

Conference Call Q3 2019

November 5, 2019



Q3 2019 highlights

Investments and exits	<ul style="list-style-type: none">• Total investments by the EQT funds in the third quarter 2019 amounted to EUR 3.4bn<ul style="list-style-type: none">• Investments include, among others, Aldevron and Waystar (EQT VIII), Ellab (EQT Mid Market Europe), Inexio (EQT Infrastructure IV) and Pegasus Optimization Managers (EQT Infrastructure IV), an add-on to further strengthen portfolio company Kodiak Gas Services• Total investments by the EQT funds in the first nine months 2019 of EUR 10.1bn (EUR 5.5bn)• Total gross fund exits in the third quarter 2019 of EUR 0.8bn, mainly within Real Assets• Total gross fund exits in the first nine months 2019 of EUR 5.6bn (EUR 4.6bn)	<div>€3.4bn Capital invested</div> <div>€0.8bn Exits</div>
Value creation	<ul style="list-style-type: none">• Expected Gross MOIC in EQT's key funds currently:<ul style="list-style-type: none">• "On plan" in Private Capital• "On plan" in Real Assets – except for EQT Infrastructure III which continued "Above plan"	<div>On plan Private Capital</div> <div>On plan Real Assets Above plan EQT Infra III</div>
Fundraisings, AUM and FTE+	<ul style="list-style-type: none">• In addition to ongoing client relationship management, fundraisings focused on EQT Real Estate II and EQT Ventures II. In light of the investment level of EQT VIII, preparations for the successor fund EQT IX are intensifying and it is expected to begin fundraising in 2020• Fee-paying AUM at EUR 40.5bn, at similar levels as of June 30, 2019• Continued growth in number of employees	<div>€40.5bn AUM</div> <div>675 FTE plus</div>
IPO & Events after the reporting period	<ul style="list-style-type: none">• First day of trading in EQT AB's share on Nasdaq Stockholm September 24, 2019• Investment level in key funds as of November 5, 2019, continued to be 65–70% in EQT VIII and 50–55% in EQT Infrastructure IV	<div>~40,000 Shareholders at IPO</div>



