



# Partners Group

REALIZING POTENTIAL IN PRIVATE MARKETS

10:00 – 11:00 BST (Dublin, London)  
11:00 – 12:00 CET (Zurich, Frankfurt)

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All lines will be open 10 minutes prior to the beginning of the conference call.

## Princess Private Equity Holding Limited

Results presentation Q2 2017, 9 August 2017



Marlis Morin Head Client Services | Kim Nguyen Private Equity Europe

For use with institutions only – not for use in the United States

# Global private markets investment management

## Private markets focus

EUR 57.8 billion<sup>1</sup> AuM in private equity, private debt, private real estate, private infrastructure

## Strong resources

Over 950 employees<sup>2</sup> representing approximately 50 nationalities across 19 offices<sup>3</sup>

## Independent

Combined, employees are the largest shareholder

## Stable & transparent

Long-term incentive structures  
Listed on the SIX Swiss Exchange



## Wide network

>450 direct investments<sup>4</sup>  
>780 private markets investment partners  
>300 advisory board seats

## Integrated approach

Direct, secondary and primary investment capabilities across private markets

## Tested risk management

Chief Risk Officer and a dedicated team of portfolio and risk managers

## Client focused structuring

In-house team of over 60 professionals<sup>2</sup> offering customized structuring, legal and tax services

<sup>1</sup> Unaudited, inclusive of all Partners Group affiliates, as of 30 June 2017.

<sup>2</sup> Team figures as of 30 June 2017.

<sup>3</sup> Please note that the firm is in the process of transferring its San Francisco-based business activities to its Denver office.

<sup>4</sup> Does not include corporate senior debt.

# Princess Private Equity: a differentiated global approach to listed private equity

## Debt portfolio

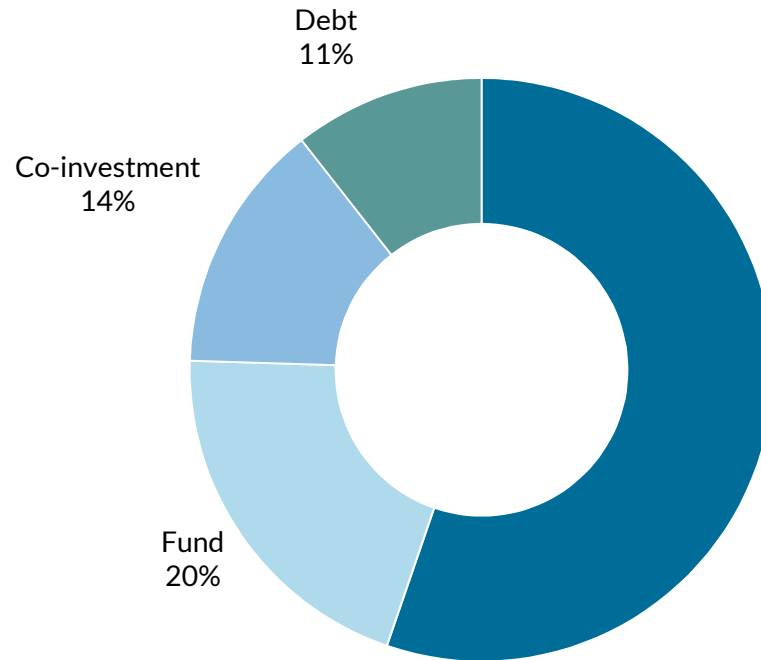
Immediate yield  
Reduces volatility  
Cash-management

## Co-investment portfolio

Diversification  
Complements mid-cap strategy  
Flexibility to deploy capital

## Fund portfolio

Legacy holdings in run-off  
Mature and cash generative



## PG direct portfolio

Primary return driver  
Focus on mid-cap lead transactions  
Hands-on value creation

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lead/co-lead  
55%

Investment objective to generate capital growth and an attractive dividend yield

For illustrative purposes only. Diversification does not ensure a profit or protect against loss. Source: Partners Group. As of 30 June 2017.

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## Positive NAV development in Q2 2017

### Realizations from VAT Group AG and Hofmann Menue Manufaktur

#### NAV and share price

- **NAV total return +2.7% for Q2 2017 (+8.8% YTD)**
- NAV per share of EUR 10.77; net assets of EUR 745.0 million
- **Share price total return +7.9% for Q2 2017 (+19.3% YTD)**
- Share price of EUR 10.01; market capitalization of EUR 692.2 million

#### Quarterly portfolio activity

- **EUR 50.8 million of realizations** mainly from VAT Group AG and Hofmann Menue Manufaktur
- **EUR 39.5 million invested** including buyout of Cerba HealthCare
- Investment level stands at 94.2%

#### Balance sheet

- Interim dividend of EUR 0.28 per share paid in Q2 2017 (+3.7% increase versus Q2 2016)
- Net liquidity of EUR 43.2 million (5.8% of NAV)
- Available credit line of EUR 50 million (6.7% of NAV)
- Unfunded commitments of EUR 125.7 million (16.9% of NAV)

Past performance is not indicative of future results. For illustrative purposes only. Shares may be worth more or less than original cost when sold. Current performance may be lower or higher than performance shown. There is no assurance that similar investments will be made. Nothing herein should be relied upon as a promise or representation as to such future results. As of 30 June 2017. Performance figures are net of all fees.



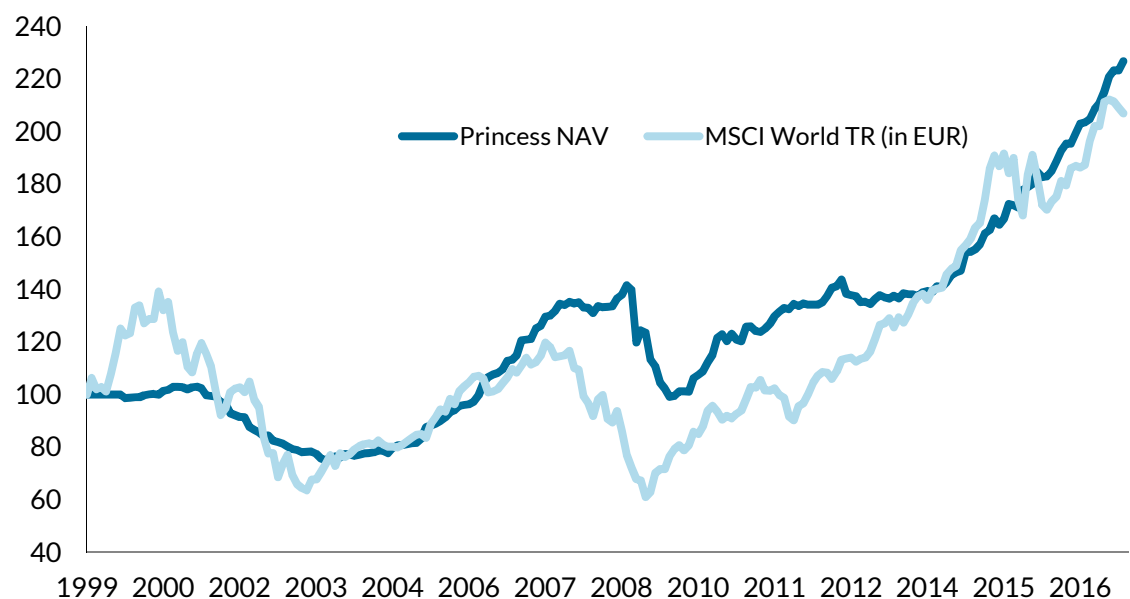
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## Historic NAV performance

