

Conference Call Q1 2020 Announcement

24 April 2020





Volatile market environment – thematic portfolio relatively stable in Q1



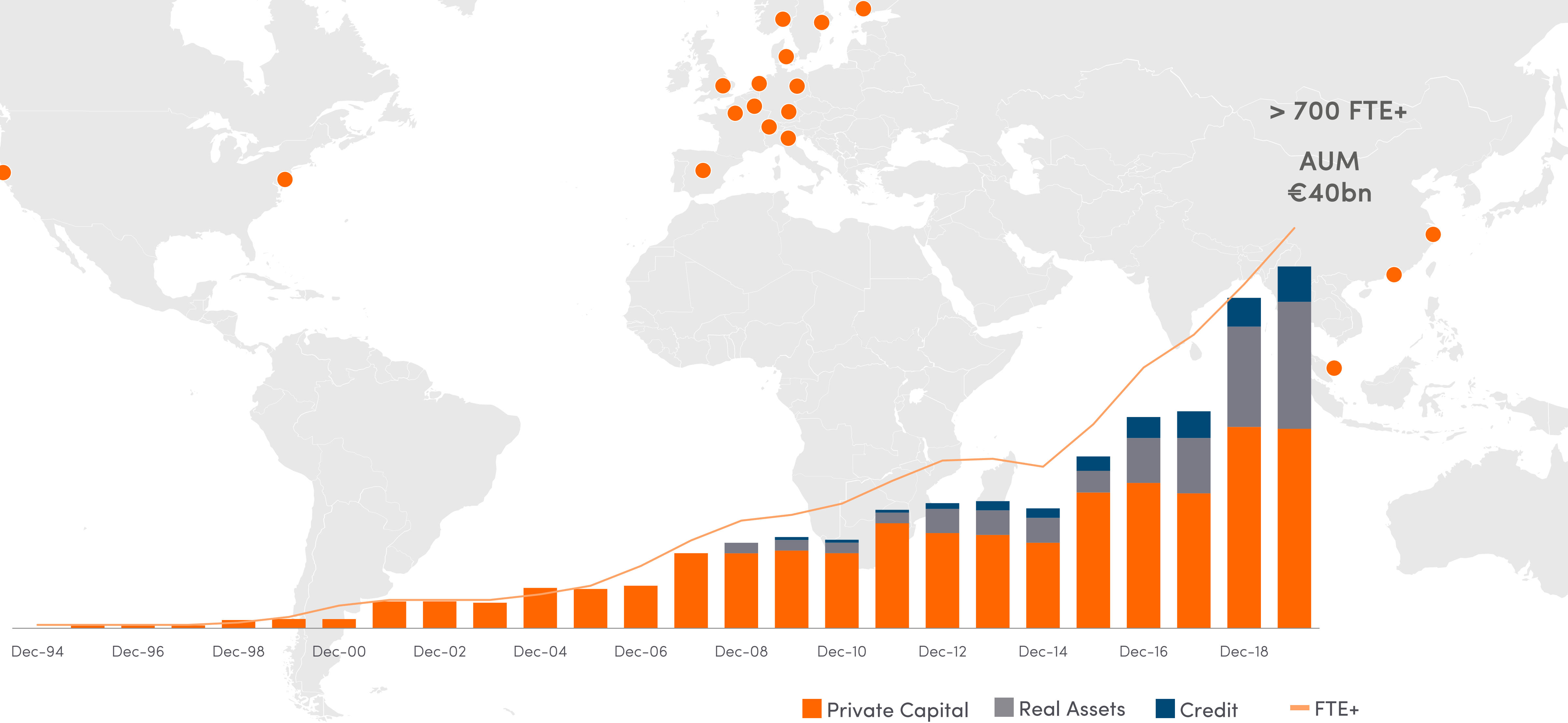
Q1 2020 in short

<p>Investments and exits</p>	<ul style="list-style-type: none"> Total investments announced by the EQT funds in the first quarter 2020 amounted to EUR 1.8bn <ul style="list-style-type: none"> A few thematic investments made in early 2020; including Deutsche Glasfaser in Germany and O2 Power in India by EQT Infrastructure IV - activity significantly slower post COVID-19 outbreak Total gross fund exits in the first quarter 2020 of EUR 0.4bn Current focus on, impact assessment, liquidity need and developing existing portfolio companies further until market recovery 	<p>€1.8bn Capital invested (Q1 2020)</p>	<p>€0.4bn Exits (Q1 2020)</p>
<p>Value creation</p>	<ul style="list-style-type: none"> Value creation in EQT's key funds still developing "On plan" or "Above plan" Long-term expectations remain but value creation will take longer Q1 2020 Gross MOIC in key funds supported by thematic investment strategy <ul style="list-style-type: none"> Average like-for-like value decrease during the quarter of approximately 5% 	<p>On plan EQT VI-VIII</p>	<p>On plan EQT Infra II & IV Above plan EQT Infra III</p>
<p>Fundraisings, AUM and FTE+</p>	<ul style="list-style-type: none"> EQT IX hard cap set at EUR 15 billion - fundraising ongoing but expected to take longer due to COVID-19 EQT Infrastructure is exploring various alternatives to raise additional capital, including preparations for Infrastructure V Fee-generating AUM at EUR 40.0bn New recruitments currently paused (unless highly strategic) <ul style="list-style-type: none"> FTE level during H1 still expected to increase due to already signed hires 	<p>€40.0bn AUM</p>	<p>731 FTE+</p>
<p>Other</p>	<ul style="list-style-type: none"> Investment level in key funds as of April 24, 2020, were 70-75% in EQT VIII and 70-75% in EQT Infrastructure IV VAT ruling announced by the Supreme Administrative Court of Sweden on January 27, 2020. Not expected to have material impact on EQT AB Group's future results or its financial position EQT VIII entered into exclusive negotiations to acquire Schülke, a leading provider of infection prevention solutions. The investment is supporting UN's SDG #3 Good Health and Well-being Strategic review of business segment Credit is ongoing 	<p>Sydney Office opened in February</p>	