The starting point for our company

Vision

What we **strive** for

to be the **most reputable**
investor and **owner**

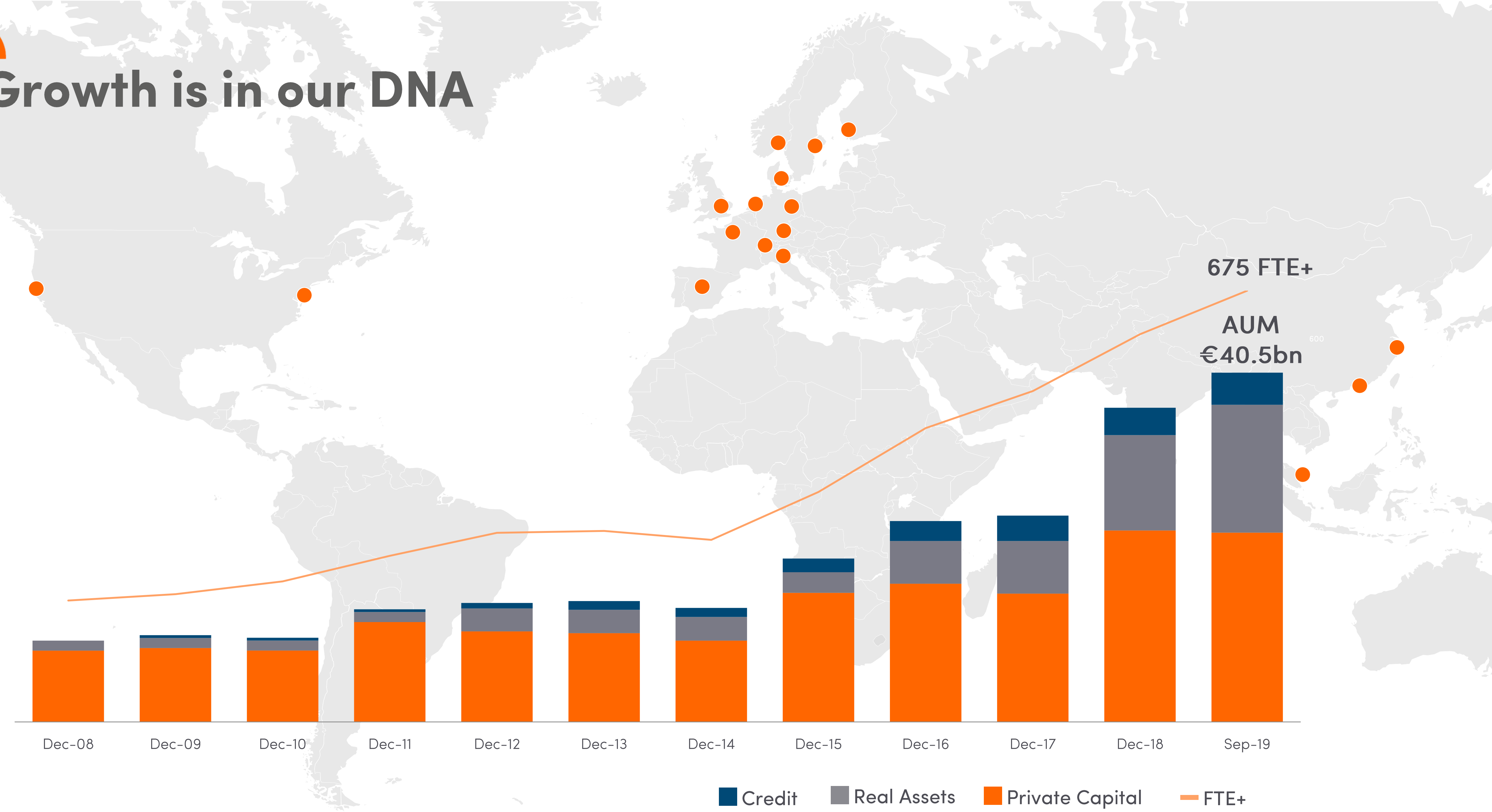
Mission

What we **do** and **how**

with the **best talent** and **network** around the world, EQT uses a unique **value creation** approach and **thematic** investment strategy to **future-proof** companies, creating **superior returns** and making **a positive impact with everything we do**



