

Conference Call Q4 2019 Announcement

January 23, 2020



Q4 2019 in short

Investments and exits

- Total investments announced by the EQT funds in the fourth quarter 2019 amounted to EUR 1.9bn
 - Investments include, among others, SHL Medical (EQT VIII), Recover Nordic (EQT VIII) and Metlifecare (EQT Infrastructure IV)
- Total investments by the EQT funds in 2019 amounted to EUR 11.9bn (EUR 8.6bn)
- Total gross fund exits in the fourth quarter 2019 of EUR 2.4bn, mainly in Private Capital
- Total gross fund exits in 2019 of EUR 8.0bn (EUR 5.1bn)



Value creation

- Value creation (Gross MOIC) in EQT's key funds developing currently:
 - "On plan" in Private Equity
 - "On plan" in Infrastructure - except for EQT Infrastructure III which continued "Above plan"



Fundraisings, AUM and FTE+

- EQT Ventures II final close at approximately EUR 620m in November 2019. Other fundraising efforts in the period focused on EQT Real Estate II and preparations for EQT IX
- Fee-generating AUM at EUR 39.9bn, slightly down from level on September 30, 2019 as good exit activity reduced net invested capital
- Continued growth in number of employees



Events after the reporting period

- Target fund size of EQT IX announced at EUR 14.75 bn
- Investment level in key funds as of January 23, 2020, were 70-75% in EQT VIII and 60-65% in EQT Infrastructure IV
- Review of future strategic options for the Credit business segment has been initiated

