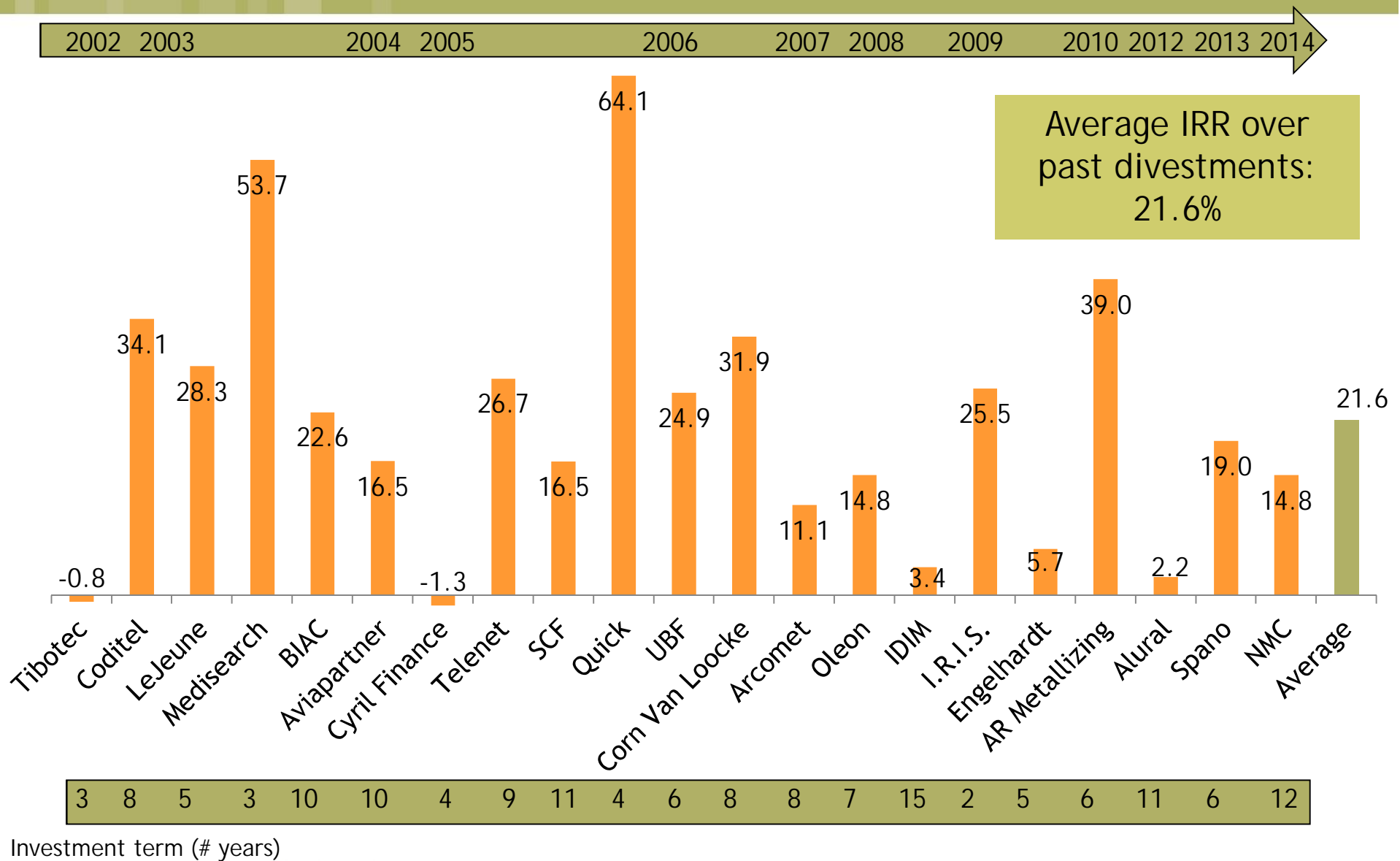
Media & Printing

Corelio
22%

Euro Media Group
22%

Average investment term in current portfolio:
13 years

AvH Development Capital: overview of major divestments (IRR %)





