# Results analysis: NB Private Equity Partners

**NBPE's results show it is poised for an increase in exit activity.**

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- **NB Private Equity Partners (NBPE) has released its interim results for the six months to 30/06/2025. The net asset value (NAV) total return was 4% over the period, whilst the share price total return was -7.6%.**

- **The value of the underlying private investments increased by 1.9% on a constant currency basis (i.e. removing currency fluctuations). FX movements contributed 2.7% and the performance of the quoted holdings (7% of NAV) was particularly strong, contributing 3.7%. The private investment portfolio reported revenue and EBITDA growth of 8.8% and 9.8% respectively, representing only a slight moderation of EBITDA growth from the previous financial year. Valuations declined modestly, and now stand at a weighted average of 15.4x on an EV/ EBITDA basis. Since 2021, the managers note that the portfolio's overall valuation multiple has contracted significantly.**

- **As of 30/6/2025, the NBPE portfolio was comprised of 74 companies, of which 64 companies were private. Interestingly, performance across NBPE's 10 largest private investments, which represent 31% of the portfolio, has been particularly strong, reporting weighted average LTM (last twelve month) revenue growth of 13.7% and LTM EBITDA growth of 15.9%. Given the maturity of the portfolio (average age of portfolio 5.6 years), the managers report that they believe the portfolio has a number of high quality 'exit ready' companies which should drive liquidity and performance as markets improve.**

- **In H1 2025 NBPE completed $8m of follow on investments into existing portfolio. companies. NBPE has subsequently made one new investment post the reporting period which was a $10m investment in to Infra Group, a leading integrated infrastructure service provider operating across Europe. NBPE continues to maintain a strong balance sheet, supported by its co-investment model and minimal unfunded commitments. As at 30/06/2025, the company held $74m in cash and liquid investments, with an additional $210m of capacity available on the credit facility. The investment level was 101%, at the lower end of the target 100–110% range. This financial flexibility allows NBPE to pursue new investments, maintain dividend payments, and fund an increasing level of share buybacks without compromising balance sheet stability.**

- **$68m of cash was generated from realisations in the first half of 2025, the majority of which was received in the first quarter, with a further $18m of proceeds received since June 2025. Realisations year to date have been at an aggregate uplift of 13% to their value three quarters prior to an announced realisation. Looking ahead, the manager anticipates the potential for an additional $41m from a number of realisations which are pending or expected to close in the coming months, including unannounced transactions which have no assurances of closing. Taken together, this would bring total 2025 co-investment realisations to approximately $128m, or 10% of opening portfolio value which is higher than the $110m received in 2024.**

- **In February 2025, the Board announced an updated capital allocation framework, allocating $120m for share repurchases over the next three years. Since then to the time of publishing the interim results on 25/09/2025, NBPE has repurchased $20.2m of shares at a weighted**

**average discount to NAV of 29%, contributing NAV accretion of $0.19 per share. Since June the board have increased the level of buybacks, repurchasing approximately $5.8m worth. This buyback activity has been in addition to the $0.94 per share, or approximately $43m, returned to shareholders this year by way of dividends.**

- **NBPE's Chairman, William Maltby, said: "there are growing positive signs that the exit environment is gaining momentum. The timing and pace of any sustained rebound, however, remains uncertain and the Board and Manager are exploring options to drive performance, and deliver long-term shareholder value".**

## Kepler View

The interim period represented a relatively quiet period for **NB Private Equity Partners (NBPE)**, but one that continues to evidence the green shoots of a recovery being sustained. Across the listed private equity sector, underlying earnings growth of companies has moderated slightly during 2025, and NBPE has not been insulated from this. That said, underlying companies continue to grow and the fact that valuations are also moderating gently should provide a degree of reassurance to shareholders.

In our view, it is a strong positive for prospects that NBPE's largest investments are growing fastest. Optimism on prospects for a recovery in the private equity exit environment were running high at the start of 2025, which were blown off course by President Trump unleashing his barrage of tariffs in April. We are hopeful that the last quarter of 2025, and the run into the year-end might see momentum build once again. With the largest companies in the portfolio driving performance, NBPE is primed for just such an eventuality, with the companies most able to 'move the needle' in NAV terms performing well and potentially 'exit-ready'.

NBPE's underlying portfolio is largely invested in three sectors: Tech, Media & Telecom (22%), Consumer/e-commerce (21%) and Industrials/Industrial technology (18%), all of which continue to offer the prospect of good long-term growth. On the other hand, key to a short-term improvement in prospects is realisation activity. Realisation activity so far this year has been relatively modest. If the manager's expectations for the rest of the year are met on this front, this would represent a 16% year on year increase.

Through its unique 100% co-investment model, NBPE's managers have full control over investment decisions. As such, the current investment level of 101% clearly reflects the managers' continued caution on the outlook as well as the desire to have a strong balance sheet. With a mature portfolio that is performing well, NBPE is in a strong position to benefit if the recovery comes, but it is also in a strong position to continue to wait, should current conditions extend further. Shareholders will continue to see returns of capital through the board's increased buyback programme, and also through the semi-annual dividend, which amounts to a dividend yield of c. 5.0% at the time of writing. Since the dividend was introduced in 2013, NBPE has returned over $400m to shareholders in dividends.

The discount to NAV of 30% remains wide in absolute terms, but is broadly in-line with peers. Yet in our view, NBPE offers a unique proposition that is especially well placed to navigate a continued slowdown in private equity deal activity. On the other hand, the portfolio looks increasingly well placed to benefit should exit conditions improve, enabling NBPE to efficiently recycle proceeds into high-quality co-investment opportunities sourced through Neuberger Berman's $140 billion private markets platform. It does not pay two layers of fees on the vast majority of co-investments, making it cost-effective relative to many peers. As such, for investors who can take a long-term view, the discount to NAV could represent an opportune entry point.

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