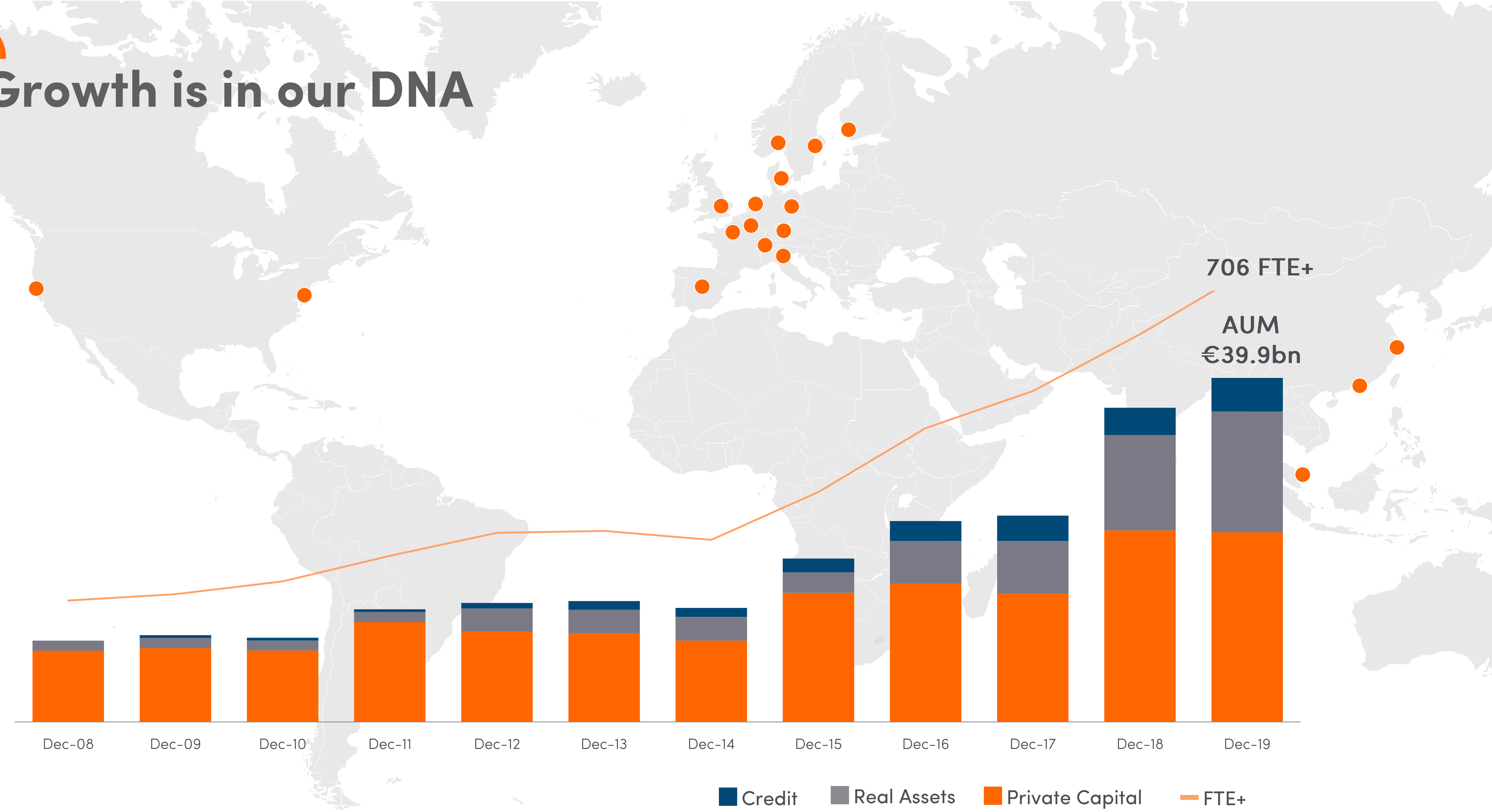




**To future proof companies
and
make a positive impact**



Growth is in our DNA



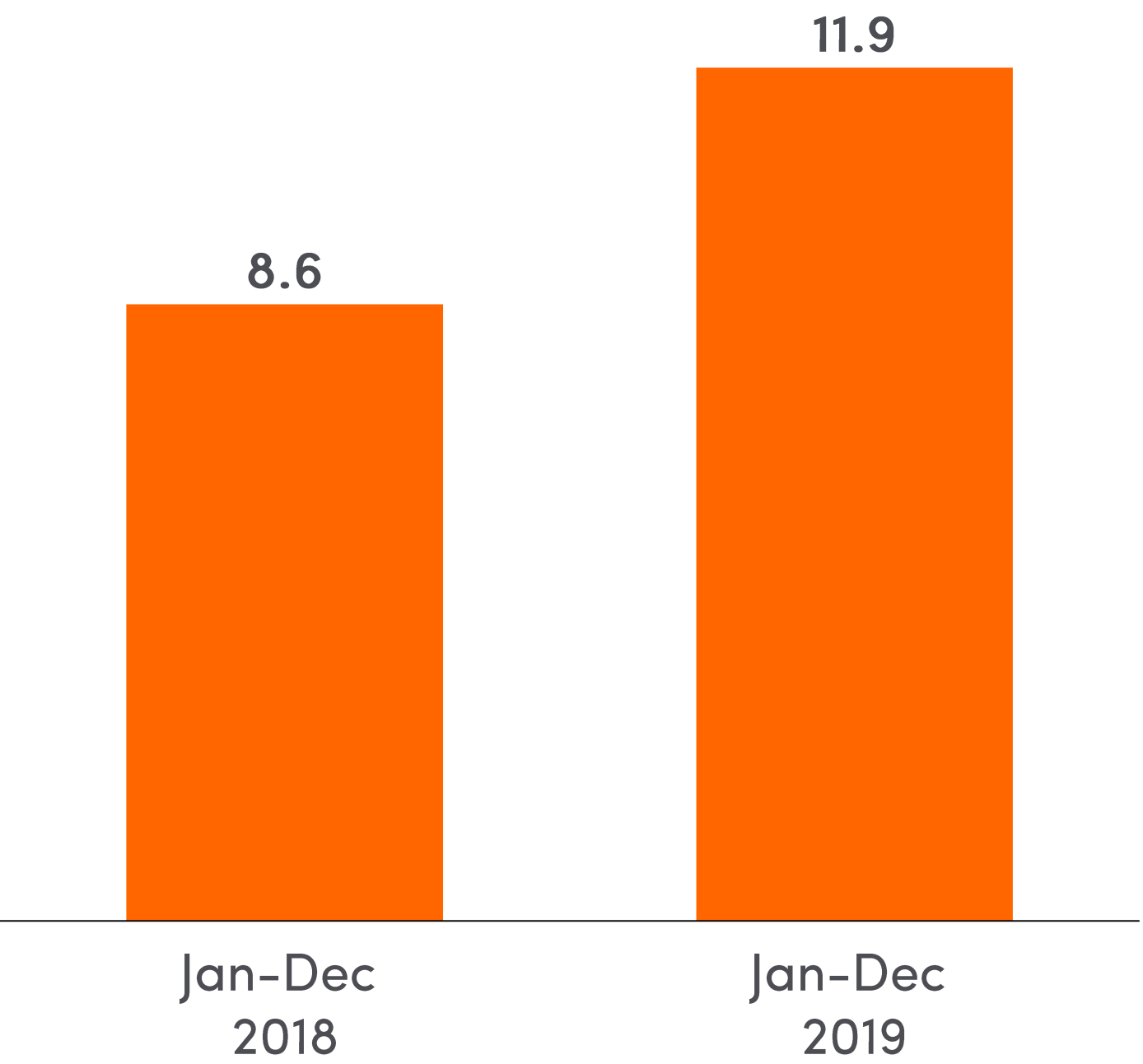


Key data per Q4 2019

High level of activity in the past 12 months in EQT funds

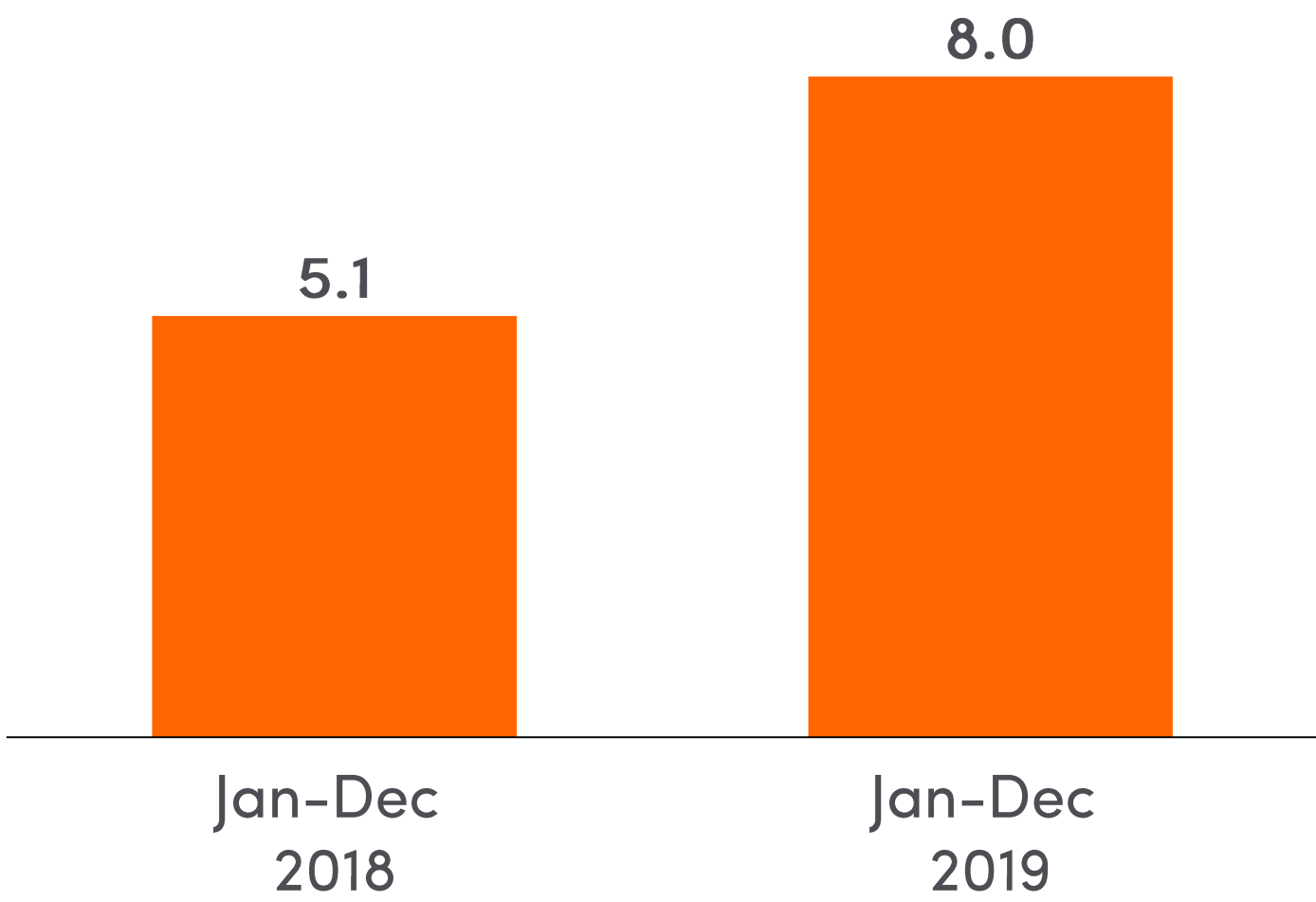
Investments

(EURbn)



Exits

(EURbn)



Selected transactions in the past 12 months

GALDERMA

WAYSTAR

aldevron

Metlifecare

zayo

PEGASUS
OPTIMIZATION MANAGERS LLC

DELLNER

INEXIO
CONNECTING YOUR BUSINESS

Parques Reunidos
PASSION FOR LEISURE

Vellab
Validation Solutions

Selected transactions in the past 12 months

AutoStore

PRESS GANEY

DCLI
DIRECT CHASSISLINK INC.