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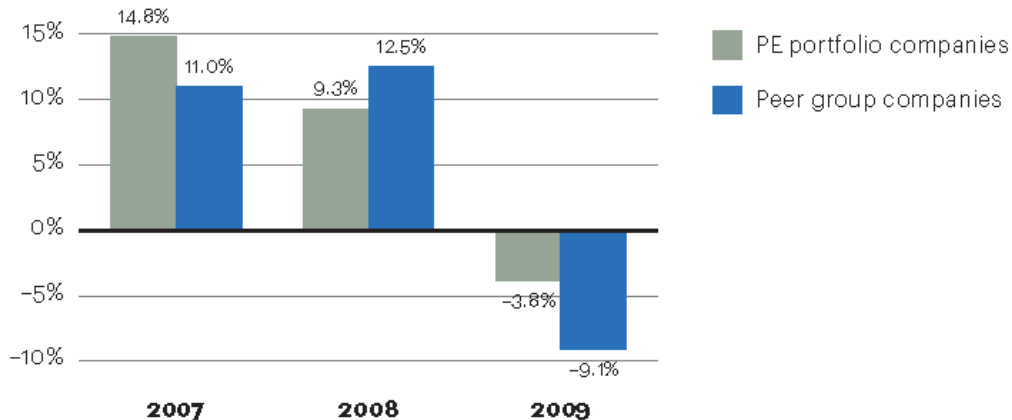
Impact of
private equity
on individual
companies

Role of private
equity in the
economy

Value creation
levers

Private equity-backed companies outperform public companies

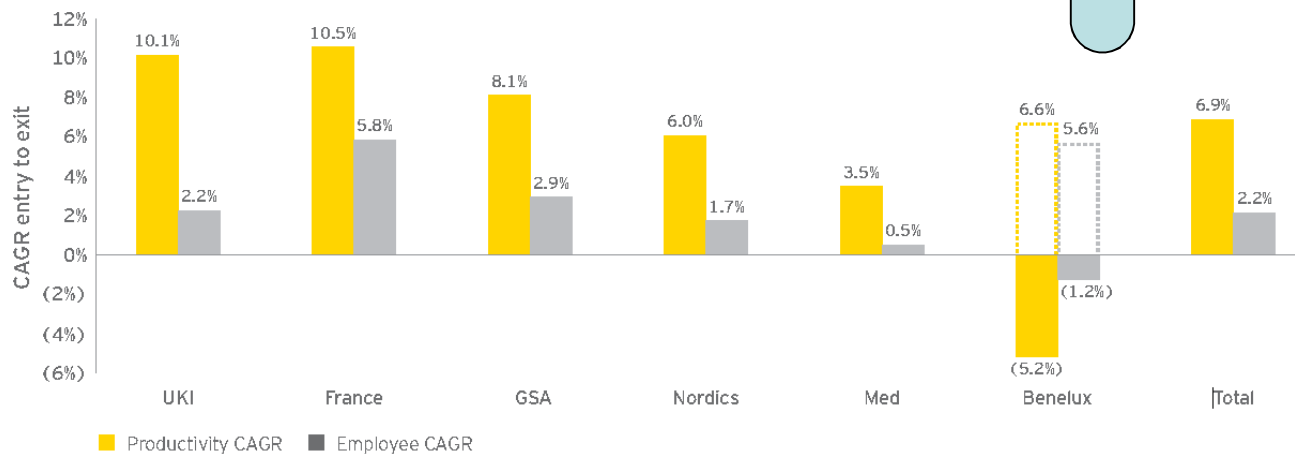
Revenue growth (2007-2009)



Impact of BVA members

- VCB companies experienced negative cash flows first 3 years after the investment. Afterwards, cash flows became highly positive on average
- Increased risk associated with the increased investments
- Similar studies show similar trends for buy-outs. Lower growth rates compensated by bigger absolute amounts

