Moschovakis Capital

CVC Capital Partners plc

CVC

EQUITY RESEARCH REPORT

November 01, 2026

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CVC — CVC CAPITAL PARTNERS PLC

Report Date: 2026-11-01

Analyst: Moschovakis Capital Research

EXECUTIVE SUMMARY

Metric	Value
Recommendation	BUY
Current Price	€13.42 (US$15.01)
Fair Value (Base Case)	€15.64
Margin of Safety	16.5%
Target Entry	Not applicable

Return Profile	Value
Dividend Yield	3.87%
Expected Dividend Growth	7.5%
Expected Price Appreciation	8.5%
Total Expected Return (Base)	10.3% CAGR
Bear Case Total Return	0.5% CAGR
Bull Case Total Return	13.8% CAGR
Probability-Weighted Return	8.7% CAGR

Risk Assessment	Value
Wealth Preservation Score	65 / 100
Downside Protection Score	45 / 100
Quality Score	77 / 100
Risk Level	MODERATE
Probability of >50% Loss	<10%
Recession Profile	SENSITIVE

One-Line Thesis:

CVC turns contracted private-markets fees, a diversified €205 billion platform, and a covered 3.87% dividend into a 10.3% base-case total return while the balance sheet holds net debt leverage at only 1.2 times.

INVESTMENT THESIS

CVC Capital Partners qualifies for this mandate because the revenue base does not depend on heroic assumptions. More than 70% of total revenue comes from management fees under long-term contracts. More

than 80% of the management fees for 2026 through 2028 come from funds that are already active. That gives the income statement a utility-like visibility inside a business that still carries private-equity optionality. The diversified structure matters. Private equity, credit, secondaries, and infrastructure each contribute, with credit, secondaries, and infrastructure now more than 55% of fee-paying AUM and growing 19% year over year as of the H1 2026 report. You are not buying a single fund vintage or a single regional strategy. You are buying the management company, the fee stream, and the balance sheet that supports it.

The return path meets the hurdle. At €13.42, the shares trade near 14.6 times forward earnings, well below Blackstone, KKR, BlackRock, and most alternative-manager peers. The annual dividend of €0.52 provides a 3.87% yield. Fee-paying AUM grew from €153 billion at H1 2026 to €176.6 billion at Q3 2026, boosted by the Marathon acquisition and credit inflows. Fee-related earnings rose 11% to €442 million in H1 2026 with a 57% margin. Profit after tax rose 10% to €434 million. Management is returning cash through a €350 million buyback, of which €194 million was complete by mid-2026. A base case with 7.5% EPS growth and a terminal multiple of 16 times produces a 10.3% total return CAGR. That clears the inflation-plus-4% hurdle by more than 300 basis points.

The downside is real but bounded. A severe market drawdown would compress AUM, collapse performance fees, and slow fundraising. The bear case below assumes EPS falls to €0.65, the dividend is cut to €0.40, and the stock falls to €10.05 over the decade. Even in that scenario, cumulative dividends leave the investor roughly flat on a total-return basis. That is not comfortable, and a mark-to-market drawdown above 25% is possible. But the balance sheet gives the firm room. Net debt leverage was 1.2 times at June 2026, against a 2.0 times ceiling. Interest coverage exceeds 19 times. Debt carries a 3.06% fixed rate and a nine-year weighted tenor. The firm can absorb a fee decline without facing a solvency event. The main judgment call is whether you accept a 25% price drawdown as the price of a high-ROIC fee franchise. For this mandate, the answer is yes at a moderate position size.

The alternative is a high-yield savings account at 4%. CVC offers roughly double that expected return with a real but quantifiable downside. That asymmetry, while not perfect, is sufficient for a standard position.

1. BUSINESS QUALITY ASSESSMENT

CVC is a private-markets manager, not a balance-sheet lender. It earns fees for managing private equity, credit, secondaries, and infrastructure vehicles. The 2025 annual report states that over 70% of total revenue is management fees under long-term contracts. The company reports around €205 billion of AUM at the end of 2025 across a network of about 30 local offices and roughly 1,500 employees. The franchise ranks sixth in the PEI 300 as of June 2025.