IVC GROUP
International

Anticimex

GB Railfreight

Contanda

E.I.S. AIRCRAFT

Charleston

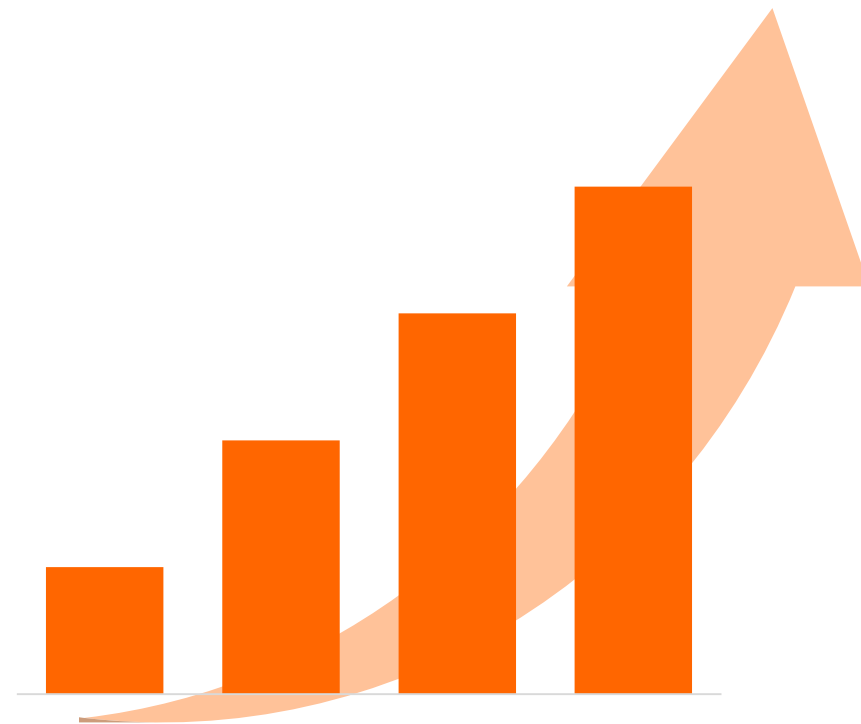
TechnologiePark
Köln

Our business model is long-term, simple and scalable

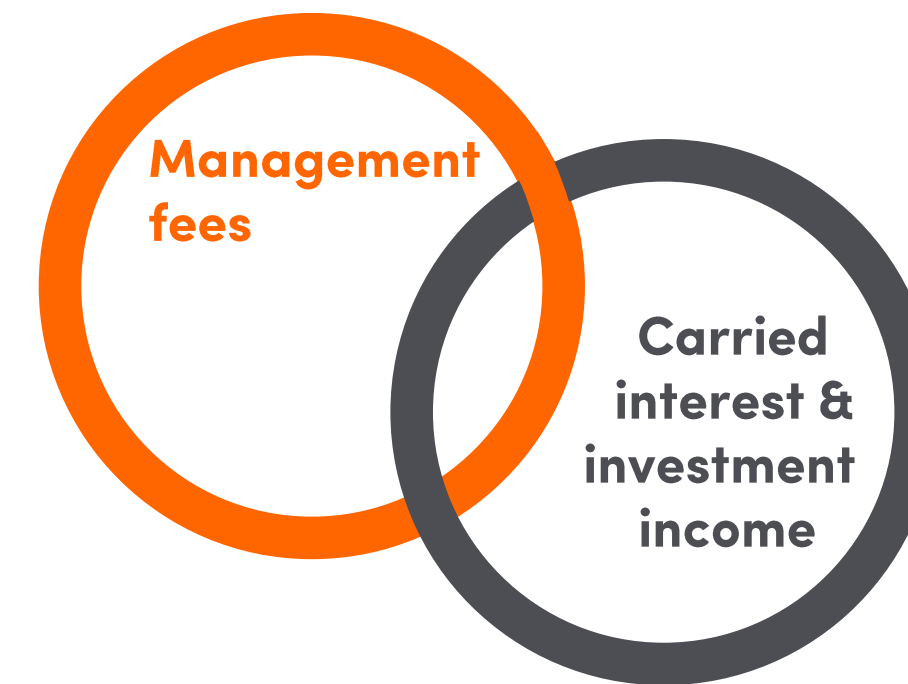
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Attractive client returns...



