



LEADER IN ALTERNATIVES

Presentation to Growth & Innovation Forum 2020



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What does alternative mean and what do we do ?

Alternative investments or alternatives are financial assets that do not fall into mainstream equity/debt categories - examples include: Private Equity, Real Estate, Hedge funds, Infrastructure and Alt lending/ private credit

MJ Hudson helps the investment management industry to become more alternative...

.....whilst enabling the alternative sector to grow faster

Senior Management



Matthew Hudson
CEO
LEADERSHIP

Built and managed 4 of the major Alternative Investment law firms:

- Founder of MJ Hudson
- Co-founded the Private Equity Group of SJ Berwin – became market leader in Europe
- Re-established the O'Melveny & Myers London office – largest West Coast law firm in US
- Created the Proskauer (major NY firm), London office

Worked in 4 Investment Groups in asset management:

- Funds incubator within CSFB
- Founded far blue Ventures, IP spin-outs
- Co-founded Tower Gate Capital, small cap investments
- Collier Capital, the global Secondaries firm



Peter Connell
CFO
LEADERSHIP

Worked in Financial and Professional Services for 30 years. KPMG qualified accountant. Co-founder Hastings Direct, where he became CEO and led firm to a successful exit. While there was also board member of Managing Agency at Lloyds. After that turned around a regional multi-office law firm



Odi Lahav
COO
LEADERSHIP

Formed and ran Allenbridge Investment Solutions prior to acquisition by MJ Hudson. Trained actuary, was Head of Alternative Investment Group at Moody's London. Prior to that he worked in supervisions for the Canadian financial regulator OSFI and acted as investment and pension consultant at Mercer and Alexander Forbes.

We have come a long way since our early years

750+

Total clients

...including

500+

Fund managers

200+

Institutional investors



182

Staff
(incl consultants)



\$1 trn+

Assets managed
and advised by
our clients



33%

CAGR organic
underlying revenues
2016 - 2019



8

Locations incl New
York



Our market and key drivers

WHAT

- ✓ Traditional asset management and particularly Alternative investments, ie largely PE, Real Estate, Hedge funds, Infrastructure and Alt lending/ private credit
- ✓ The market expects* that Alternative investments globally will reach USD 21.1Tr in 2025, a 109% increase on 2016

WHY

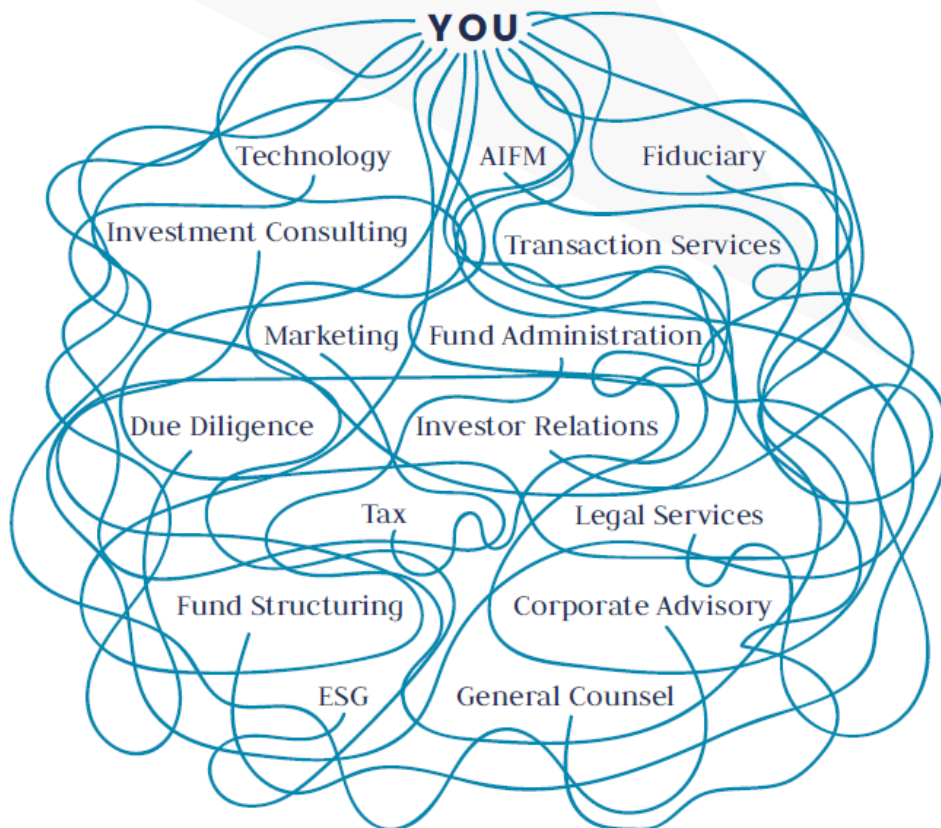
- ✓ Increasing regulatory and compliance burden on market entrants and existing clients, expertise required and risk of costly failure make for an ideal outsourcing opportunity

