



# Private Equity Capital Markets Seminar

24 September 2024



# Agenda and introduction

Simon Borrows  
Chief Executive

# Agenda



---

10.00-10.10	Agenda and introduction	Simon Borrows Chief Executive
10.10-11.00	Services & Software sector presentation Q&A	Rémi Carnimolla Private Equity – Partner Head of Services & Software sector  Marc Ohayon Private Equity – Partner Head of Services & Software sector, France & UK
11.00-11.40	Audley Travel Q&A	David Stephens Private Equity – Partner Co-head of UK Private Equity
11.40-12.00	Closing remarks and final questions	Simon Borrows Chief Executive

---

# Portfolio update



- We are seeing good overall performance across both the Private Equity and Infrastructure portfolios:
  - Royal Sanders and European Bakery Group continue to perform well
  - Customer demand is driving a recovery across the healthcare assets
  - Audley has continued to see very strong growth and the software and IT related assets in the portfolio are showing positive momentum
  - Improving trend across some of the discretionary consumer assets; MPM continues to perform well
  - A number of the assets which experienced challenging operating conditions last year have been returning to improving trading trajectories
  - WilsonHCG has however yet to see any material upturn in the recruitment process outsourcing market
- Action's impressive performance continues:
  - Year-to-date sales (at 22 September 2024) of €9.3 billion, 21% ahead of the same period last year
  - Year-to-date (at 22 September 2024) LFL sales growth of 9.6%, driven by customer transactions and strong sales of everyday necessities
  - Expect operating EBITDA for the 12 months to the end of P9 2024 to be circa €1,880 million compared to €1,530 million at the end of September 2023, an increase of 23%
  - Cash generation has continued to be strong, with cash balances at 22 September 2024 at €779 million
  - 179 net new stores in the year to date; remains on track to deliver or exceed 330 net new stores in 2024

## Today's presenters



## Services & Software



---

**Rémi Carnimolla**

**Private Equity – Partner  
Head of Services & Software  
Investment Committee member**



---

**David Stephens**

**Private Equity – Partner  
Co-head of UK Private Equity**



---

**Marc Ohayon**

**Private Equity – Partner  
Head of Services & Software France & UK**



# Services & Software sector presentation

24 September 2024



# The Services & Software leadership acts globally with local presence



Rémi Carnimolla  
Global Sector Head



Rahul Lulla  
Sector head for USA



Marc Ohayon  
Sector head for France and UK



Michael Specht  
Sector head for Germany and Benelux





Selective and disciplined approach  
Focused on three segments

IT Services

Tech-enabled  
outsourcing

Mature software



# Tech-enabled outsourcing remains a core theme for 3i, leveraging successful experience in Testing, Inspection and Certification (“TIC”)



## Tech-enabled outsourcing

Technological expertise embeds superior value proposition or cost advantage

Large and global markets with secular outsourcing trend

Global reach for delivery is a key moat

Recurring and/or contracted revenues allowing high degree of visibility

Accretive and synergistic buy and build (fragmented market)



4.5x MM / 34% IRR  
10 add-ons



2x MM / 29% IRR  
4 add-ons



4.4x MM / 48% IRR  
2 add-ons

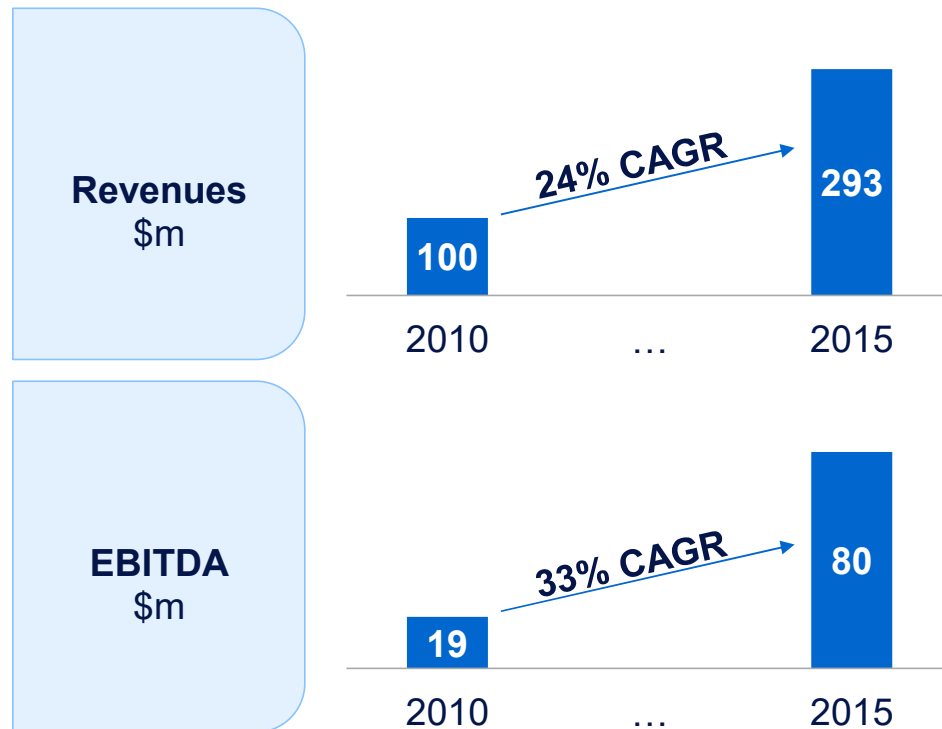


2 add-ons

# Carve-out to build an integrated international leader in TIC, quadrupling EBITDA in five years



## Financial development



## Activity

- Material testing and product qualification testing for OEMs and their supply chain

## Key achievements / transformation

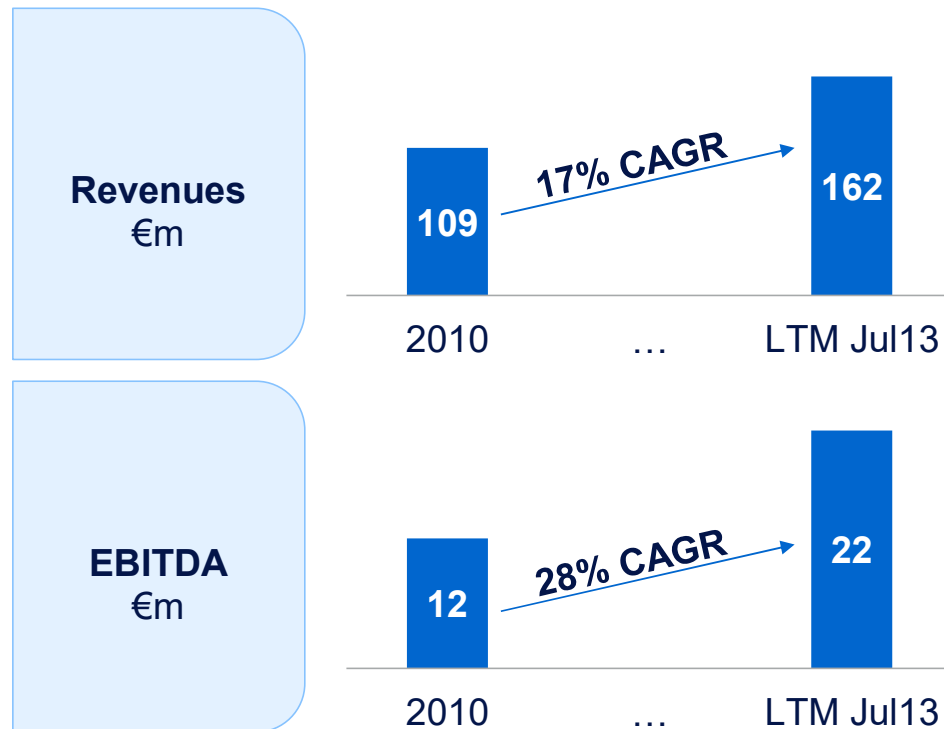
- ✓ Carve-out from Stork, refocused on testing especially for Aerospace and Defence and Life Sciences
- ✓ Acceleration of buy and build (10 add-ons in five years)
- ✓ Several active partnership actions (eg: pricing, salesforce excellence and reorganisation) to improve EBITDA by 8pt

**Outcome: 4.5x MM / 34% IRR in five years**

Building a global presence in calibration services, expanding in the US, consolidating the market and significantly improving profitability



## Financial development



**Outcome: 2x MM / 29% IRR in three years**

## Activity

- Calibration of measurement equipment
- Cost advantage with technology (automatisation of services and reporting)
- Global business

