CEO Review

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CEO Review

I am pleased to present our first Annual Report, following a landmark year for CVC. We have completed our IPO, activated CVC Europe / Americas Fund IX, the largest private equity fund ever raised, and seen a significant recovery in activity levels.

We continue to execute on our strategic plan with the acquisition of our Infrastructure platform (CVC DIF), and the full acquisition of CVC Secondary Partners. These achievements are reflected in our results, with our total Assets under Management (AUM) reaching €200bn and our EBITDA increasing 31% to €966m.

Executing on our strategic vision

Our successful listing on Euronext Amsterdam in April 2024 was a pivotal moment for CVC and marks a new chapter in our growth. We are pleased to have delivered a strong performance in our first year as a public company, underpinned by our continued focus on driving consistent investment performance for our clients, and growing and diversifying our business. We have grown our Fee-paying Assets under Management (FPAUM) by 50% from €98bn in December 2023 to €147bn at the end of 2024 as we continue to scale and deepen our Private Equity business, and drive growth across our Credit, Secondaries and Infrastructure strategies, which now represent almost half of our FPAUM.

Over the course of the year, we have seen a strong recovery in investment activity, including a 71% year-on-year increase in deployment, and a 114% year-on-year increase in realisations. Across our Private Equity strategies, the CVC Network continued to originate a large number of attractive investment opportunities, and we made 23 new private equity investments across multiple geographies and sectors. Our Credit strategy achieved record levels of deployment and has more than doubled FPAUM since 2020. Our Secondaries strategy also had a record year for deployment as we continue to see strong secular growth across this asset class, and we successfully expanded into Infrastructure with the acquisition of CVC DIF.

We are pleased by our continued fundraising success, with c.€16bn of capital raised in 2024 across a highly diversified client base. This fundraising success is underpinned by our deep and longstanding client relationships with most of the world's leading investors, our focus on delivering consistent investment performance, the long-term growth of private markets, and the ability of scaled private markets managers to grow at above market rates. In addition to our deep existing institutional client base, we are accelerating growth in Private Wealth and Insurance with the launch of our first two evergreen products: CVC-CRED and CVC-PE. We raised c.€1.5bn in Private Wealth in 2024 (more than double the level in 2023), and we are excited by our ability to achieve significant future growth in this channel. In addition, we have raised over €15bn of capital from insurance clients over the past five years and we see a significant opportunity for growth as we further increase our focus on this channel.

The strength of the CVC model

Our performance in 2024 highlights the long-term strength of the CVC model, and our focus on delivering consistent investment performance for our clients across multiple economic and geopolitical cycles. Our disciplined investment approach is underpinned by our rigorous risk management and deep sector expertise.

Critically, the CVC Network provides deep local market knowledge across more than 30 office locations globally, enabling us to identify a wide number of investment opportunities, and allowing us to select the most compelling opportunities for each of our seven investment strategies. Our distinctive long-term incentivisation model ensures our teams are fully aligned with our clients and our investment professionals operate with a long-term ownership mindset.

We are pleased with the continued resilience of our investment portfolios, and the strong realised returns we are delivering for our clients, with CVC's Private Equity realisations in 2024 generating a 4.0x Gross Multiple of Money (MOIC) and a 30% Gross Internal Rate of Return (IRR).

"2024 was a landmark year for CVC, in which we successfully completed our IPO, delivered continued growth and made significant strategic progress. Our strong performance has been driven by the unique CVC Network, our deep and longstanding client relationships, and the quality of the team we have built.

Whilst the economic and geopolitical environment remains uncertain, our experience shows that these conditions can provide some of our most attractive investment opportunities. Following our recent fundraising success, we have significant capital available to invest prudently across our seven strategies, and we are excited about our opportunities for future growth."

Rob Lucas
Chief Executive Officer

CEO Review continued

Strategic priorities for growth

Private Wealth represents an exciting opportunity to broaden our client base and diversify our sources of capital. The launch of our evergreen vehicles, CVC-CRED and CVC-PE, marks an important step in our expansion into this segment. Early momentum has been strong and we see further growth potential, as we launch more products and increase the number of our distribution partners.

