

Investor presentation Q3 2019





We've had an exceptional 25
years of growth.

And we're just getting
started.





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**

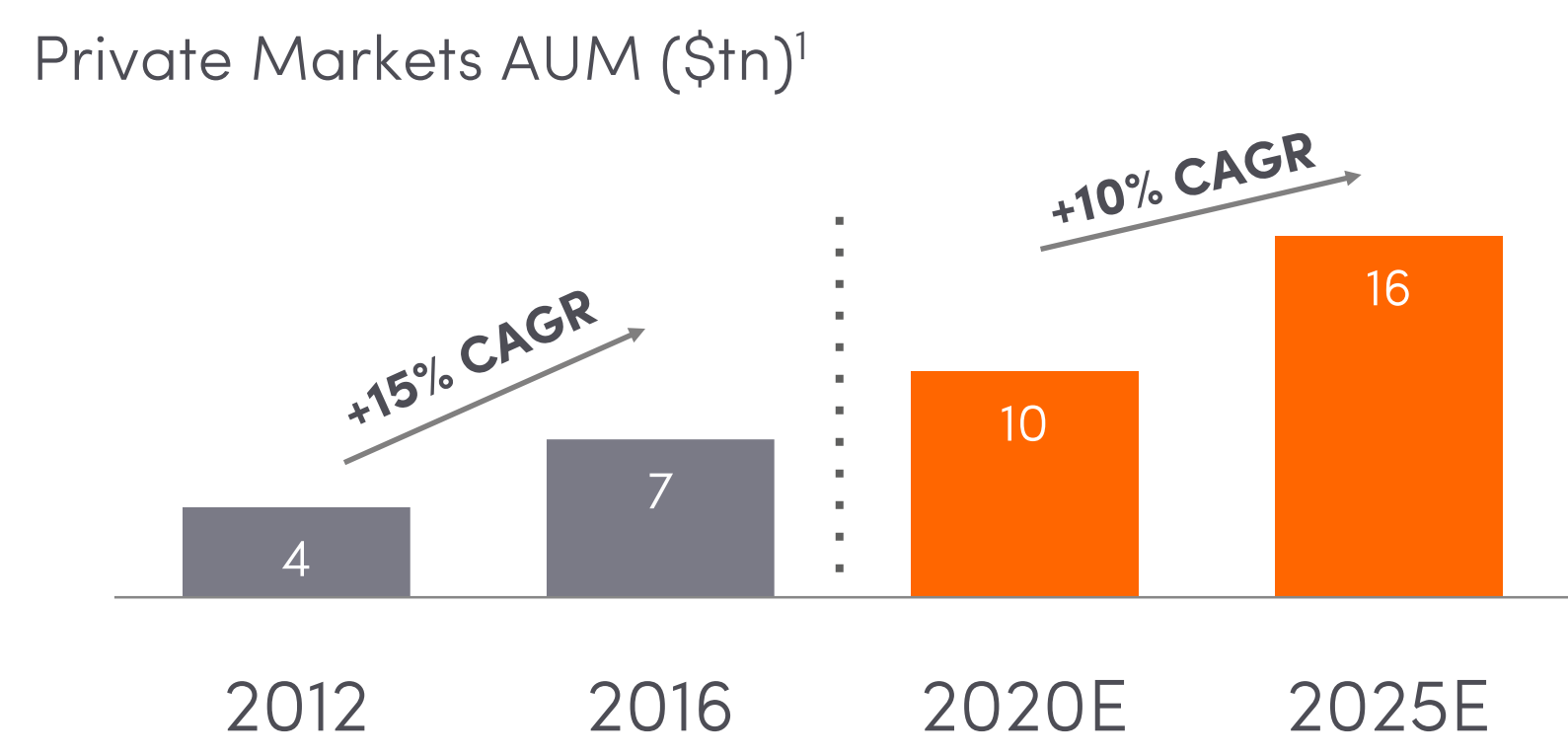


A differentiated and global investment organization

We are a **culture-driven** private markets firm!



We operate in a **highly attractive growth** market



We are a **European leader** with a **Nordic heritage** and **Global focus**



Our success has been built on **exceptional returns** for our clients



We have a **proven fundraising track record** with a broad client base



Our business is **growing and profitable** with **integrated recurring revenues**



34% Revenue CAGR
2016-H1 2019 LTM



Coming from a Nordic heritage and becoming global

Credit
Real Assets
Private Capital
FTEs

'94 '95 '96 '97 '98 '99 '00 '01 '02 '03 '04 '05 '06 '07 '08 '09 '10 '11 '12 '13 '14 '15 '16 '17 '18 'Q319

Nordic private equity

Northern European focused

Multi-strategy and scaling globally

~675 FTEs
AUM
€40bn

Our unique approach...

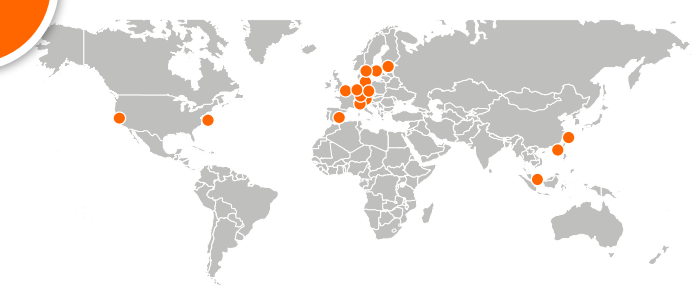
1



Theme- and sector-based approach

.....
Long-term winners

2



Local-with-locals

.....
~675 FTEs in **15 countries**,
90% of deals done locally

3



Clear governance model

.....
Clear setup, alignment and
value creation

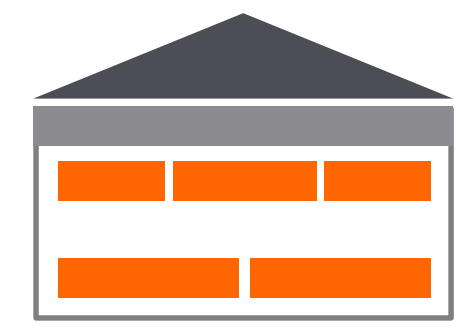
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500+ EQT advisors

.....
Value creation approach,
underpinned by strong network

5



**House of
value creation**

.....
Best practices framework for
driving returns across platforms

6



**Approach to
sustainability**

.....
Sustainability and future-proofing in
focus throughout the investment cycle

7



**Digitalization and
transformation**

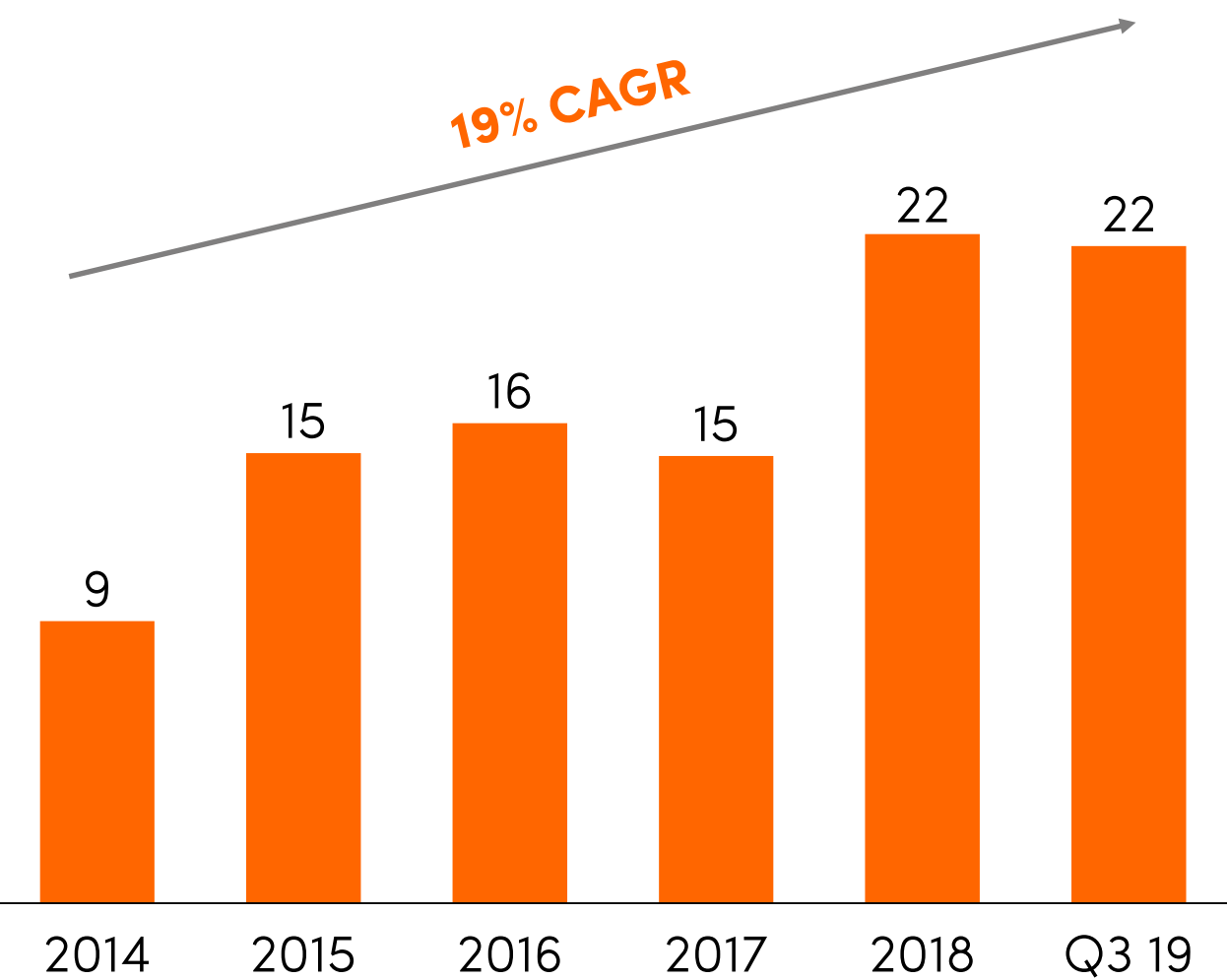
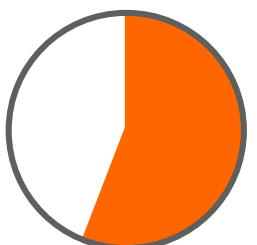
.....
Digitalization to drive returns
and future-proof companies



