

HgT

NAV rebound continued into Q325

HgT has reported its Q325 results with a 2.4% increase in NAV per share, which marks a continuation of the rebound seen in Q225 following the negative impact of a weaker public market environment in Q125. HgT's NAV total return (TR) for the first nine months (9M25) was therefore 1.9%. A continued positive contribution from portfolio earnings growth (4.3pp positive impact on portfolio valuation in Q325) and 1.4pp of fx tailwinds were partly offset by lower valuation multiples and higher net debt across HgT's portfolio. Last 12-month revenue and EBITDA growth to end-September 2025 across HgT's portfolio remains consistently in double-digit territory at 18% and 19%, respectively (of which 11% and 16% are organic growth). This is coupled with a sustained strong average EBITDA margin of 33%. Hg's head of research highlighted that the 13% increase in Q325 earnings forecasts for listed software businesses only partially flowed into prices, leading to an 8% contraction in public market multiples. HgT maintained a strong long-term track record with five- and 10-year NAV TR to end-September 2025 of 14.5% and 17.8%, respectively. Based on the last closing price, HgT's shares trade at a 13.6% discount to end-September 2025 NAV.

After delivering £165m in realisation proceeds in H125 (part of which was re-invested in the same high-conviction portfolio companies), HgT recorded a minor £7m in proceeds in Q325. This was primarily the £6.4m partial sale of Trackunit, a software-as-a-service (SaaS) and operating data platform provider for the construction ecosystem (which is on top of a £15.9m partial realisation of this holding in H125). After reporting date, HgT completed the full exit of GTreasury, a provider of adaptable treasury solutions to the office of the CFO, to digital assets firm Ripple, valuing the business at over \$1bn (and translating into an expected £30m in proceeds for HgT). The transaction was completed at a strong uplift of 97% to the previous carrying value.

HgT's investments in Q325 of £49.7m mainly consisted of A-LIGN (a US provider of tech-enabled cybersecurity compliance services) and were partly offset by a £19.7m equalisation following the latest closing of the Hg Saturn 4 fund, Hg's latest-vintage large-cap fund. After reporting date, the trust also invested c £17m in Payworks, a Canadian company active in total workforce management. The company highlighted that co-investments (which are free of management and performance fees) now make up 10% of the portfolio, which we note is already within HgT's long-term target of 10–15%. The company's investments in 9M25 reached £336m, of which c £38m were co-investments.

HgT's pro forma available liquid resources (after accounting for post-balance sheet date transactions and the dividend paid in October) stood at £379m, including a £375m credit facility (£46m of which was drawn). This compares with £1.7bn of investment commitments, which are expected to be drawn over the next four to five years, and of which only £376m are expected to be called within the next 12 months. HgT has made sizeable commitments this year, including a \$1bn commitment to the Saturn 4 fund, €350m to Hg Genesis 11 (Hg's latest mid-cap fund) and €150m to Hg's latest small-cap fund (Hg Mercury 5). We note that the drawdown of HgT's commitment to the Saturn 4 fund (similarly to commitments made by other limited partners to Hg funds) will be delayed by 12 months, due to the use of underlying fund-level credit facilities.

Investment companies
Listed private equity/TMT

7 November 2025

Price	475.50p
Market cap	£2,176m
NAV	550.4p
Discount to NAV	13.6%
Current yield	1.2%
Shares in issue	457.7m
Code/ISIN	HGT/GB00BJLT190
Primary exchange	LSE
AIC sector	Private equity
Financial year end	31 December
52-week high/low	542.9p 418.3p
NAV high/low	524.0p 500.5p
Net gearing	1.7%

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.

Analysts

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