Results analysis: Neuberger Private Equity Partners

- **Neuberger Private Equity Partners (NBPE) has announced its interim results for the six months to 30/06/2026. The NAV grew by 1.9% over the period, driven by a 2.7% increase in private company valuations (ex-FX), alongside positive contributions from share buybacks, partially offset by the negative impact of foreign exchange and quoted holdings. Underlying portfolio companies performed strongly, with last twelve month (LTM) revenue and EBITDA growth of 11.1% and 12.1%, respectively, with a number of companies seeing an acceleration of growth relative to the end of last year.**
- **The top 10 holdings (42% of value) continue to drive value, with a strong operating performance. In particular, the more recent 2024 investment cohort continues to perform well. The first sale from this group of investments, FDH Aero, a global supply chain solutions partner for aerospace and defence companies, was announced in the period, generating a highly attractive multiple of cost and a material uplift to carrying value. This is a good example of the strong returns from shorter-term holding periods that can be achievable via the mid-life investment approach.**
- **Overall, realisation and investment activity has been robust, with $150m of realisations announced in the six months to 30/06/2026, and visibility of a further $68m of proceeds from transactions yet to be announced. This represents a significant increase compared to the $86m of realisations achieved over the first six months of 2025. Over the last three years, realisations as a percentage of opening value have averaged 13.5%. Proceeds in 2026 are anticipated to reach at least 18%, materially higher than this average. On the investment front, Neuberger have committed NBPE to six new investments over the interim period, amounting to $104m, and a further $60m committed since then to three new investments, and one follow-on in an existing 2026 investment.**
- **Year to date, NBPE has more than doubled capital returns (via dividends and buybacks) compared to the same period a year ago, with $144m returned to shareholders (or 11.9% of NAV). During the year, NBPE allocated a further $120m to share buybacks, with a balance of c. $76m remaining at the time of writing. As at 31/08/26, buybacks year to date have amounted to a total of $105m, at a weighted average discount of 29% resulting in $0.75 NAV per share accretion. At the end of August, NBPE had available liquidity of $142m, meaning the company is well positioned to take advantage of investment opportunities**
- **David MacLellan has been appointed as independent Non-Executive Director and Chairman Designate, bringing 35+ years of private equity and fund management experience. He will succeed the current Chairman, William Maltby, who will retire in December after approximately eight years on the Board.**

NBPE's interims show definite indicators of a recovery.

William Heathcoat Amory
24 September 2026 View latest version

Kepler view

This was a positive set of interims from**Neuberger Private Equity Partners (NBPE)**, which in our view provides several points of evidence that the green shoots of a recovery are appearing. NBPE is unique when compared to listed peers, in that it invests 100% of its portfolio in co-investments. This means it has a direct view into companies' operating performance, and allows the managers can both curate the portfolio as well as have a high degree of control over the pace of investments. The board and manager have been using the flexibility conferred by this approach to balance investment with capital returns. The current strategy is to refresh the portfolio with newer deals, which will be the main driver of returns in years to come. In this, as the interims highlight, the team has been active on this front and we understand that nearly one-third of the portfolio is now represented by investments made in 2024 or later.

At the same time, NBPE's strategy sees the board continue to return capital to shareholders. NBPE's discount remains wide at c. 30% to the 31/08/26 NAV, and so returning capital via buybacks is accretive. NBPE also pays a dividend from capital, which represents a yield at the current price of c. 4.8%. Taken together, according to our calculations NBPE has returned the largest amount of capital as a % of NAV in the listed private equity peer group over the last five years. As a result of buybacks and new investments, gearing has ticked up to 115% as at 30/08/26, in the middle of the board's expected range of 110%-120%.

Encouraging signs of a recovery from previous years of below-average activity levels in the private equity industry can be seen in NBPE's interims. These include not only the strong performance of the top ten holdings and the 2024/25 vintages (both of which have reported stronger-than-average revenue and earnings growth), but also a broader increase in valuations of more mature vintage investments, reflecting continued strong earnings growth. Against this, performance of the quoted holdings and negative foreign exchange adjustments

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detracted from returns marginally in the six months. As we report above, realisation levels also continue to recover, and whilst the average uplifts on exits remain below average, the ability of the manager to recycle proceeds into new deals is key to long-term NAV growth.

The shares continue to trade at a significant discount to NAV, which the Board believes is unjustified. Discounts across the sector have remained wide. NBPE has not been immune to this, and the Board recognises that the Company's overall NAV and share price performance remain below long-term averages and investor expectations. They are focussed on delivering stronger NAV growth as the way to sustainably improving NBPE's rating and narrowing the discount.

With the managers reporting good visibility on further realisations, they are optimistic about the portfolio's prospects for the second half of the year. Given NBPE's differentiated proposition, should NAV returns continue to improve, it is possible that shareholder returns will be boosted by the discount narrowing yet further.

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