We are a European leader across all our segments

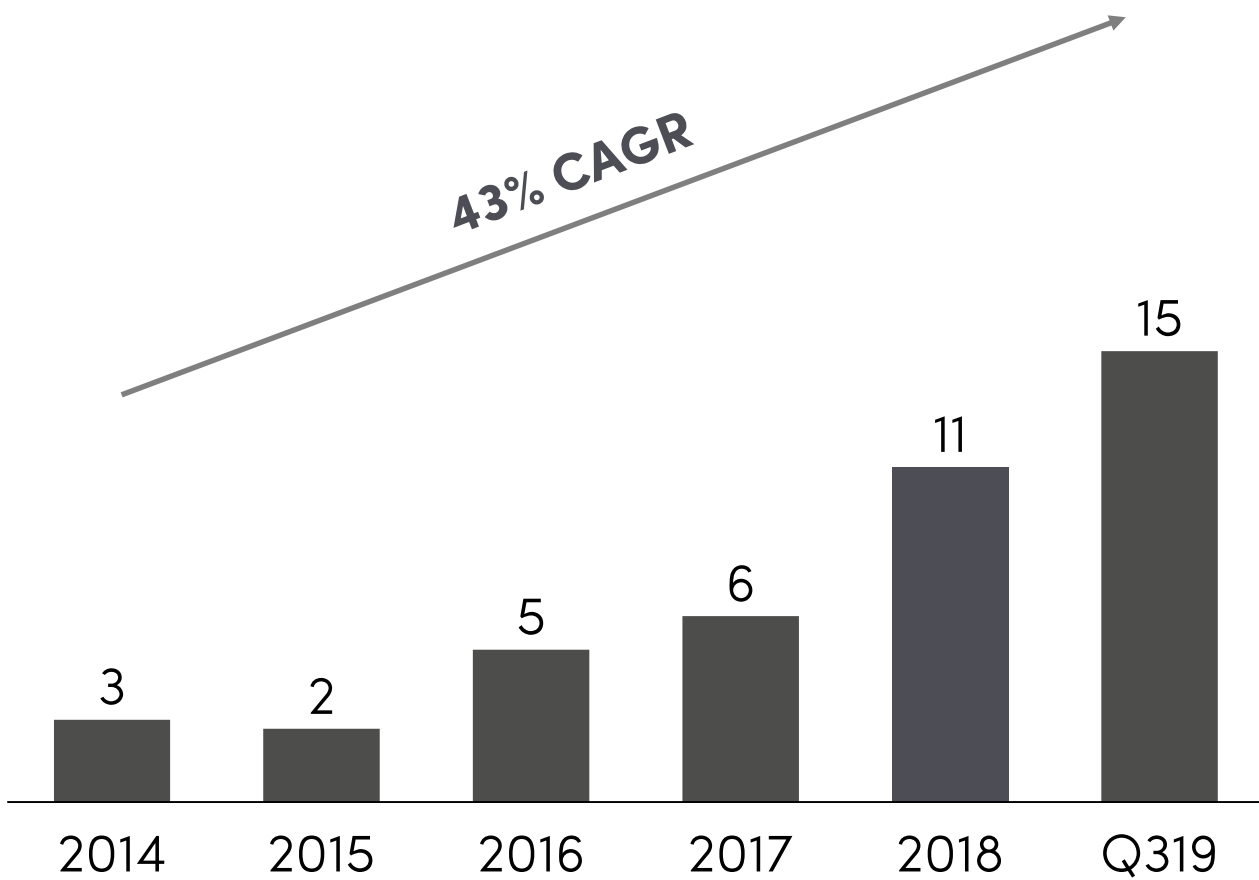
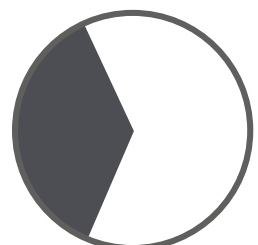
Private Capital

Private Equity, Mid Market Asia, Ventures & Public Value

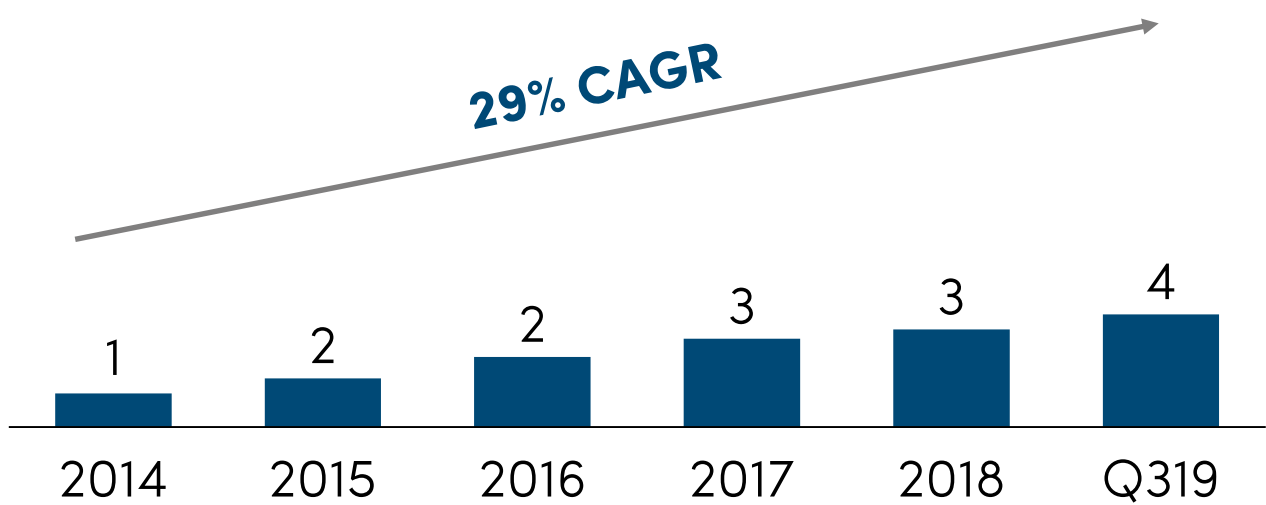
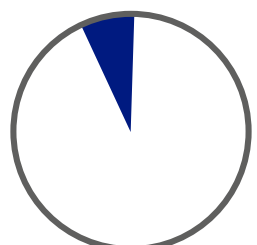


Real Assets

Infrastructure & Real Estate



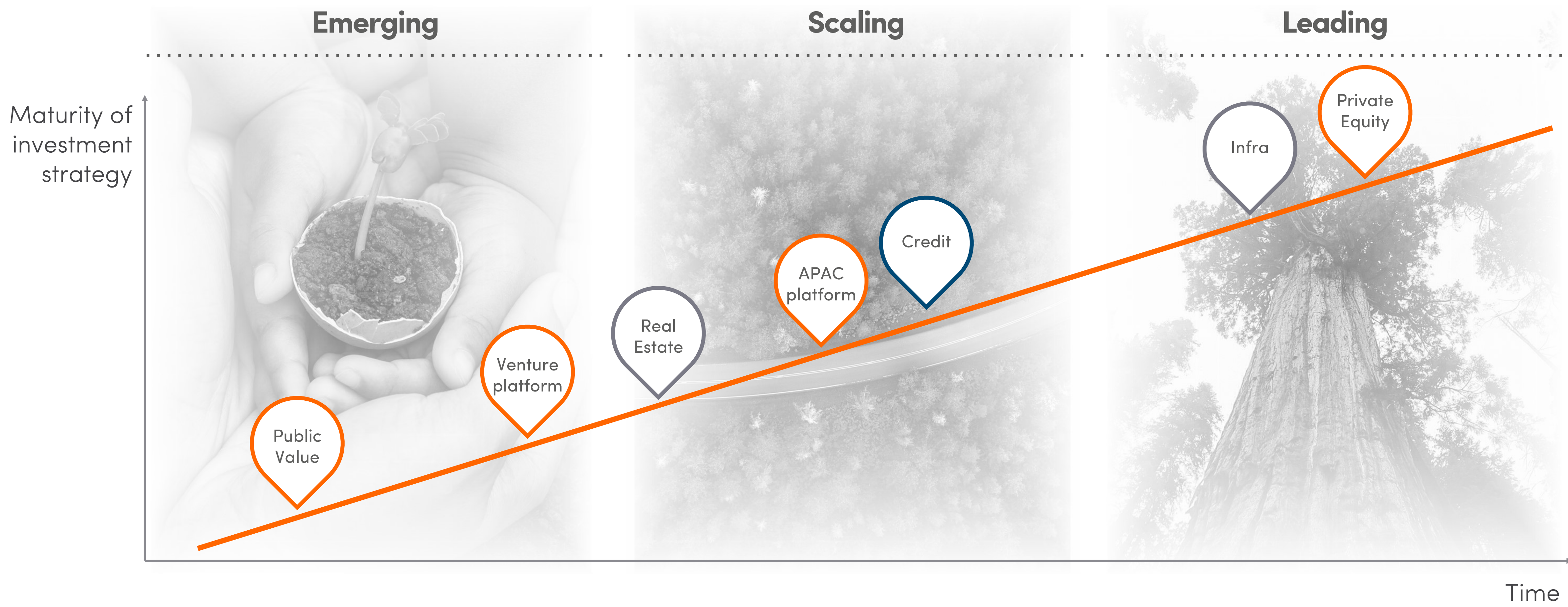
Credit



 % of total AUM (H1'19)