Growth is in our DNA

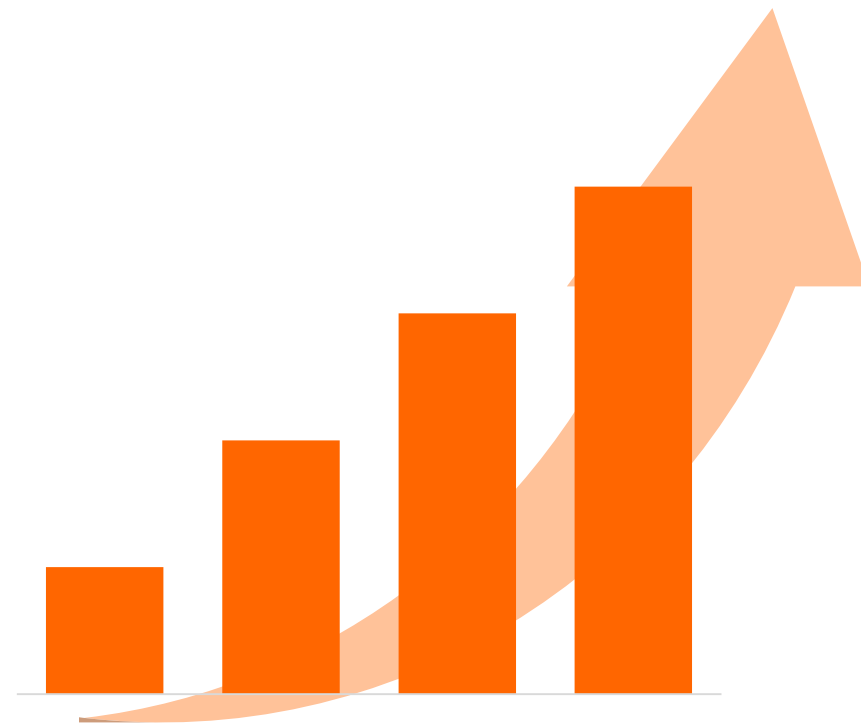


Our business model is long-term, simple and scalable

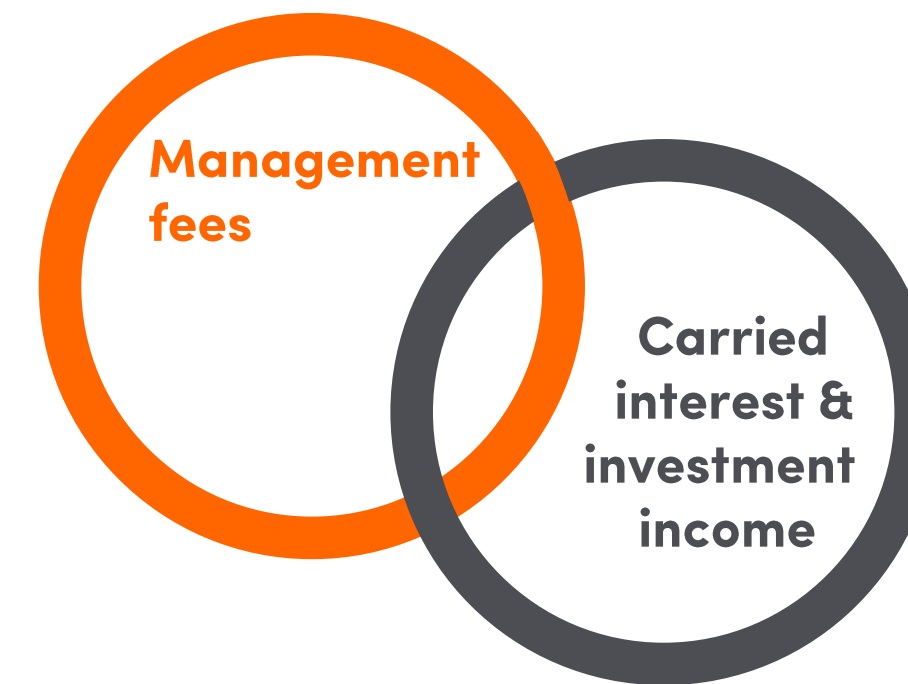
1
Attractive client returns...



2
...drive growth in AUM...



3
...with integrated revenue streams...