### NAV performance

- NAV total return: +2.7% in Q2 2017 (+8.8% YTD)
- Portfolio valuation development: +4.1% in Q2 2017 (+11.4% YTD)
- FX development: -0.9% in Q2 2017 (-1.1% YTD)

### Princess NAV (incl. dividends) and MSCI World TR (in EUR)<sup>1</sup>



### Total return in EUR

	*Princess Share Price	Princess NAV	MSCI World
1 year	+45.4%	+16.1%	+15.2%
3 years	+85.3%	+55.9%	+39.9%
5 years	+152.1%	+60.7%	+90.4%
10 years	n/a	+74.4%	+75.2%
15 years	n/a	+169.2%	+146.5%

\* Since listing on London Stock Exchange, 1 November 2007

Past performance is not indicative of future results. For illustrative purposes only. There is no assurance that similar results will be achieved. As of 30 June 2017. Source for MSCI World TR (ticker NDDUWI) in EUR: Bloomberg; investment return and the principal value of an investment will fluctuate. Shares may be worth more or less than original cost when sold. Current performance may be lower or higher than performance shown. Princess NAV figures are net of all fees.

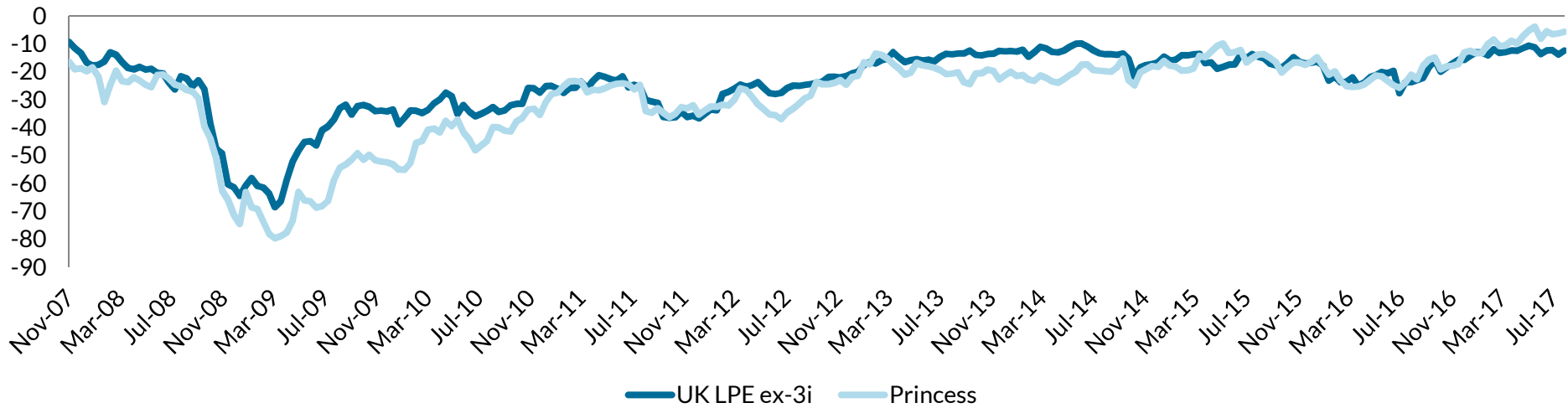
<sup>1</sup> Princess NAV performance: since inception in May 1999.



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# Discount development

Discount development since London listing in November 2007<sup>1</sup>



Discount to NAV	
Princess	-5.7%
UK LPE ex-3i	-12.4%

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## Key figures

Key figures (in EUR)

	31.12.2015	31.12.2016	30.06.2017
<b>NAV</b>	657.4m	702.9m	745.0m
<b>NAV per share</b>	9.51	10.16	10.77
<b>NAV per share incl. dividends paid</b>	14.00	15.81	17.20
<b>Share price</b>	7.87	8.63	10.01
<b>Investment level</b>	93.5%	92.6%	94.2%
<b>Over-commitment incl. credit line (% NAV)</b>	5.9%	0.2%	4.4%
<b>Net liquidity</b>	42.7m	52.0m	43.2m
<b>Total credit line (undrawn credit line)</b>	50.0m (50.0m)	50.0m (50.0m)	50.0m (50.0m)
<b>Unfunded commitments to legacy funds</b>	48.9m	45.6m	40.2m
<b>Unfunded commitments to PG's direct programs<sup>1</sup></b>	82.9m	57.7m	85.5m
	FY 2015	FY 2016	YTD 2017
<b>Dividends per share</b>	0.54	0.54	0.28
<b>Dividend yield<sup>2</sup></b>	6.9%	6.3%	5.5%

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## Ten largest direct value drivers – Q2 2017

Name	Investment stage	Investment year	Value created (in EUR m)
VAT Group AG	BO Mid	2014	10.1
Action	BO Mid	2011	5.9
Permotio International (ISP)	Growth	2013	3.4
Dynacast	BO Mid	2015	3.3
Trimco	BO Mid	2012	3.1
Pharmaceutical developer <sup>1</sup>	BO Mid	2013	2.7
KinderCare Education	BO Mid	2015	2.3
Global Blue	BO Mid	2012	2.1
MultiPlan 2016	BO Large	2016	1.3
AWAS Aviation Holding	BO Large	2006	-2.6
<b>Top ten value drivers</b>			<b>31.6</b>

Nine out of ten largest value drivers are positive

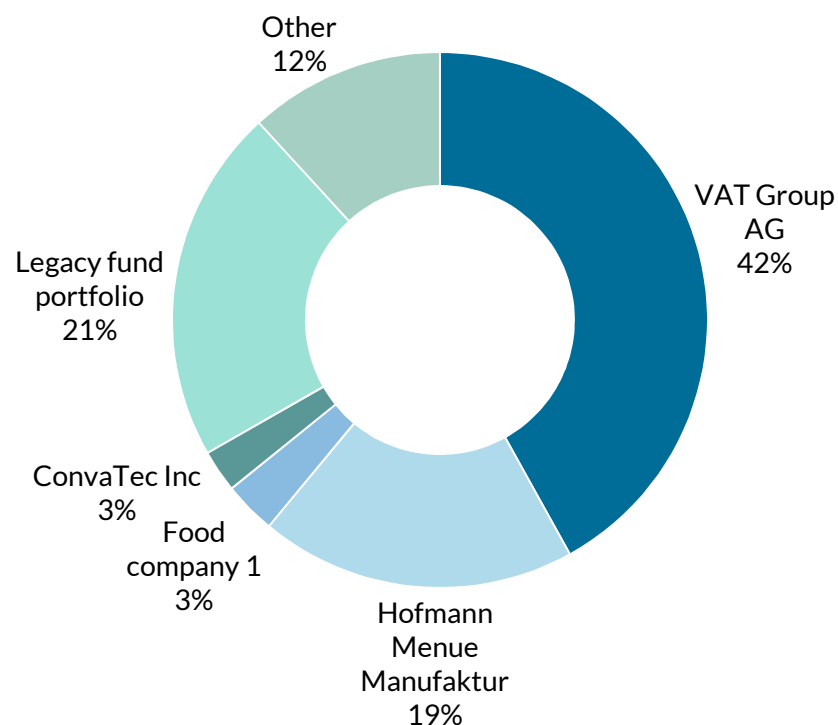
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## Realization activity in Q2 2017