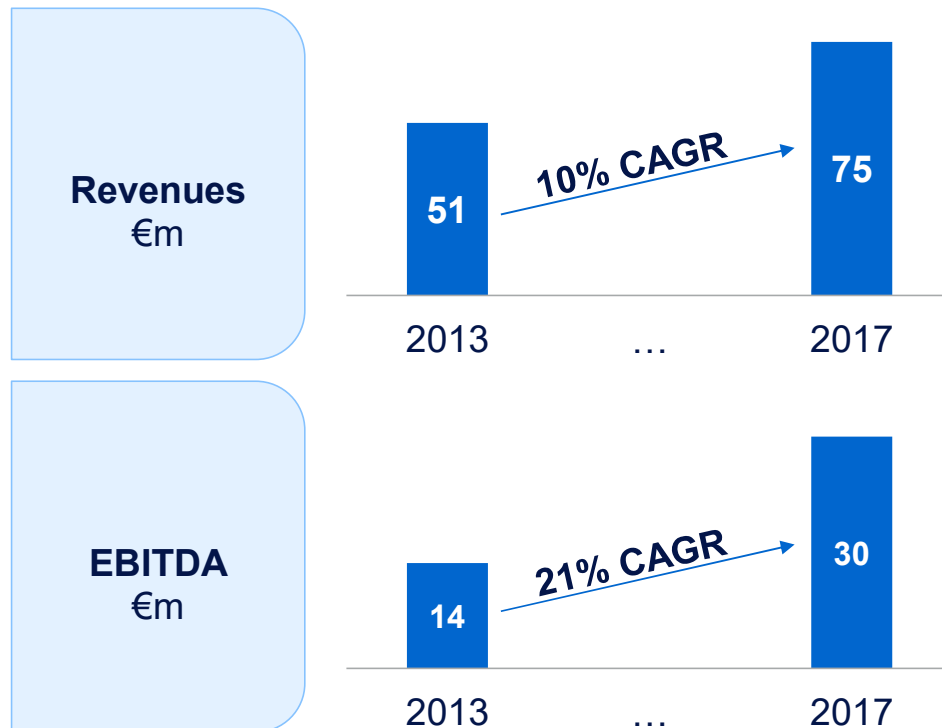
## Key achievements / transformation

- ✓ Acceleration of buy and build (four add-ons in three years)
- ✓ In-road in the US (from 0 to 20%)
- ✓ Several active partnership actions (eg: pricing, automatisation) leading to +3pt improvement of EBITDA in three years

# Transforming a diversified “Mittelstand“ company into a global product quality testing company serving the automotive sector



## Financial development



## Activity

- Global leader in drivetrain testing for the automotive industry

## Key achievements / transformation

- ✓ Refocused from diversified engineering company to automotive testing and inspection specialist
- ✓ Expanded presence in Asia with particular focus on e-mobility
- ✓ Consolidated the market through two acquisitions and own capacity investments
- ✓ Several active partnership actions (eg: lean operations) leading to +13pt improvement of EBITDA in five years

**Outcome: 4.4x MM / 48% IRR in four years**

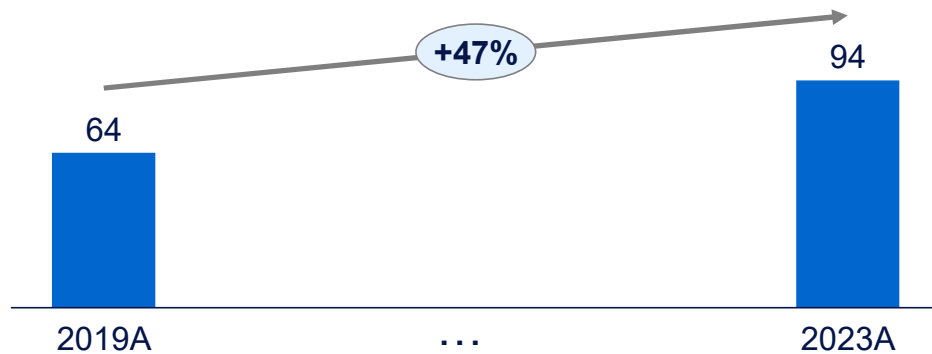
# Expanded capabilities to create the #1 rated global RPO company

## Tech-enabled outsourcing portfolio



### Core RPO customer development

Number of Core RPO clients from 2019 to 2023<sup>1</sup>



### HRO Baker's Dozen rankings

In October, Wilson was named the **#1 Global RPO** in HRO Today's 2023 Baker's Dozen List



HRO Today - Baker's Dozen Global RPO Rankings

Rank	2017	2021	2023
1	Cielo	Cielo	<b>WilsonHCG</b>
2	Alexander Mann	Korn Ferry	Cielo
3	Randstad Sourceright	<b>WilsonHCG</b>	Korn Ferry
4	Korn Ferry	PeopleScout	Sevenstep
5	PeopleScout	Allegis Global Solutions	PeopleScout
6	Allegis Global Solutions	Sevenstep	Hudson RPO
7	<b>WilsonHCG</b>	Randstad Sourceright	KellyOCG
8	Pontoon	AMS	Resource Solutions
9	Resource Solutions	Hudson RPO	Hueman RPO
10	Hudson RPO	Pontoon	DZConneX

### Activity

- Global leader in talent solutions, supporting Fortune 1000 clients in planning and executing talent acquisition
- Leverages a strong combination of service, technology and market intelligence to provide the best outcome for its clients

### Key achievements / transformation

- ✓ Named the #1 global RPO player in 2023 by Baker's Dozen, which runs their survey off approximately 1,000 HR decision makers
- ✓ Expanded global low-cost capabilities to South Africa, Mexico and the Philippines
- ✓ Acquired Claro Analytics (Mar. 2022) and Personify (Jan. 2023)

<sup>1</sup> Pro forma for Personify acquisition. Wilson Core RPO customer figures represent number of customers with total annual revenue above a minimum size threshold.

Our approach to the software segment is focused on mature software where we can apply our track record of transition to SaaS



Mature software

Benefiting from digitalisation macro-trend

Focus on well-embedded software with sticky customer base

Profitable and cash-generative businesses only

Possibility of transition to SaaS and cloud deployment

Opportunity for internationalisation



- ✓ Transition to SaaS completed
- ✓ Sold to InsightSoftware: 2.6x MM / 47% IRR

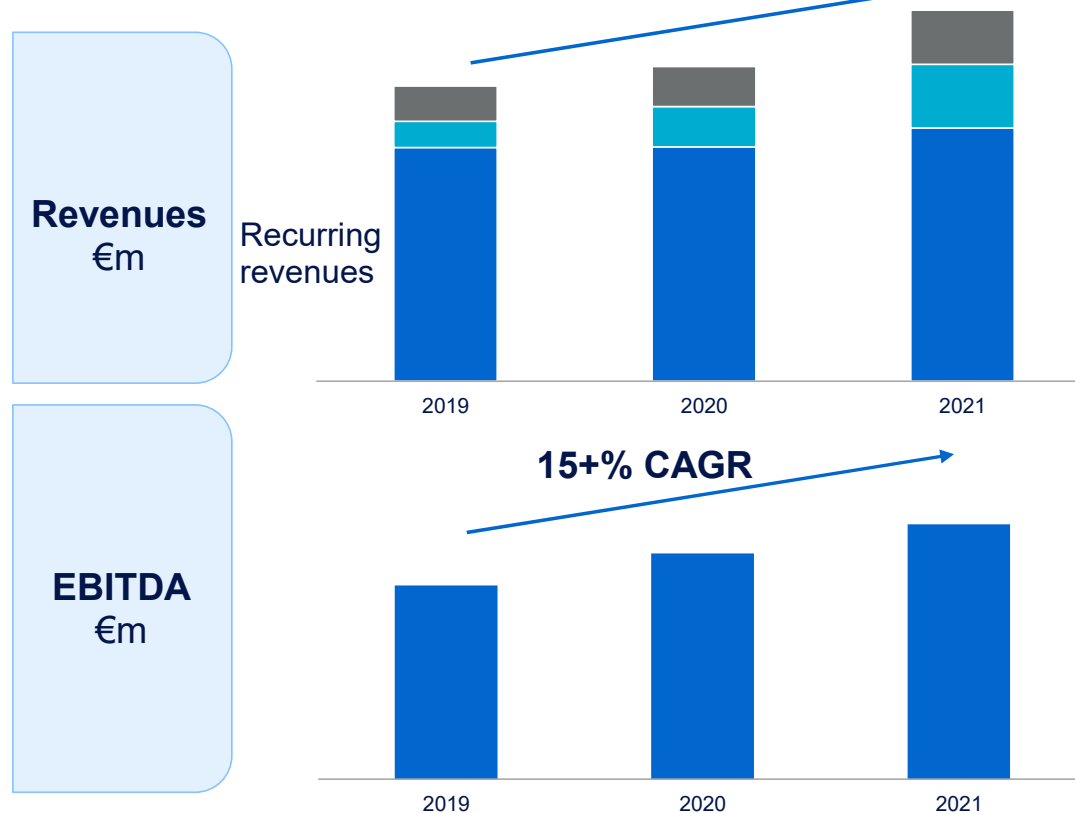


- ✓ Transition to SaaS close to completion
- ✓ Expansion to the US and first add-on completed

Built a strategic platform and transitioned the traditional revenue model into SaaS with higher recurring revenues; sold to a strategic buyer



## Financial development



**Outcome: Sold to InsightSoftware, 2.6x MM / 47% IRR**

## Activity

- “Office of the CFO”
- Data and analytics software focused on ERP
- Complement leading ERP offer: despite significant investment, large ERPs are not a ‘silver bullet’ for customers. Magnitude was a scale software vendor that helped companies / CFOs fill in the gaps