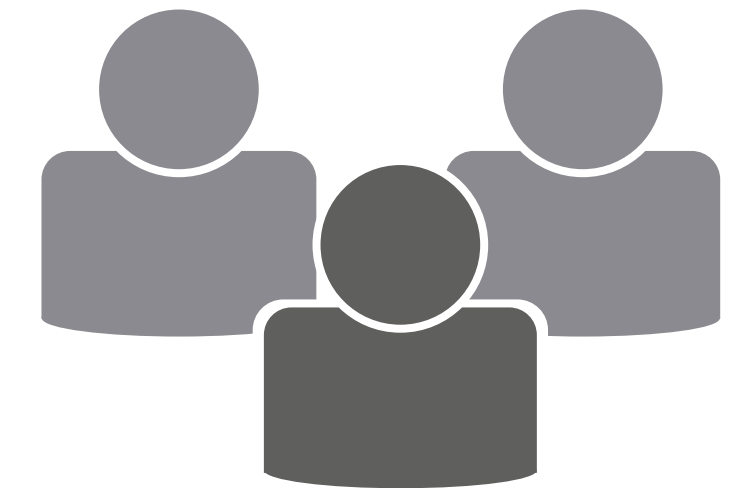
2
...drive growth in AUM...



3
...with integrated revenue streams...



4
...and a predictable cost base





Key funds on plan for expected value creation

€bn	Start date	Committed capital	EQT AB share of carried interest	Total cost (Dec-19)	Total value (Dec-19)	Gross MOIC (Dec-18)	Gross MOIC (Dec-19)	Expected Gross MOIC (Dec-19)
Private Capital								
EQT VI	Jun-11	4.8	5.7%	4.4	10.7	2.3x	2.4x	On plan
EQT VII	Jul-15	6.9	25.0%	6.1	11.0	1.3x	1.8x	On plan
EQT VIII	May-18	10.9	30.0%	7.1	8.0	1.0x	1.1x	On plan
Real Assets								
EQT Infrastructure II	Oct-12	1.9	9.4%	1.7	3.5	1.9x	2.1x	On Plan
EQT Infrastructure III	Nov-16	4.0	25.0%	3.3	4.9	1.2x	1.5x	Above Plan
EQT Infrastructure IV	Nov-18	9.1	36.4%	3.8	4.0	n.a.	1.1x	On Plan

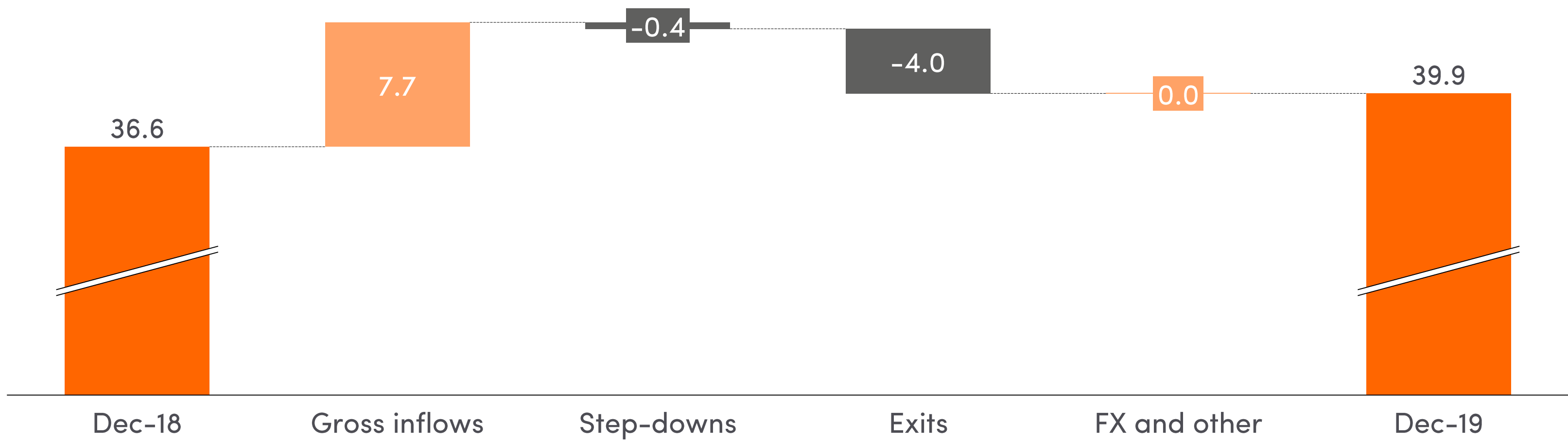
8 Note: Data for current Gross MOIC reflects only closed investments and realizations. For Private Equity funds (part of segment Private Capital), target Gross MOIC amounts to 2.3x and “On Plan” refers to expected Gross MOIC between 2.0-2.5x. For Infrastructure funds (part of segment Real Assets), target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





