



# YFM Equity Partners

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## Business Goes On:

- Continued investment
- Two disposals > valuation

## Portfolio:

- Most tech different to UK economy
- Very low additional funding

- Dividends have been maintained
- Dividend re-investment and Buy Back reinstated.
- Good liquidity for new investment.

Over £330 million of funds under management, including £150 million of VCT funds

## Regional Focus

Operating from Leeds, London, Manchester and Birmingham

## Partnership Approach

We are an owner managed business (14 Partners and 21 Staff)

Investing in UK small businesses since 1982

# What we will cover

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## **Reminder of investment strategy**

What's been the impact of locking down?

Behind the valuations

Lessons from the past

Investment Environment

Re-cap

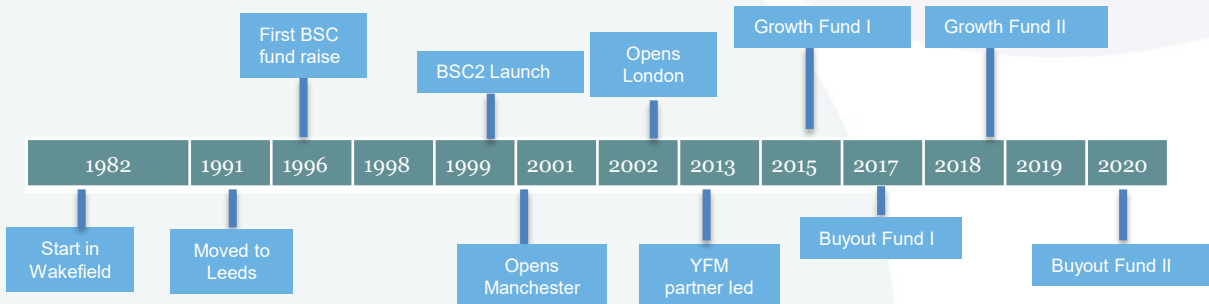
# Reminder of investment strategy

## The YFM Difference

Our aim is to produce strong financial returns for investors and have a positive impact on society and the environment

>35 years SME focus.  
Track record multiple funds.  
Institutional and private UK-wide reach

Partner led



# Reminder of Investment Strategy

## Headline

- Broad range of sectors
- established and emerging industries,
- applying innovation to products and services

## Focus

Enterprise solutions: Multiple verticals

## The Data wrap

Move



Change



Use



Collect



Analyse



Protect



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# Impact of Locking down

## What we thought we knew: 30<sup>th</sup> March:

- High level uncertainty
- Short term decision making
- Companies internally focussed
- Hospitality and travel hit hard
- Markets reeling
- Government response?

## What we know today:

- More clarity
- Planning horizons extended
- Short term funding less
- Some sectors boosted
- Consumer spend
- Savings

## What we didn't know:

- R is more than a letter
- 1 metre makes a difference
- You can lock down for 3 months
- Quality & extent of NHS resilience and capacity

## Today's Questions:

- Short/medium term
  - Employment
  - Economy
- Brexit
- Opportunity



## With Companies and Boards

- Team & resource
- Revenue
  - Protect and grow
- Invest don't spend
- Play to competitive advantages
- It's the decision making

## Across the Top

- Covid Action Group
- Government support
  - Lesser known
- Hints & Tips
- Funding where needed (small)
- Knowledge share

# Impact of Locking Down: Portfolio stories

## SPRINGBOARD.



Launched new product



Demand for consultancy increased



New customer wins in US office



New product triggers heightened demand <sup>10</sup>

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# Behind the valuations

c 30 assets across both  
BSC VCTs

BSC:	Tot Ret'n	NAV
31 Mar 20	217.9	64.5
26 Mar 20	216.7	63.3
31 Dec 19	227.5	76.1

BSC2:	Tot Ret'n	NAV
31 Mar 20	114.9	48.4
26 Mar 20	114.6	48.1
31 Dec 19	121.7	55.2

## The Portfolio – sector split comparison

		31 March 20	31 Dec 19	Change
	%	£m	£m	£m
TMT	67.5	64.6	68.0	(3.4)
Business Services	9.1	8.7	10.5	(1.8)
Travel	14.6	14.0	19.2	(5.2)
Investment Companies	4.5	4.3	4.5	(0.2)
Retail & Hospitality	3.3	3.2	8.5	(5.3)
Manufacturing	0.4	0.4	2.1	(1.7)
In Realisation	0.6	0.6	2.9	(2.3)
Healthcare			0.3	(0.3)
<b>Total</b>	<b>100%</b>	<b>95.8</b>	<b>116.0</b>	<b>(20.2)</b>

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# Lessons from the Past

Normal, but not new

*1992*

*2001*

*2009*

Make quick decisive calls

- People
- Cash
- Competitive action

Liquidity

- Defensive financial structure
- Allows offensive action
- Cash is Prince, Queen & King