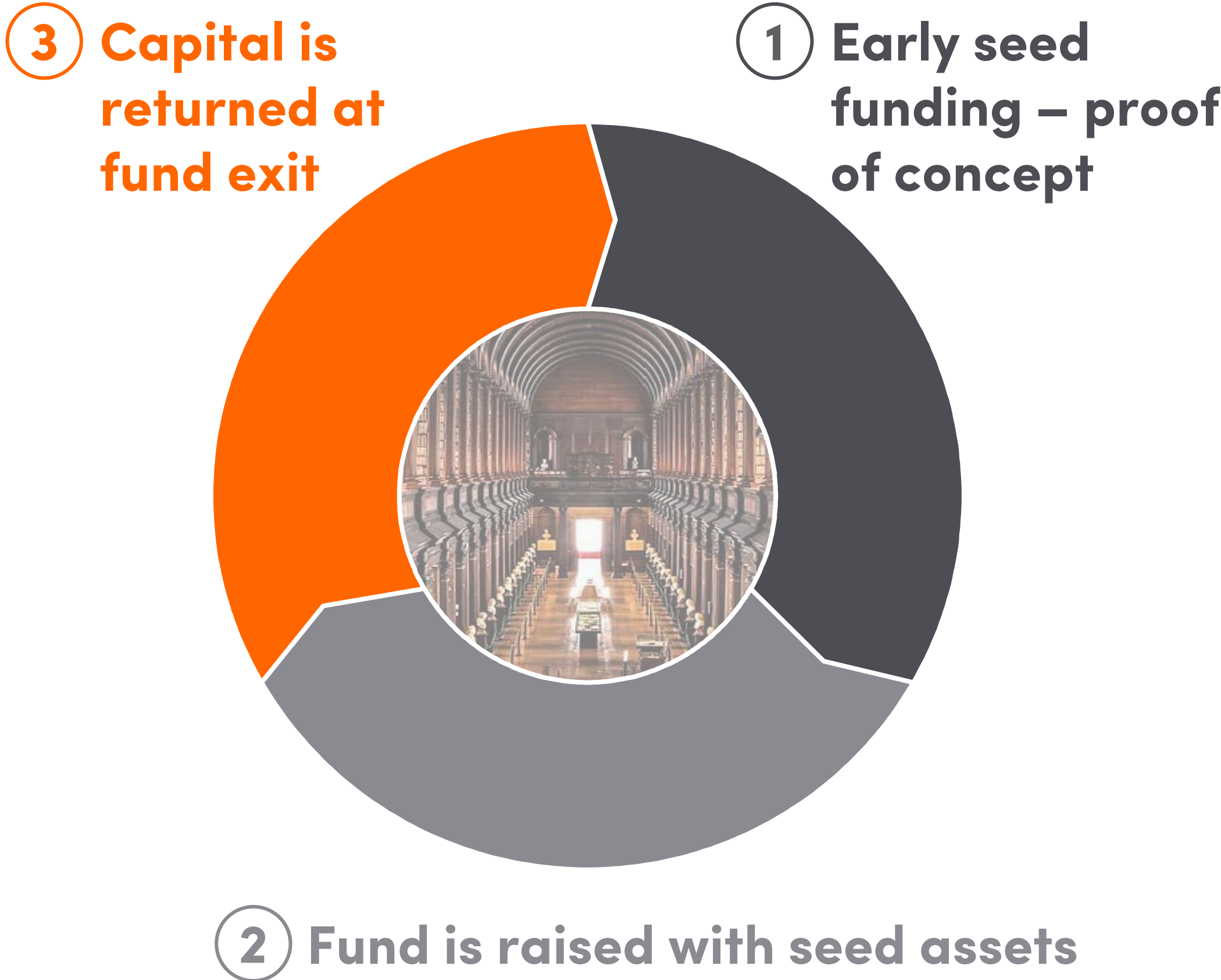
We have a portfolio of long-term growth opportunities




How we think about the balance sheet

How we think about it...

...and how we intend to deploy it



€50-250 million per strategic initiative

-  Build out Venture Growth
-  Expand in APAC
-  Scale Real Estate
-  Selectively grow Credit
-  Fee/carried interest-generating SPVs

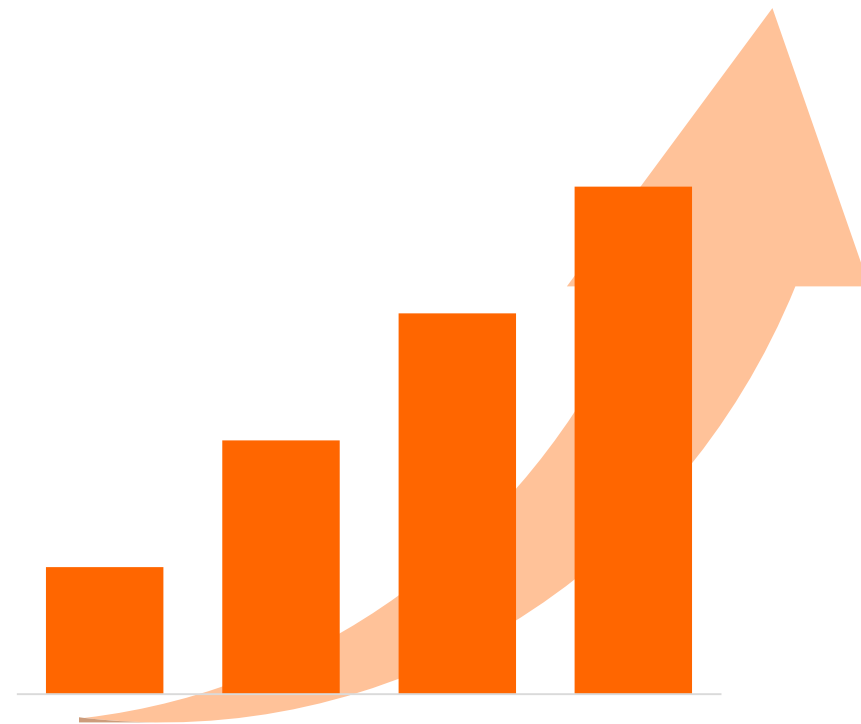


Our business model is long-term, simple and scalable

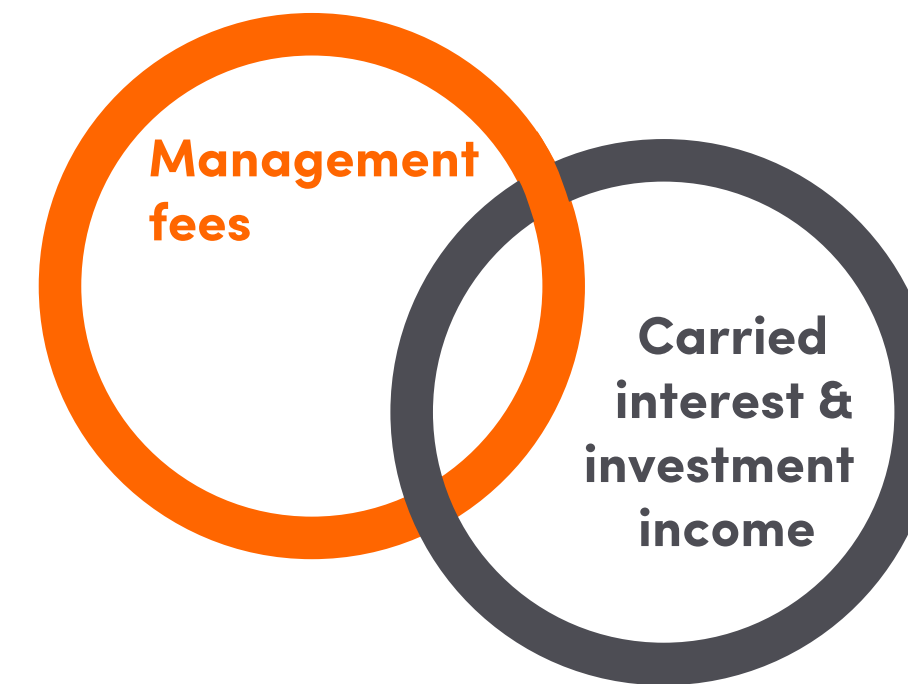
1
Attractive client returns...



2
...drive growth in AUM...



3
...with integrated revenue streams...



