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Results analysis: NB Private Equity Partners

NBPE's full year results highlight a board determined to narrow the discount.

Update
01 May 2026

- NB Private Equity Partners (NBPE) has released its interim results for the 12 months to 31/12/2025. The net asset value (NAV) total return was 5% over the period, whilst the share price total return was 7.5% (in GBP, on a total return basis). The NAV performance was driven by the private company portfolio operating performance and realisation activity, partially offset by a decline in the value of quoted holdings (6% of the portfolio). Positive foreign exchange movements provided a tailwind to performance together with a strong pace of buybacks over the year, further enhancing NAV per share.

- Against a challenging backdrop, NBPE's private companies delivered a 3.9% valuation increase on a constant currency basis. The portfolio generated last 12 months (LTM) revenue and EBITDA growth of 9.1% and 9.7%, respectively, on a weighted average basis. NBPE's Top 10 companies, which represented 43% of the portfolio, continue to deliver strong double digit operating performance, generating weighted average LTM revenue and EBITDA growth of 13.3% and 14.1%, respectively. Valuation multiples across the portfolio were flat during the year at 15.3x, with net debt to EBITDA increasing slightly from 5.3x to 5.4x.

- After a slow start to 2025, conditions began to normalise in the latter part of the year, and by the fourth quarter, exit activity across the private equity sector had rebounded meaningfully. Overall, 2025 finished as the second highest year for exits behind 2021. NBPE's portfolio generated total realisations of $180m (14% of opening value) in the year, representing a 57% increase year-over-year for equity co-investments. NBPE fully exited 12 positions generating total proceeds of $95m and received a further $54m from partial liquidity from an additional 4 companies. In aggregate, NBPE's 2025 full and partial exits generated a 2.8x multiple of capital and a 17% uplift to carrying value.

- NBPE's share price performed well in the latter months of 2025 as the discount narrowed, reaching a 22% discount at year end. However, over 2026, this positive performance was unwound as public markets became concerned by AI's potential impact on software. NBPE's direct software exposure (11% of the portfolio) is relatively modest in comparison to many listed private equity trusts. The Manager believes NBPE's software exposure is generally well positioned for AI.

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- More recently, heightened geopolitical uncertainty have added further pressure on sentiment, and NBPE's share price has not been immune to this. At the time of writing, NBPE's discount stands at 33%, which the Board continues to believe is unjustified given the quality and resilience of the portfolio. In February of last year, the Board announced an allocation of $120m to share buybacks, to be deployed over a three-year period. As the pace of realisations increased in the second half, the Board announced an acceleration of share buybacks together with at least $100m allocated to new investments. Over the year, $59m was deployed into buybacks and one new investment made (Infra Group, in September). Taken together with NBPE's annual dividend, $102m was returned to shareholders in 2025, or 8% of opening NAV. While the Board believes that refreshing the portfolio is an important step to strengthening NAV growth, maintaining balance sheet strength remains a core focus. At 31/12/2025, NBPE had approximately $92m of cash and liquid investments and a further $210m of available capacity on its credit facility, resulting in total available liquidity of $302m. The investment level was 100% of NAV.

- Since the year end, NBPE has maintained an increased level of share buybacks, purchasing

a further $21m of shares. NBPE has also committed $79m to a further five investments in 2026. After allowing for cashflows in 2026, NBPE's investment level is 110% at 24/04/2026, in line with NBPE's long-term target level of ~110% of NAV.

- **Late last year, Neuberger announced that it was rebranding and simplifying the names of strategies that the business manages. To align NBPE with this change the board will be seeking shareholder approval at the forthcoming AGM to change the Company's name to Neuberger Private Equity Partners. The ticker on the London Stock Exchange will remain unchanged.**

- **NBPE's chairman said "The share price continues to undervalue the portfolio and represents a compelling investment… Alongside this, we are laying the foundation for future growth, by refreshing the portfolio, which will drive medium to long term performance".**

Kepler View

2025 ended at a tantalising moment, which strongly suggested we were well into a recovery in the fortunes for **NB Private Equity Partners (NBPE)** and the wider listed private equity peer group. Realisation activity, the lifeblood for sentiment and NAV growth for the LPE sector, was rebounding and discounts to NAV were on a narrowing trend, suggesting a sunny outlook. 2026 has so far seen grey clouds sweep in, dimming prospects both from the perspective of AI disruption within software businesses, but also the macro uncertainty caused by the US' "special military operation" in Iran. As a result, deal volumes have slowed once again, and discounts have widened out. This is likely as frustrating for the Board and managers as it is for investors.

According to the manager, there are signs that like the stock market, the shocks of Q1 are being worked through in the private equity market and activity is starting to pick up again after a slow Q1. The underlying portfolio performance is proving resilient, and in our view it is encouraging that the biggest exposures within the portfolio (the top 10) have performed the best, driving NAV performance. We are also encouraged by the board delivering on their promises, with 2025 having seen a significant acceleration of share buybacks. In addition, NBPE pays a consistent semi-annual dividend which yields 5.3% at the current price. Taken together, a capital return of 8% of opening portfolio NAV during the year is a very credible statement of intent from the board. With a mature 'exit-ready' portfolio, NBPE should be a beneficiary of renewed realisation activity. At the same time, it has remaining firepower to continue to buy shares back and pay the dividend. That said, given the board have returned 11% of NAV since the start of 2025, unless realisation activity picks up, it is hard to see the board maintaining this pace indefinitely.

We are encouraged that the managers have found attractive investments to make so quickly and keep the portfolio 'fresh', and note that two of the committed investments are directly AI related companies, which does something to bring the portfolio into the AI era. We note that 55% of the portfolio was invested in during 2020 and after, which according to the manager, are the fund vintages that have shown the best growth metrics across the industry over 2025. We imagine that older vintages are being held back by the environment.

NBPE's underlying portfolio is largely invested in three sectors: Industrials/Industrial technology (22%), Tech, Media & Telecom (19%), and Consumer/e-commerce (16%) all of which continue to offer the prospect of good long-term growth. Through its unique 100% co-investment model, NBPE's managers have full control over investment decisions. The Board and manager has prioritised balance sheet strength over recent years which has allowed the flexibility to continue to return capital to shareholder through the dividend policy and the share buyback program. NBPE is therefore in a strong position to sit tight if needed, and wait for market confidence to improve. Shareholders may continue to see returns of capital through buybacks and dividends, although the full extent of which will be partly determined by realisation activity. Should realisations pick up, if the experience of 2025 is anything to go by, the board might continue their aggressive pace of buybacks – especially if the discount to NAV remains near today's c. 33%, given buybacks are so accretive at the current level. For investors who share the board and manager's optimistic view on the portfolio's underlying prospects, with gearing at 110% and a share price meaningfully below the NAV, NBPE offers a compelling growth opportunity.

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