



RIT Capital Partners – Coupang closes at \$49.25 on first day of trading, 8.4% uplift to NAV

12 March 2021

Coupang IPO: Yesterday, Coupang, the South Korean e-commerce business, listed on the New York Stock Exchange (ticker: CPNG) which we understand is the largest US IPO for an international company since Alibaba listed in 2014. The shares closed at \$49.25 compared to an IPO price of \$35. RIT Capital Partners has an investment in Coupang, held through a co-investment fund, managed by an external GP. At 31 December, RIT's stake was valued at £140.8m (3.9% of net assets), which was based on the most recent valuation received from the GP and was unchanged in the February NAV. RIT estimates that the closing price on 11 March of \$49.25 would represent a c.222% increase in the US Dollar value of its investment, equivalent to an increase in its NAV of 195p per share, or 8.4%.

NAV: RIT has released its NAV at 28 February which was 2,316p, up 0.9% over the month compared with a 1.5% rise for the MSCI AC World Index (50% Sterling, 50% local). Since then, the index is up a further 2.8%. We estimate that the NAV is up 9.7% (225p) to 2,541p including 195p uplift from Coupang and factoring in a beta-adjusted index move. RIT Capital's shares were up 4.1% yesterday and have risen a further 4.4% this morning to 2,370p (as at 8:38am) equivalent to a c.7% discount. An updated valuation for Coupang will be reflected in the NAV at 31 March which is due to be released in mid-April.

Numis Views: Clearly this is a fantastic result for RIT Capital Partners. The investment in Coupang has performed extremely well since the fund first invested in April 2018. It was valued at £38.5m in June 2018 and was written up to £140.8m at the end of last year. We estimate that this has risen to c.£440m based on Coupang's closing price. RIT had a strong 2020, generating NAV total returns of 16.4%, and the NAV is up a further c.10% this year so far. Despite the strong performance the discount remains excessive, in our view, and provides an attractive entry point. In recent years, RIT Capital has effectively transitioned to the next generation of its management team, whilst retaining the strong record of providing downside protection, whilst participating in market upside. We believe this is an attractive return profile for many investors. We believe downside to the discount should be limited by the

appeal of the return profile and the fund also undertook a number of share buybacks in late 2020 prior to entering its close-period.