25+ years of track-record and experience over cycles

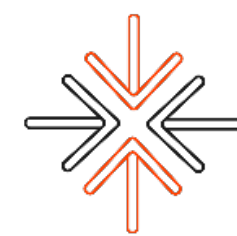


COVID-19 – Impact on EQT AB

- Expect that **fundraisings** will generally take longer in the current market environment
- **Lower overall investment activity** although deal potential remains in attractive segments
- **Exits** are less likely for most assets unless market conditions stabilizes
- Timing of **carry recognition** delayed as it is dependent on exits and/or increases in unrealized values
- **Strong balance sheet** and a strong liquidity position, with approximately EUR 900 million of cash at year-end 2019
- **No fund investor has defaulted on their commitment** since the foundation of EQT 25+ years ago



Recurring
and stable
revenues



Lower investment
and
exit activity



Strong
balance sheet



COVID-19 – Impact on portfolio companies

All companies globally affected, however thematic portfolio remained relatively stable in Q1

Our thematic investment strategy



- Non-cyclical companies
- Long-term macro-trends
- Digitalisation, sustainability
- Long-term stable underlying demand
- Essential services to society



Equity need in ~ 15% of portfolio companies in key funds^{1,2}
Less than 5% of capital³ in key funds² required

EQT is well prepared for a downturn

- ✓ Contingency business plans in place
- ✓ Refinanced a large part of the portfolio
- ✓ Selectively drawn down RCF in some portfolio companies
- ✓ Available fund capital to support portfolio companies
- ✓ More than 75% in covenant light structures for key funds

Note: 1) Excluding immaterial amounts; 2) EQT VI-VIII, EQT Infrastructure II-IV; 3) Committed capital



Strategy remains unchanged – executed at a slower pace



EQT Growth

- The strategy is positioned in between Ventures and Private Equity
- Continued preparations but with a longer time horizon