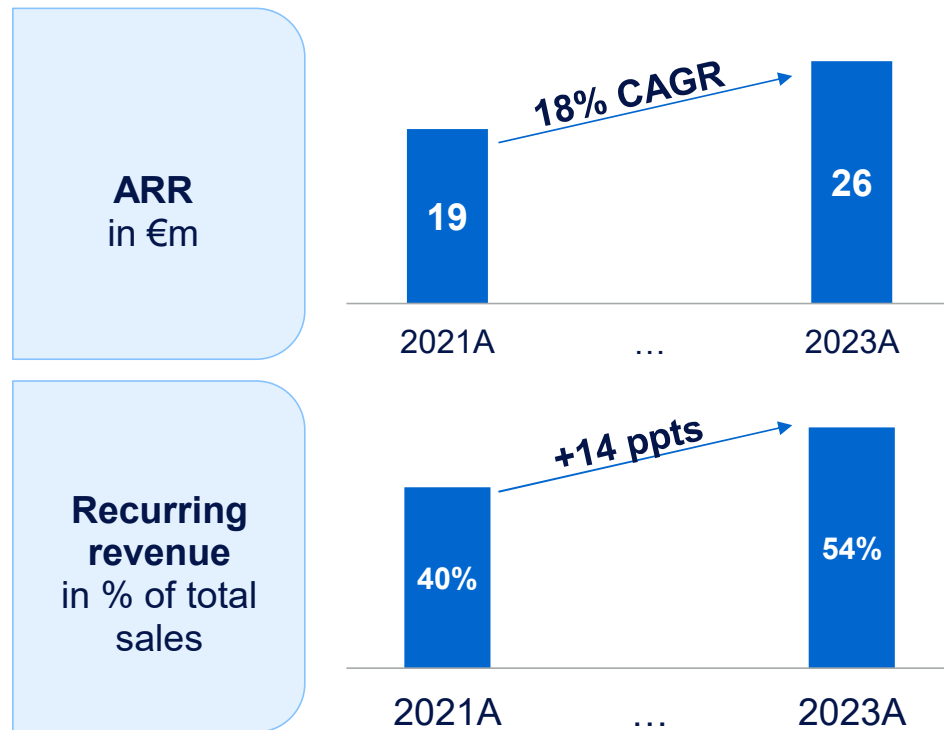
## Key achievements / transformation

- ✓ Recruited new senior leadership team (CEO, CMO, CRO, Chief Customer Officer)
- ✓ Transitioned to SaaS model and began moving products to the cloud
- ✓ Moved to a centralised sales model and developed a unified strategy and vision
- ✓ Developed partnerships with OEMs and SIs, including key new relationship with SAP

Transformation to a true software company supported by the transition to SaaS, adding a software-savvy CEO, M&A and expanding in the US



## Financial development<sup>1</sup>



## Activity

- “Office of the CFO”
- Premium provider for accounts payable invoice automation (APIA) software with focus on the SAP environment

## Key achievements / transformation

- ✓ Underwent transition from perpetual license to SaaS revenue model
- ✓ Acquisition of highly comparable peer Tangro in 2024
- ✓ Organisational improvements and addition of new CEO
- ✓ Expansion of US business

<sup>1</sup> Pro-forma for Tangro acquisition.



The IT Services segment is our core area of focus, with all typical features of a 3i deal



## IT Services

Supporting the digitalisation macro-trend without bearing the technology risk

Large markets in every 3i geography

Fragmented competitive landscape allowing accretive and synergistic buy and build

Exit opportunities provided by consolidation strategies of large IT services companies

**evernex**  
IT life services  
6 add-ons since 2019

**ma't**  
11 add-ons since 2021



**constellation**  
1 add-on since 2024

## Spotlight on our IT services investment strategy: what we like about this segment



\$5 trillion global market

Growing at high-single-digit to mid-double-digit rates depending on segments

Target rich subsector in all 3i geographies

Potential to benefit / develop recurring revenues with  
>10% EBITDA margins and 70%+ cash conversion

Consolidation plays are relevant operationally and financially

Active consolidation in the sector, creating numerous exit options to trade buyers

We focus on specific investment themes in the IT services market where we already have experience and firsthand knowledge – *Illustrations*



### KEY SELECTION CRITERIA

avoid targets positioned on undifferentiated services or that compete neck-to-neck with large SIs

Software vendor integration and support services (ERP, CRM, etc)

Cloud and IT infrastructure managed services

Application and software development / DevOps

3i experience and track record

ma't



constellation

evernex

xSuite

Magnitude

## Our origination and value creation model leverages a robust web of ecosystems to find the best investment platforms for 3i



3i  
Services & Software  
team

Ecosystem of current and  
former 3i portfolio companies

Ecosystem of functional and  
sector experts

- 
- Working as one global team: global coverage and local presence, looking at the same investment themes
  - Replication of investment theme deep-dives in each geography
  - Technology and sector expertise built at deal-team level and leveraged globally to assess deals
  - Systematic use of value creation playbook, specialised for IT services companies
- 
- Leverage their network to get warm introductions to their suppliers, customers and other stakeholders
  - Leverage their expertise to assess opportunities
- 
- Large bench of experts from the leading technology platforms and seasoned managers of leading SIs, all leveraged globally by 3i
  - Support on design of investment themes, assessment of deal opportunities and execution of value creation roadmaps
-

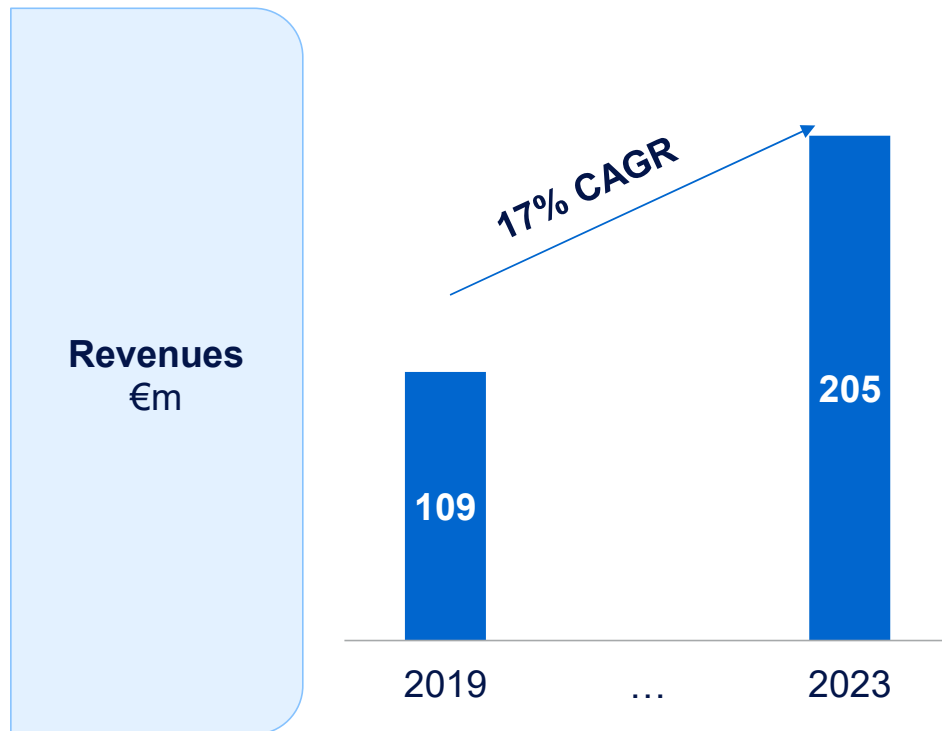
# How do we add value to our portfolio companies in IT services: our systematic framework



From a regional maintenance player to a global leader of maintenance services for the data centre industry



## Financial development



## Activity

- Global player in maintenance services for the data centre industry

## Key achievements / transformation

- ✓ Secured European leadership, expanded presence in the US and Brazil, built presence in Asia
- ✓ Acceleration of buy and build (six add-ons in five years)
- ✓ Affirmed Evernex's positioning in Circular IT by investing significantly in its spare part refurbishment facilities

## We applied our systematic framework



1

### Build consolidation platforms

**Five accretive add-ons**  
**One transformative acquisition allowing to secure European leadership**

2

### Accelerate growth in recurring revenues

**From 72% in maintenance (fully recurring) to 77%**  
**Maintenance services CAGR of 19% since entry**

3

### Complement the service portfolio

**Develop and market a “Green IT” offer with a complete IT circular offer (eg produce refurbished spare parts, prolong life of data centres)**  
**Expansion in “back-up as a service” and “disaster recovery as a service”**

4

### Create operational leverage

**Process digitalisation to facilitate scaling of operations (including use of AI-ML tools)**  
**Development of near-shoring capabilities for service delivery**  
**Development of internal training academies on sales and delivery**



Supports more than 7,000 Mittelstand **industrial and manufacturing companies in the digitalisation of their design and production processes** through the **integration and management of leading PLM** (“product lifecycle management”) **and ERP** (“enterprise resource planning”) **software**