# Lessons from the Past

## Valuation of Unquoted are not exits: last three sales:

### Eikon

	£m*
March 2019 (val'n)	5.24
Dec 2019 (proceeds)	11.75

### Business Collaborator

	£m*
Mar 2019 (Val'n)	6.10
Dec 2019 (Val'n)	8.65
Mar 2020 (proceeds)	12.69

### RMS

	£m*
Mar 20 (val'n)	0.60
Jun 20 (proceeds)	2.02

\* Aggregate value BSC and BSC2



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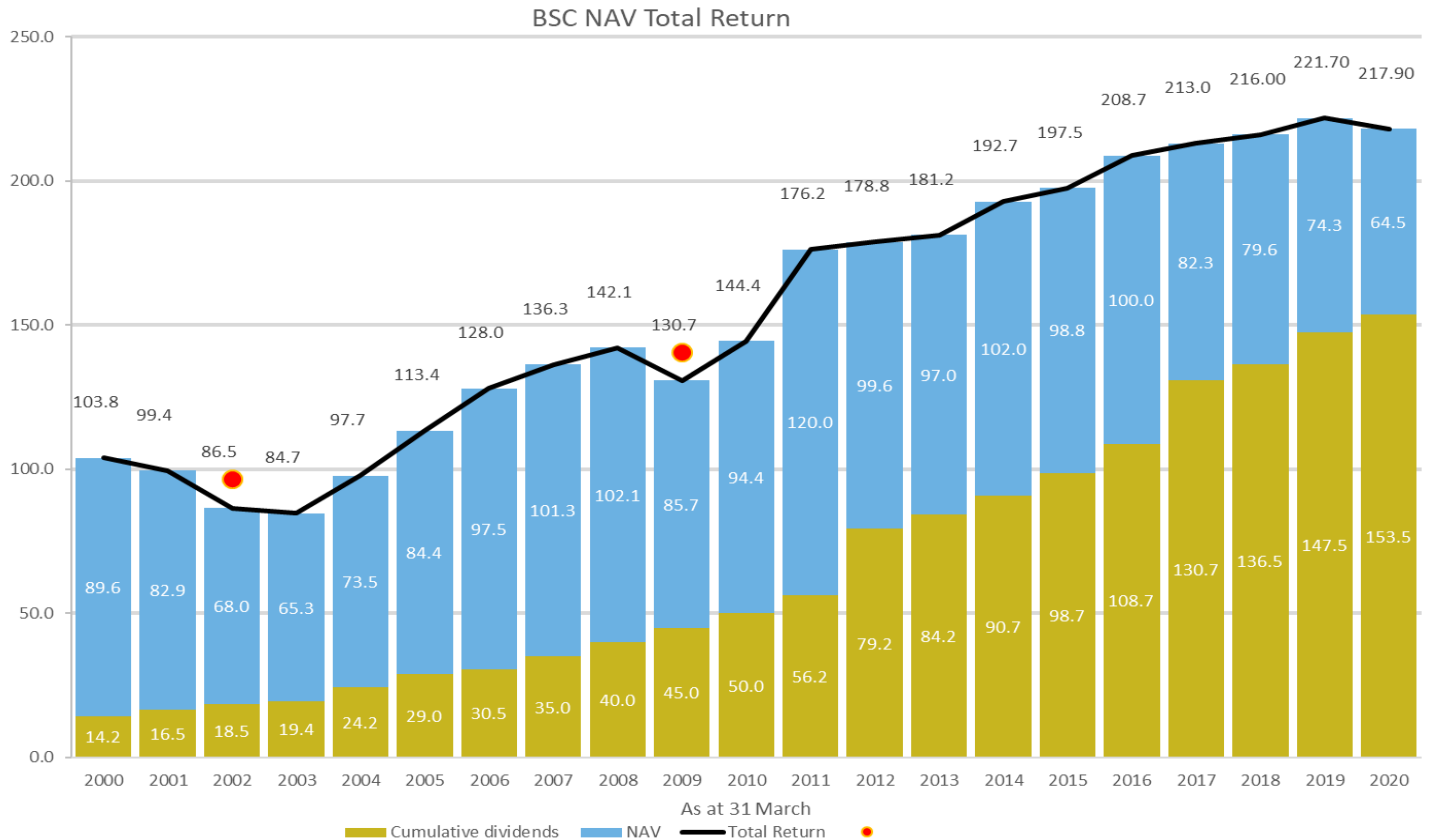
Re-cap

**And the question  
being asked more  
and more  
frequently of late**

...

**Is now a good  
time to be  
investing?**

# Investment environment



Past performance is no guide to future performance and may not be repeated.

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**Re-cap & Questions**

# Contact us



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