Expand in APAC

- Sydney office opened
- A growth area for Infrastructure and Private Equity



Real Estate

- Preparations for growing Real Estate, including:
 - Managed to Prime
 - New Geographies



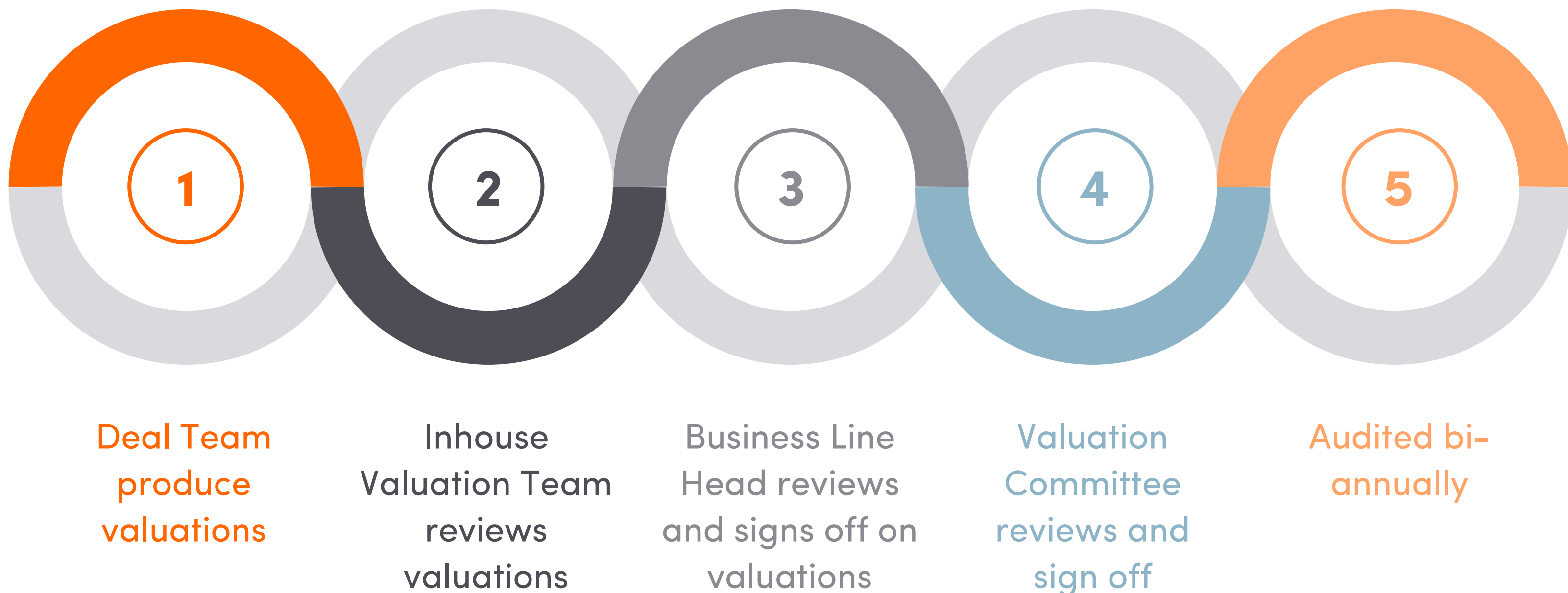
M&A

- Selective M&A – activity slower due to current market environment
- Over time, increased opportunities can arise

Credit

- Strategic review ongoing
- Business as usual during the process

Robust valuation based on multiple valuation methodologies



- EQT's valuation process is based on IPEV guidelines¹
- Multiple valuation techniques applied, typically consisting of:
 - ✓ Listed peer multiples
 - ✓ Transaction multiples
 - ✓ Discounted cash flows

Note: 1) The international Private Equity and Venture Capital Valuation (IPEV) guidelines