Comprehensive services portfolio to accompany customers all along their digitalisation journey

High level of expertise and quality of service positioning them as the go-to digitalisation partner for leading software vendors for their mid-market customers

## PLM (c.55% sales)



Collaboration and design tools for product specifications across lifecycle (concept, development, production, maintenance), summarised in the Bill of Materials

## ERP and other software (c.30% sales)



ERP integrated with PLM to ensure it matches product specs for manufacturing, quality control, supply chain coordination and inventory control

Other suite of software to support on manufacturing process and data management

## IT solutions (c.15% sales)



Managed services that include application management of MAIT's software solutions up to outsourcing of entire IT infrastructure

Additionally includes hardware sales of data centre equipment such as servers

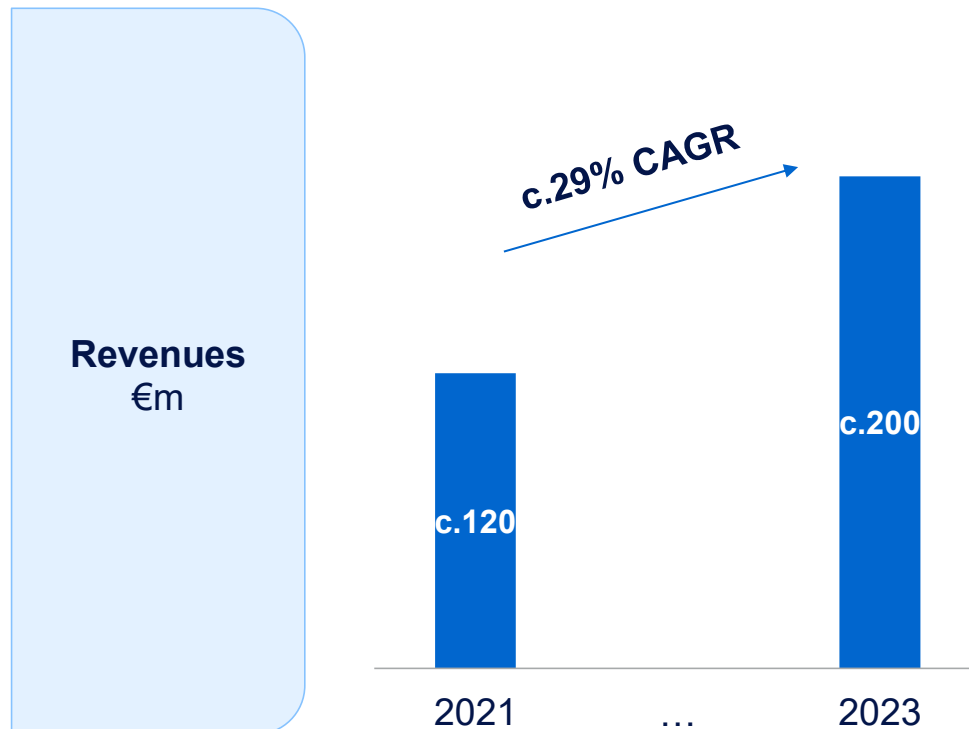


# Transforming from a Germany centric player into a scalable platform across DACH

ma't



## Financial development



## Activity

- Digitalisation partner focused on the manufacturing mid-market with mission critical PLM and ERP software supported by managed services and IT solutions

## Key achievements / transformation

- ✓ Completed 11 add-ons since entry in Germany, Austria and Switzerland, more than doubling EBITDA
- ✓ Improved the EBITDA margin by 3ppts by facilitating cross-selling opportunities and driving operational efficiency
- ✓ Increased recurring revenues from c.49% to c.54% through a shift to subscription and managed services

1

## Build consolidation platforms

11 add-ons completed since 2021

All add-ons grew thanks to upselling and cross-selling

Integrated M&A capabilities in charge of origination and PMI

2

## Accelerate growth in recurring revenues

Accelerated organic growth, “winning with the winners” such as PTC and Siemens

Recurring revenues account for c.54% of revenues vs c.49% at entry

3

## Complement the service portfolio

Expansion into own software modules and additional managed services

Expansion in Austria and Switzerland

Reinforced status as leading PTC partner in DACH

4

## Create operational leverage

EBITDA margin improved by 3pt since entry

Created an integrated DACH delivery platform

Constellation runs the IT infrastructure of mid-market and enterprise customers, notably on public and private cloud (“hybrid cloud”) and cyber managed services



**constellation**

c.€110m net sales FY23  
c.€22m EBITDA FY23  
c.700 FTEs

**Supports customers on their hybrid infrastructure journey**

**~600 large medium and enterprise customers (300-5,000+ FTEs)**

“Big enough” to have decent IT budgets, with c4%-5% of sales spent on IT

“Small enough” to be out of large competitors (eg Accenture) priorities

As CIOs focus on ensuring applications meet business requirements, they need a partner to run their IT infrastructure

**Recurring – c.60% of net sales**

Runs IT infrastructure (mostly public and private cloud) and ensures cyber-security (own security operations centre)  
3/4-year managed services contracts with monthly payments

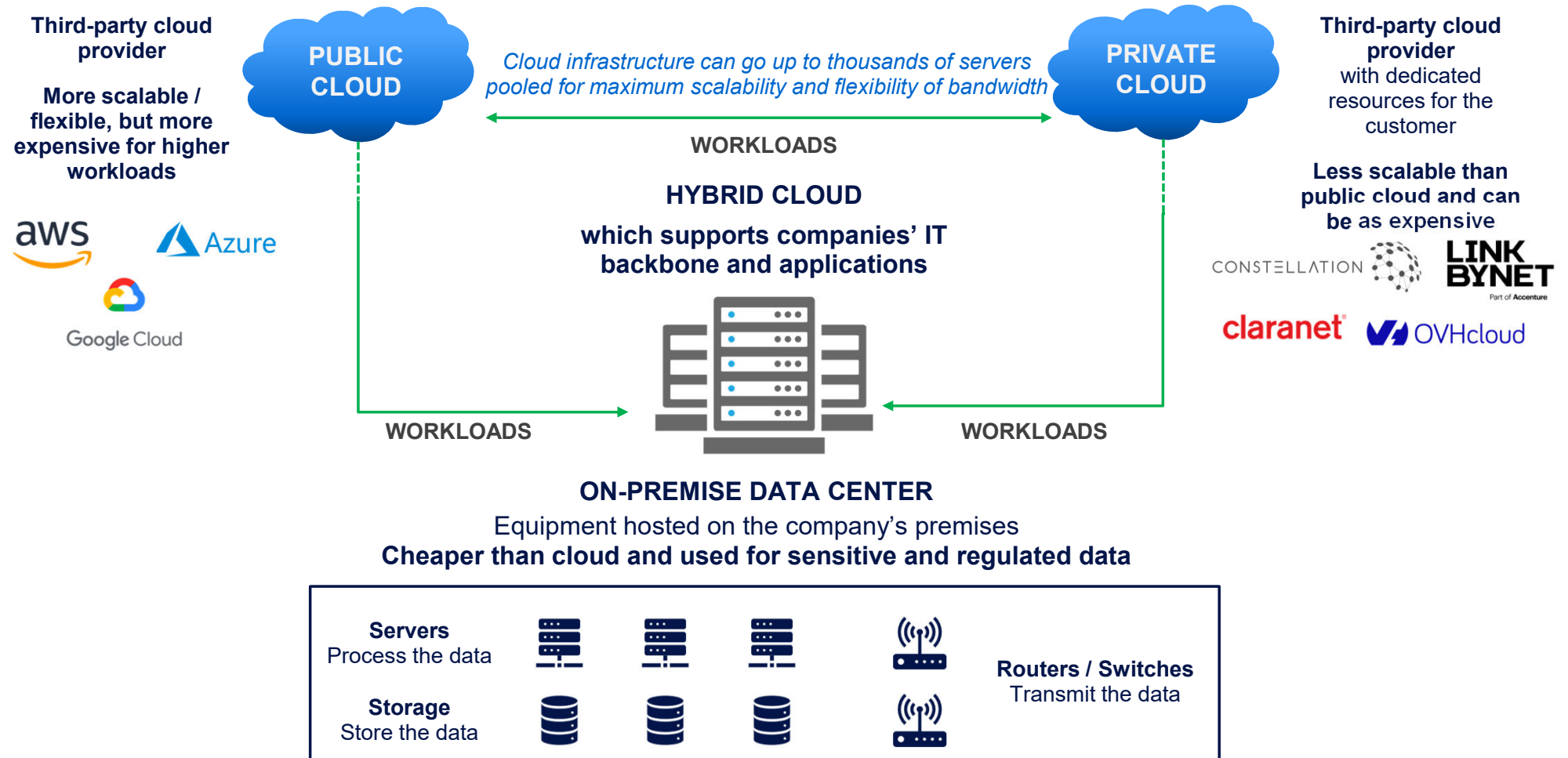
**Project services – c.25%**

Applicative development,  
IT modernisation roadmaps,  
“pentesting”  
Project basis