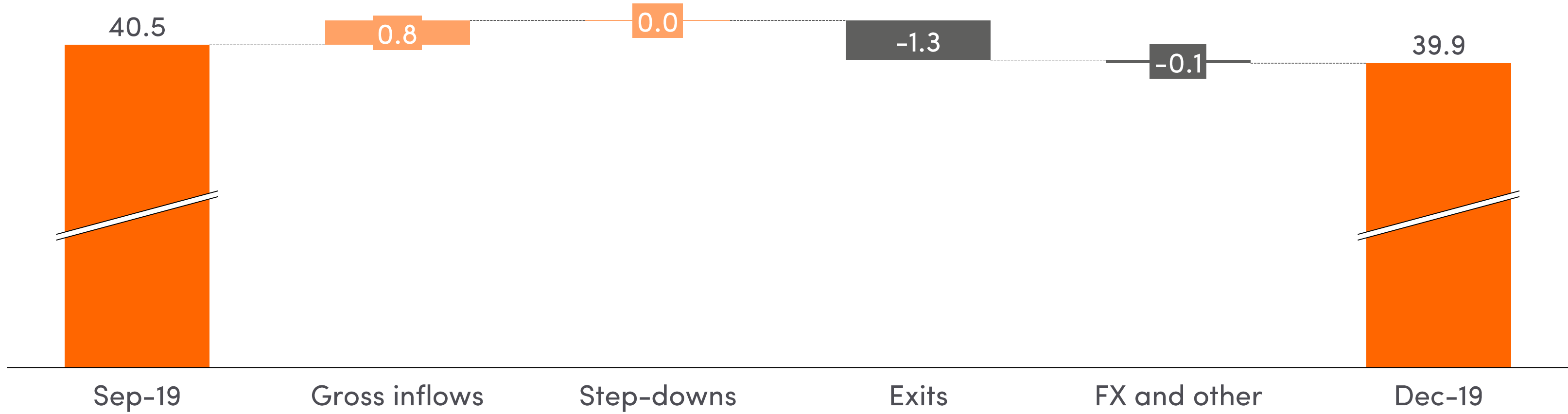
AUM in Q4 2019 remains at similar levels as per Q3 2019

