HgT

HgT's NAV stabilises in Q226

Investment companies
Listed private equity/TMT

10 August 2026

HgT published its preliminary trading update for H126, reporting that its portfolio delivered a last-12-month (LTM) revenue and EBITDA growth (based on latest available data) of 16% and 19%, respectively (of which 11% and 17% was organic, respectively), at a strong average EBITDA margin of 34%. Average net debt to EBITDA across its portfolio fell to 6.9x from 7.4x at end-2025. The robust contribution from underlying portfolio performance (broadly consistent with 2025 performance and adding 6pp to HgT's Q226 NAV performance) was partly offset by a negative 5pp impact from a further fall in peer multiples amid continued investor uncertainty related to AI's effect on the software industry. Weighted average EV/EBITDA across HgT's portfolio was 22.9x versus 25.2x at end-2025. We believe that HgT is well-placed to benefit from the AI augmentation of software products across its portfolio, see our previous research for details. NAV total return (TR) in Q226 came in at 0.5%, which resulted in a NAV TR of -4.9% in H126. Following the sell-off in public software, HgT's shares trade at a historically wide discount to NAV of 25%.

HgT's gross realisation proceeds in H126 reached £134m, including £52m from the full exit of Intelerad, completed at a strong c 60% uplift to end-September 2025 carrying value, and c £20.4m from the full exit of Geomatikk, completed at a slight uplift to end-2025 carrying value despite being signed in the midst of the public market sell-off. The H126 gross proceeds also include a partial exit of Septeo (re-invested as discussed below) and four refinancings. Post period-end, HgT agreed the full exit of Quantios, a provider of SaaS solutions to the global trust and corporate services industry, to Vista Equity Partners (another private equity (PE) firm). The transaction values HgT's stake at £13m, representing a strong 31% uplift to carrying value (0.7p per share) and is expected to complete in Q326.

HgT invested £146m in H126 (c 5.7% of opening NAV), of which the largest was the c £91m investment (including a £7m co-investment) in the US enterprise finance software provider OneStream in a take-private deal. Other notable transactions completed in H126 included a conversion of HgT's existing £39.0m exposure to Septeo via the Hg Genesis 9 fund into a £51.1m fee-free co-investment, an £11m new investment in Rightsline (a provider of rights and royalties management software), as well as a £7.3m follow-on investment in Teamworks. The share of co-investments in HgT's portfolio stands at c 11%, in line with its 10–15% target. The trust also spent £19m on NAV-accretive share buybacks during the period. After the reporting date, HgT announced a c £7m investment in Street Group, a provider of vertical software and AI to the UK residential property sector.

HgT's pro forma liquid resources as of the date of the trading update stood at £260m and covered c 13% of its outstanding commitments. HgT expects c £200m of these commitments not to be called and the remainder to be called gradually over the next four to five years. Around £850m of the commitments are to Genesis 11 and Mercury 5, which HgT does not expect to be activated until early 2027. Moreover, they are behind subscription lines at the level of the Hg funds, delaying first capital calls by a further 12 months from the time of investment. We note that HgT has the right to opt out of its obligation to fund commitments without penalty under certain conditions. HgT's pro forma liquidity includes £241m of undrawn capacity of its £375m credit facility, which is due to expire in March 2027. HgT is in advanced discussions to upsize and extend the facility, and said discussions with its lending banks have been constructive.

Price		**396.00p**
Market cap		**£1,794m**
NAV		530.7p
Discount to NAV		25.4%
Current yield		1.3%
Shares in issue		453.0m
Code/ISIN		HGT/GB00BJ0LT190
Primary exchange		LSE
AIC sector		Private equity
Financial year end		31 December
52-week high/low	518.0p	320.0p
NAV high/low	561.5p	528.0p
Net gearing		5.0%

Fund objective

HgT's investment objective is to provide shareholders with consistent long-term returns in excess of the UK All-Share Index by investing predominantly in unquoted companies where value can be created through strategic and operational change.

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