**Trading – c.15%**

Resell hardware, software  
and firmware support  
Trading

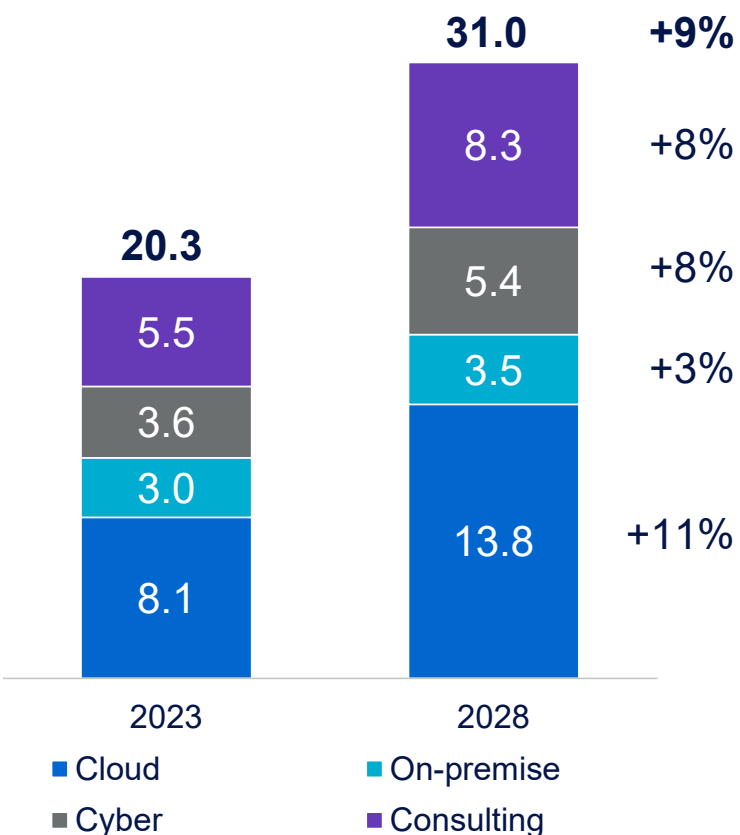
The infrastructure of a mid-sized company is hybrid and is complex to operate. CIOs outsource the management of this infrastructure to the likes of Constellation



# Constellation's French market is worth €20bn and is expected to grow by 9% CAGR in the coming five years



**Constellation market** (France, IT Services on segments where Constellation is active)  
 €bn, CAGR 23-28



## KEY DRIVERS

Continued digitalisation of mid-sized and enterprise customers  
*Higher growth rate for this segment (+10% vs +9% for overall market)*

Acceleration of cloud adoption  
*Artificial intelligence use cases will further incentivise CIOs to adopt cloud*

Increase in cyber-security spending  
*Driven by complexity and intensity of cyber threats*

Growing demand for data storage and computing capacity  
*To adapt to highly intensive applications (notably with GenAI)*

Continued investment in applicative stack and modernisation of IT  
 to adapt to users' needs

Source: 3i analysis, based on Gartner data segmentation.

Constellation was built to consolidate a fragmented French “managed services” landscape, with a coherent services portfolio pushing for growth and recurring revenue



**constellation**

**was our top priority target:  
it stands out in the French IT managed services landscape and  
the founder/CEO’s strategy meets our own thesis**

**1 Active acquisition platform,  
with demonstrated integration**

19 acquisitions since  
creation in 2016

Revenue and EBITDA increased in  
all the acquisitions

Strong focus on integrating back and  
middle office as well as delivery

**2 Model built to push recurring  
revenues and growth**

Sales pay-plan oriented towards  
cross-sell and recurring revenues

Services offering designed on a  
managed-services model and allowing  
different points of entry to stimulate  
customer relations

**LFL CAGR 19-23 net sales: 12%**  
**LFL 19-23 recurring net sales: 16%**  
**NRR > 105%**

**3 Complementary services  
portfolio with high level of  
expertise and quality**

Single point of contact approach

Expertise built on the major tech  
platform in cloud and cyber

Focus on operational excellence to  
keep the customer happy

**Highest NPS in CIO survey of  
French managed services providers**



# constellation

Ethos built around fight against climate change	Circular IT services offering	External advocacy	Internal processes to reduce carbon emissions
<p>Purpose-driven company status                      (“<i>entreprise à mission</i>”)                      built with all employees around a common cause: reduce carbon emissions</p>	<p>Designed several offers to support customers in the reduction of carbon emissions:</p> <p>“Low carbon IT roadmaps”</p> <p>IT assets life extension</p> <p>Climate change awareness sessions for customers</p>	<p>Yearly event organised “Tech for Climate?” to mobilise the French technology ecosystem around climate change issues                      (2,000 participants in 2024)</p> <div data-bbox="1279 1007 1473 1203" style="text-align: center;"> </div>	<p>Carbon emissions measured on a scope 3 basis</p> <p>Decarbonisation / net zero targets set</p> <p>Carbon reduction KPIs at employee level</p>

Leveraging its ecosystems and specialised approach, 3i built a longstanding relationship with Constellation's founder and was the natural partner for the next growth phase



### Early origination through specialisation and ecosystems

Identified three years ago in a French managed services provider deep dive

Accessed through our ecosystem of portfolio companies (eg Evernex founder is a shareholder in Constellation)

Engaged with founder two years ago

### Bring equity and expertise

3i equity cheque largely covers buy and build programme of Constellation

3i deal team expertise allows to speak the same language as management

3i opens its ecosystem of customers, experts, partners and targets to Constellation

### Leverage the strengths of the 3i model

3i's permanent capital reassured founder and management

3i's Active Partnership initiatives for portfolio companies seen as a big differentiator

Trust built with founder/CEO over the past two years

Bilateral transaction for a majority deal for 3i

High degree of alignment with Founder/CEO and management team, who reinvested c.85% of proceeds



Our investment thesis aims to accelerate the founder’s strategy: buy and build and enhancing the group’s positioning in recurring revenues from cloud and cyber



<p><b>1</b> <b>Accelerated buy and build</b></p>	<p><b>2</b> <b>Accelerate growth in recurring revenues in cloud and cyber</b></p>	<p><b>3</b> <b>Complement the service portfolio</b></p>	<p><b>4</b> <b>Create operational leverage</b></p>
<p><b>ENABLERS:</b></p> <ul style="list-style-type: none"> <li>• Market largely fragmented</li> <li>• Group experienced in integration of add-ons</li> </ul> <p><b>Double rhythm of add-ons, thanks to robust and qualified pipeline of targets</b></p> <p><i>One acquisition already completed, Endexar (SAP managed services)</i></p>	<p><b>ENABLERS:</b></p> <ul style="list-style-type: none"> <li>• 60% sales in cloud and cyber</li> <li>• Strong existing expertise</li> </ul> <p><b>Further push prioritisation of resources to this segment to go beyond 70% by exit</b></p>	<p><b>ENABLERS:</b></p> <ul style="list-style-type: none"> <li>• Existing partnership with leading platforms</li> </ul> <p><b>Extend partnerships and services portfolio to emerging platforms</b></p>	<p><b>ENABLERS:</b></p> <ul style="list-style-type: none"> <li>• High retention of FTEs</li> <li>• Attractive “expert” approach</li> <li>• Pooled delivery centres</li> </ul> <p><b>Continue scaling the delivery and support organisations to absorb expected growth</b></p>



Selective and focused approach to the sector  
Confidence we can average 3x returns over time  
Aspiration to make 2-3 new investments per year ...  
... while keeping our discipline on pricing  
Focus on replicating successes from past deals and  
leveraging their ecosystem / knowledge  
Apply same approach and toolbox in all 3i geographies  
– focus on buy and build to average down entry multiple



# Q&A

# Audley Travel

David Stephens

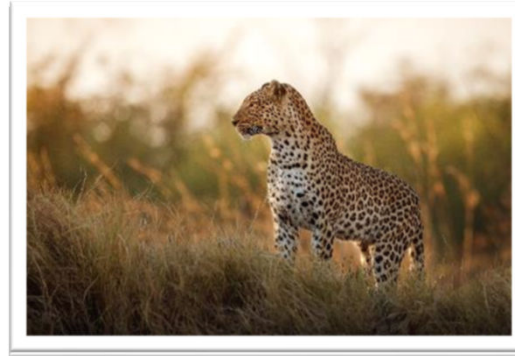
Partner, Co-head of UK Private Equity





- Investing in UK growth business for 70 years+
- 11 investment professionals in the London office
- Since 2010, the UK team has invested £636m across seven deals with three realised to date, generating a return of £684m (3.6x MM) and a total return of £1.3bn including unrealised assets





AUDLEY



## Audley is the global market leader in tailor-made travel



- Founded in 1996 by Craig Burkinshaw and John Brewer
- 3i invested £156m in December 2015 alongside management
- Audley has grown to over 900 employees across three offices in Witney, Oxfordshire (HQ), London (2014) and Boston (2014)
- It is the global market leader in luxury tailor-made journeys and now provides personalised, tailor-made vacations to over 100+ countries
- High quality customer service delivered by genuine specialists with deep knowledge of their chosen destination
- Broad, multi-destination model well suited to return customer with Repeat & Recommend core driver of business model
- Successfully navigated through the unprecedented disruption to the travel industry caused by Covid-19 with 3i's support ensuring it was best placed to win share as the market recovered
- Entry sales and EBITDA of £189m / £19.5m in FY15 vs. £479m sales / £39m EBITDA in FY2024<sup>1</sup> despite three years being impacted by Covid