4
...and a predictable cost base





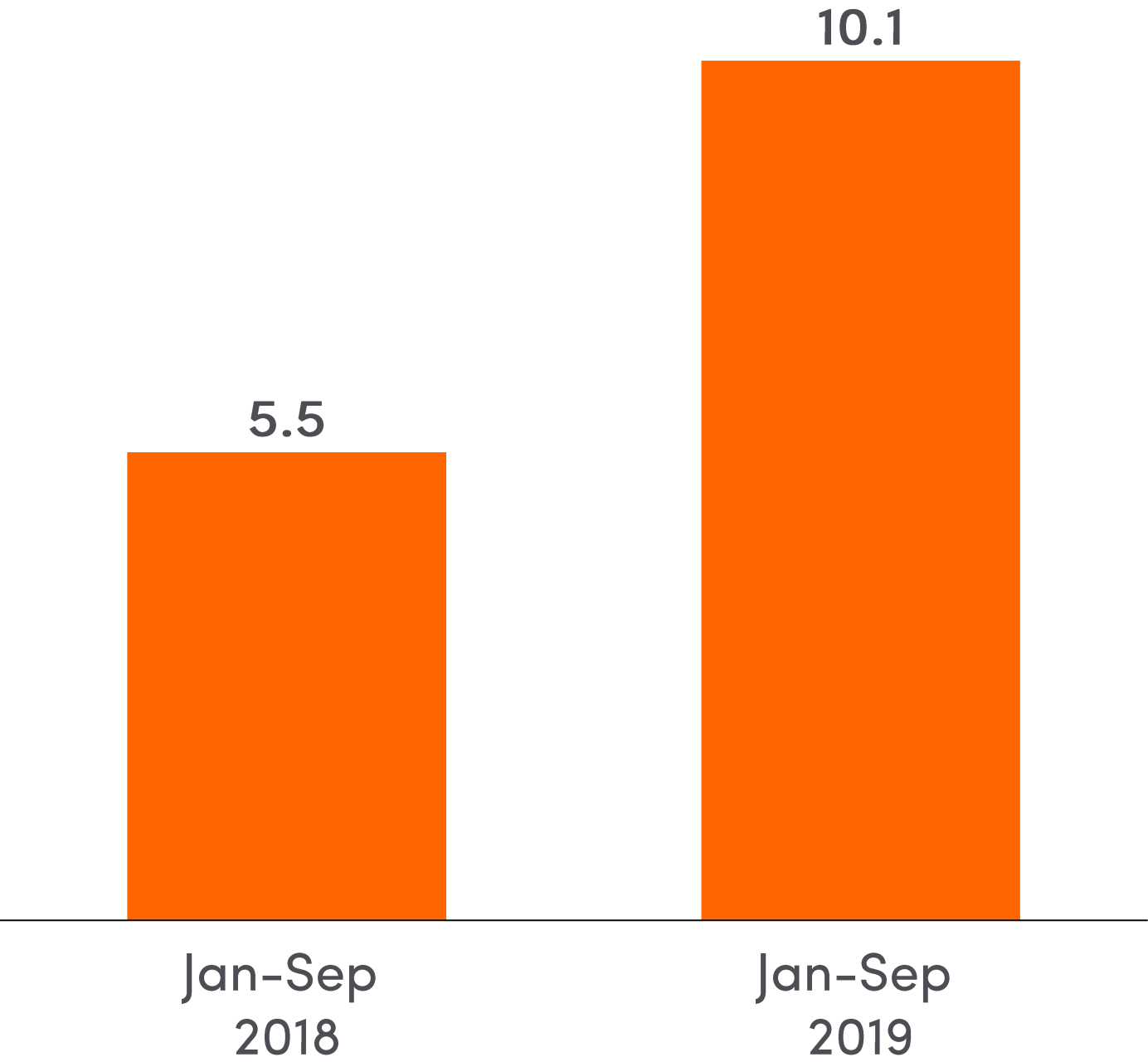
Key data for Q3 2019



Good investment activity and supportive exit environment

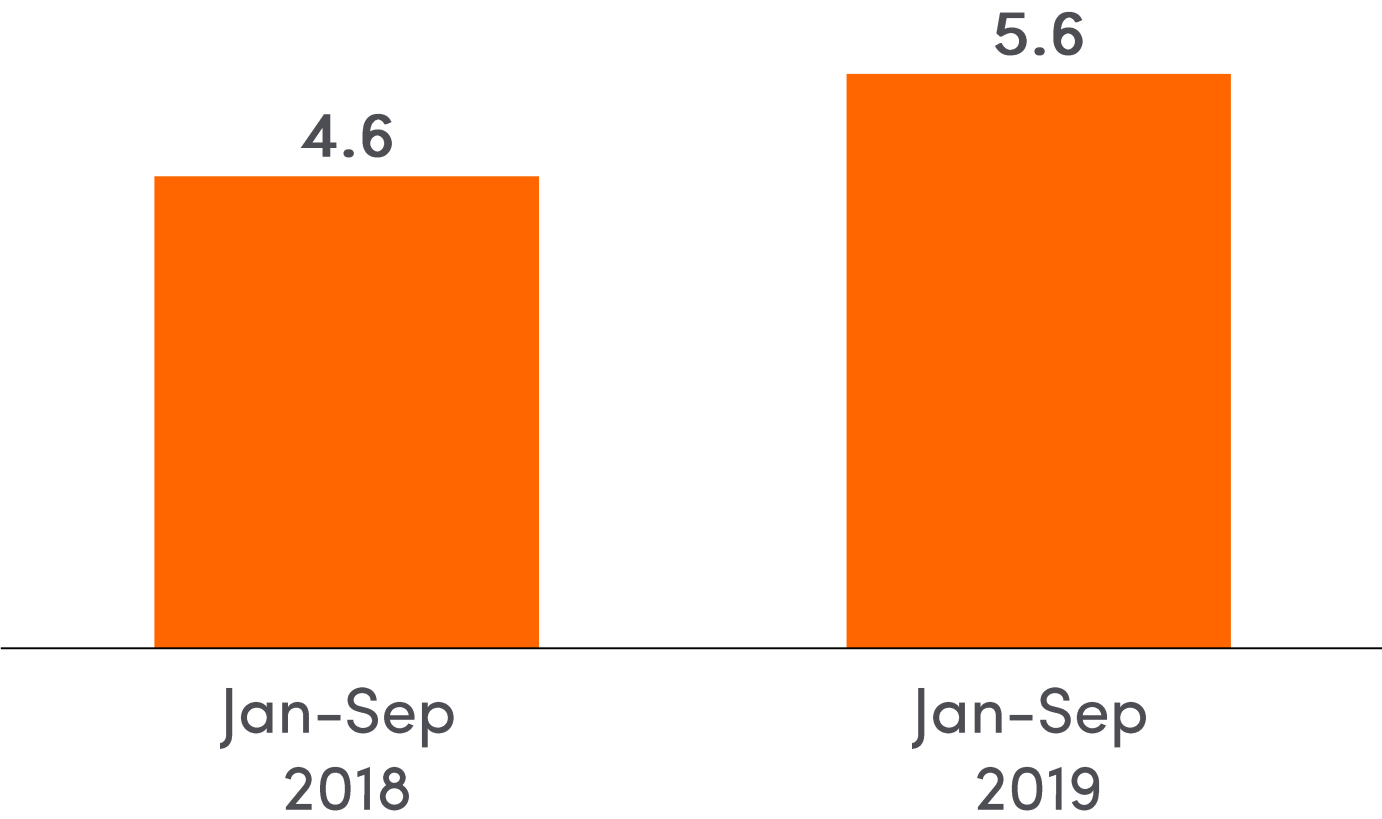
Investments

(EURbn)



Exits

(EURbn)