The revenue model is unusual for a publicly listed asset manager because so much of the income is contracted. The 2025 annual report says more than 80% of the 2026 to 2028 management fees come from funds already active. That means near-term revenue does not require perfect fundraising. Fee-paying AUM reached €153 billion at H1 2026, up 9% year over year, and the Q3 2026 update showed total fee-paying AUM of €176.6 billion. Credit fee-paying AUM climbed to €67.4 billion from €46.7 billion sequentially, reflecting the Marathon acquisition and product flows.

The quality of the franchise rests on scale, diversification, and distribution. CVC operates four revenue segments. Private equity includes Europe/Americas, Asia, Strategic Opportunities, and Growth. Credit invests through performing and private credit vehicles. Secondaries focuses on middle-market transactions. Infrastructure covers transport, utilities, communications, energy, and regulated services. This breadth reduces dependence on any single fund vintage. The H1 2026 results support that claim. Realisations of €9.9 billion in the half-year exceeded the prior-year €8.7 billion. The company reported €23.8 billion of realisations over the twelve months to June

2026, with roughly €20.7 billion from private equity at 2.8x gross MOIC and 21% gross IRR. Management framed the distribution record as a differentiator because institutional clients increasingly weight distributed-to-paid-in capital above paper marks.

Margins remain exceptional. Gross margin was 70.4% in FY2025. Operating margin was 49.9% in FY2025 and roughly 51% on a trailing basis. ROIC of 27.87% and ROE of 51.13% indicate that the management company earns well above its cost of capital. The H1 2026 result showed a fee-related earnings margin of 57%, ahead of the roughly 52% consensus expectation.

The moat is narrow rather than wide. The long-duration fund contracts create switching costs because investors commit capital for years and cannot easily move mid-fund. Scale helps fundraising because large institutional allocators concentrate capital with fewer, larger managers. The diversified platform reduces single-strategy blowup risk. What the public data lack is a full history of fund-level net returns, fee rates, LP retention, and carry realization across vintages. Those missing items keep this from being a wide-moat conclusion. The visible franchise characteristics support a narrow moat with high durability in the contracted fee block.

2. FINANCIAL FORTRESS ANALYSIS

The solvency picture is adequate, not fortress-grade, because the firm carries meaningful balance-sheet leverage relative to a thin equity base. StockAnalysis reports debt to equity of 1.07. That single ratio looks poor for a wealth-preservation mandate. The correct context is that CVC is an asset manager, not an industrial company. The balance sheet uses debt for seed commitments and working capital, not for heavy fixed assets. The more informative measures are comfortable. Interest coverage is 19.62 times. Debt to EBITDA is 1.99 times. Net debt leverage was 1.2 times at June 2026, against management guidance of a maximum of 2.0 times. Gross cash was €645 million at June 2026. Long-term debt was approximately €1.9 billion, including $550 million of US private placement notes. The debt carries a weighted average tenor of nine years at a 3.06% fixed rate. That maturity profile removes near-term refinancing risk.

Cash generation has been consistently positive in the data provided. Levered free cash flow was €725.67 million in FY2024 and €652.89 million in FY2025. Trailing free cash flow is roughly €709 million. Operating cash flow on a trailing basis is €730.71 million. The firm has no recorded cash-flow loss in the available periods. Adjusted cash and cash equivalents at December 2025 were €706 million, up from €533 million a year earlier, plus an €800 million revolving facility. The June 2026 balance sheet already reflects the Marathon acquisition, the €250 million 2025 final dividend, and €194 million of the buyback.

A stress test helps frame the survivability question. If revenue dropped 30% for two years, the fixed personnel cost base would compress margins sharply. The firm would almost certainly reduce the dividend and pause buybacks. But the contracted management-fee base, the 1.2 times net leverage, the 19.6 times interest coverage, and the €645 million cash balance mean the firm would remain solvent without requiring a dilutive equity raise. The March 2026 financing and the nine-year debt tenor support that conclusion. Solvency assessment: ADEQUATE.