<sup>1</sup>Based on current 2024(F) outturn, sales refer to gross bookings

# Diverse, tailor-made product offering



Tailor-made product offering	Diverse portfolio			Split by destination (FY23A)
<p>c.100 countries across 7 continents</p>	<p>Food &amp; Drink</p>	<p>Beach</p>	<p>Wildlife</p>	<p>(# of bookings)</p> <p>UK</p> <ul style="list-style-type: none"> <li>The USA</li> <li>India</li> <li>Canada</li> <li>South Africa</li> <li>Japan</li> <li>Vietnam</li> <li>Costa Rica</li> <li>Other</li> </ul>
<p>Flights, transfers, accommodation &amp; unique experiences</p>	<p>History</p>	<p>Culture</p>	<p>Landscapes</p>	<p>USA</p> <ul style="list-style-type: none"> <li>Italy</li> <li>Japan</li> <li>Australia</li> <li>Thailand</li> <li>New Zealand</li> <li>South Africa</li> <li>Vietnam</li> <li>Other</li> </ul>
<p>6 locations per trip on average</p>	<p>Authentic</p>	<p>Photography</p>	<p>Off the beaten track</p>	

**Asset light business model: Audley does not own assets or commit / pre-buy inventory**



# Differentiated service offering drives best-in-class client advocacy

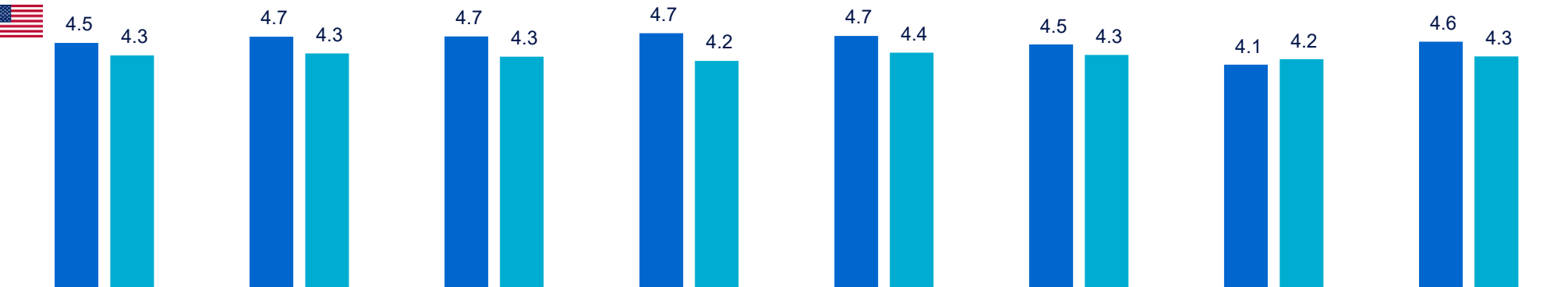
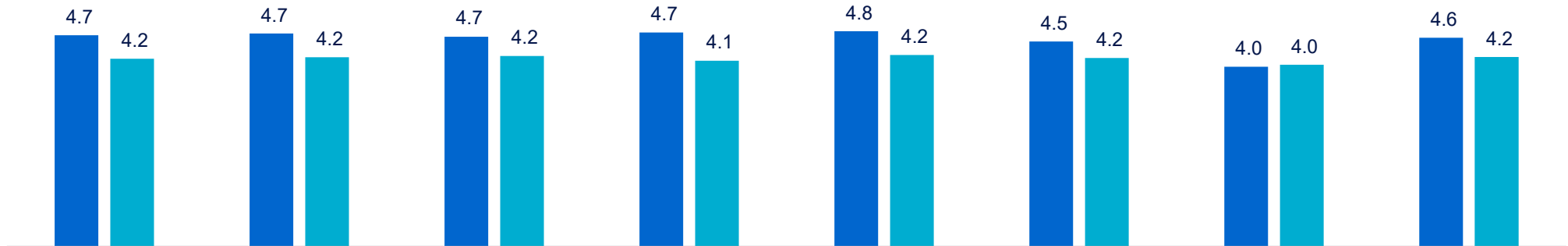


## Traveller rating vs peers across key purchase criteria (KPC) (scores out of 5)



Audley Peers<sup>1</sup>

*Audley consistently outscores peer group across all core KPC*



Customer service

Agent knowledge

Quality of product<sup>2</sup>

Customisation of travel

Trustworthiness/reputation

Customer service

Value for money

Ratings/reviews

Source: OC&C

<sup>1</sup> Peers include: Abercrombie & Kent, Scott Dunn, Kuoni, Butterfield & Robinson, Kensington Tours

<sup>2</sup> Product defined as Accommodation / Transports / Activities.



## The world's leading tailor-made travel business

*Materially built out product offering (eg European product, beaches, cruise)*



**Significant organic growth opportunities**



**Platform for acquisitions**



**Leading position in attractive market**

*Market leader in the UK and made significant investment in the US, creating a highly profitable, fast growing and scalable business*



Travel that's made for you stays with you

**Loyal and resilient customer base**



**Attraction and retention of exceptional talent**



*Established a Tier 1 management team capable of significantly scaling Audley beyond its current position*

*Increased sales by 2.5x and more than doubled EBITDA despite Covid*



**Strong financial performance**

**Highly scalable and well invested business**



*Significant investment during 3i ownership -*

Deliver exceptional experiences through unrivalled local knowledge and insight, delivering personalised inspiration, trip design and service throughout the entire client journey

## Growth in the tailor-made travel market is supported by strong underlying drivers



- 1 Large and growing market in both geographies, with the US market significantly larger
- 2 Consumer demand for differentiated “high touch” model, particularly post Covid where customers seek ease in booking
- 3 Aging, healthy, affluent population for whom travel increasingly a priority with income and time to spend on trips
- 4 Increases in disposable income with higher proportion spent on experiences, including travel, over products

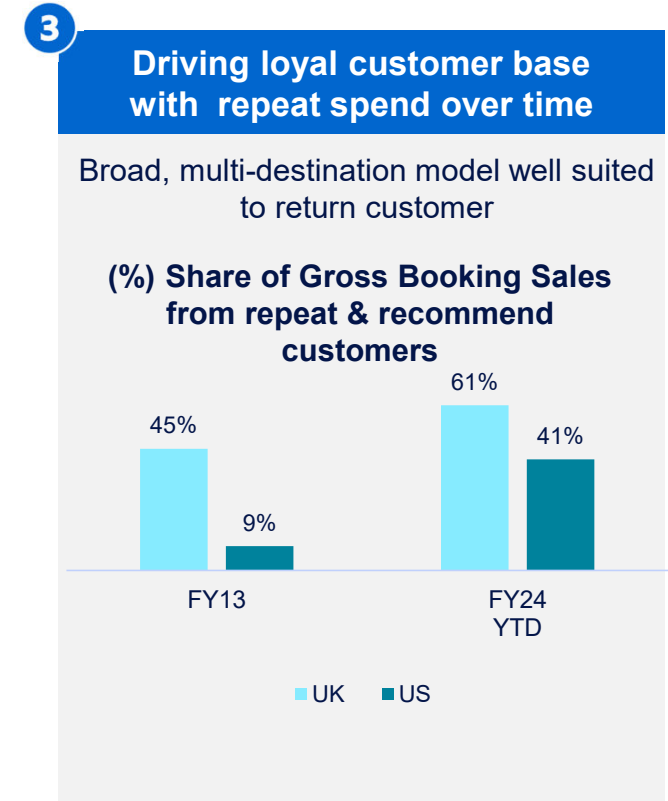
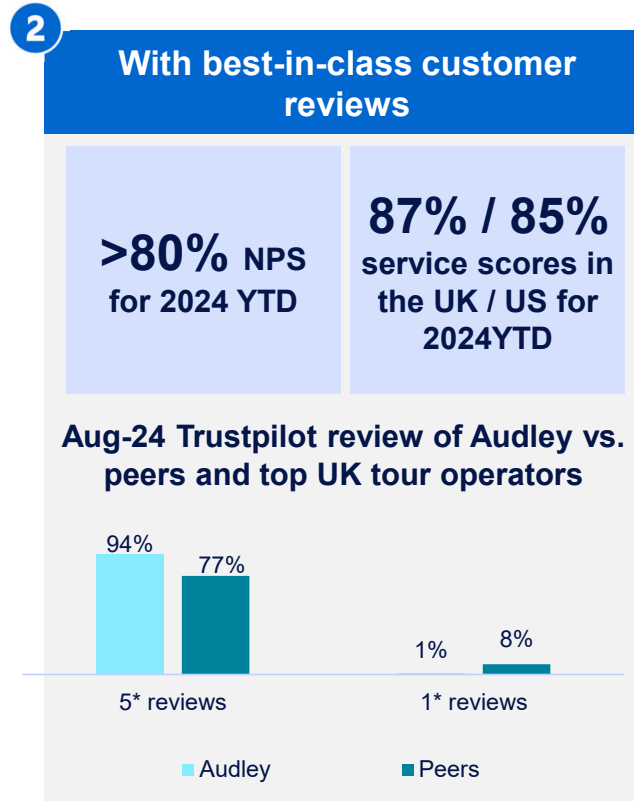
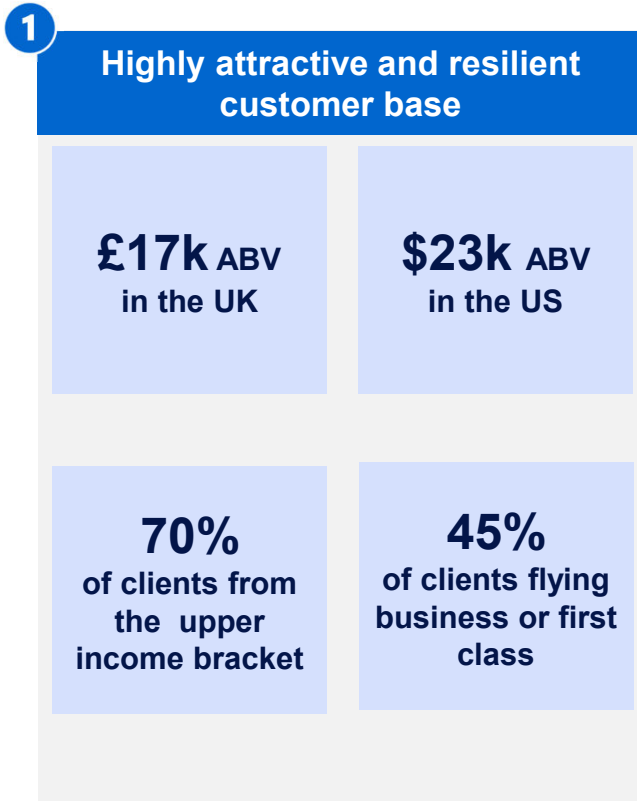