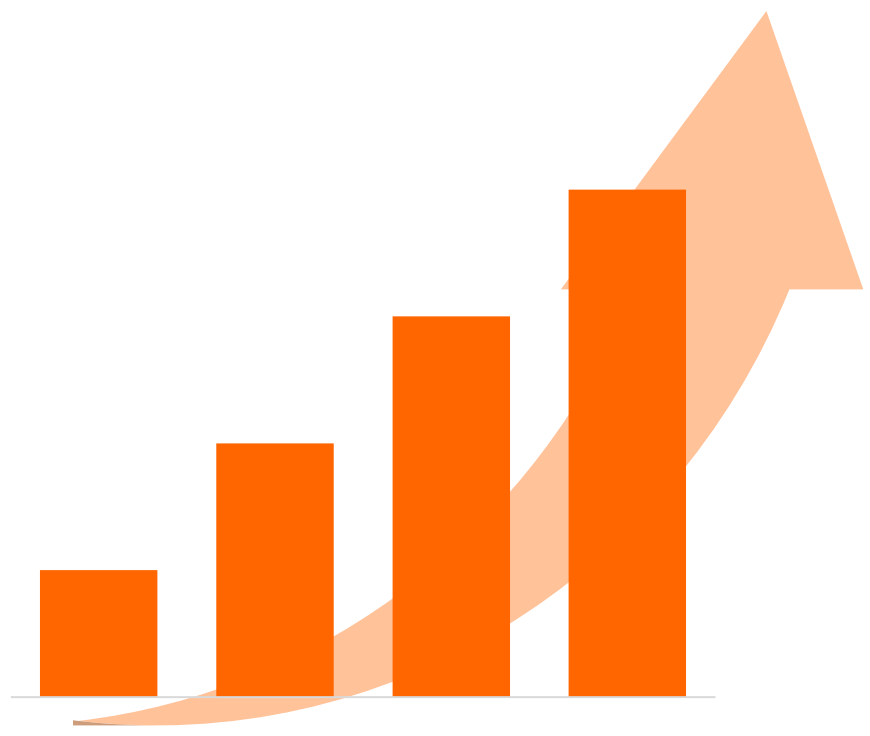
Key data per Q1 2020

Our business model is long-term, simple and scalable

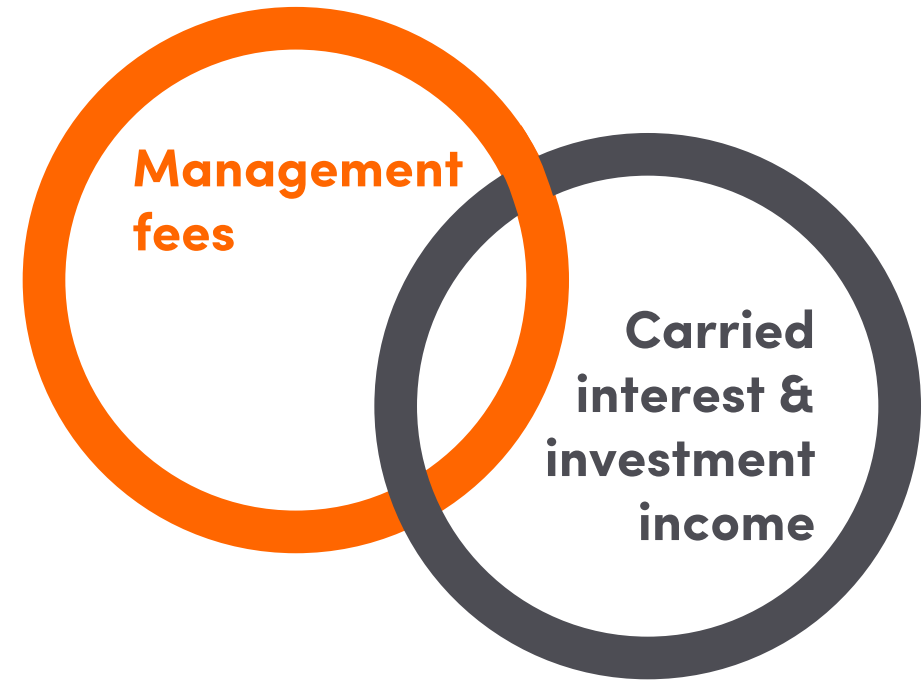
Attractive client returns...