4
...and a predictable cost base





Key data for Q3 2019

Q3 2019 highlights

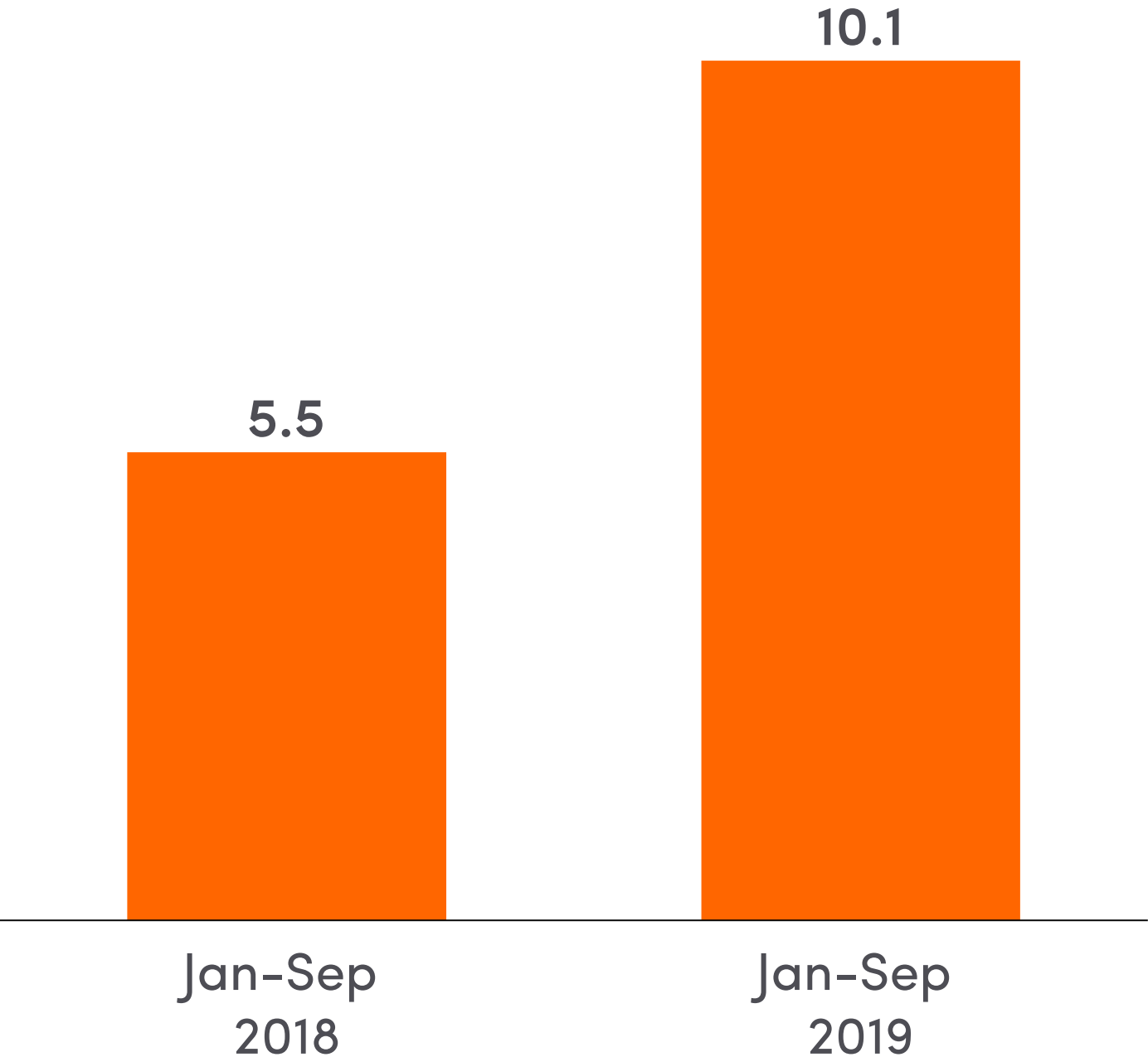
Investments and exits	<ul style="list-style-type: none">• Total investments by the EQT funds in the third quarter 2019 amounted to EUR 3.4bn<ul style="list-style-type: none">• Investments include, among others, Aldevron and Waystar (EQT VIII), Ellab (EQT Mid Market Europe), Inexio (EQT Infrastructure 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>	



Good investment activity and supportive exit environment

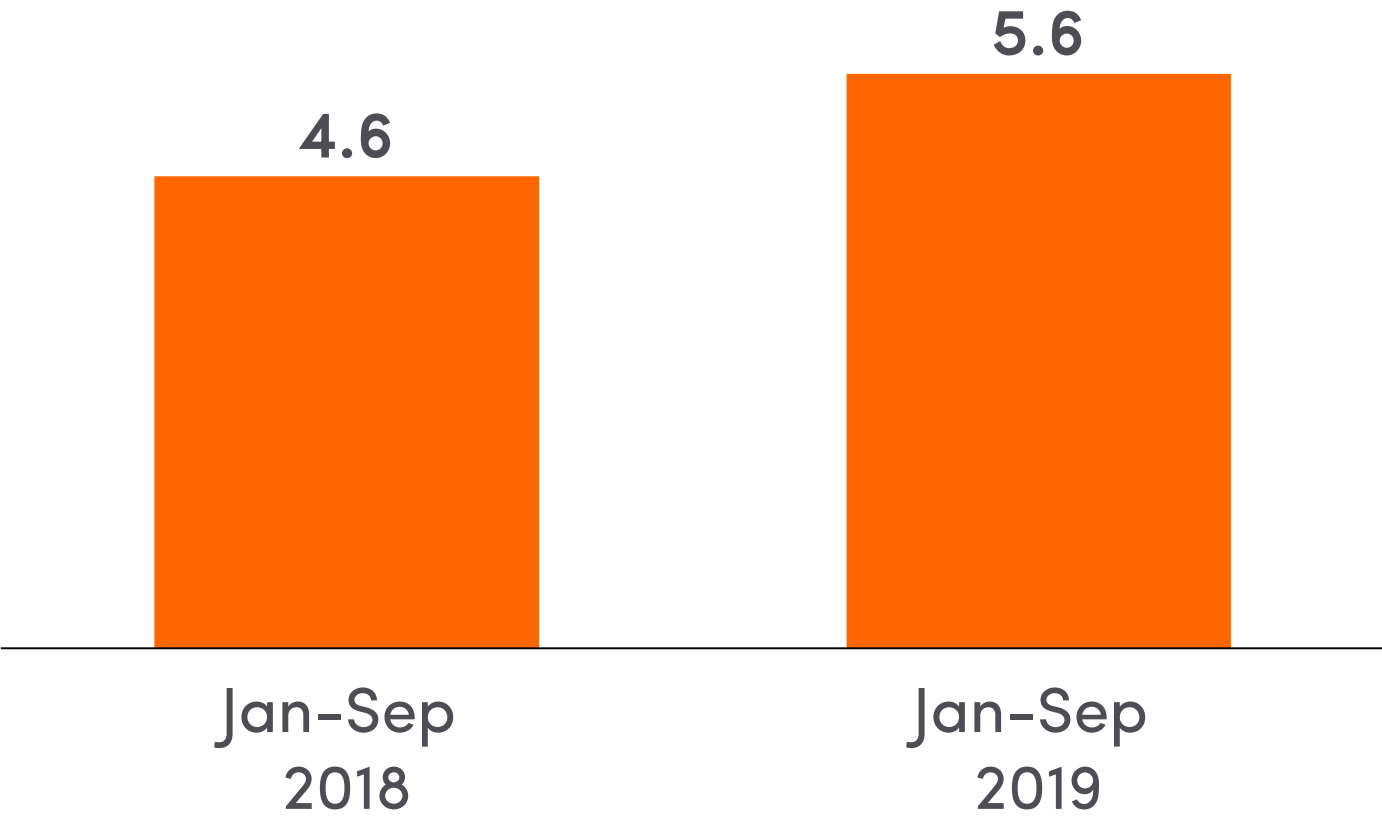
Investments

(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

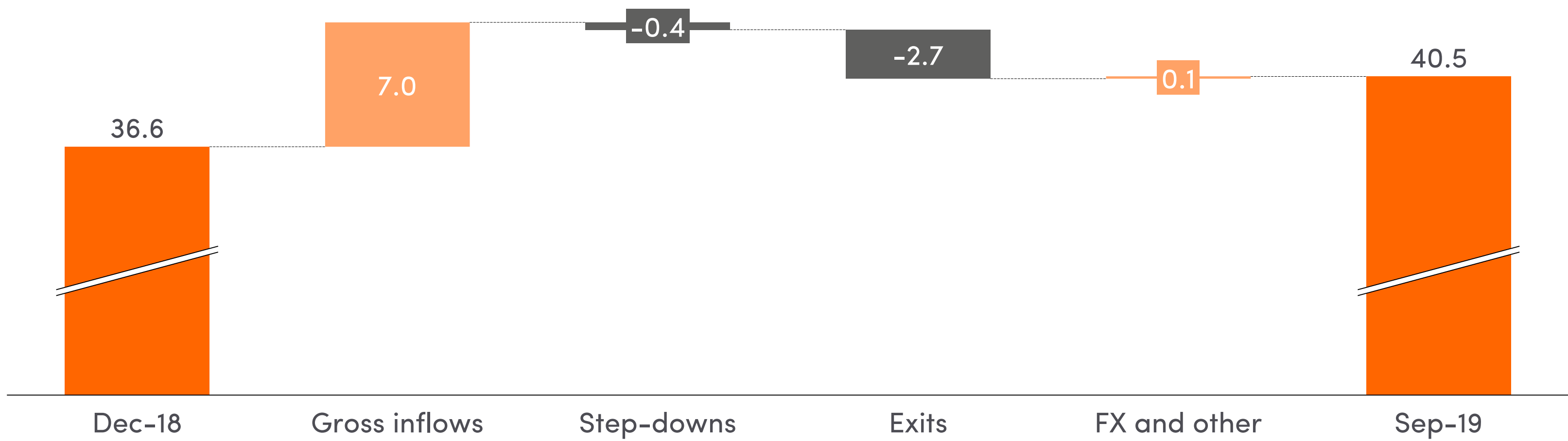
14 Note: Data for current Gross MOIC reflects only closed investments and realizations. For Private Equity funds (part of segment Private Capital), target Gross MOIC amounts to 2.3x and “On Plan” refers to expected Gross MOIC between 2.0-2.5x. For Infrastructure funds (part of segment Real Assets), target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





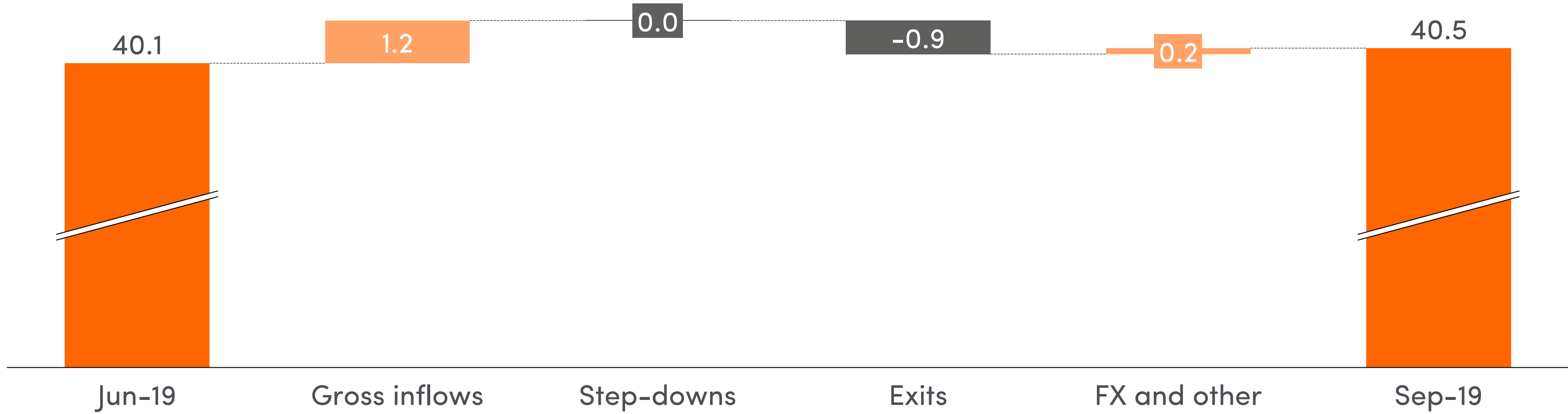
AUM remains at similar levels as per June 30, 2019