Earnings quality is acceptable, not pristine. Trailing operating cash flow of €730.71 million covers only about 76% of trailing net income of €966.11 million. That gap is common in this business because performance-related earnings and investment marks can flow through net income before cash arrives. H1 2026 profit after tax rose 10% to €434 million while operating cash flow was €241 million. The accounting does not appear aggressive. There are no restatements in the provided record, and the auditor gave a clean going-concern statement for the 2025 annual report. The one apparent credit-risk document in the research packet is a QVC Group 10-Q, not a CVC filing. It discusses a Chapter 11 process and credit-facility defaults. That content belongs to QVC, and it must not be applied to CVC. The actual CVC leverage is the 1.2 times net-debt figure stated above.

Dilution is acceptable so far. Shares outstanding are approximately 1.089 billion. The company is buying back stock under a €350 million program rather than issuing aggressively. Insiders own 23.96% and institutions own 28.72%, which gives management and shareholders aligned incentives. The available data do not provide a five-year share-count history because the company listed only in 2024. Dilution assessment: ACCEPTABLE, with monitoring.

3. DIVIDEND ANALYSIS

CVC pays an annual dividend of €0.52 per share. At the current €13.42 price, that produces a yield of 3.87%. The widely quoted 4.06% yield uses a lower prior reference price, so the current yield is the relevant number. The H1 2026 interim dividend increased 12%, which signals management commitment to growing the payout.

The payout is adequately covered. StockAnalysis reports a payout ratio of 51.75% of earnings. The FCF payout ratio is 73.76%, which is inside the sustainability zone for an asset manager. Trailing operating cash flow of €730.71 million covers the approximate €566 million annual dividend about 1.29 times. Levered free cash flow covers it about 1.66 times. The €800 million revolving facility provides additional liquidity if a timing gap appears between performance-fee income and cash distributions.

The weaknesses are structural rather than immediate. CVC has only a short public dividend history following the 2024 listing. It does not have a 15-year or even 10-year public record through a 2008-style downturn. The company probably maintained its private distributions historically, but the public investor cannot verify that from the provided data. A 40% decline in earnings would push EPS below the current dividend and force management to choose between the payout and balance-sheet preservation. The bear-case analysis assumes the dividend is cut to €0.40 in a severe recession. That is a manageable reduction, not an elimination.

Dividend sustainability assessment: SUSTAINABLE, not ROCK SOLID. The earnings and free-cash-flow coverage today are healthy. The absence of a long public record keeps this from the highest category.

4. VALUATION ANALYSIS

The shares are inexpensive relative to alternative-manager peers on earnings and EBITDA measures. CVC trades at a trailing P/E of 16.56 to 17.74 depending on the data source, with a forward P/E of 14.45 to 14.97. EV/EBITDA is 12.47 to 12.78. P/FCF is 18.84, which translates to a free-cash-flow yield of 5.31%. P/B is high, between 5.95 and 9.44, because book value per share is only about €1.50. The high P/B reflects the asset-light model and a 51.13% ROE, not a traditional capital-intensive premium.

The peer data make the case for value. BlackRock trades near 26.5 times earnings. Blackstone trades near 37.5 times. KKR trades near 26.8 times. Brookfield Asset Management trades around 25.9 to 26.9 times. CVC is below all of them on trailing and forward P/E. On EV/EBITDA, CVC at 12.5 to 12.8 sits below BlackRock at 16.9 and Blackstone at 17.4, and far below KKR. The one relative comparison that looks less favorable is Morningstar's normalized P/E of 20.29 for CVC versus 16.45 for KKR and 11.90 for PGHN. That normalized comparison includes different definitions and should be treated as a separate snapshot, not as an override of the direct multiples.

No meaningful five-year trading history exists because the company listed in 2024. The valuation percentile scoring therefore has less precision than it would for a longer-tenured public company. The best available anchor is the analyst consensus. The average target price is €17.08, with a high of €20.90 and a low of €14.50. That average implies 27% upside. A conservative fair value can be built separately. Using the forward EPS estimate of €0.92 and a 17.0 times fair earnings multiple produces a fair value of €15.64. That multiple is below the peer set but above the current forward multiple. The margin of safety versus €13.42 is 16.5%.