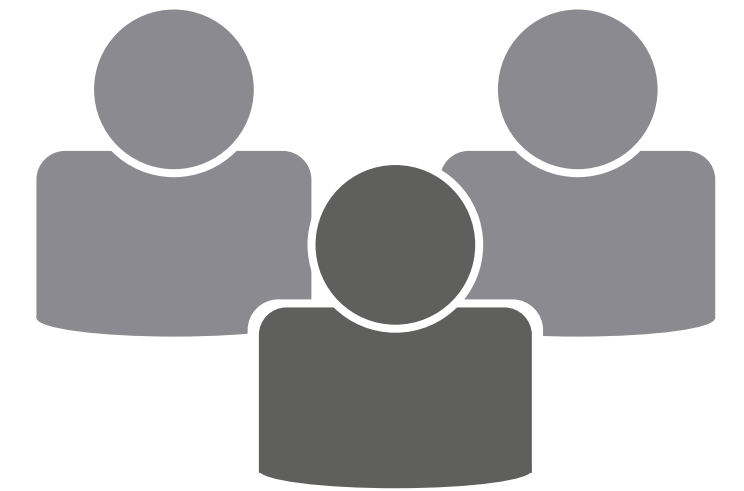
...drive growth in AUM...



...with integrated revenue streams...



...and a predictable cost base





Value creation remains relatively stable across key funds



■ Gross MOIC Mar-19
 ■ Gross MOIC Dec-19
 ■ Gross MOIC Mar-20
 On plan Expected Gross MOIC

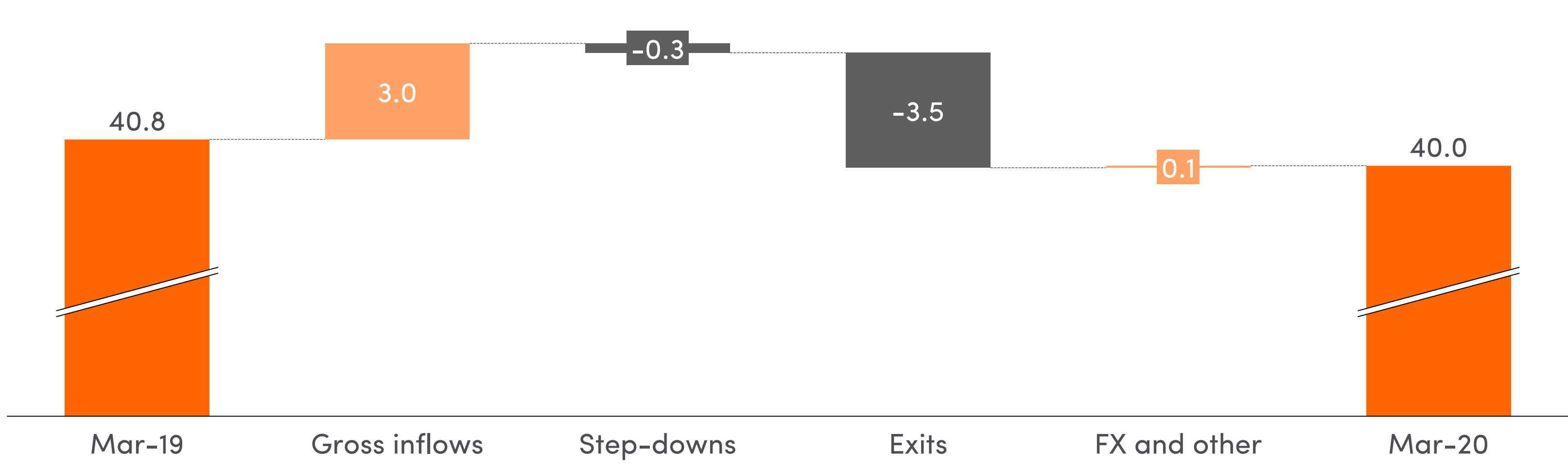
Note: Data for current Gross MOIC reflects only closed investments and realizations. For Private Equity funds (part of segment Private Capital), target Gross MOIC amounts to 2.3x and "On Plan" refers to expected Gross MOIC between 2.0-2.5x. For Infrastructure funds (part of segment Real Assets), target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