Selected transactions Jan-Sep 2019





Selected transactions Jan-Sep 2019









Key funds on plan for expected value creation

€bn	Start date	Committed capital	EQT AB share of carried interest	Total cost (Sep-19)	Total value (Sep-19)	Gross MOIC (Sep-18)	Gross MOIC (Sep-19)	Expected Gross MOIC (Sep-19)
Private Capital								
EQT VI	Jun-11	4.8	5.7%	4.4	10.4	2.3x	2.4x	On plan
EQT VII	Jul-15	6.9	25.0%	6.1	10.1	1.3x	1.7x	On plan
EQT VIII	May-18	10.9	30.0%	5.6	5.9	1.0x	1.1x	On plan
Real Assets								
EQT Infrastructure II	Oct-12	1.9	9.4%	1.7	3.6	1.9x	2.1x	On Plan
EQT Infrastructure III	Nov-16	4.0	25.0%	3.5	4.9	1.2x	1.4x	Above Plan
EQT Infrastructure IV	Nov-18	9.1	36.4%	2.8	2.8	n.a.	1.0x	On Plan

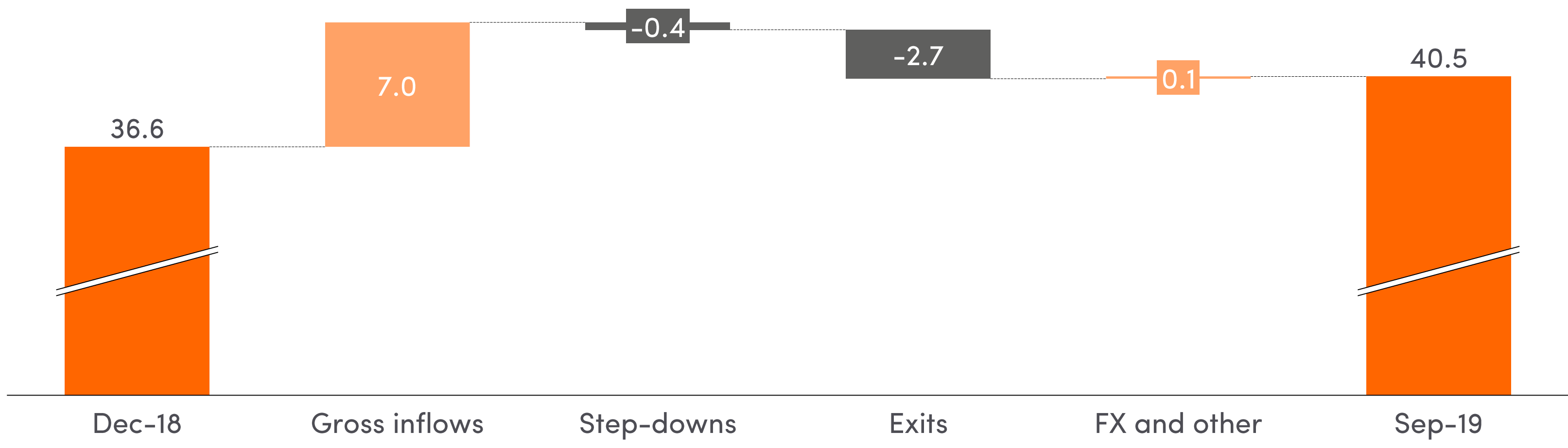
8 Note: Data for current Gross MOIC reflects only closed investments and realizations. For Private Equity funds (part of segment Private Capital), target Gross MOIC amounts to 2.3x and “On Plan” refers to expected Gross MOIC between 2.0-2.5x. For Infrastructure funds (part of segment Real Assets), target Gross MOIC amounts to 2.0x and “On Plan” refers to expected Gross MOIC between 1.7-2.2x.