### Realization activity



Investment	Exit (route)	Strategy	Amount EUR m
VAT Group AG	Partial (dividend payment and sale of shares)	Equity	21.3
Hofmann Menue Manufaktur	Partial (recapitalization)	Equity	9.7
Food company 1 <sup>1</sup>	Partial (sale of shares)	Equity	1.6
ConvaTec Inc	Partial (sale of shares)	Equity	1.3
Legacy fund portfolio			10.9
Other			6.0
<b>Total</b>			<b>50.8</b>

**EUR 50.8 million in realizations during Q2 2017 (EUR 69.3 million YTD)**

Past performance is not indicative of future results. For illustrative purposes only. There is no assurance that similar results will be achieved. As of 30 June 2017. Calculated on a look-through basis.<sup>1</sup> Some names may not be disclosed due to confidentiality restrictions. Realizations shown represent the largest direct realizations in Q2 2017.



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# Partial exit: VAT Group AG

## Company overview



## Joint-lead investment

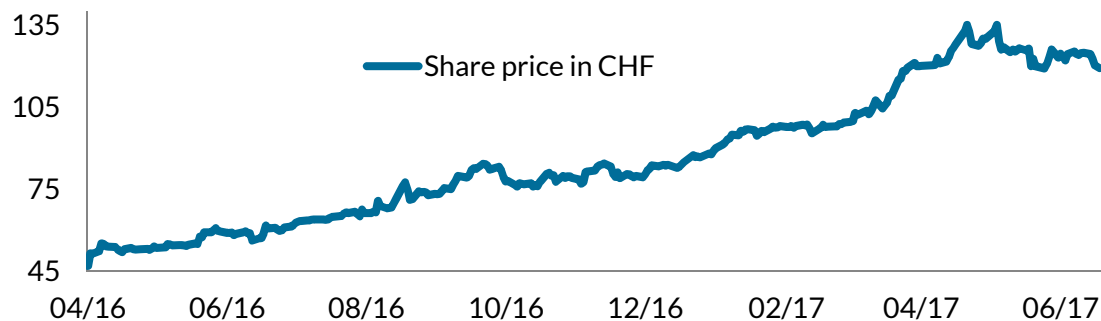
Global market leader for high-end vacuum valves, a critical component in highly complex manufacturing processes

Geography	Europe
Industry	Industrials
Headquarters	Switzerland
Entry date	January 2014

## Value creation

- **Expansion into East Asian markets:** extension of sales and technical reach into the growing East Asian markets of Korea, China and Japan
- **Extension of after-sales services:** service team to increase after sales service capabilities
- **Forward integration in modules:** increase value-add with hardware and multiple components
- **Establishment of global footprint:** optimize cost base through production in Malaysia and global sourcing

## Share price total return since IPO, +174%



**EUR 49.2 million distributed to-date (2.7x cost)**

Past performance is not indicative of future results. For illustrative purposes only. There is no assurance that similar investments will be made. Source: Partners Group; Company information as at entry. Rationale: Largest distribution this quarter.

# Partial exit: Hofmann Menue Manufaktur

## Company overview



## Lead investment

Leading German provider of high quality customized cook & freeze products targeting small business canteens and social organizations

Geography	Europe
Industry	Consumer
Headquarters	Germany
Entry date	January 2014

## Value creation

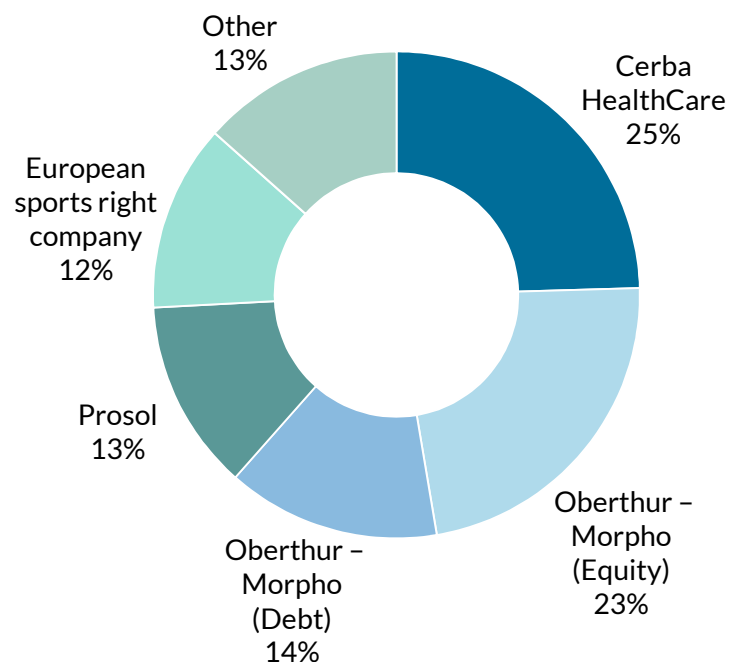
Sales effectiveness	<ul style="list-style-type: none"> <li>Sales effectiveness project started</li> </ul>
Strengthen customer communication	<ul style="list-style-type: none"> <li>New mobile application launched</li> </ul>
Market expansion Austria and Switzerland	<ul style="list-style-type: none"> <li>Full acquisition of former joint venture in Austria</li> <li>Add-on acquisition in Switzerland closed</li> </ul>
New product line	<ul style="list-style-type: none"> <li>New product line and marketing plan are finalized</li> <li>Launch in Hamburg in 2016</li> </ul>
New packaging concept	<ul style="list-style-type: none"> <li>Innovative recyclable material identified</li> </ul>
Senior Management succession	<ul style="list-style-type: none"> <li>COO hired</li> </ul>

**EUR 9.7 million distributed to-date (0.7x cost)**

Past performance is not indicative of future results. For illustrative purposes only. There is no assurance that similar investments will be made. Source: Partners Group; Company information as at entry. Rationale: Second largest distribution this quarter.