Productivity and employment growth for PE-backed companies, 2005-2011

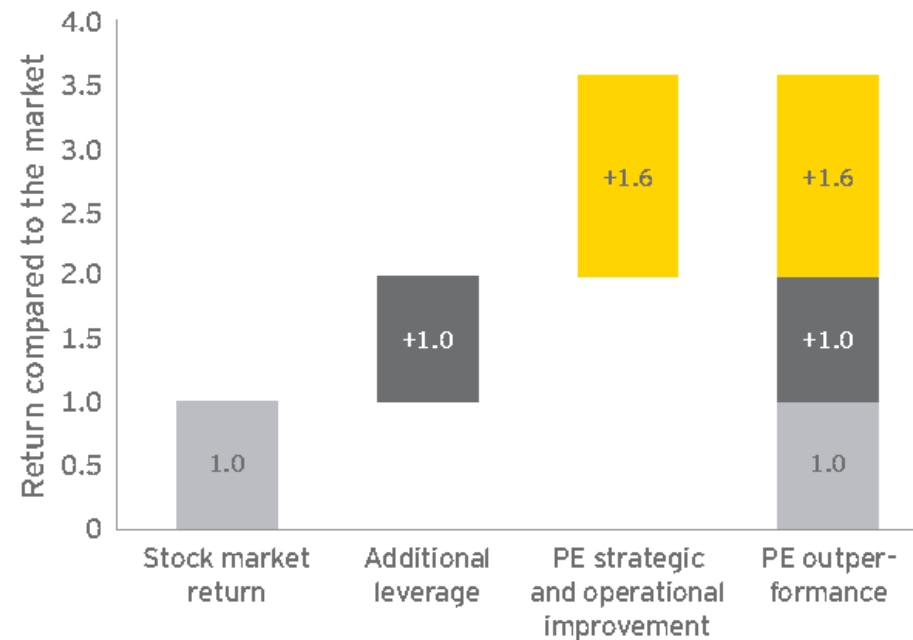


At least 2.5x comparable public company return

Dotted lines for Benelux show productivity and employment growth without outliers. N=178 (excludes deals for which insufficient data are available)
Source: Ernst & Young data, DataStream

Private equity-backed companies outperform public companies

PE returns compared to the public market, 2005-2011



N = 307 (excludes deals for which insufficient data are available to calculate returns)

Source: Ernst & Young data, DataStream

Not all PE players do execute the job equally well, not every deal is a success. On average they perform better than average shareholders, to the benefit of the economy and the companies they own.



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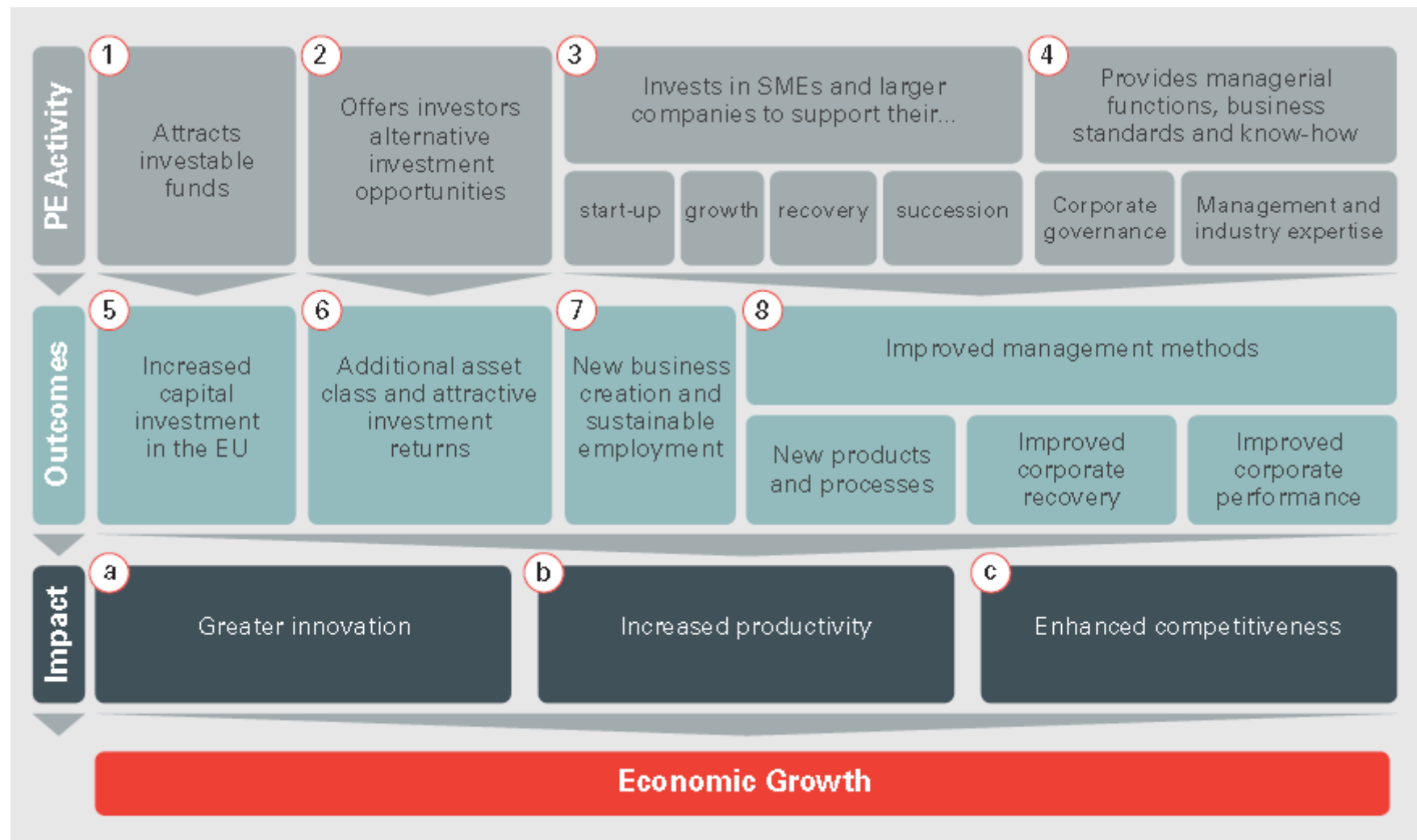