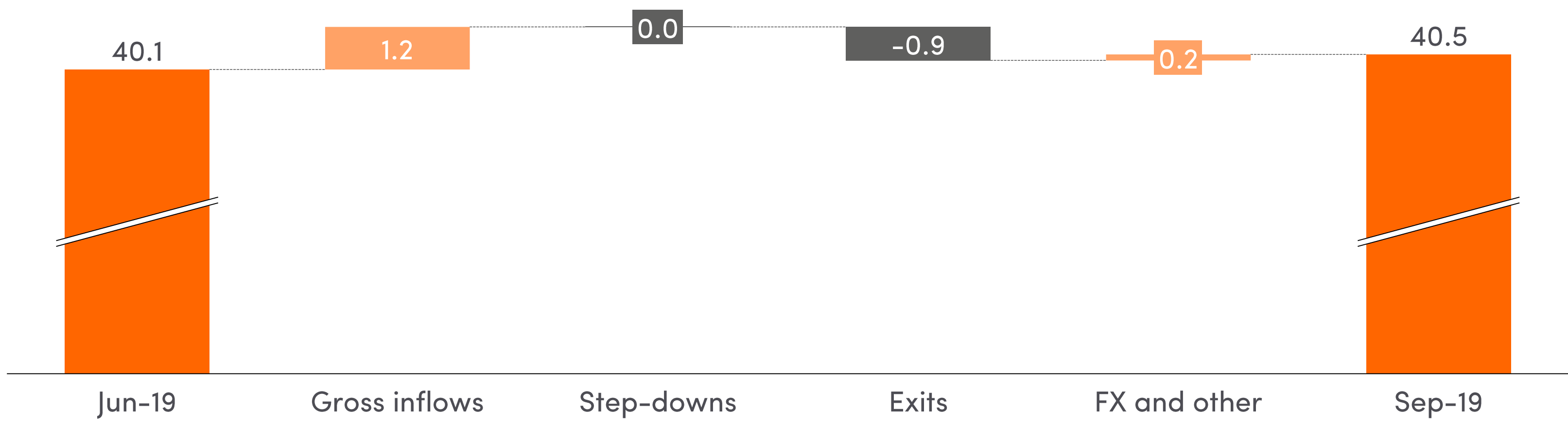
AUM remains at similar levels as per June 30, 2019

**AUM development
Jan-Sep 2019**



+11%
9M 2019

**AUM development
Jul-Sep 2019**



+1%
Q3 2019



3

What is the status of our key funds?