**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

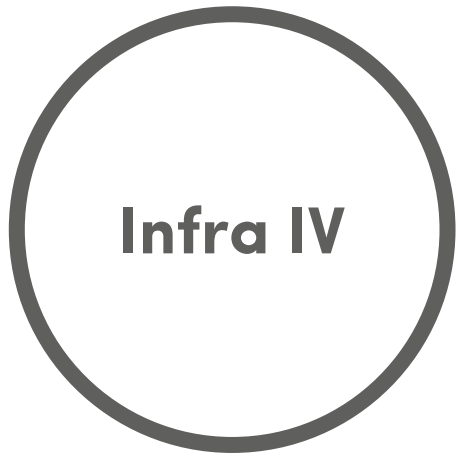


Actual commitment period in last fund generations

Deployment in key funds

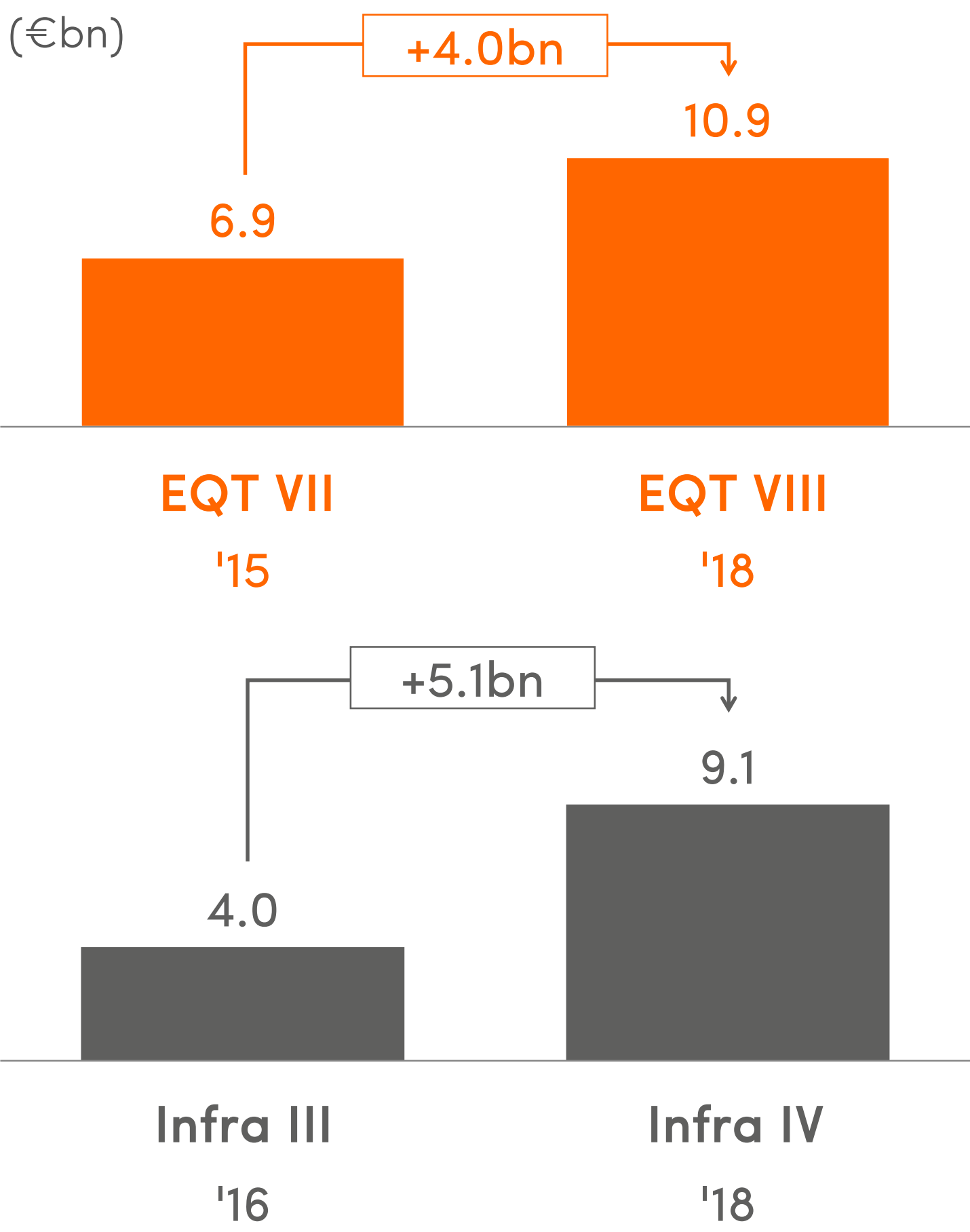


65-70% invested since May 2018 (~1.5 years)



50-55% invested since November 2018 (~1 year)

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

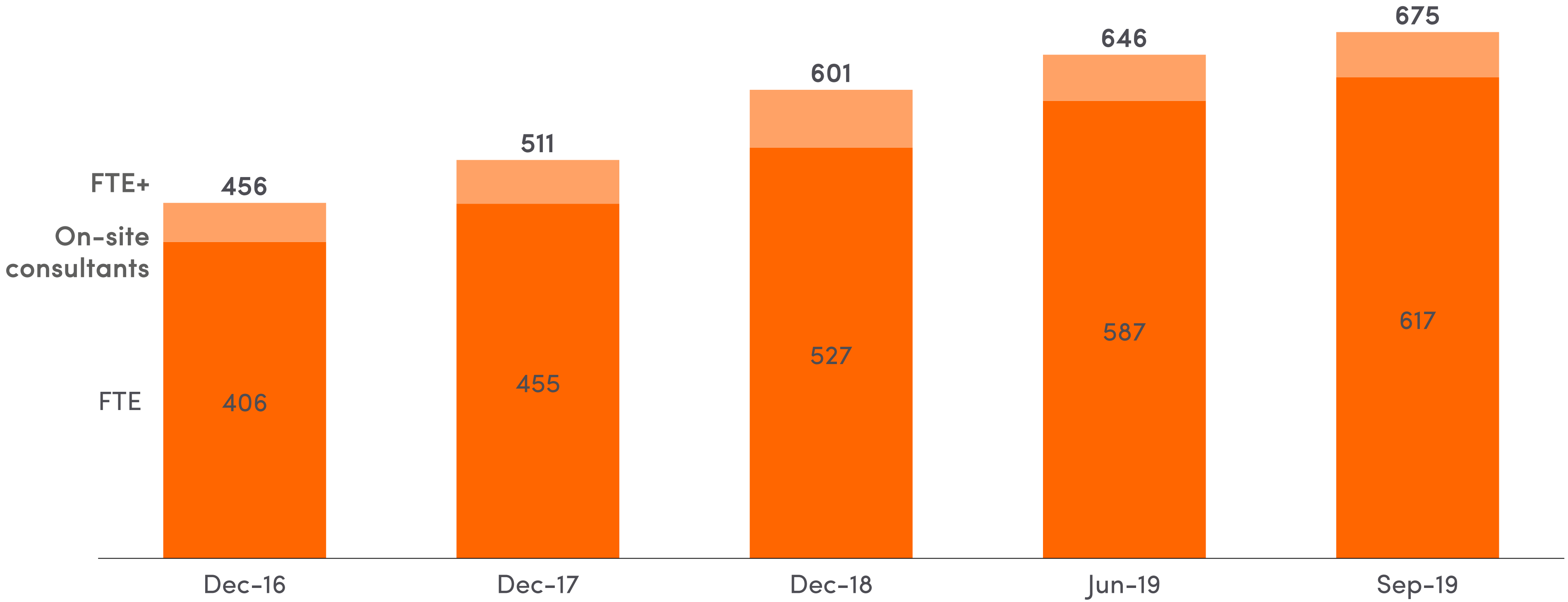
- EQT VI and EQT Infrastructure II have recognized revenue from carried interest to date
- Status for EQT VII and EQT Infrastructure III as below:

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



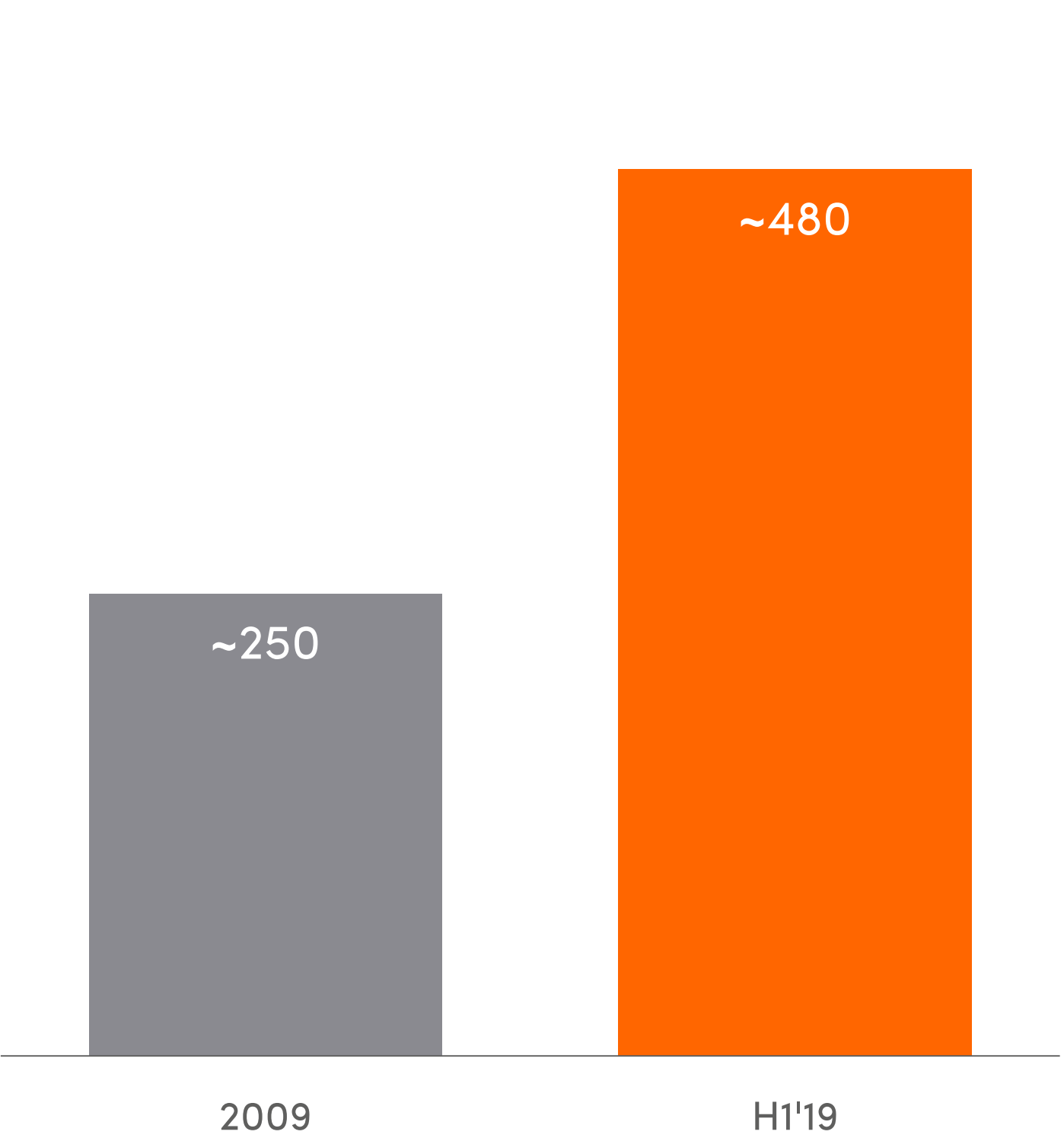
Appendix



A growing client base with increasing ticket sizes

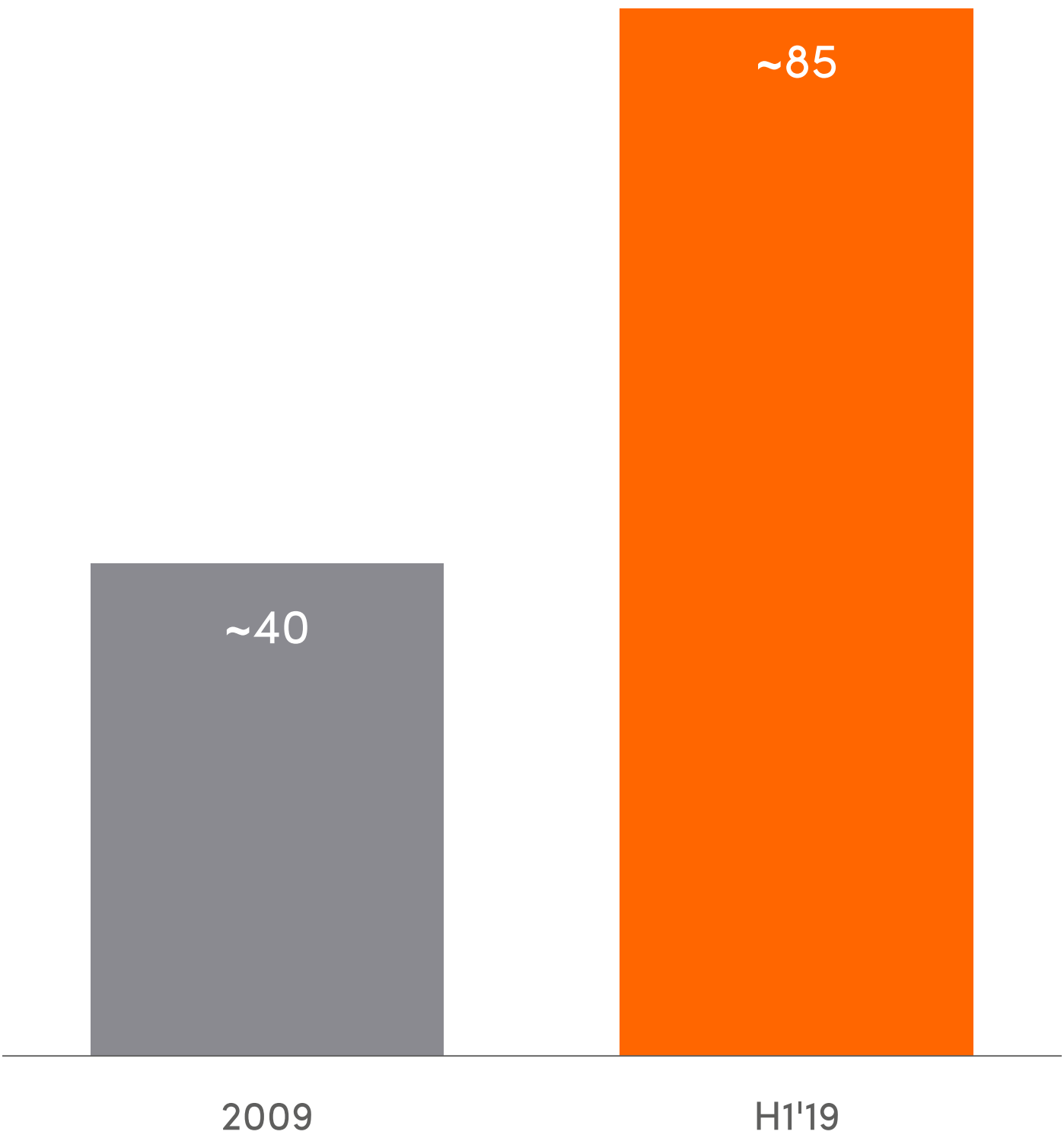
Growing client base...

of active / fee-paying clients



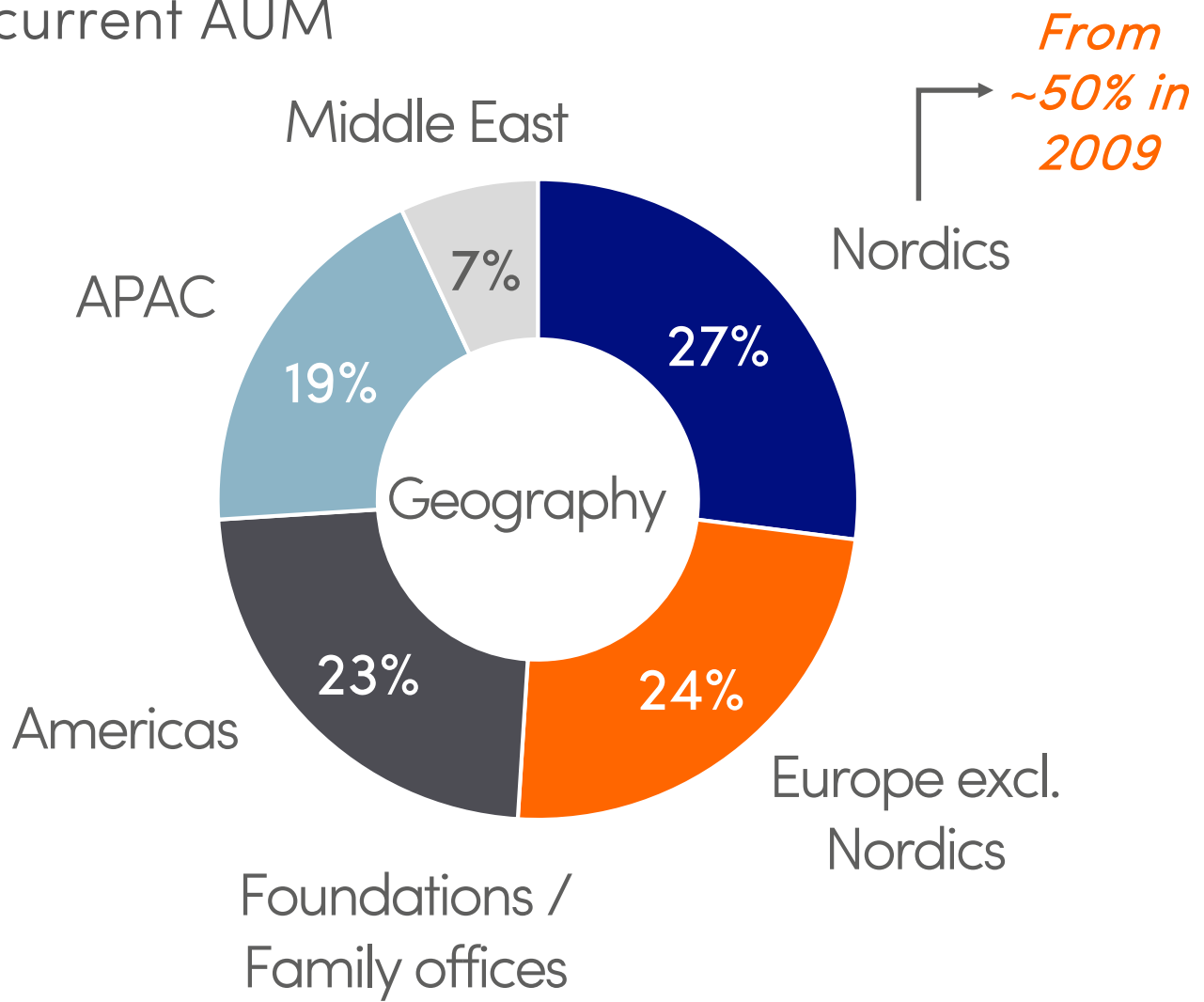
...allocating more to EQT...