The valuation read-through is that the market prices CVC like a lower-growth, fee-cyclical asset manager while the operating data show contracted fees, diversified strategies, and double-digit fee-related earnings growth. That mismatch is the entry point.

5. SCENARIO ANALYSIS

The scenario model uses a ten-year horizon and treats dividends as cash returned to the investor. The current price is €13.42 and the forward EPS estimate is €0.92.

Scenario	2036 EPS	Exit P/E	2036 Price	Cumulative Dividends	Total Value	Total CAGR	Weight
Bear	€0.72	14.0	€10.05	€4.00	€14.05	0.5%	25%
Base	€1.90	16.0	€30.34	€7.35	€37.69	10.3%	50%
Bull	€2.61	17.0	€44.42	€8.69	€53.11	13.8%	25%
Probability-weighted						8.7%	

The bear case assumes a severe market drawdown early in the decade. AUM marks decline, performance fees collapse, and fundraising pauses. EPS falls to €0.65, grows slowly to €0.72 by 2036, and the exit multiple contracts to 14 times. The dividend is cut to a flat €0.40. The stock finishes at €10.05, a 25% decline from today. Cumulative dividends of €4.00 push the total value to €14.05, just above the €13.42 starting point. The total return is about 0.5% annually. That is the preservation guarantee: even a bad decade does not permanently destroy capital because the dividend stream and the contracted fee base provide a floor. It is not a comfortable floor, but it is positive.

The base case assumes the firm executes on its existing fundraising pipeline, keeps fee-related margins near the mid-50s, and converts realisations at historical rates. EPS grows 7.5% annually from the €0.92 forward estimate to €1.90 in 2036. The terminal multiple of 16 times is below the large alternative-manager peer average but above today's 14.6 times forward multiple. Price reaches €30.34. Dividends growing at 7.5% add €7.35. Total value reaches €37.69 for a 10.3% CAGR.

The bull case assumes Fund X raises at or above the predecessor size, credit and infrastructure continue their 19% growth, and the market assigns a 17 times premium multiple. EPS grows 11% annually to €2.61. The stock reaches €44.42. Dividends add €8.69. Total value reaches €53.11, producing a 13.8% CAGR.

The downside protection is adequate because the bear case total return stays positive, but the path matters. A drawdown of roughly 25% is possible in a market panic. That is why the risk level is moderate, not low.

6. RISK ASSESSMENT

The principal business risk is fundraising. The 2025 annual report names failure to raise third-party funds as a risk that could materially affect strategic objectives and financial performance. CVC has counteracted that risk with diversification. Credit, secondaries, and infrastructure now exceed 55% of fee-paying AUM. The Marathon acquisition closed on July 1, 2026, and added US asset-based lending, structured credit, and real estate credit exposure. The Q3 2026 fee-paying AUM bridge shows acquisitions of 18.4, with credit FPAUM rising to 67.4 from 46.7.

The second risk is performance. CVC Europe/Americas targets 20% to 30% gross IRRs and 2.0 to 3.0 times gross money multiples. The firm identifies sourcing, market volatility, and geopolitical conditions as impediments to repeating those returns. H1 2026 private equity realisations delivered 2.8 times gross MOIC and 21% gross IRR, and the company returned 33% more capital than it called since start-2022. That record reduces, but does

not eliminate, the risk of a poor vintage.

The third risk is earnings lumpiness. Trailing quarterly earnings growth was negative 37.8% in one recent comparison, even while revenue grew 18.4%. Carried interest recognition timing moved out on the flagship fund. Morningstar titled its report that CVC has strong foundations but lumpy returns. Investors must accept that performance-related earnings will swing. The contracted fee base smooths part of this, but not all.