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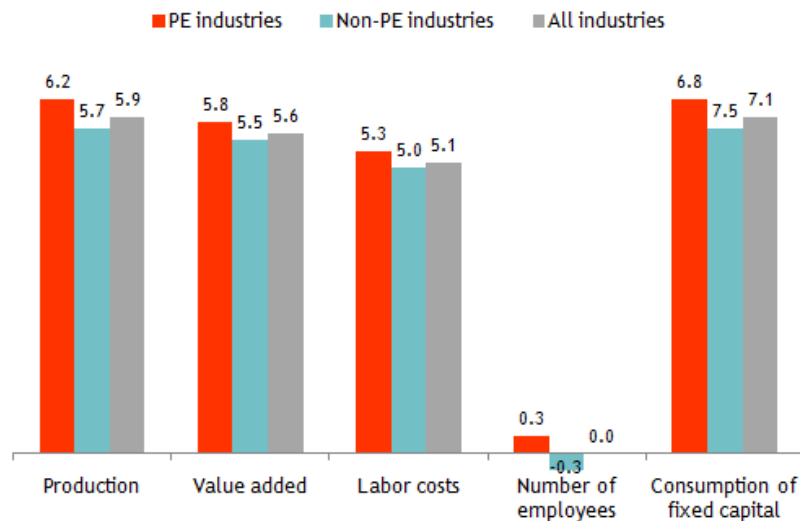


Source: 'Exploring the impact of private equity on growth in Europe', Frontier Economics - Prepared for EVCA, May 2013

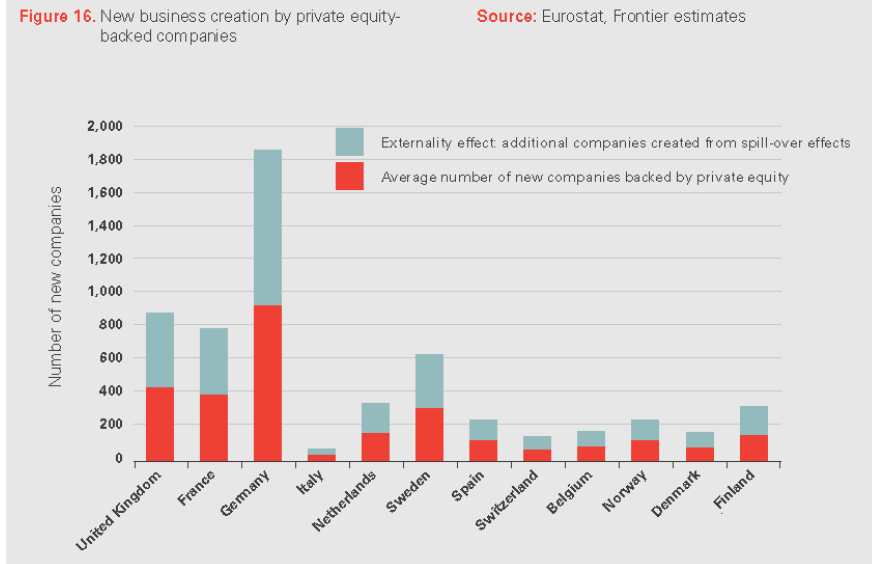
Spill-over effects from private equity generate positive effect on the economy