Average AUM per client (€m)



...and highly diversified

% of current AUM



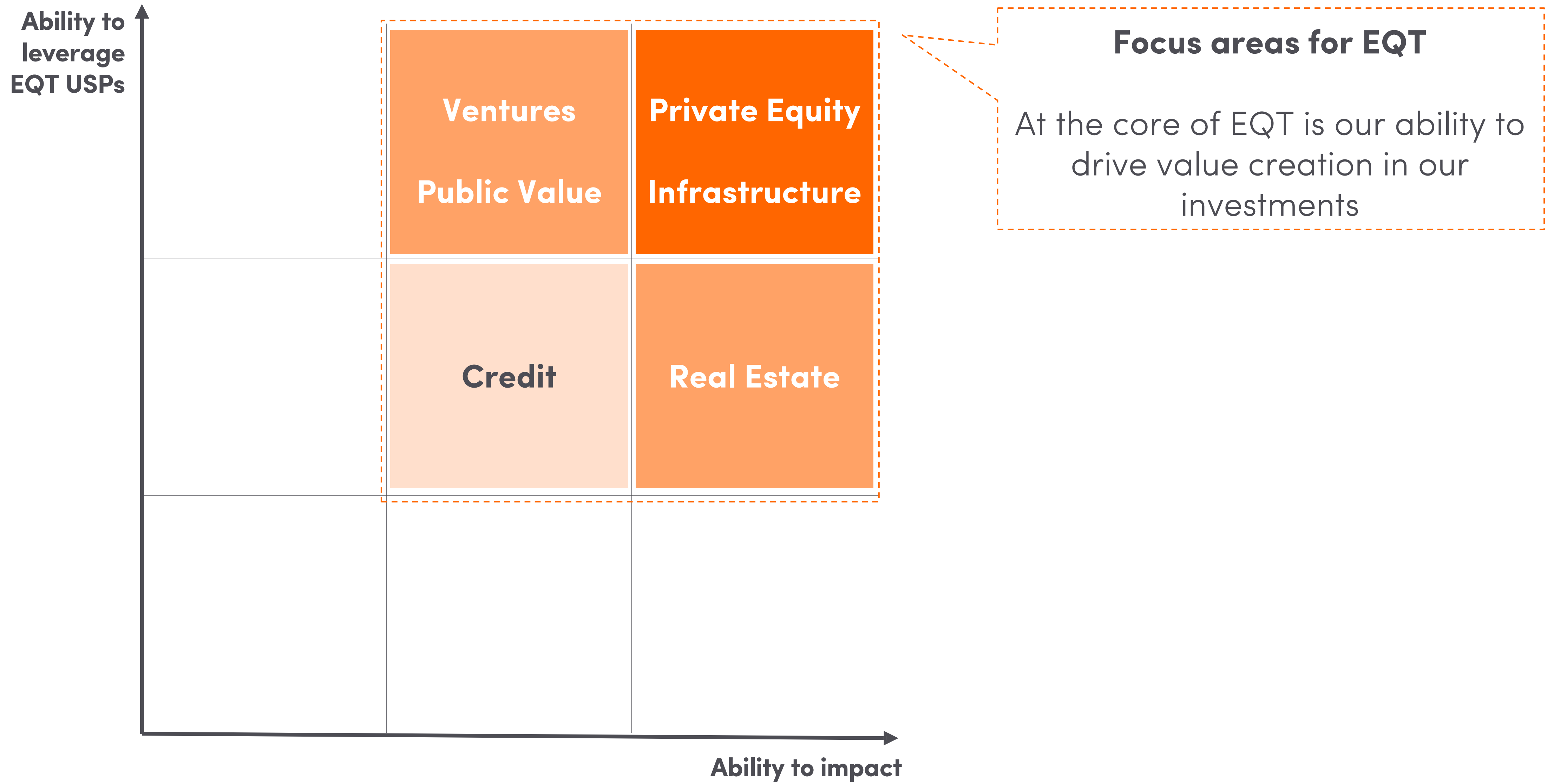
<2.5%

Largest AUM contribution from a single client





How we think about the positioning of our strategies



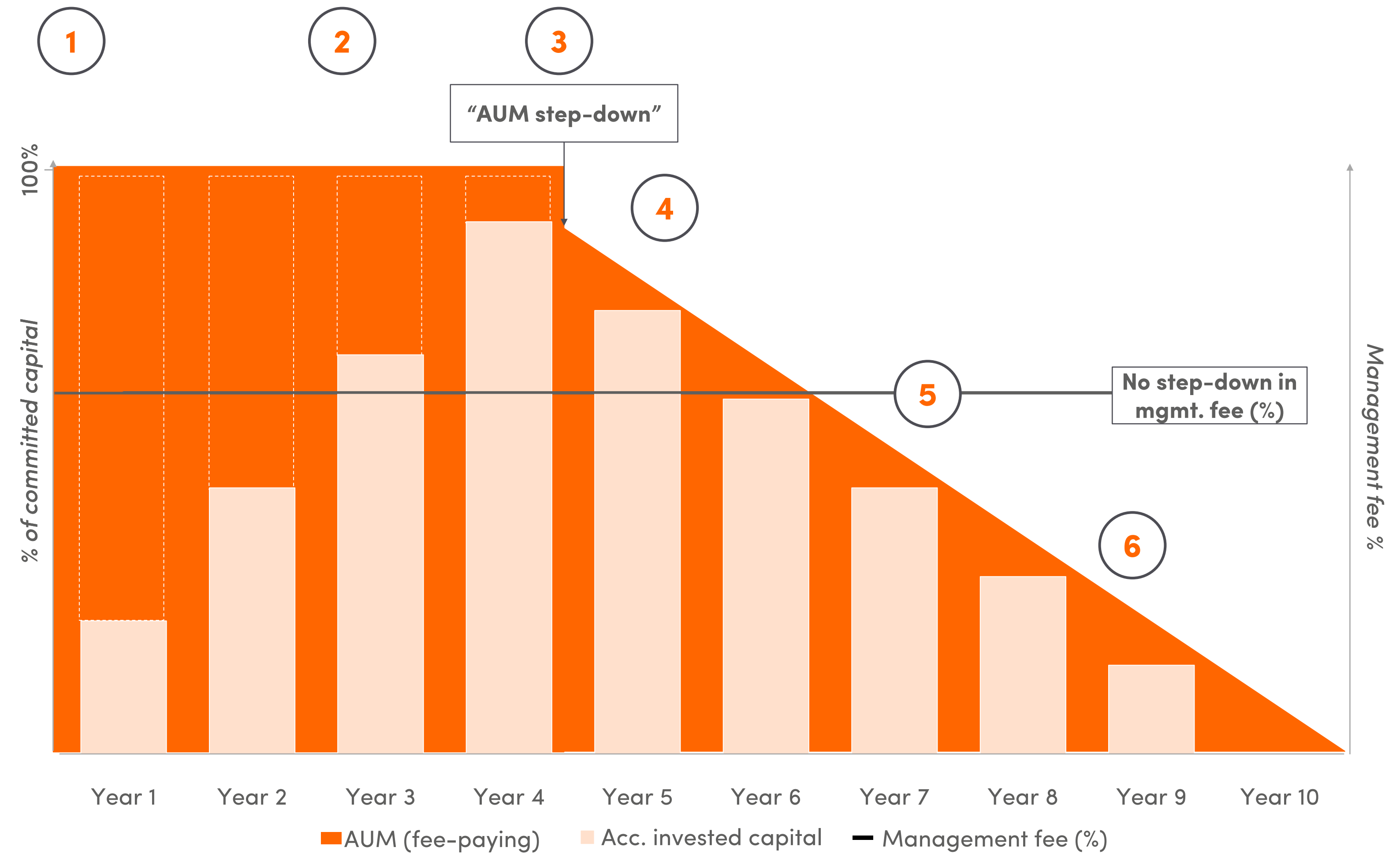
How the model works



How does our AUM and management fee model work?