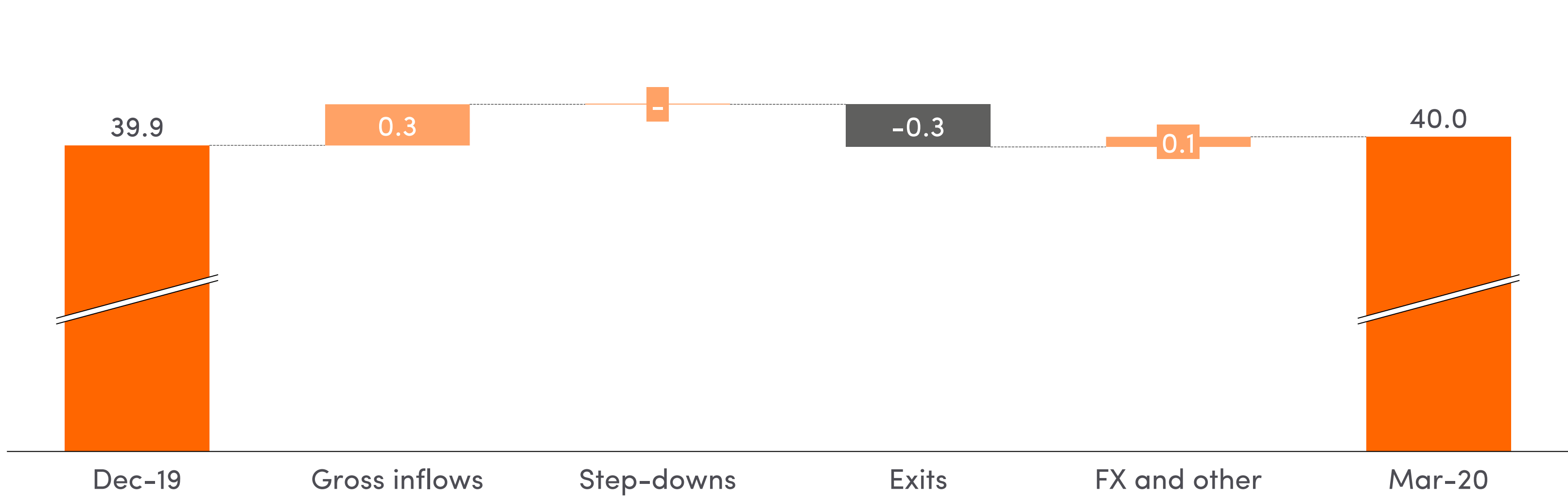
AUM in Q1 2020 remains at similar levels as per Q4 2019