We are focused on scaling our activities across Credit, Secondaries, and Infrastructure, on the back of the strong growth fundamentals of these asset classes. We are pleased with the success of our latest Secondaries fundraise, and we are exploring an expansion into other direct adjacencies. In Credit, we continue to see strong structural growth as private markets become an ever greater source of financing for corporates, and the strength and depth of our strategy is illustrated by the success of our latest European Direct Lending fundraise. Within Infrastructure, we see a rapidly growing need for infrastructure investment across Europe and North America, and we believe the private markets will become an increasingly critical source of funding, given ever greater governmental budgetary constraints.

As a firm, we have made significant progress towards embedding AI-driven solutions to optimise knowledge sharing, further improve investment origination and selection, and enhance operational productivity. In addition, we are focussed on rolling out AI across our investment portfolio including product R&D, software engineering and augmenting customer service.

Finally, people are critical to the success of everything we do at CVC, and we remain committed to attracting, developing and retaining world-class talent. In 2024, we selectively expanded our investment teams, increasing our deployment capabilities, and we continue to strengthen our Business Operations capabilities including fundraising and technology. Today, CVC has more than 1,250 people worldwide, focused on driving the future success of CVC, and maintaining our entrepreneurial, collaborative and high-performance culture.

Navigating a period of transition in the global economy

Whilst 2024 saw signs of recovery in the global economy, with interest rates and inflation receding from previous highs, the macroeconomic and geopolitical environment remains uncertain and we remain prudent regarding near-term market activity levels. That said, CVC has demonstrated an ability to deliver strong investment returns consistently over our 40-year history, and we remain confident in the ability of our teams to adapt to changing markets and continue to create value for our clients and investors.

Looking ahead

2024 was a landmark year for CVC, marked by strong progress in fundraising, deployment, and realisations, and underpinned by our ongoing focus on investment performance. As private markets evolve, we will continue to benefit from strong underlying growth as clients allocate ever more capital to scaled multi-asset managers such as CVC, and our long-term investment model enables us to be patient and deliver consistent investment performance across economic cycles. We expect further growth in 2025 underpinned by our ongoing fundraising, and the full year impact of funds activated in 2024.

CVC Capital Partners plc listed on Euronext Amsterdam April 2024

Operating summary

2024 was a landmark year for CVC, with a 50% increase in FPAUM and a strong recovery in investment activity.

Fundraising

FPAUM increased to €147.3bn as at 31 December 2024, from €98.2bn as at 31 December 2023, or +50%.

Following the activation of Europe / Americas Fund IX and Asia VI in H1, and the inclusion of Infrastructure[1], additional FPAUM growth in 2024 was mainly driven by fundraising in Credit and Secondaries.

We continue to execute on our fundraising targets, with €15.7bn of capital raised[2] in 2024.

Continued strong momentum in Credit and Secondaries:

- EUDL IV secured in excess of €7.6bn of investable capital as at 31 December 2024 vs. €6.0bn target (final close expected in 2025), and Capital Solutions III reached its final close at €1.6bn vs. €1.3bn target.
- Following launch in June, we raised $3.5bn[3] as at 31 December 2024 for SOF VI in Secondaries, progressing towards its $7.0bn target.

StratOps III held a final close in Q1-25 reaching total fund size of €4.6bn (vs. €4.5bn target).

Infrastructure fundraising for DIF VIII & Value Add IV launched in January 2025, with a combined target size of €8.0bn.

Private Wealth:

- Subscriptions for CVC-CRED progressing well: €0.7bn in aggregate value[4] as at 31 December 2024, following the launch in Q2 2024.
- Launch of CVC-PE, our new Private Equity evergreen product, in January 2025, ahead of plan.
- Accelerating the preparation of further evergreen products, together with increased investment in our Private Wealth platform.

Deployment

Strong year-on-year recovery in deployment activity: +71% vs. 2023.

Private Equity deployment reached €13.3bn in 2024 vs. €4.2bn in 2023 with 13 new investments for Europe / Americas Fund IX, following its activation in May, and 23 investments in total across Europe / Americas, Asia and StratOps.

Attractive deployment opportunities for CVC Secondary Partners drove an increase of 93% year-on-year, with €2.4bn deployed[6] in 2024 vs. €1.2bn in 2023.