## Investment activity in Q2 2017

### Investment activity



Investment	Strategy	Amount in EUR m
Cerba HealthCare	Equity (lead)	9.7
Oberthur - Morpho <sup>1</sup>	Equity (co-invest)	9.0
Oberthur - Morpho <sup>1</sup>	Debt	5.6
Prosol	Debt	5.0
European sports rights company <sup>2</sup>	Debt	4.9
Other		5.3
<b>Total</b>		<b>39.5</b>

EUR 39.5 million invested during Q2 2017 (EUR 47.0 million YTD)

Past performance is not indicative of future results. For illustrative purposes only. There is no assurance that similar investments will be made. As of 30 June 2017. Source: Partners Group information. Investments shown represent the largest direct investments in Q2 2017. <sup>1</sup> Previously disclosed as European security company <sup>2</sup> Some names may not be disclosed for confidentiality reasons.



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# Cerba Healthcare

## Company overview



## Lead investment

Leading operator of clinical pathology laboratories in France

Geography	Europe
Industry	Healthcare
Headquarters	France
Entry date	April 2017

## Value creation

- **Inorganic growth:** further consolidate the fragmented French market and support international expansion
- **B2B strategy:** gain market share in the attractive private hospital and retirement home segments
- **Organic growth:** accelerate the retail strategy of collection centers and enhance cross-fertilization of expertise into new segments

## Investment criteria

- **Market leader:** market leading position in France
- **Growth potential:** Robust acquisition pipeline in France and internationally
- **Value-add opportunities:** further development of adjacent segments, acceleration of retail strategy

**EUR 9.7 million invested during Q2 2017**

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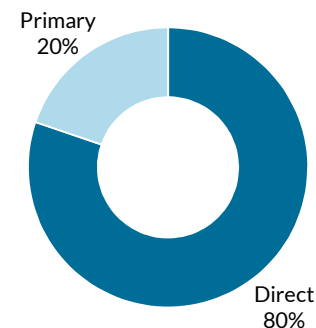
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# Broadly-diversified portfolio with substantial allocation to mature portfolio companies

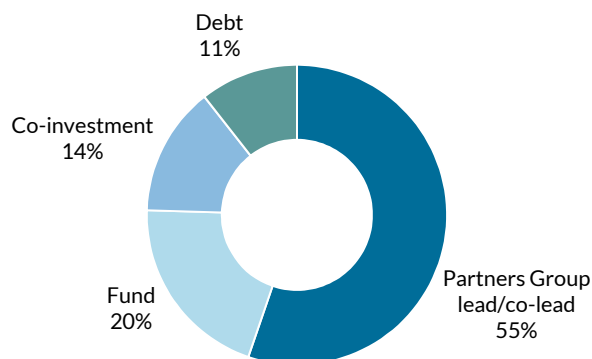
## Portfolio characteristics

- Diversified exposure to Partners Group lead/co-lead transactions, co-investments and debt
- Funds portfolio is in harvesting mode. No new commitments will be made to third party managers
- Mature portfolio: weighted average portfolio company age of 3.8 years<sup>1</sup>

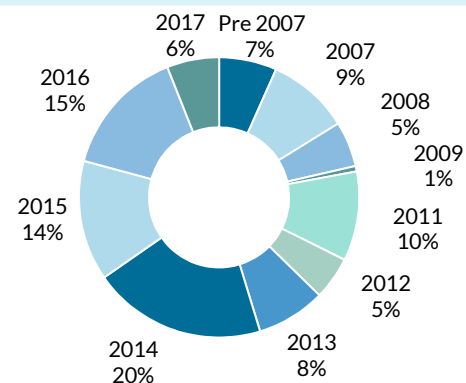
## Investments by type<sup>1</sup>



## Investments by sponsor



## Investments by investment year<sup>1</sup>



Past performance is not indicative of future results. For illustrative purposes only. There is no assurance that similar investments will be made. Diversification does not ensure a profit or protect against loss. Actual allocations and performance may differ.<sup>1</sup> Based on the value of private equity investments on a look-through basis as of 30 June 2017. Source: Partners Group information.

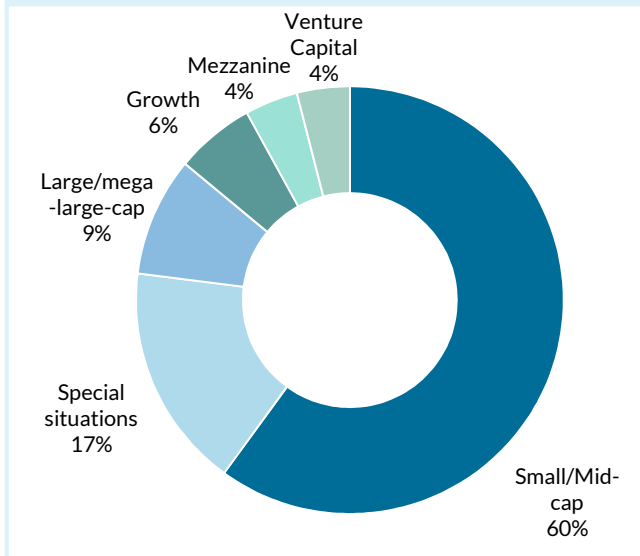


# Invested across stages and regions, with overweight in small- and mid-cap buyout

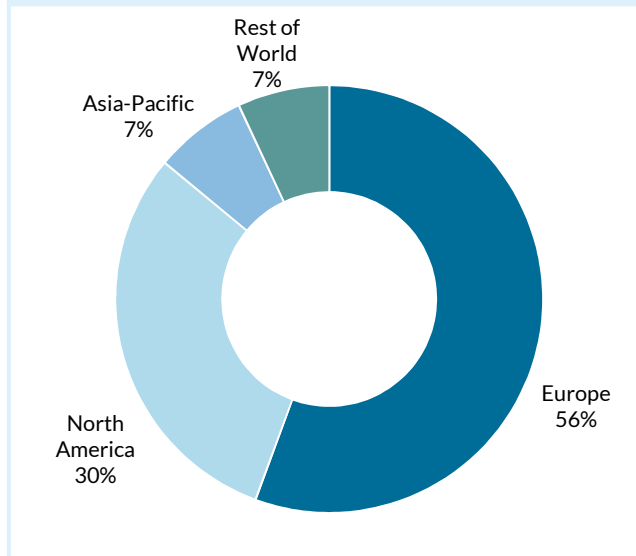
## Portfolio allocation

- Financing stage: focus on mid-cap buyout segment with allocation to private debt
- Regions: global diversified; relative value approach
- Industries: broadly diversified with low exposure to cyclical industries