The fourth risk is regulatory. The sustainability report identifies regulatory censure, fines, or restrictions from failure to identify or comply with regulatory obligations as the single material business-conduct risk. Information-security failures, corruption and bribery, and responsible-investment failures are all in the risk register. The firm maintains an exclusion and critical-risk list and declines investments where ESG risk cannot be mitigated. No specific investigation or fine appears in the data.

The fifth risk is market beta. The stock has a beta of 0.91 and has lagged the S&P by roughly 18 percentage points over the past 52 weeks, with a 7.77% decline versus a 10.63% gain. In a liquidity shock, listed alternative managers often fall more than their beta implies because investors treat them as illiquid asset proxies. The bear case captures this with a 25% price decline.

The final risk is valuation dispersion across data providers. P/B ranges from 5.95 to 9.44, trailing P/E from 16.56 to 17.74, and EV/EBITDA from 12.47 to 13.76. These gaps reflect different share count, earnings, and debt definitions. They do not change the overall conclusion, but they mean the margin of safety should not be treated as a precise number.

7. MANAGEMENT & GOVERNANCE

Rob Lucas serves as Chief Executive and Managing Partner. Rolly van Rappard, the founder, serves as co-chair. The pairing of an external CEO with the founder is a common private-markets succession structure, and the available record shows no turnover controversy. Insider ownership of 23.96% is meaningful. When management owns nearly a quarter of the equity, capital allocation decisions sit closer to shareholder interests. Institutional ownership of 28.72% adds external oversight.

The capital allocation record is limited in the public data. CVC has been public since 2024, so there is no long public history of buybacks or dividend discipline. What exists is constructive. The firm paid a €250 million 2025 final dividend. It increased the H1 2026 interim dividend 12%. It announced a €350 million buyback and completed €194 million by June 2026. It deployed capital into the Marathon acquisition to expand the US credit platform. It paid down and extended debt, with a nine-year weighted tenor at 3.06% fixed. These are the actions of a firm that understands the difference between growth capital and shareholder return.

The missing pieces are executive compensation detail, board independence, and a 10-year public return-on-invested-capital trend. The provided research does not include those disclosures. That absence prevents an EXCELLENT rating. The observed behavior supports GOOD. Management quality: GOOD. Capital allocation track record: ACCEPTABLE, trending positive.

8. PEER COMPARISON

Company	Trailing P/E	EV/EBITDA	P/B	ROE	Dividend Yield
CVC Capital Partners	16.6–17.7	12.5–12.8	5.95–9.44	51.1%	3.87%
BlackRock	~26.5	~16.9	n/a	n/a	n/a
Blackstone	~37.5	~17.4	n/a	n/a	n/a

Company	Trailing P/E	EV/EBITDA	P/B	ROE	Dividend Yield
KKR	~26.8	~56.5	~2.88	n/a	n/a
Brookfield AM	~25.9	~21.1	n/a	n/a	n/a
Ninety One	~21.4	n/a	n/a	n/a	n/a

CVC screens cheapest on earnings and EBITDA despite owning one of the fastest-growing fee-paying AUM bases. The 57% H1 2026 fee-related earnings margin exceeds most traditional managers. The P/B is the outlier on the expensive side because the balance sheet has almost no tangible equity. That high P/B is the natural result of a 51% ROE and an asset-light structure.

The peer comparison supports the wealth-preservation case with one caveat. CVC offers better dividend coverage and lower leverage than many peers, but it carries a smaller public-history buffer. On balance, CVC is the quality-and-value candidate in the cohort.

9. KEY METRICS SUMMARY

Metric	Value
Current Price	€13.42
Market Capitalisation	€14.6bn
Enterprise Value	€16.3bn
Shares Outstanding	1.089bn
Float	935.3m
Insider Ownership	23.96%
Institutional Ownership	28.72%
Beta	0.91
Total AUM (2025)	~€205bn
Fee-Paying AUM (H1 2026)	€153bn
Fee-Paying AUM (Q3 2026)	€176.6bn
TTM Revenue	€2.01bn
FY24 Revenue	€1.562bn
FY25 Revenue	€1.851bn
FY24 Net Income	€225.3m
FY25 Net Income	€1,183.1m
TTM Net Income	€966.1m
TTM Diluted EPS	€0.77
Forward EPS	€0.92
H1 2026 Adjusted EPS	€0.40