Private equity industries' growth rates always exceed non-PE industries

Industry growth variables of OECD countries, 1991-2007



Private equity contributes to the creation of up to 5,600 new businesses in Europe each year



Source: 'Exploring the impact of private equity on growth in Europe', Frontier Economics - Prepared for EVCA, May 2013; 'The global economic impact of private equity report 2010', World Economic Forum

PE performs better than public market over time

Since inception, five-year rolling IRRs, 2001-2013



Note: To calculate equivalent IRR returns, public market comparators treat the private equity inflows and outflows as buying and selling shares into the selected index (indices).

Source: '2013 Pan-European Private Equity Performance Benchmarks Study', EVCA



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Value creation levers

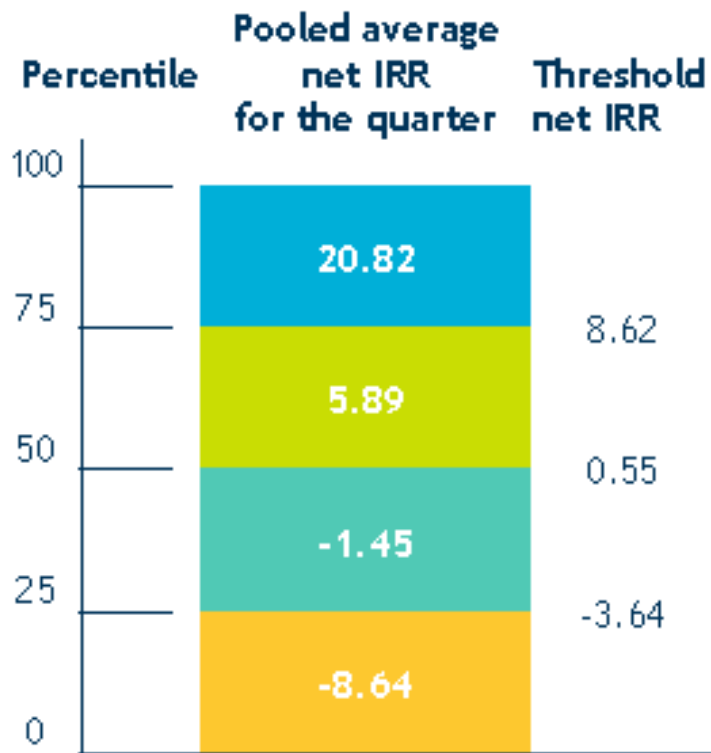
- Private equity is more than financial leverage. Main forms of value creation are :
 - Operational
 - Financial
 - Multiples change
 - Timing (entry & exit)
- Value drivers highly interdependent. Good governance aims at consistent and coherent approach through discipline and focus.
- Roles :
 - management : operational and some financial value creation levers
 - shareholders : governance, multiple value creation, some financial value creation, timing
- Superior value creation is the result of distinctive organizational capabilities : industry network access, domain expertise and operational improvement

Ackermans & van Haaren: a true PE player ?

- Financing : we work with own funds, no regular fund raising
- Timing : we take a long term view (capex, quick buck, hiring, ...), no pre-fixed time horizon - rotation provides means for dividend and growth
- Reporting & accounting : we consolidate net profit and balance sheet : cautious approach regarding goodwill and leverage
- Management : we back jockeys, no horses. Chemical fit & integrity
- Shareholdership : quoted, with family values
- Returns : we must earn the right return/risk (Sharpe ratio) equal to our peers
- Corporate governance :
 - Active personal involvement through an experienced & diversified AvH team coupled with external support : analysis, ad hoc support, entry/investment time/exit
 - Conflicts of interest : no fee nor carry bias, alignment with management of portfolio company and shareholders of AvH through options and net profit
 - Respect for all stakeholders incl the community, responsible owner

AvH performs above average in top quartile of European funds

Pooled IRR, European funds, 1980-2013



Source: Thomson Reuters

Average IRR of AvH (21.6%) is higher than average of top quartile European funds



For further questions or additional information,
please consult our website: www.avh.be

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