EDISON

HgT

Public market volatility weighing on H125 return

Investment companies
Listed private equity

6 August 2025

HgT's muted -0.3% NAV total return (TR) in H125 (according to its preliminary trading update) was negatively affected by public market volatility that reduced HgT's private portfolio valuations by 4pp. That said, it represents a NAV rebound in Q225 following the -2.0% TR in Q125. Last 12-month (LTM) revenue and EBITDA growth to end-May 2025 across HgT's entire portfolio were both a robust 19%, translating to a 7pp positive effect on portfolio value. Minor headwinds came from fx changes and higher portfolio net debt (1pp NAV impact each). Gross realisation proceeds reached £165m (7% of opening NAV), which according to Hg compares favourably with peers in a challenging environment. Investments (including reinvestments) stood at £306m, or 12% of opening NAV.

The reported LTM EBITDA growth in HgT's portfolio shows a softening versus the 26% reported in H124. The numbers are not fully comparable given that in previous years they were reported for HgT's top 20 holdings only (a different set of companies in each of these years). That said, Hg highlighted in HgT's Q125 report that organic growth across its portfolio was c 2pp below what it might consider more normal historical levels. Margins seem to be holding up at a strong level, given the same increase in revenue and EBITDA in H125. HgT reported a 33% EBITDA margin for the 12 months to Q125, broadly in line with previous years.

HgT made a $1bn commitment to the Saturn 4 fund, the latest vintage of Hg's large-cap fund, and after H125 committed €350m to Hg Genesis 11, Hg's latest mid-cap fund, and €150m to Hg's latest small-cap fund (Hg Mercury 5). This resulted in HgT pro forma outstanding commitments of £1.7bn. Its pro forma available liquid resources reached £383m (including its £375m credit facility, of which £28m was drawn at the time of HgT's announcement), or c 23% of outstanding commitments, which at first glance may seem low. However, we note that commitments will be drawn gradually over four to five years, and the latest Hg Genesis and Hg Mercury funds are expected to start investing in 2026. Therefore, HgT intends to partly fund its commitments with portfolio exits (in line with its past approach). Here, we note Visma reportedly picked London as its listing venue and could list as early as 2026.

HgT fully exited smartTrade, a provider of multi-asset electronic trading and payments platforms (sold to TA Associates), resulting in £30.3m in proceeds (vs end-2024 carrying value of £32.3m). Citation Group (a provider of tech-enabled compliance and certification solutions to SMEs) completed a recapitalisation, with HarbourVest Partners becoming a new shareholder. The transaction values HgT's holding at 8% above its end-September 2024 carrying value and resulted in c £13m of net proceeds. Finally, HgT partially exited Trackunit, a SaaS and operating data platform provider for the construction ecosystem, at a 6% uplift to end-2024 carrying value, with expected net realisation proceeds of £21.1m. The buyer was the private equity business of Goldman Sachs Alternatives.

HgT made a new investment in Scopevisio (active in cloud-based business automation, £4.8m) and follow-on investments in IFS (£124m) and P&I (£53m). It also reinvested part of the realisation proceeds into Citation Group (£30m) and Trackunit. After H125, HgT made a new £49m investment into A-LIGN, a provider of cyber compliance services. H125 investments included £34m of co-investments, which make up 10% of the portfolio, within its target range of 10–15%.

Price		**512.00p**
Market cap		**£2,389m**
NAV		540.2p
Discount to NAV		5.2%
Current yield		1.0%
Shares in issue		457.7m
Code/ISIN		HGT/GB00BJ0LT190
Primary exchange		LSE
AIC sector		Private equity
Financial year end		31 December
52-week high/low	545.1p	420.0p
NAV high/low	524.0p	500.5p
Net gearing		0.0%

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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