

Georgia Capital

Portfolio growth accelerates

Georgia Capital (GCAP) reported strong Q325 results, with 7.9% quarterly growth in NAV per share (on a total return basis, in Georgian lari), continuing its long-term growth path (five-year NAV CAGR stands at 29.1%) and bringing its one-year sterling NAV performance to 63.2%. The main value driver remained the listed Lion Finance Group, which posted an 8.1% share price increase in the quarter. The private portfolio showed a 6.7% increase in value, reflecting good operational performance, which prompted GCAP to increase its expectations of 2025 dividend income to GEL200m (from GEL180m), with a view that this increase will be permanent. The NAV per share growth was also supported by GCAP's NAV-accretive buybacks (+1.2pp), as the company continues to deploy its GEL700m capital return programme, scheduled until end-2027. After the current tranche of US\$50m is concluded, the remaining capital to be deployed will amount to GEL300m, which translates to 6.5% of end-September NAV.

GCAP's private portfolio continues its rapid development, with growth above valuation assumptions across the portfolio. The aggregate revenues of the private portfolio increased by 13.5% y-o-y in Q325, with improved profitability leading to a 29.5% y-o-y growth in EBITDA. Over the long term, the organic growth has been supported by occasional acquisitions and, after the reporting date, GCAP announced a bolt-on to its healthcare services business (which represented 11% of the portfolio at end-Q325).

The target company, Gormed, operates three hospitals and clinics in central Georgia (which will expand GCAP's chain to 44 facilities), and has 80k registered patients. The transaction was executed at an attractive forward EV/EBITDA multiple below 4x, which compares to the 9.9x valuation multiple of GCAP's healthcare services business, and was performed by the portfolio company with no additional funding from GCAP. The company operates with no financial leverage, which provides balance sheet strength for value creation, while profitability is expected to improve on the back of administrative and operational synergies. According to GCAP, the transaction additionally reduces competition in some key geographic areas.

GCAP has successfully reduced its leverage (net capital commitment, NCC, ratio) to 5.4%, which is well below the target level of 10%. The improved credit profile was recognised by S&P with an outlook upgrade to positive from stable on its BB- rating. During the quarter, GCAP's long-standing legal case related to the acquisition of Imedi L in 2012 was concluded, resulting in US\$26.5m being payable. The impact on the NCC ratio is expected to be minimal as the amount will be deducted from the contingency buffer reserve.

In addition, GCAP's strong share price performance led to it crossing the US\$1bn market capitalisation and re-inclusion in the MSCI UK Small Cap Index. Meanwhile, we continue to view GCAP's discount to NAV (30%) as wide, despite the recent narrowing (for a detailed rationale, see [our previous note](#)).

At the current NCC ratio level, GCAP favours capital deployment through a blend of capital distributions and investments (year-to-date GCAP has repurchased and cancelled 10.4% of its share capital). It also plans to reduce holding-level debt to nil (currently at US\$50m) within the current capital return programme. The investment opportunity pool remains limited by GCAP's discount to NAV, as the management looks for investments that are cheaper than buying back its own shares.

Investment companies
Listed private equity

30 October 2025

Price 2,545.00p
Market cap £901m

NAV	3,361.0p
Discount to NAV	29.5%
Shares in issue	35.4m
Code/ISIN	CGEO/GB00BF4HYV08
Primary exchange	LSE
AIC sector	N/A
Financial year end	31 December
52-week high/low	2,535.0p 890.0p
NAV high/low	3,361.0p 2,282.0p

Fund objective

Georgia Capital focuses on scalable private equity opportunities in Georgia. These opportunities have the potential to reach an equity value of at least GEL300m over the next three to five years and the company can monetise investments through exits as investments mature.

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