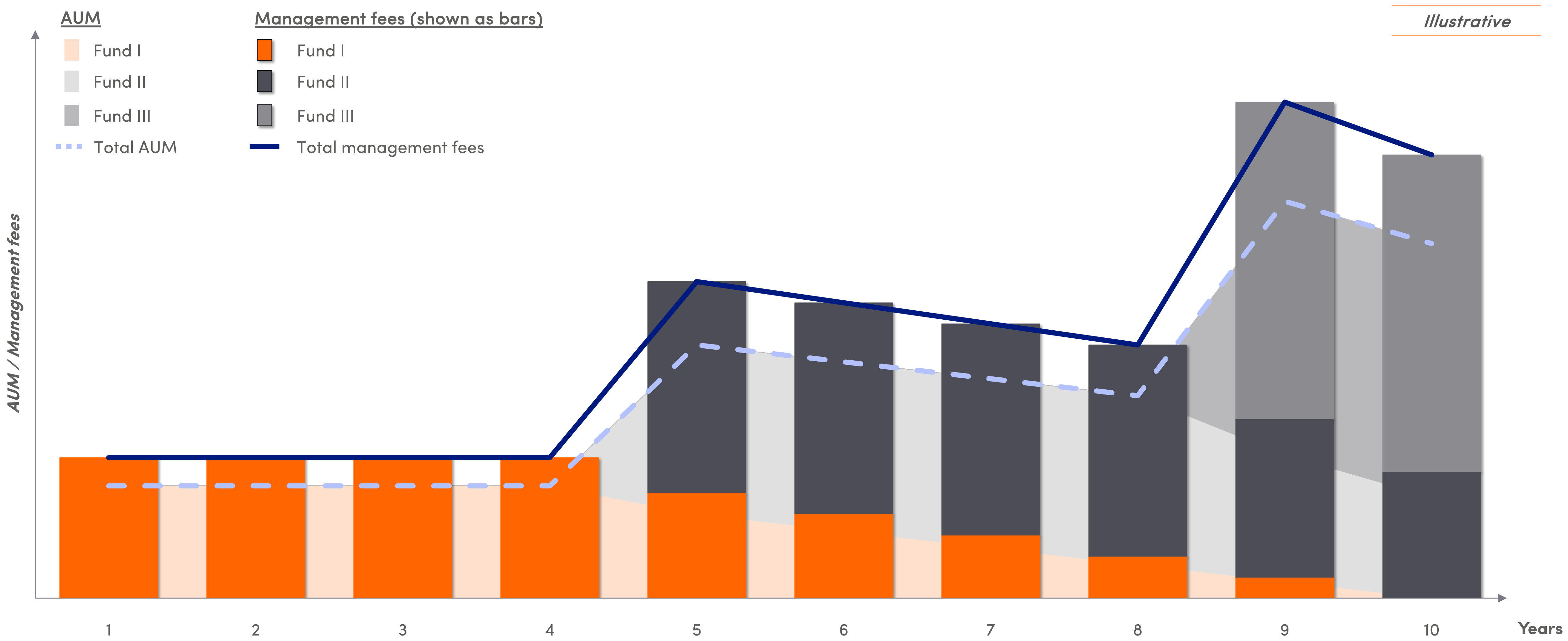
Illustrative

- 1 A fund is raised and fees are charged on **total committed capital** (1.25-1.50%)
- 2 As long as the fund invests in new portfolio companies, fees are charged on committed capital
- 3 Successor funds normally launched when 85-90% of the fund is invested
- 4 Management fee is then charged on **invested capital** ("step-down")
- 5 Same fee rate (1.25-1.50%) is still charged after the step-down on remaining invested capital
- 6 As the fund exits companies, the invested capital base is reduced. After 8-12 years, the fund is typically terminated





AUM drives contractual management fees with good visibility



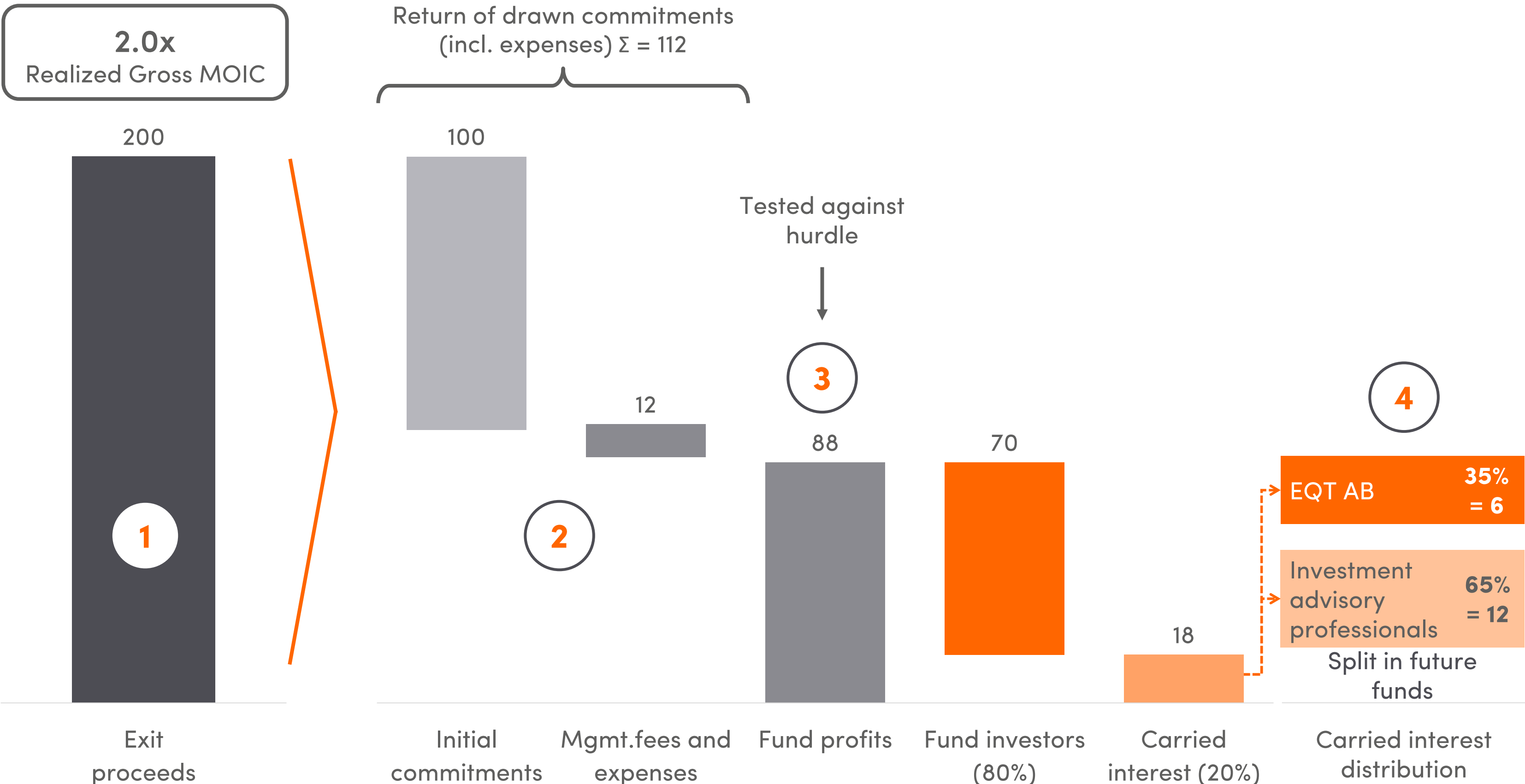
How does our carried interest model work?

- 1 An illustrative fund realizes a gross return of 2.0x on invested capital
- 2 Invested capital returned to fund investors and expenses repaid
- 3 If fund profits exceed the hurdle, carried interest is earned on **all** profits
- 4 EQT AB Group expected to receive 35% of carried interest in all future funds

Investment return and drawn commitments

Distribution of profits

Illustrative



How is carried interest recognized on our income statement?

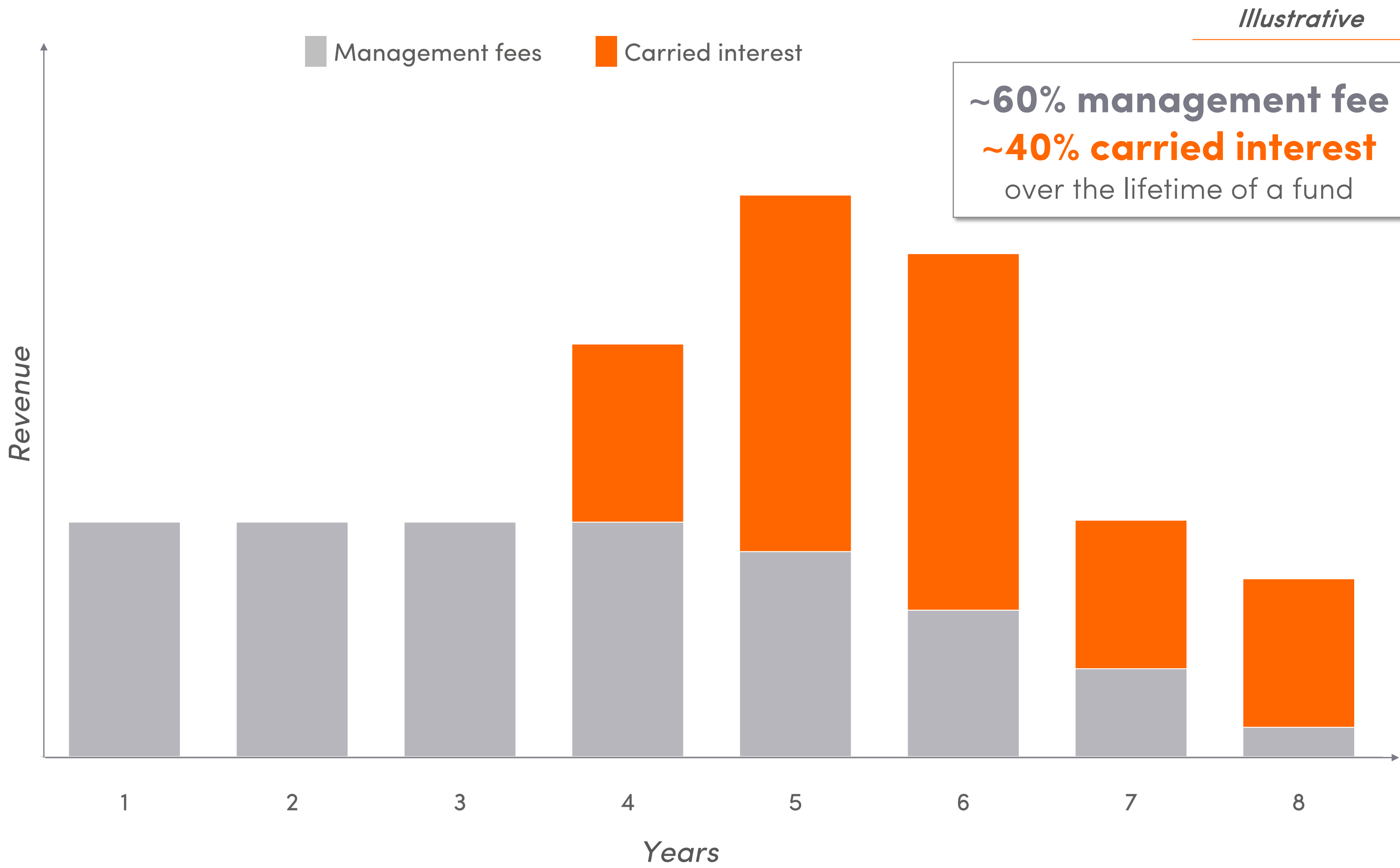
Carried interest recognition

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- Unrealized investment valuations discounted at **30-50%** (depending on investment strategy and lifetime left for fund)

Rule of thumb on initial recognition



Revenue streams to EQT AB Group



Difference in carried interest potential