General fund characteristics

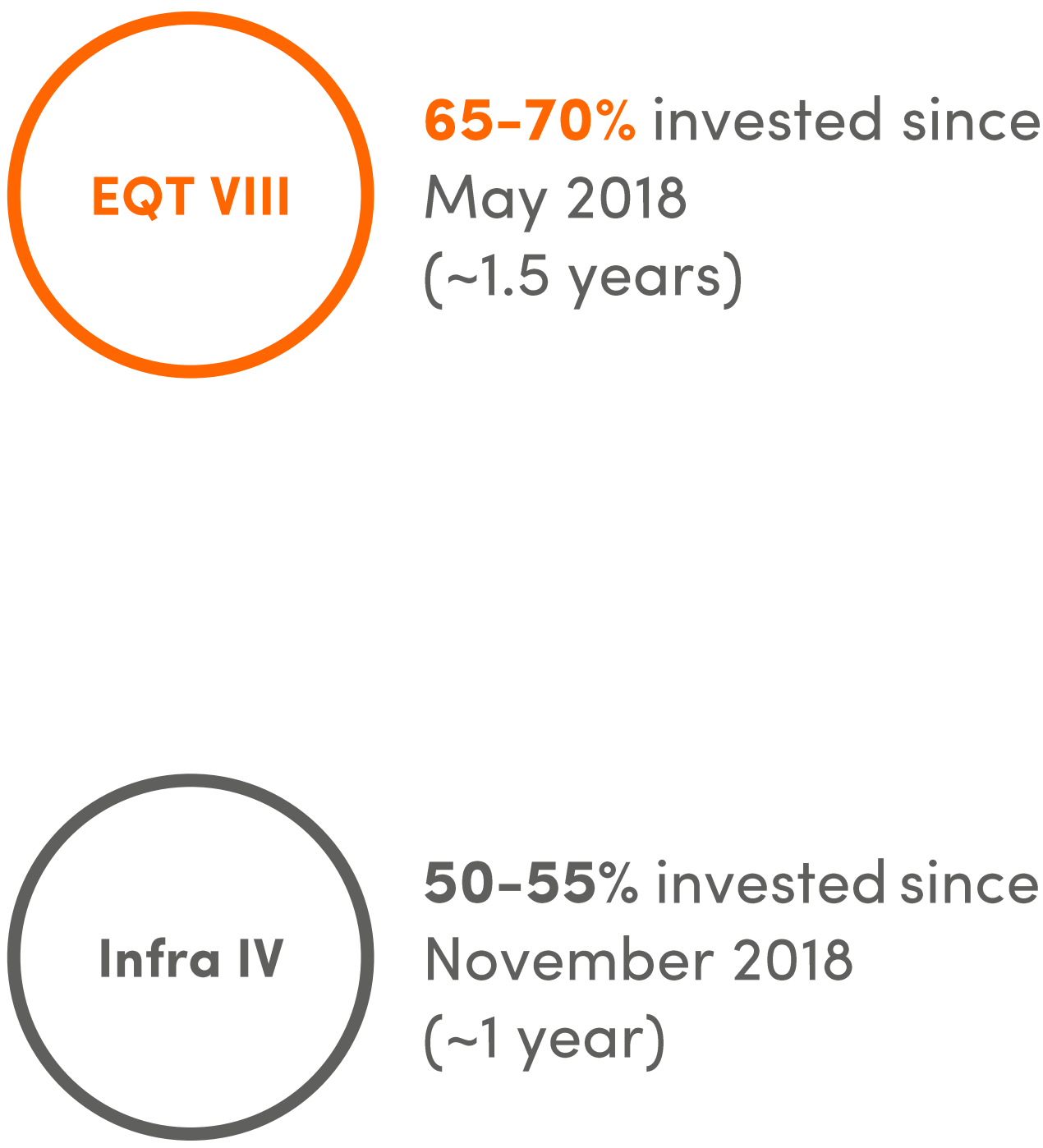


Successor fund normally starts

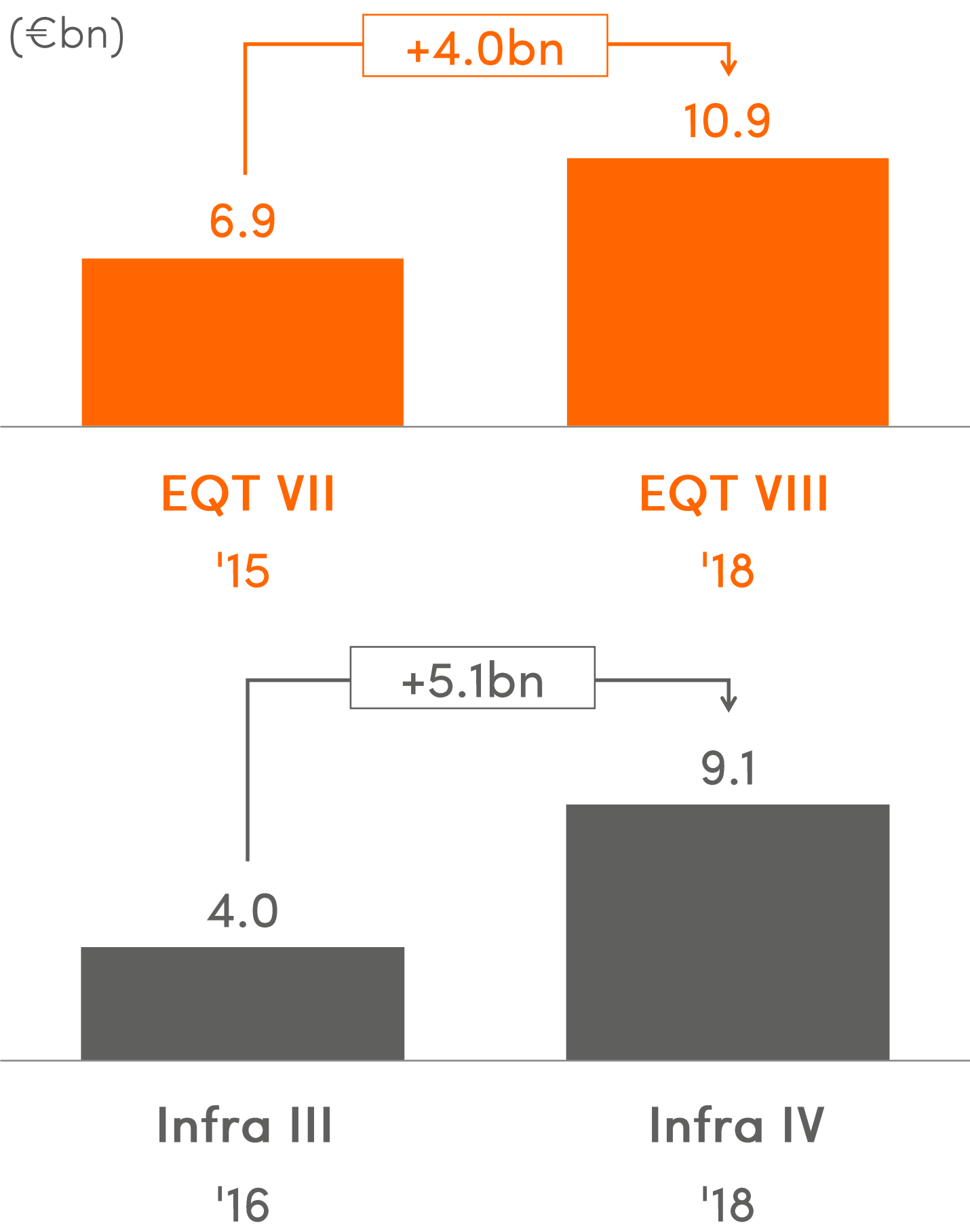
"Normal" commitment period

Actual commitment period in last fund generations

Deployment in key funds



Key successor fund increases



3

Carried interest recognition

Carried interest recognition

- Timing of recognition depending on **fund deployment, performance and realized values through exits**
- Carried interest recognized once **highly probable** that it would **not result in a significant reversal** (not mark-to-market)
- Unrealized investment valuations discounted at **30-50%** (depending on investment strategy and average time to exit)