Deployment[7] across CVC Credit reached €8.0bn in 2024, up from €6.7bn in 2023 (+20%), highlighting our strong origination and execution capabilities across Performing and Private Credit strategies. CVC Credit achieved record levels of deployment in 2024, although refinancing activity resulted in a high level of repayments slowing overall growth in FPAUM.

- Record year for CLO issuances across Europe and the US with 25 CLOs issued[8].

In Infrastructure, with DIF VII and Value Add III almost fully committed, focus in 2024 was primarily on value creation and exits ahead of fundraising for their successor funds, which launched in January 2025.

Realisations

Whilst realisations across all strategies increased by 114% year-on-year, we remain prudent regarding near-term market activity levels, and based on current market conditions, we anticipate realisations in 2025 being at, or slightly above, 2024 levels.

Private Equity realisations more than doubled to €11.0bn in 2024 from €5.1bn in 2023 driven by a recovery in corporate and sponsor M&A, notwithstanding public market volatility.

We saw similar dynamics in Secondaries and Infrastructure, with 2024 realisations across these strategies up by more than 100% year-on-year.

Importantly, realised returns[10] remained strong: 4.0x Gross MOIC and 30% Gross IRR in 2024 for Private Equity.

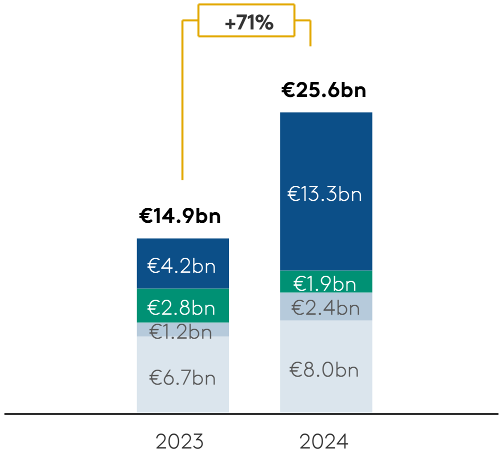
Fund performance

Our portfolio performance continues to be resilient across all strategies: EBITDA growth of c.10% across Private Equity.

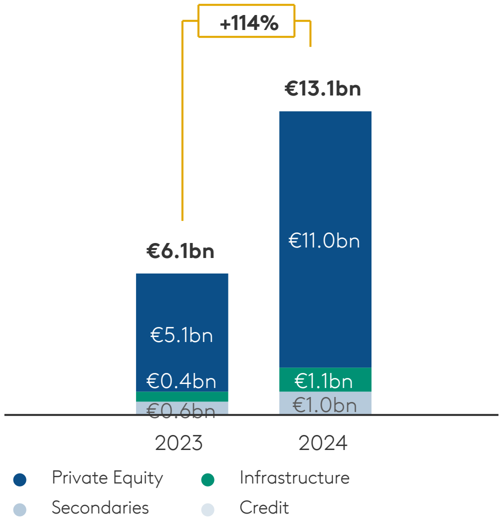
Value creation across the Private Equity and Infrastructure portfolios of 12%, growing at a consistent pace throughout the year.

All material funds continue to perform on or above plan.

Deployment[5]



Realisations[9]



Notes:
1. Acquisition of CVC DIF signed in September 2023 and completed on 1 July 2024.
2. Total capital commitments made across CVC's seven strategies from 1 January 2024 through 31 December 2024, including commitments accepted to CVC's private funds, separate accounts, and evergreen products. Amounts shown may include GP commitments and, in respect of Private Credit strategies, leverage.
3. Including overflow fund, co-invest and GP commitment.
4. Including 2 January 2025 subscriptions and corresponding leverage.
5. Includes signed but not yet closed investments as at 31 December 2024.
6. Secondaries deployment is net investment exposure which represents the initial funded equity purchase price plus unfunded commitments reasonably expected to be called over the life of the transaction.
7. Credit deployment based on movement in FPAUM by vehicle (excl. FX and exits).
8. Includes new issuances, reissuances, resets and refinancings.
9. Signed realisations as at 31 December 2024, across Private Equity, Secondaries and Infrastructure (excludes Credit).
10. Weighted average by invested capital, for Private Equity (Europe / Americas, Asia, StratOps, Growth) realised investments in the period.