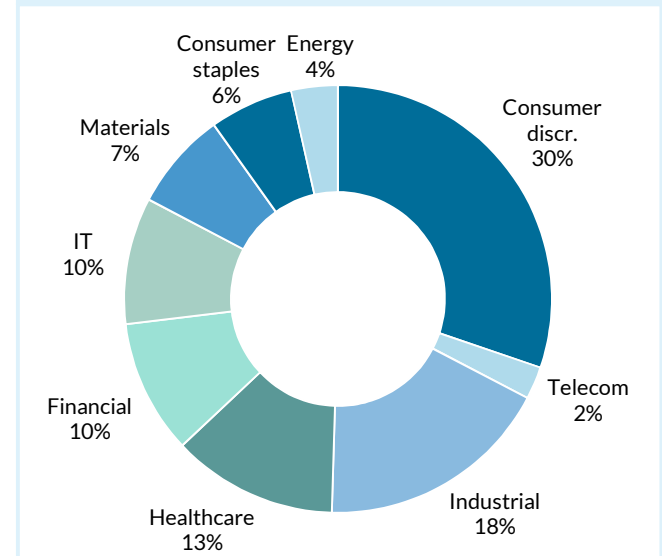
Investments by stages<sup>1</sup>



Investments by regions<sup>1</sup>



Investments by industries<sup>1</sup>



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## Attractive earnings growth and healthy capital structures support NAV development

### Key metrics for 50 largest direct portfolio companies

#### Performance metrics

- 13.2% revenue growth over last 12 months (Q2 2016: 10.6%)
- 16.7% EBITDA growth over last 12 months (Q2 2016: 13.8%)
- EUR 1.0 billion weighted average revenue (Q2 2016: EUR 1.0 billion)

#### Valuation metrics

- 11.7x EV/EBITDA (Q2 2016: 10.8x)
- 4.5x net debt/EBITDA (Q2 2016: 4.5x)
- 40.8% leverage (Q2 2016: 40.1%)
- EUR 2.2 billion weighted average enterprise value (Q2 2016: EUR 2.1 billion)

- Double-digit revenue and EBITDA growth at portfolio company level despite low growth from broader economy
- Increase in EV/EBITDA multiple but valuations still considered to be reasonable given strong EBITDA growth
- Continued disciplined approach to leverage: net debt/EBITDA of 4.5x

**Past performance is not indicative of future results.** Actual performance may vary. As of 30 June 2017. Based on available information. Valuation and performance metrics are weighted averages based on the value of the portfolio companies in the latest valuation report, excluding debt investments and quoted investments. Some investments are excluded due to recent M&A activities, or different accounting methodology and their numbers are considered not meaningful for this analysis. Source: Partners Group information.








## Overview of 10 largest direct investments (1)

Investment	Country	Investment stage	Investment year	Investment description	% of NAV
	Switzerland	BO Mid	2014	VAT Group AG is the global market leader for high-end vacuum valves, which is a critical component in highly complex manufacturing processes. On the 14 April 2016, VAT Group AG was listed on the SIX Swiss Stock Exchange and is now valued based on the share price (ticker: VACN).	9.1
	Netherlands	BO Mid	2011	Action is a Dutch discount retailer with over 850 retail stores and almost 35'000 employees in the Netherlands, Belgium, Germany, France, Luxembourg and Austria. The company offers a wide and varied product range, which includes household and office supplies, cosmetics, toys, etc.	6.9
	UK	Growth	2013	Permotio (trading as International Schools Partnership) has been formed to create a leading international private schools group through a “buy & build” strategy, in conjunction with a proven management team.	4.8
	USA	BO Mid	2015	Dynacast is a global manufacturer of customized, small, highly-engineered metal components, with complex shapes and tight tolerances, using proprietary precision die casting and metal injection molding technologies.	4.5
	USA	BO Mid	2015	KinderCare is the largest for-profit provider of early childhood education in the US and the parent company of KinderCare Learning Centers, as well as the brands Children’s Creative Learning Centers and Champions.	3.8

Past performance is not indicative of future results. There is no assurance that similar investments will be made. For illustrative purposes only. As of 30 June 2017. Source: Partners Group information.

## Overview of 10 largest direct investments (2)

Investment	Country	Investment stage	Investment year	Investment description	% of NAV
	France	BO Mid	2016	Foncia is a France-based company that offers residential property management and real estate services. The company has a network of more than 600 branches located throughout France, Switzerland, Germany and Belgium.	2.6
	Mexico	Infrastructure	2014	Fermaca is a leading operator of gas infrastructure in Mexico, which develops, constructs, owns and operates natural gas pipelines and other related energy assets. Fermaca's customers include Mexico's state-owned electric utility and other large energy companies.	2.6
	Hong Kong	BO Small	2012	Trimco International is a leading Asia-headquartered supplier of garment labels, tags and trimming products to blue chip global apparel companies.	2.4
	France	BO Large	2017	Oberthur Technologies ("Oberthur") and Safran Identity & Security ("Morpho") merged to establish a market leader in digital security and identification.	2.3
	Germany	BO Mid	2014	Hofmann Menue Manufaktur is a leading German producer and supplier of customized frozen food products to small business canteens and social organizations such as retirement homes, hospitals and schools.	2.2
<b>Total 10 largest direct investments</b>					<b>41.2</b>

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As of 30 June 2017. Source: Partners Group information.

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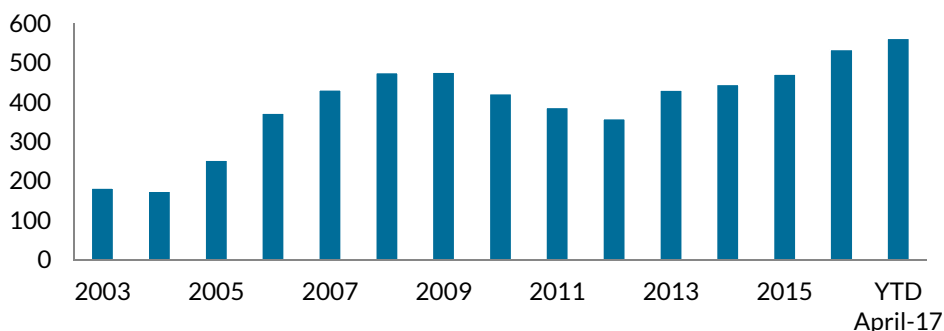
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# Market update: seeking stability and valuation robustness with value-add potential

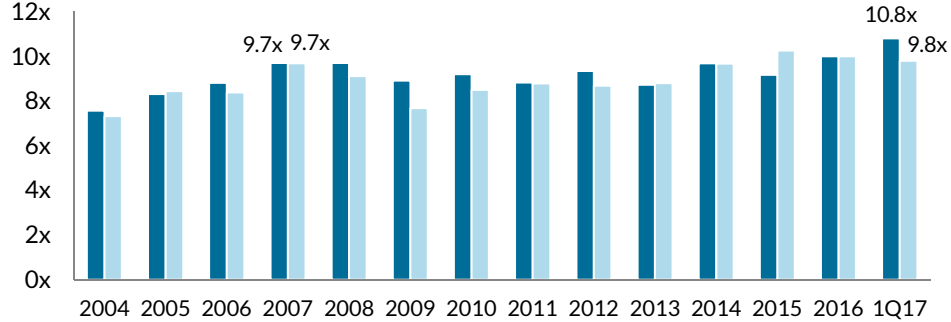
## A lot of dry powder looking to be deployed ...