**Audley well placed to benefit as the market leader, over three times larger than the next largest player in the UK**

# Affluent and economically resilient customer base with a high propensity to travel



Typical customer is from the upper income bracket, mortgage-free and economically resilient with significant discretionary spend



# Scalable and well invested platform



Significant investment made to date and through Covid in the technology platform, re-platforming to a scalable, cloud-based model including its booking system to enhance productivity across all functions

Employee tools



- Updated in 2021
- End-user device
- Email, office apps, telephony

HR / Internal comms



- Updated in 2019
- Intranet, employee rewards
- HR system, training & engagement

Sales / Sales ops



- Updated through 2020-22
- Reservations & CRM
- Product inventory
- Customer mobile app

Marketing



- Updated in 2018
- Audleytravel.com
- Digital marketing

Finance



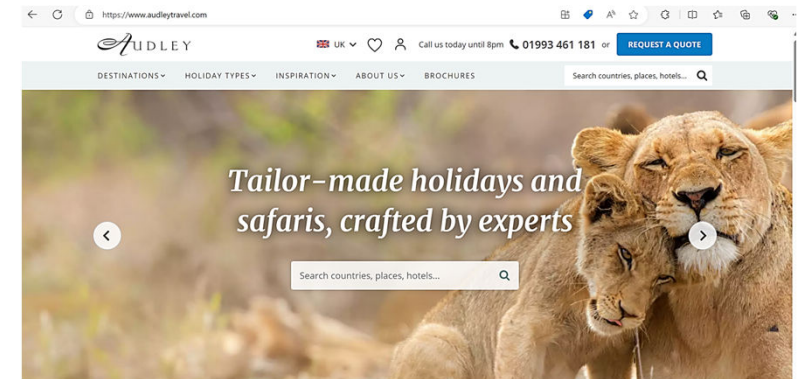
- Updated in 2024
- P.O's & Expenses
- Payroll
- General ledger

Technology

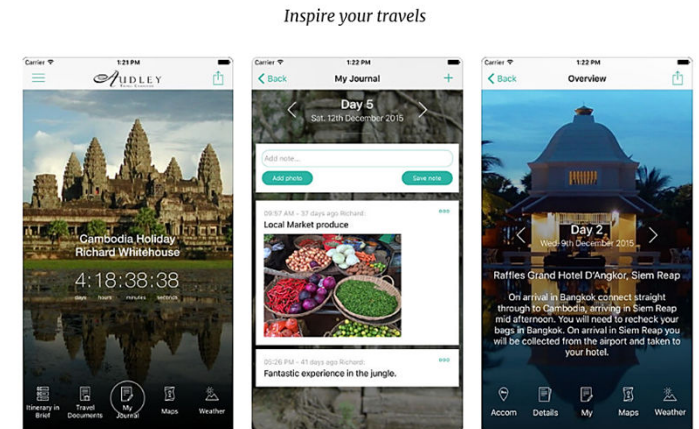


- Updated in 2022-23
- Cloud platform
- Data analytics
- Networking

**Award-winning website**  
13.9m global website visits in 2013 (>3x since investment)



**Audley Travel companion app**

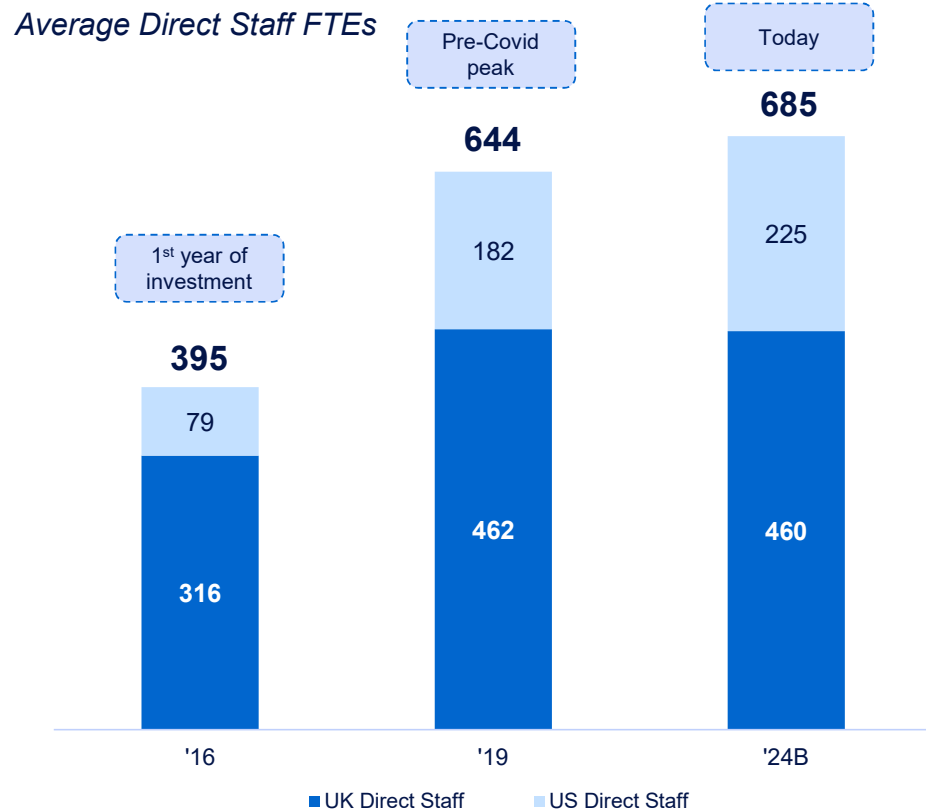


**Inspirational digital platforms encourage customers to enquire**  
**Phone converts 5x higher than online enquiries**

# Country specialists are key to Audley's customer advocacy, post Covid we have invested significantly to rescale team

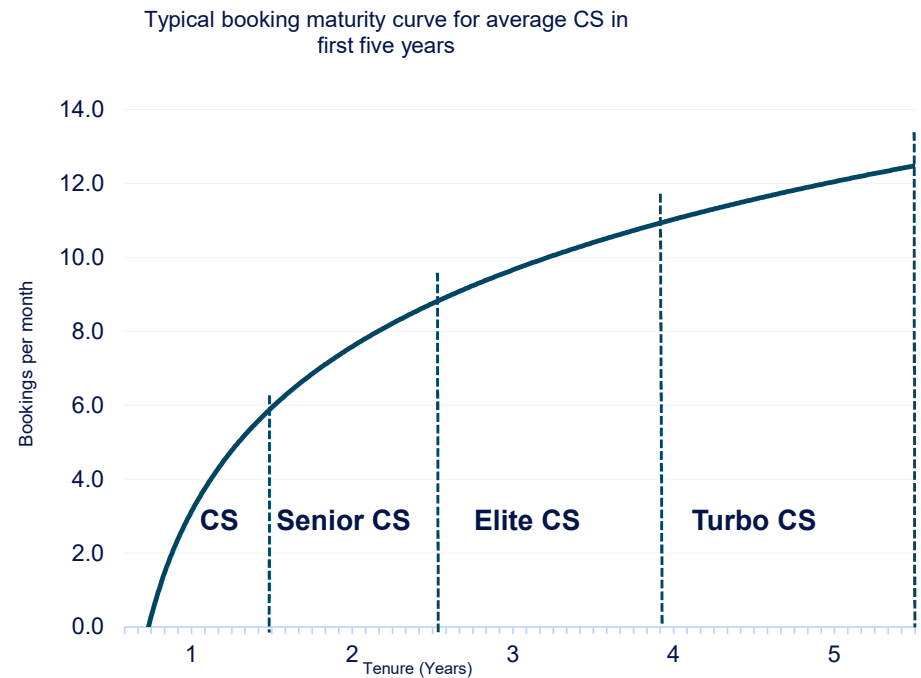


**Material & continuing direct staff investment over recent years to rebuild the team beyond pre-Covid levels....**



Direct staff numbers include Country Specialists, Sales Managers, Global Travel Advisors and Sales Operations Executives.