Metric	Value
H1 2026 Fee-Related Earnings	€442m
H1 2026 FRE Margin	57%
Gross Cash (Jun-26)	€645m
Long-Term Debt (Jun-26)	~€1.9bn
Net Debt Leverage	1.2x
Interest Coverage	19.62x
Debt/EBITDA	1.99x
Debt/Equity	1.07x
TTM Free Cash Flow	€709.1m
TTM Operating Cash Flow	€730.7m
ROE	51.13%
ROIC	27.87%
Trailing P/E	16.56–17.74
Forward P/E	14.45–14.97
EV/EBITDA	12.47–13.76
P/FCF	18.84
P/B	5.95–9.44
Dividend per Share	€0.52
Dividend Yield	3.87%
Payout Ratio	51.75%
FCF Payout Ratio	73.76%
Analyst Consensus	Buy / Outperform
Average Analyst Target	€17.08

10. MONITORING CHECKLIST

Item	Frequency	Threshold	Action
Fee-paying AUM	Quarterly	<€165bn	Re-review thesis
FRE margin	Semi-annual	<50%	Reduce or avoid
Net debt leverage	Semi-annual	>1.8x	Re-review
Interest coverage	Semi-annual	<12x	Reduce
Dividend payout	Annual	>85% or cut	Sell/review

Item	Frequency	Threshold	Action
Fund X close	Event	Below predecessor size	Re-review growth
Realisations	Semi-annual	<€6bn	Review DPI narrative
Key-person departure	Event	CEO or founder exits	Immediate review
Analyst target dispersion	Quarterly	Low target below €12	Re-evaluate margin of safety

11. MARKET EXPECTATIONS & CONSENSUS

The current price implies an undemanding growth path. A forward P/E of 14.63 gives a forward earnings yield of 6.84%. Forward EPS of €0.92 versus trailing EPS of €0.77 implies roughly 19.5% forward earnings growth. If the PEG of 1.25 is read as forward P/E divided by growth, the market is pricing about 11.7% long-run growth. Those numbers sit below the firm's fee-related earnings momentum and below the growth embedded in the consensus targets.

Consensus bull scenario: private markets keep consolidating capital into large managers, the Marathon US credit integration works, and realisations continue. That would support the high target of €20.90. Consensus bear scenario: carried interest recognition delays persist, quarterly earnings growth of negative 37.8% continues, and the stock de-rates from a Morningstar normalized P/E near 20 toward KKR's 16.5. That would put the price near the low target of €14.50, only about 8% above the current quote.

The number to validate is the 2026 estimated fee-related earnings median of €1,605 million. Holding FRE margins at 52% to 57% and moving EBITDA margins into the 64% to 69% range would support the €17.08 average target. Disappointment would look like FRE landing below €1,605 million, EBITDA near €1,103 million, or continued negative quarterly earnings growth.

Short interest is not available in the provided dataset. Ownership data show insiders at 23.96% and institutions at 28.72%, but no days-to-cover or short-percentage figures appear.

Forward Metric	Value	vs. Sector Avg	Assessment
Forward P/E	14.63	Below Blackstone, KKR, BlackRock	Attractive
PEG	1.12–1.25	Around 1	Reasonable
EV/EBITDA	12.47–13.76	Below major peers	Attractive
Beta	0.91	Below market	Defensive tilt

The market's skepticism comes from the lumpy performance-fee line and the short public record. The contracted fee block answers most of that skepticism.

12. KEY BUSINESS DRIVERS

Driver 1: Fee-related earnings margin

Why it matters: this is the cleanest measure of the management company's profitability before volatile carry and investment marks.

Current level: 57% in H1 2026; MFE margin reported at 54%, ahead of the 52% consensus.

Bull threshold: sustained above 55%.

Bear threshold: below 50% for two consecutive halves.

Next data point: 2026 full-year results on 9 March 2027.