Private equity buyout dry powder, in USD bn<sup>1</sup>



## ... lifting valuations to all-time highs

Average LBO purchase price (EBITDA multiple)<sup>2</sup>

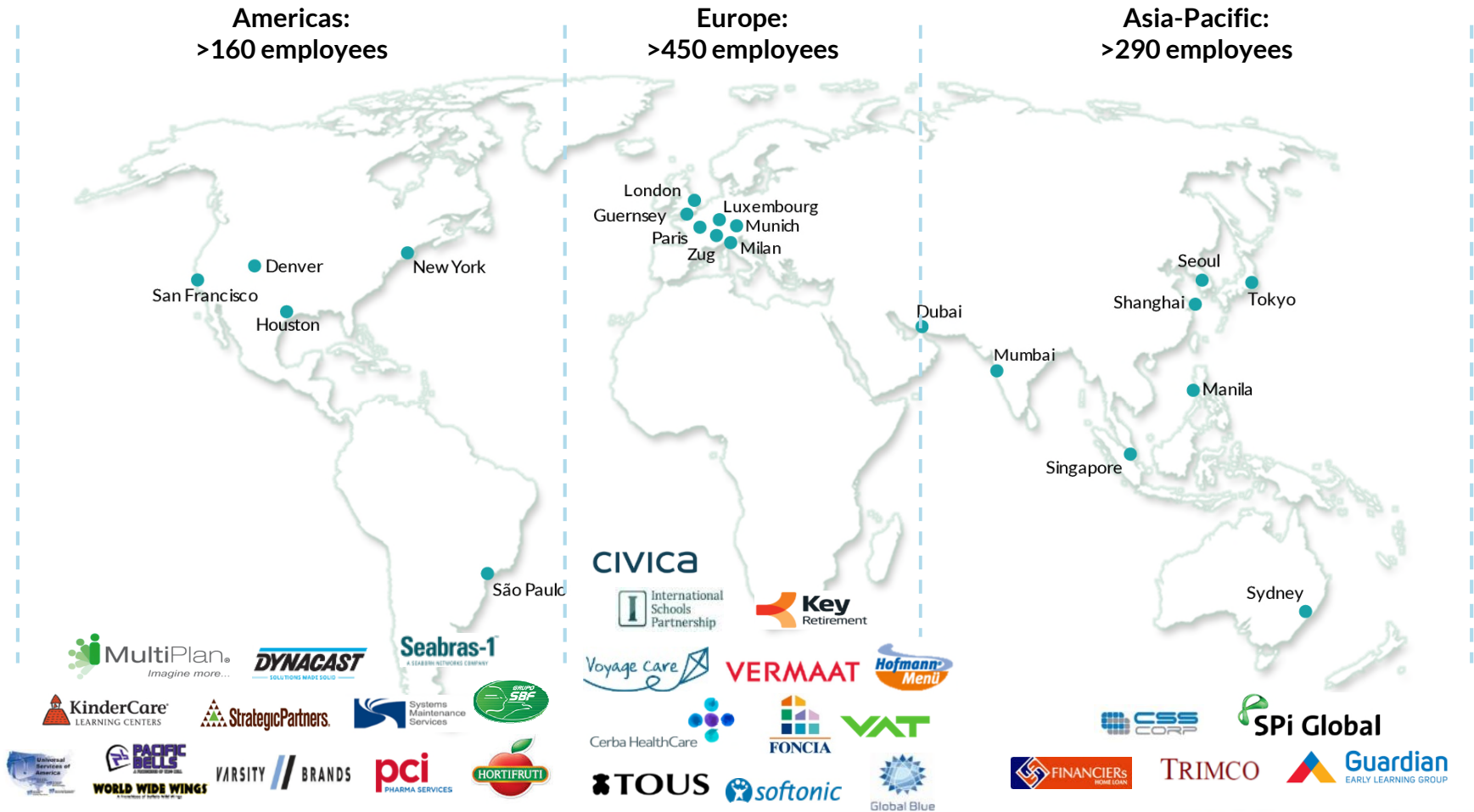


## Investment implications

- 1 Go global:** global relative value investment approach to exploit pricing differences between markets. Global office network supports mid-cap companies targeting international expansion
- 2 Deal flow is critical:** competition for quality assets continues to be elevated. Focus on strategic sourcing of target-list assets
- 3 Focus on defined investment strategies:** target market niches with specific needs, and companies uniquely positioned to serve these needs
- 4 Have an operating angle:** given the point in the cycle, focus on non-cyclical, defensive businesses with strong cash flow and significant value creation opportunities. Average down purchase multiples through accretive add-on acquisitions

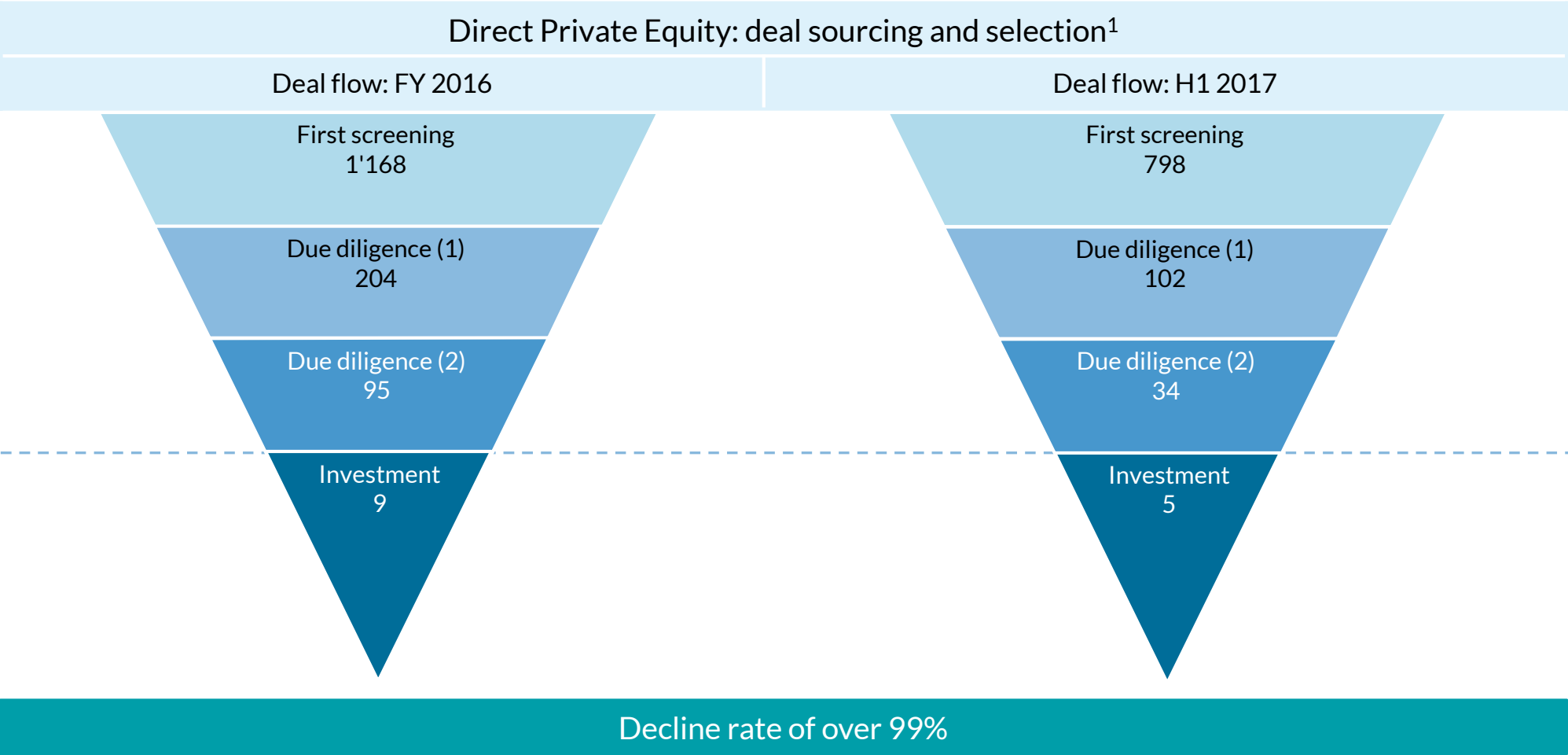
Past performance is not indicative of future results. For illustrative purposes only.  
 1 Source: Preqin (May 2017), 2 Source: S&P LCD Global Leveraged Loan Review (Q1 2017).