AUM development
FY 2019



+9%
FY 2019

AUM development
Q4 2019



-1%
Q4 2019

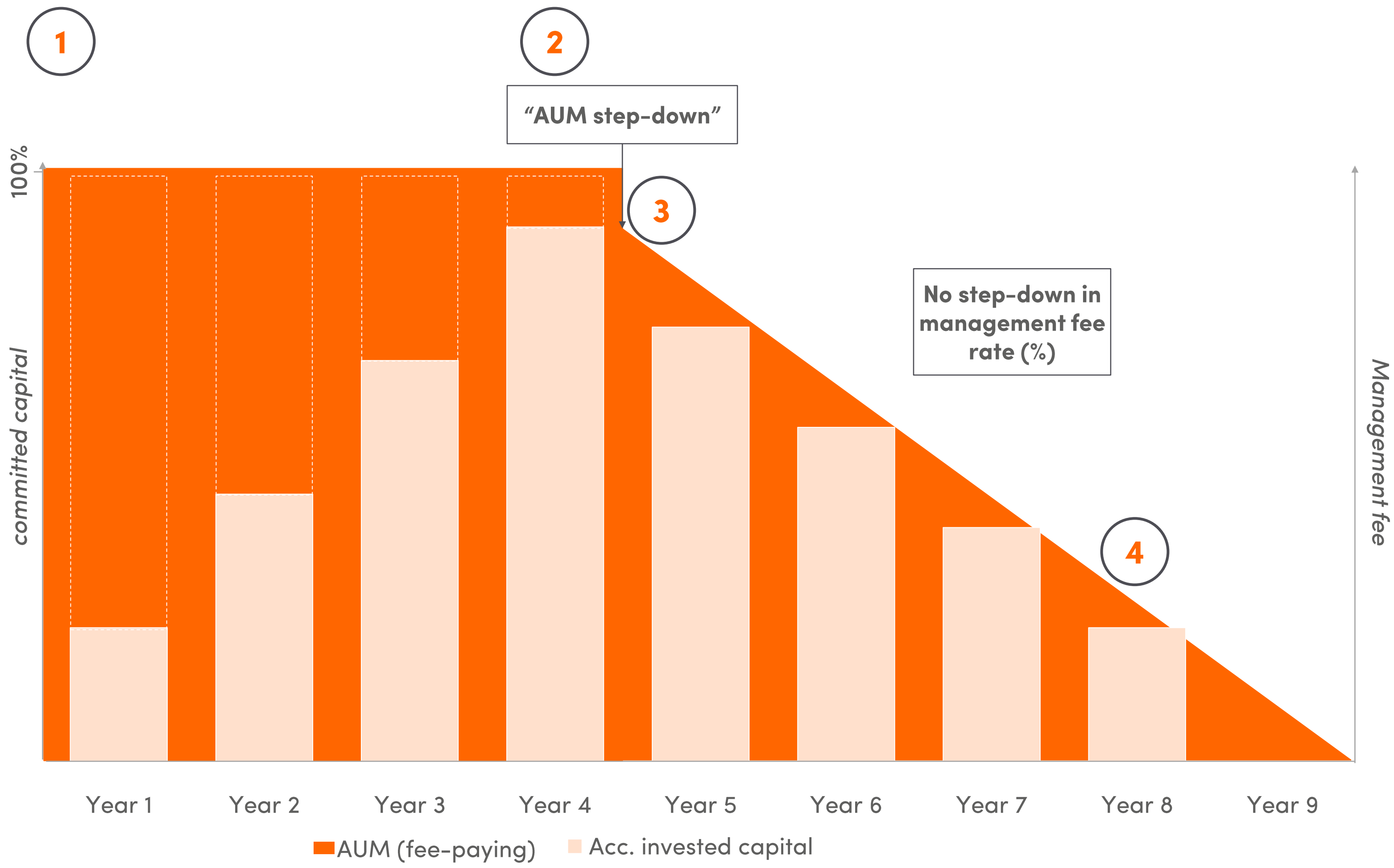




How does EQT's AUM and management fee model work?

Illustrative

- 1 A fund is raised and fees are charged on **total committed capital**
- 2 Successor fund is normally started when ~80-90% of the fund is invested. **Successor fund charges fees on committed capital**
- 3 Management fee on predecessor fund is then charged on **net invested capital** ("step-down")
- 4 As the fund exits companies, the **net invested capital declines**. After 8-12 years, the fund is typically terminated



3

Carried interest recognition update

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:

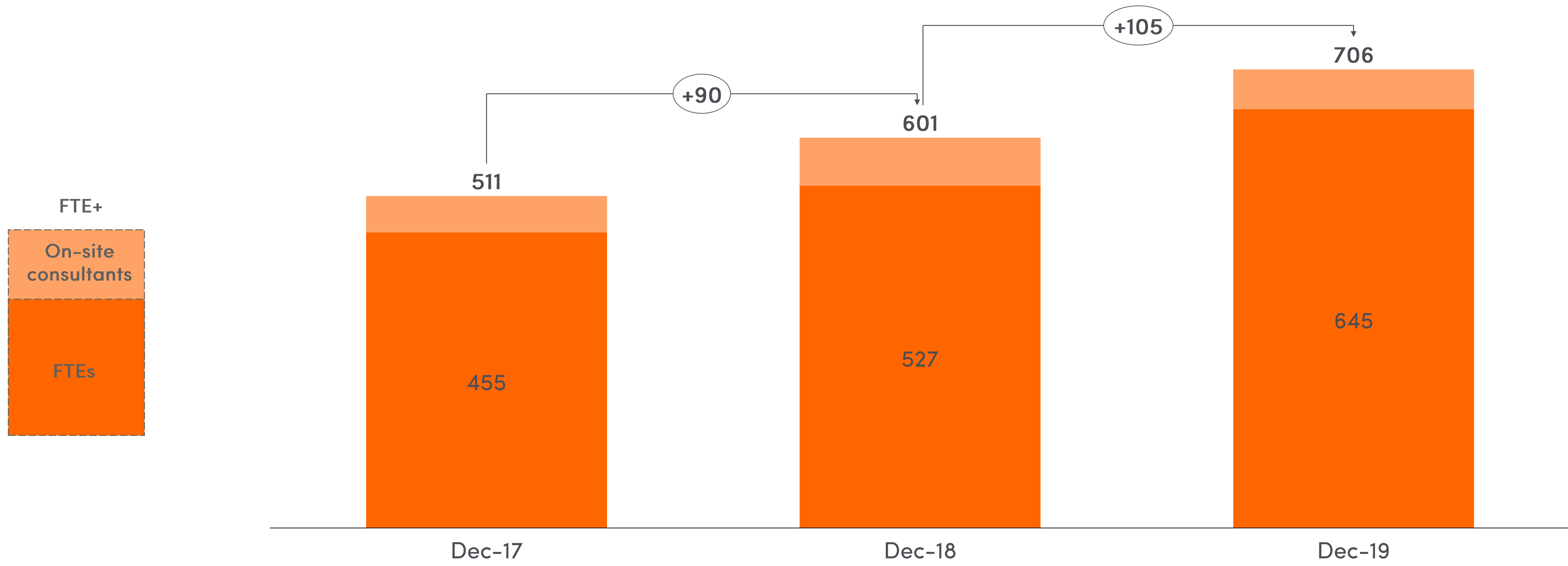
Metrics	EQT VII	EQT Infrastructure III
Gross MOIC (Current)	1.8x	1.5x
Number of exits	3	0
Years since first investment	~4.5	~3