Driver 2: Fee-paying AUM

Why it matters: management fees scale with fee-paying AUM, making this the revenue engine.

Current level: €176.6bn at Q3 2026, up from €153.2bn at Q2 2026.

Bull threshold: above €190bn by end-2027.

Bear threshold: below €150bn.

Next data point: 2026 full-year activity update on 28 January 2027.

Driver 3: Realisations and DPI

Why it matters: realisations drive performance fees and reinforce LP confidence in future fundraising.

Current level: €9.9bn in H1 2026; €23.8bn over the last twelve months.

Bull threshold: above €10bn per half-year.

Bear threshold: below €6bn per half-year.

Next data point: quarterly activity update on 28 January 2027.

Driver 4: Net debt leverage

Why it matters: leverage determines how comfortably the firm can absorb a market correction.

Current level: 1.2x, versus a 2.0x maximum.

Bull threshold: below 1.0x after Fund X close.

Bear threshold: above 1.8x.

Next data point: full-year balance sheet disclosures.

Driver 5: Fund X private equity raise

Why it matters: the next flagship determines whether future fee and performance streams can be replaced.

Current level: pre-marketing underway, launch expected within six months.

Bull threshold: closes at or above predecessor size.

Bear threshold: closes below predecessor.

Next data point: final close announcement.

13. PROXY TRACKERS & LEADING INDICATORS

Proxy	Ticker/Symbol	Relationship	Signal
Invesco Global Listed Private Equity ETF	PSP	Leads listed private-equity manager sentiment	Bullish if PSP holds above its 200-day mo
KKR	KKR	Correlates with large-cap alternative asset managers	Bullish if KKR re-rates; bearish if KKR de-
iShares iBoxx High Yield Corporate Bond ETF	HYG	Credit conditions drive private-debt financing and exit windows	Falling HYG is a headwind for CVC
AEX Index	AEX	European risk sentiment for the Amsterdam listing	Bullish if AEX holds its trend; bearish on s

Monitoring rule: if HYG breaks below its 200-day moving average while CVC underperforms PSP by more than 10 percentage points over eight weeks, re-evaluate the thesis within five days.

EXIT TRIGGERS

- Fee-related earnings margin falls below 50% for two consecutive semi-annual periods: reduce the position.
- Fee-paying AUM declines more than 5% from the €176.6bn Q3 2026 level or Fund X closes below the predecessor: re-review the growth thesis.
- Net debt leverage exceeds 1.8x or interest coverage falls below 12x: reduce or exit.
- Dividend payout ratio exceeds 85% of EPS or management cuts the dividend: sell.
- CEO Rob Lucas or founder Rolly van Rappard departs unexpectedly: immediate review.
- The stock trades above €17 before fundamentals improve: trim into strength.

FINAL RECOMMENDATION

RECOMMENDATION: BUY at current price €13.42

Position Size: €75 per €100,000 allocated capital, standard position.

Expected Total Return: 10.3% CAGR (3.87% dividend yield plus 8.5% expected price appreciation on a per-share basis).

Downside Protection: Bear case total return of +0.5% CAGR despite a 25% peak-to-trough price decline.

This is a BUY, not because the stock cannot decline, but because the contracted fee base, the covered dividend, and the low net leverage make the downside survivable, while the valuation versus private-market peers supports a base-case return that exceeds the 7% hurdle.

ANALYST NOTES

Key Assumptions:

- Forward EPS of €0.92 for 2026.
- Long-term base-case EPS growth of 7.5%.
- Fair forward multiple of 17.0 times for current fair value.
- Bear-case dividend cut to a flat €0.40.
- No dilutive capital raise in the bear case.

Limitations:

- No five-year public trading history exists; valuation percentile inputs are lower-confidence.
- Data sources disagree on P/E, P/B, and EBITDA by meaningful margins.
- Short interest and days-to-cover are not available.
- No full fund-level return history by vintage is provided.
- No executive compensation or board independence detail is available.

Confidence Level: MEDIUM. The quality and valuation evidence supports the buy, but the short public record, the 25% potential drawdown, and the missing five-year history keep conviction moderate.

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