# 1 Global relative value approach to mid-cap investing



Company logos represent all investments made by Partners Group Direct Investments 2012 and Partners Group Direct Equity 2016 programmes.

## 2 Strong deal flow allows for careful selection of transactions



Source: Partners Group. <sup>1</sup> Investments represent all direct private equity investments made on behalf of Princess Private Equity Holding Limited from 1 January 2016 to 30 June 2017, including three transactions which were signed and in-closing.

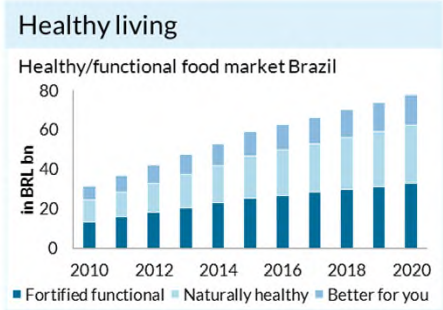
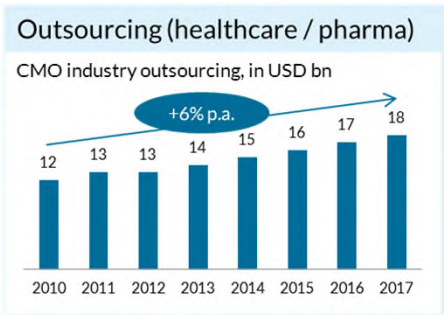
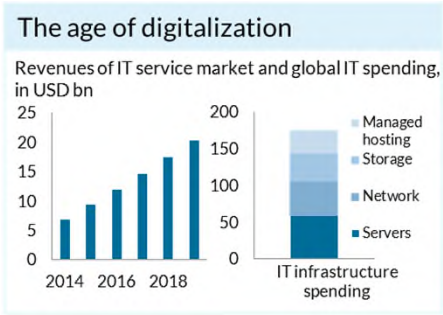


# 3 Defined investment strategies

## Private equity

- **Platform companies** – acquire companies and support add-on acquisitions for platform build-out
- **Category winners** – companies that are leaders in their industry in terms of market share or growth
- **Defensive leaders** – niche leaders with strong defensive capabilities

## Building on growth: transformative trends



Source: Partners Group.

# 4 Partners Group provides its portfolio companies with a attractive global platform to accelerate and assist in the implementation of value creation projects

**... by being close to our assets ...**

- We believe that an active investor is in a better position to realize the full operation value creation potential
- We interact with our portfolio companies as board members, through project work and by continuous monitoring and coaching our management teams

**... taking a process oriented approach ...**

- We align the investment thesis and value creation plan pre-signing, develop a strategy in the transformation phase, quantify the targeted impact
- We benchmark our organizations against best-practice, line up value creation projects, define the role of Partners Group in their implementation and continually track the progress

**... while leveraging the global platform of Partners Group**

- We utilize the attractive platform of Partners Group, leveraging our Partners Network and global footprint
- We introduce our companies to business available in our direct and indirect portfolio
- We provide access to a proprietary toolbox of best-practices, benchmarking data and service providers



Source: Partners Group. For illustrative purposes only. As of June 2017. 1 As of 31 December 2016.

## Direct equity transactions signed and in-closing

### Defensive leader

**CIVICA**

- Partners Group lead transaction
- Civica PLC is a United Kingdom-based managed software and service solutions provider. The company provides consulting services, including departmental solutions, funding and procurement.

### Platform company

 **SPi Global**

- Partners Group lead transaction
- The company provides outsourced technology based content solutions to research publishers, educational authors, publishers, and other business applications such as information services, financial services and media companies.

### Category winner

 **Key Retirement**

- Partners Group lead transaction
- Leading UK provider of independent specialist advice and financial products for individuals approaching or in retirement.

Princess will invest approx. EUR 24 million in three new transactions

Past performance is not indicative of future results. For illustrative purposes only. There is no assurance that similar investments will be made. Source: Partners Group.



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## Summary and outlook

### Outlook for new investments

- **Global relative value approach:** global team of over 90 private equity investment professionals across 11 offices on five continents
- **Focus on strategies to compete as buyers in the current environment:** proactively identify key trends (recurring revenue business models, outsourcing, consumer health, digitization of business)
- **Platform strategies:** buy-and-build, roll-out strategies and international expansion help to mitigate elevated entry multiples
- **New investments:** buyouts of Civica, Key Retirement Group and SPi Global signed and in-closing

### Hands-on value creation

- **Industry value creation team:** 23 dedicated operational specialists across six industry verticals drive value creation at portfolio company level
- Crucial to identify concrete value creation initiatives or inorganic growth options
- More than **160 on-going value creation initiatives**
- Weighted average LTM EBITDA and revenue growth of 16.7% and 13.2% respectively for Princess' 50 largest direct portfolio companies<sup>1</sup>

### Attractive dividend stock with capital growth

- NAV total return: LTM to Q2 2017 +16.1%, including dividends of 5.5%
- Interim dividend of EUR 0.28 per share paid in H1 2017 (+3.7% increase versus H1 2016)
- Policy to distribute 5-8% of NAV p.a. via semi-annual dividends

Past performance is not indicative of future results. For illustrative purposes only. Data unaudited as of 30 June 2017. <sup>1</sup> Latest LTM figures available as of 30 June 2017, excluding debt investments and quoted investments. Some investments are excluded due to recent M&A activities, or different accounting methodology and their numbers are considered not meaningful for this analysis. Return figures shown are net of fees. There is no assurance that similar results will be achieved.