“Rule of thumb” on initial recognition



~4-6 years after first investment

Status of carried interest recognition

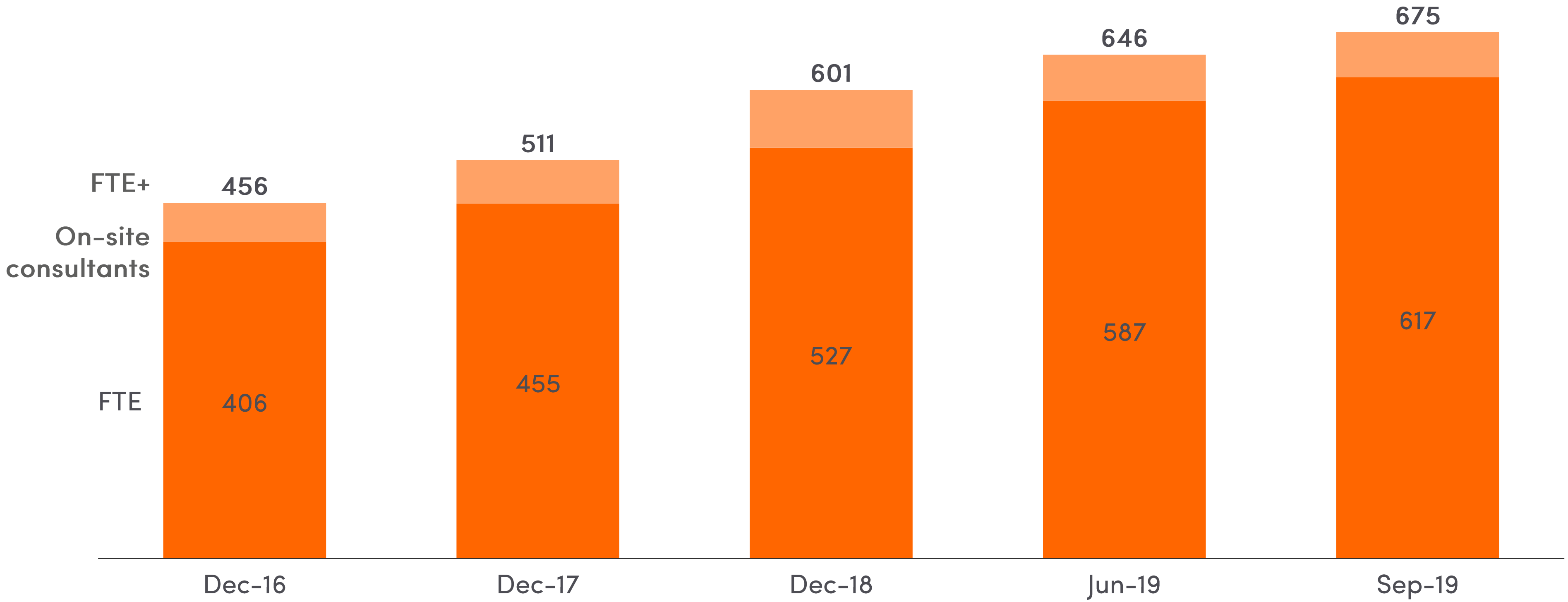
- EQT VI and EQT Infrastructure II have recognized revenue from carried interest to date
- Status for EQT VII and EQT Infrastructure III as below:

Metrics	EQT VII	EQT Infrastructure III
Gross MOIC (Current)	1.7x	1.4x
Number of exits	3	0
Years since first investment	~4.5	~3

- EQT VIII and EQT Infrastructure IV are in the investment period



Continued growth in number of employees



Our financial targets and dividend policy

Growth Total revenue growth exceeding the private markets' long-term growth rate

Profitability Adjusted EBITDA margin of 55–65%

Dividend policy To generate a steadily increasing annual dividend in absolute euro-denominated terms
The Board of Directors is expected to propose a first dividend of approximately €200 million in respect of the fiscal year 2019, payable semi-annually in two equal parts in 2020



Targets should be considered over a fundraising cycle



Questions?