**... with retention of country specialists a priority**



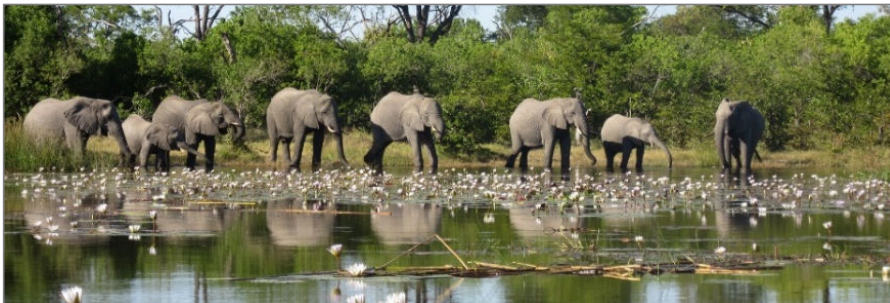
***Embedded growth within business model from maturing cohorts***

~\$200m sales expected in the US for 2024 and significant opportunity to further accelerate growth...



## Market dynamics

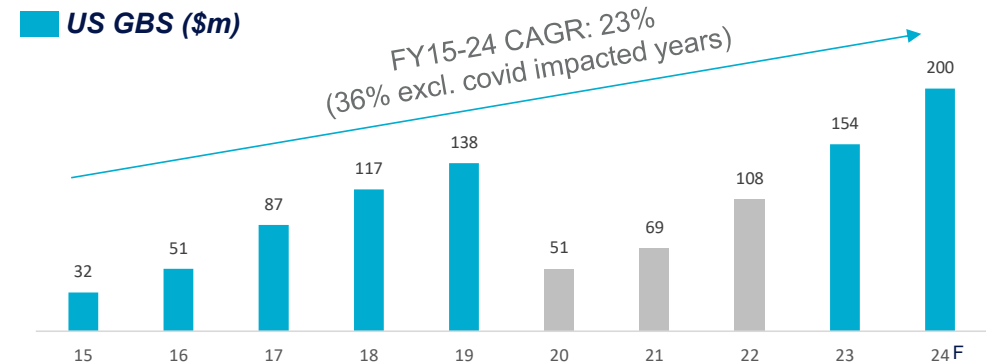
- Large addressable tailor-made market
  - >2x size of UK today with growing penetration of tailor-made
- Less developed destination expertise and personalisation
  - Agency models prevalent
- Limited competitors of scale in fragmented market



1) As of 2024B.

## Delivered since 2015

- ✓ Significant investment, creating a highly profitable, fast growing and scalable business
- ✓ Successful launch of European product
- ✓ >4x growth in US Country Specialists<sup>1</sup>
- ✓ >10x growth in US gross bookings sales<sup>1</sup>
- ✓ >30% of group sales now US





...with several other organic growth initiatives planned across the Group

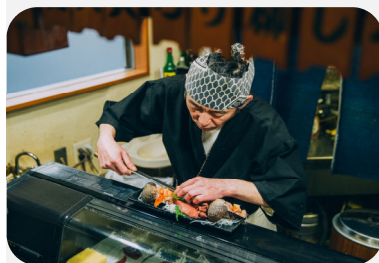
### New source markets

- Opportunity to enter new source markets
- Explored Australia and Canada



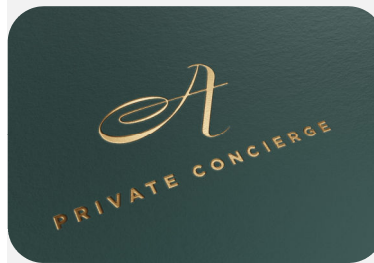
### Product adjacencies

- Opportunity to develop product adjacencies
- For example, wellness, culinary, cultural and adventure



### Audley Private Concierge (APC)

- Further enhance luxury service proposition and product portfolio
- Launched in H2'23



### Cruise

- Create inspirational itineraries leveraging Audley's existing capabilities, through combining cruise and land



### Family / multi-generational

- Opportunity to cater more to multi-generational trip
- Better market existing services

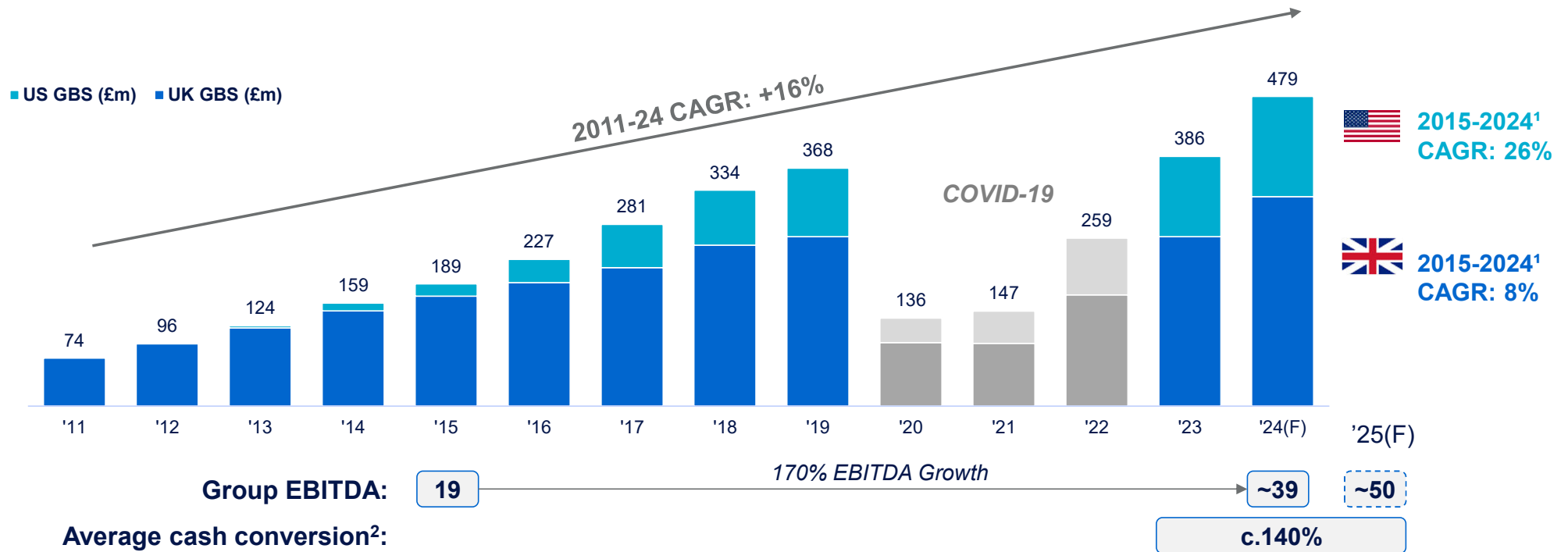




Attractive financial profile with negative working capital, significant forward revenue visibility and strong growth in both the UK and US



## Gross booking sales (£m)



**Average booking to departure lag of 7-8 months drives significant forward revenue visibility with over 50% of bookings secured at the start of the year and over 80% by end of Q1**

<sup>1</sup> Based on current 2024(F) outturn.

<sup>2</sup> Cash conversion % defined as (EBITDA - maintenance capex - NWC changes) / EBITDA.

# Customer service and awards



Certified B Corporation™ - This means that Audley is part of a global community of businesses that meet high standards of social and environmental performance, transparency, and accountability.



Travelife Partner - The award is recognition for the long-term efforts and commitment Audley has shown in improving our sustainability and Corporate Social Responsibility.



Wanderlust Travel Awards  
Top Tour Operator 2023



Rated 4.8\* on  
Trustpilot



US Only: Travel advisors  
over the past seven years.



Which? Recommended  
Provider for smaller  
Holiday Companies in  
December 2022



Condé Nast Traveller Readers Choice  
'Luxury Travel company' 2023



Which? Recommended  
Provider for tailor-made  
holidays in December 2023



Winner of Telegraph  
Best Tour  
Operator 2023

**Consistently recognised as a leader in the market with marquee third-party awards**



# Q&A



# Closing remarks and final questions

Simon Borrows  
Chief Executive