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



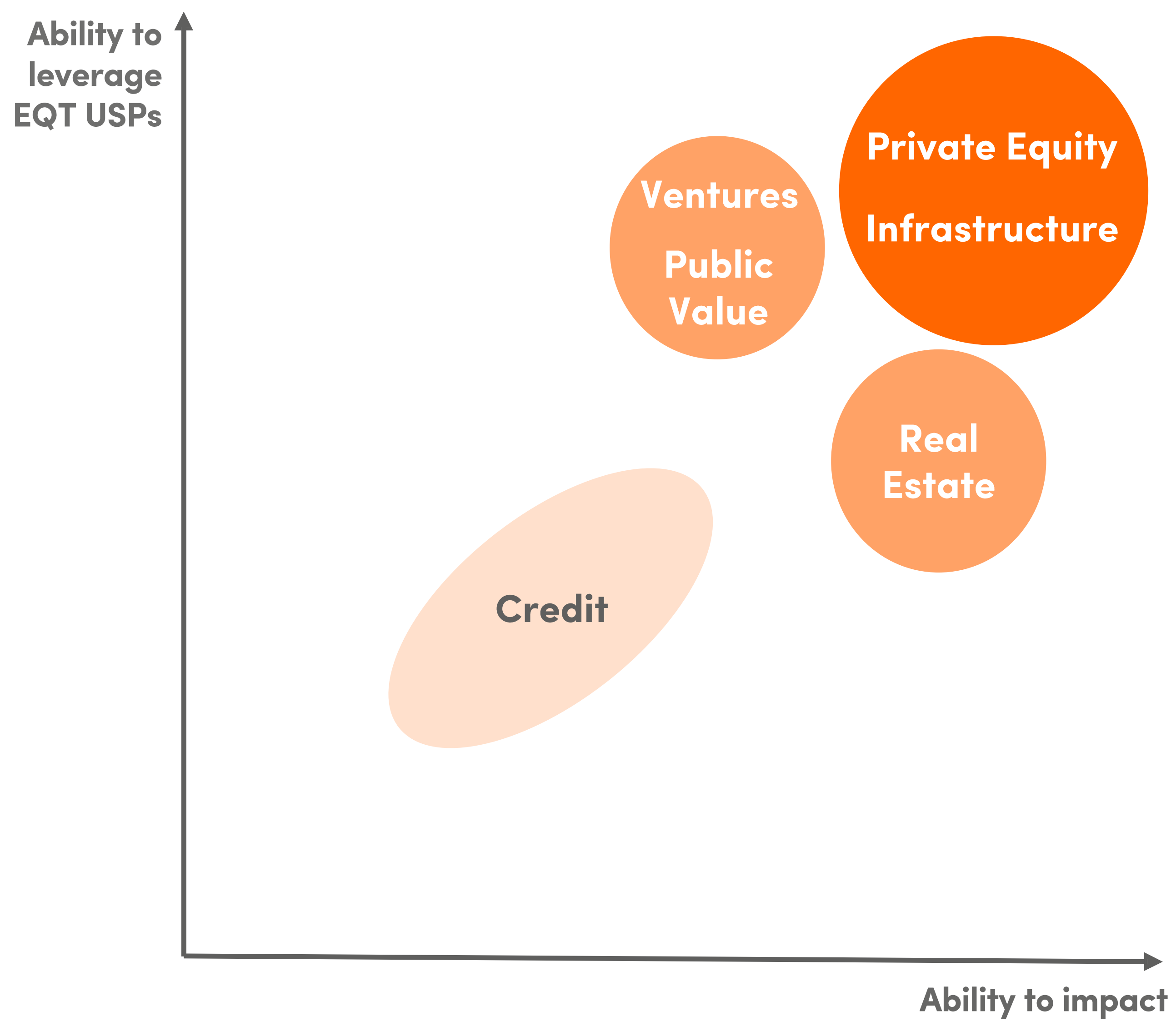
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Continued growth in number of employees





Review of strategic options for Credit initiated



- Review of strategic options for Credit
- Growth avenues in Credit further away from EQT's core
- Continued scaling of EQT a strategic priority : Growth, Public Value, APAC, Real Estate



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?