• Source: PWC Report, *Asset and Wealth Management Revolution : Embracing Exponential Change*

As the sector grows, so does the infrastructure needed to support it

By reducing the number of relationships they have to manage, we make it easier for our clients to grow

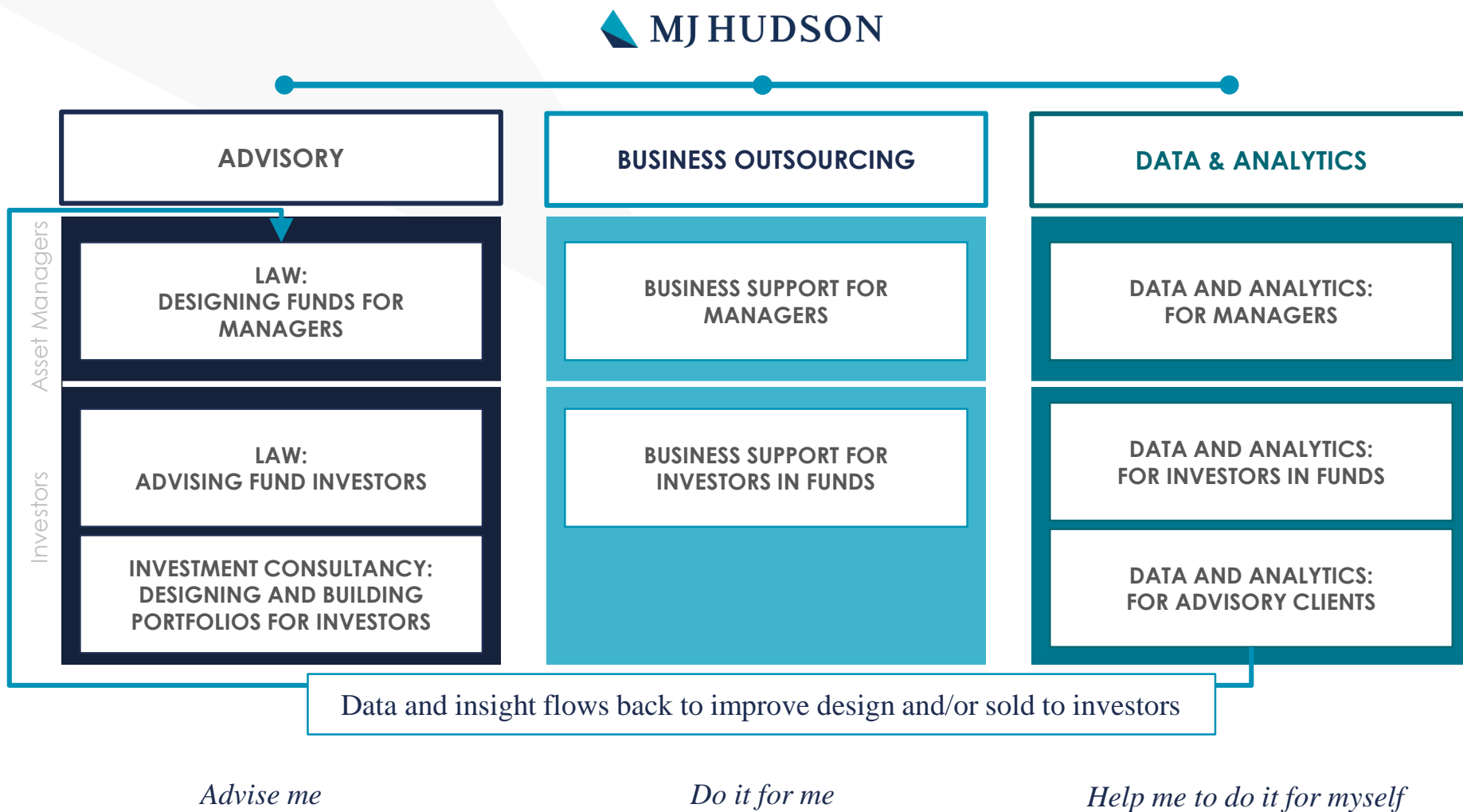
Relationship
spaghetti



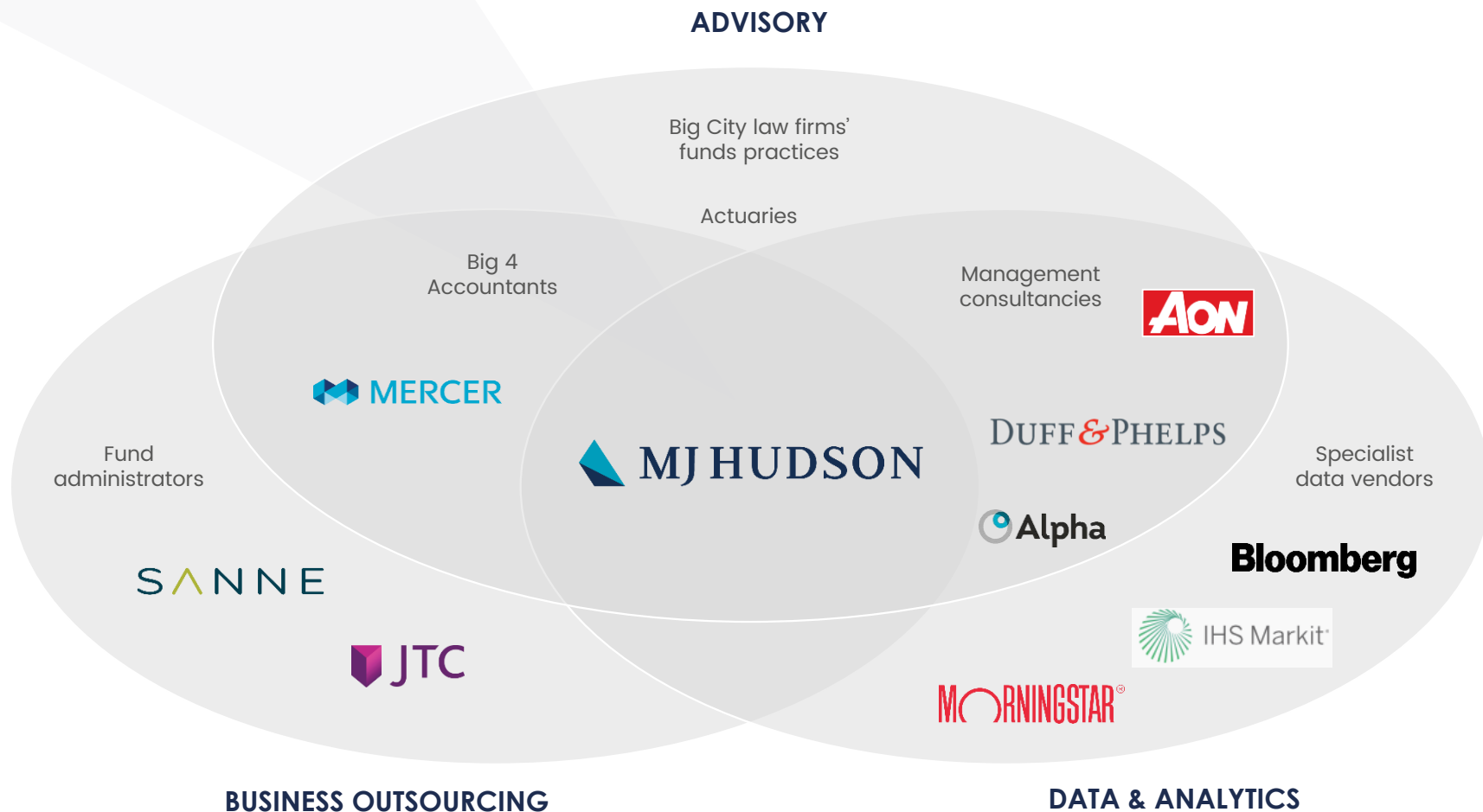
One reliable,
effective relationship



The group comprises 3 interconnected divisions with a common client focus



Competitive landscape – *our service mix combined with alt focus is exceptional*



Key clients



Largest client 5% group underlying revenues FY 2019

Starting to win larger AuM clients and offer more cross group solutions, eg

- ✓ Global bank where we are designing and running fin tech incubator
- ✓ Middle Eastern bank where we are helping with their new alts strategy
- ✓ Large NASDAQ fund manager where we are helping a Brexit move from London to Lux
- ✓ Large US tech-enabled admin platform where we are helping them to access European markets

Multi service client a key focus for new business development team

Summary MJ Hudson Group financials 2017 – 2019

Amount £m	Jun 2017 hist	Jun 2018 hist	Jun 2019 hist
Advisory	8.0	10.5	10.8
Business outsource	2.8	2.8	3.2
Data & analytics	0.4	0.4	2.4
Investments	-	0.2	0.3
Underlying revenue	11.2	14.0	16.7
Adj. EBITDA pre investments	0.7	2.2	4.2
<i>Adj. EBITDA pre investments margin</i>	<i>6%</i>	<i>16%</i>	<i>25%</i>

- Acquisitive and organic growth combined with margin expansion. CAGR revenue growth of 52% over last 3 years of which CAGR 33% was organic
- 25% EBITDA margin pre start ups in June 2019 led by improvements across all 3 divisions
- Amaces acquired in Dec 2018 so 9m contribution in FY2019 - £2.4m historic annual revenues and £0.9m EBITDA (2018) – in data & analytics
- Investments expected to break even in 2020/21. Operating loss in FY 2019 £1.2m.