**AUM development
Mar 2019
- Mar 2020**



-2.0%
LTM

**AUM development
Q1 2020**



+0.1%
Q1 2020



Carried interest recognition update

Timing of carried interest recognition¹ is driven by



"Rule of thumb" on initial recognition



~4-6 years after first investment

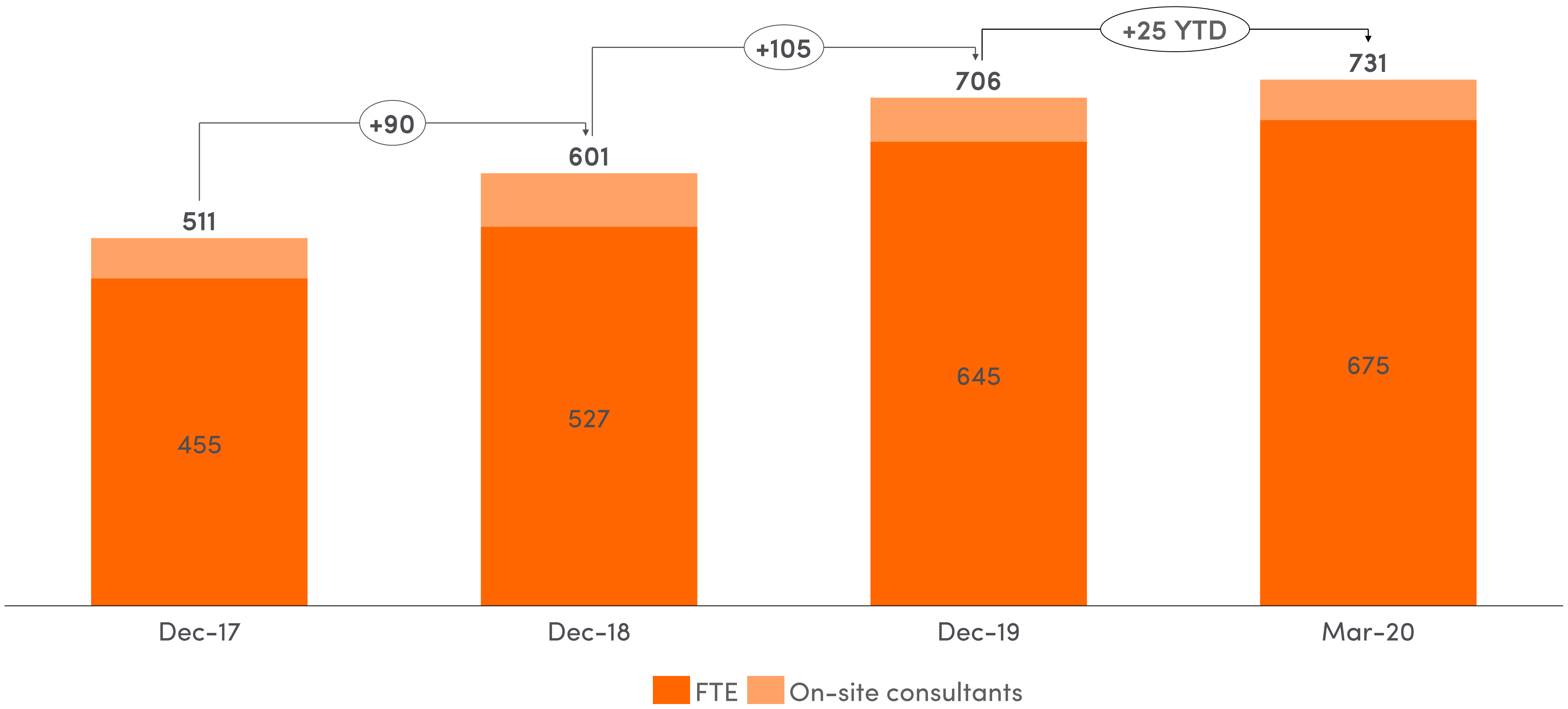
Status of carried interest recognition

- 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)	1.6x	1.5x
Number of exits	3	0
Years since first investment	~4.5	~3.5



Number of employees¹



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



Targets should be considered over a fund cycle



Questions?



Thank you

Appendix



Educational: fundraising key milestones and management fees

Illustrative

Management fee 1.4%		Final fund size EUR 10 bn	
		Fees paid out	
Run-rate Management fees for one year <i>(EUR 10bn*1.40%)</i>		EUR 140m	
Implied Management fees year 1; based on when the fund is activated <i>(EUR 10bn*1.40%*6months)</i>		EUR 70m	
Year 1: Management fees from fund initiation and based on closed out commitments by year end <i>(EUR 8bn*1.40%*6months)</i>		EUR 56m ³	
Year 2 H1: Management fees first six months including "late fees" for new investors <i>(EUR 10bn*1.40%*6months+EUR 2bn*1.40%*6months= EUR 70m+14m)</i>		EUR 84m ⁴	

1

2

"late fees"