Source: MJ Hudson Report & Accounts

Update FY 2020

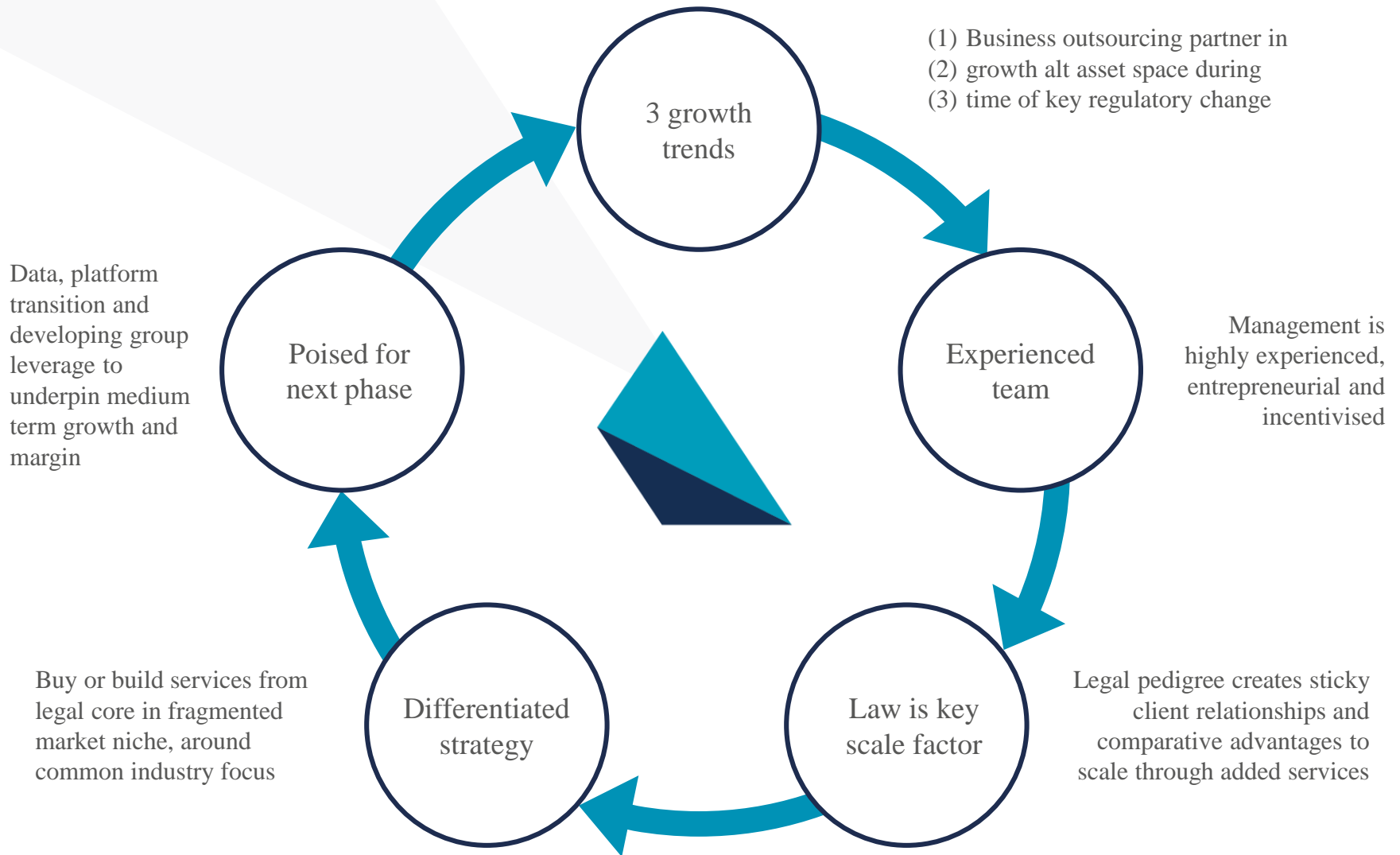
- IPO on 12.12.19 raised of £31m (£29m new money) and positions company for next stage of growth
- Net proceeds cover: acquisitions; continuing investment in technology and people; and, working capital
- Key investors include: Canaccord Genuity (HHale), Capital, Liontrust, Killik, and Danske
- Pre IPO institutions added to their holdings
- Management owns 38% post raise

- ✓ Pre close update, 6 months to Dec 2019
- ✓ 21% revenue growth to £10.4m (7% organic)
- ✓ Solid pipeline of new business – 4th material / multi client engaged
- ✓ Regulatory approval on AST within 2 months
- ✓ Busy start to current financial year
- ✓ Trading in line with management expectations for FY June 2020
- ✓ Interims 18th March

Summary

- ✓ Strong **secular trends** in Alternatives, business outsourcing and regulation/ governance driving revenues
- ✓ **Experienced** management team that has funded the business without PE phase
- ✓ Legal/ 'trusted' advisor status **is key scale factor** and leverages cross selling activity
- ✓ **Synergistic** three divisional structure with common industry client focus
- ✓ Proven **buy and/ or build** approach to growth
- ✓ Increasingly attracting **larger and more international** clients with specialist platform offer
- ✓ Differentiated business model with route **to scale in the US/ Continental Europe**

MJ Hudson business highlights



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[View Profile](#)

Company snapshot



Be the leading service provider to Alternatives fund managers and asset owners at all points in their life cycle...

...in key markets for Alternatives globally

1

Key macro trends outside Alternatives

- Capitalise on the growth of business outsourcing
- and expansion of regulation in our sector

2

High growth sector and attractive business model

- Alternatives investments globally to reach USD 21.1 Tr by 2025
- Company has strong organic, acquisitive and geographic growth with recurring revenues
- Organic underlying revenue growth of CAGR 33% (2016 – 2019)
- Significant addressable market in US and Brexit hedge in Europe

3

Pedigree trusted advisor status

- Design-led, ‘front door’ for clients to wider services
- Advisory/ Business Outsourcing/ Data & Analytics business mix differentiates us from competition
- Significant cross-selling advantage

4

Data & analytics component

- Data creation, analysis and collection provides competitive advantage
- SaaS based subscription models – via portals
- ESG acquisition

5

AIM IPO raises £31m and positions company for next stage of growth