## Upcoming events

August 2017	Publication of Half-Year report as of 30/06/2017
November 2017	Quarterly results presentation (Conference Call)
November 2017	Interim report as of 30/09/2017 and anticipated declaration of the final dividend <sup>1</sup>
December 2017	Close of financial year

<sup>1</sup> Subject to board approval. Source: Partners Group.

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## Key features of Princess

Structure	Guernsey company			
Listing	<ul style="list-style-type: none"> <li>London Stock Exchange (main market, premium segment)</li> </ul>			
Trading information	<ul style="list-style-type: none"> <li>Ticker: London: PEY</li> <li>Bloomberg: London: PEY LN</li> </ul>	<ul style="list-style-type: none"> <li>ISIN: London: GG00B28C2R28</li> <li>WKN: London: A0LBRL</li> </ul>		
Investment strategy	<ul style="list-style-type: none"> <li>Aim to invest up to 100% of its capital in private equity and private debt direct investments</li> </ul>			
Dividend policy	Princess intends to pay a dividend of 5-8% p.a. on NAV per share <sup>1</sup>			
Board of Directors	<ul style="list-style-type: none"> <li>Brian Human (Chairman)</li> <li>Richard Battey</li> <li>Henning von der Forst</li> </ul>	<ul style="list-style-type: none"> <li>Fergus Dunlop</li> <li>Urs Wietlisbach</li> </ul>		
Listing Sponsors	London: JP Morgan Cazenove/Numis Securities			
Investment Manager	Princess Management Limited (with Partners Group AG as Investment Advisor)			
Management fee (as of 1 January 2013)	1.5% p.a. across the entire portfolio <sup>2</sup>			
Incentive fee	<ul style="list-style-type: none"> <li>No incentive fee on primary investments</li> <li>10% incentive fee per secondary investment over a hurdle of 8% p.a.</li> <li>15% incentive fee per direct investment over a hurdle of 8% p.a.</li> </ul>			

<sup>1</sup> Subject to board approval. <sup>2</sup> Of the higher of (i) NAV or (ii) value of Princess' assets less any temporary investments plus unfunded commitments. Please consult the constituent documents for a more complete description of the terms. Source: Partners Group information.

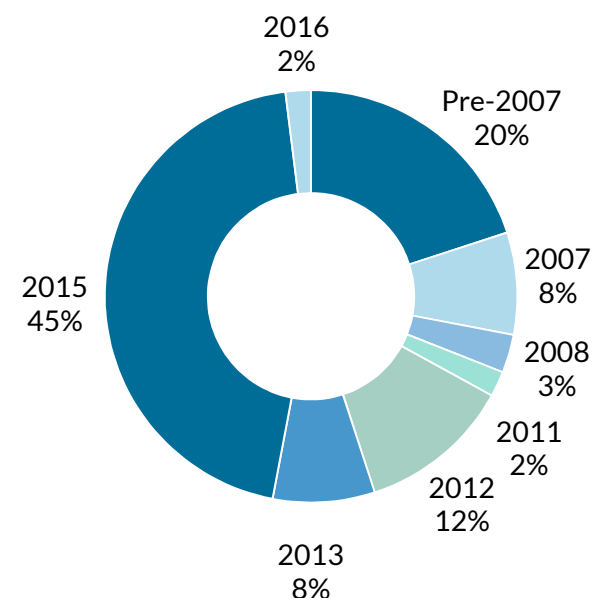




## Summary of unfunded commitments

	Unfunded commitments (EUR million)
Partners Group Direct Mezzanine 2011 Program	2.2
Partners Group Direct Equity 2012 Program	14.8
Partners Group Direct Equity 2016 Program <sup>1</sup>	56.3
Single line directs	12.2
<b>Total PG direct unfunded commitments</b>	<b>85.5</b>
Third party funds	40.2
<b>Total unfunded commitments</b>	<b>125.7</b>

Unfunded commitments by vintage



- Total unfunded commitments of EUR 125.7 million (16.9% of NAV)
- EUR 25.3 million unfunded commitments to pre-2007 vintages are considered unlikely to be called
- Princess has net liquidity of EUR 43.2 million and an undrawn credit line of EUR 50.0 million

For illustrative purposes only. 1 Commitment to Partners Group Direct Equity 2016; held its first closing in December 2015 and is therefore accounted for as 2015 vintage commitment.



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## Credit facility key terms

### Size and tenure

- EUR 50 million senior revolving multi-currency credit facility
- Maturity on 14 December 2020
- Credit facility arranged by Lloyds Bank plc
- Interest on drawn amounts charged at LIBOR +2.95% for LTV <15% or + 3.25% per annum for LTV >15%
- Interest on undrawn amounts charged at 0.90% per annum

### Key covenants

- Loan to value: 25%
- Minimum NAV: EUR 350 million

The credit facility provides Princess with long-term flexibility to balance short-term funding needs



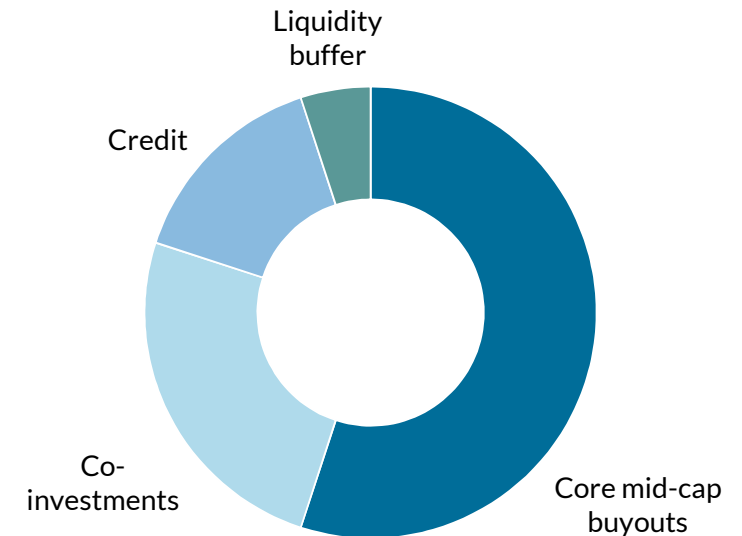
## Princess: portfolio management

Structured approach to portfolio management provides flexibility to maintain **high investment level** and **pay sustainable dividends** with **limited balance sheet risk**

### Portfolio building blocks

- **Core exposure to global direct mid-cap buyout strategy, via:**
  - commitments to Partners Group's direct programmes, and
  - 'top-up' investments alongside direct programmes
- **Single line directs:**
  - co-investments with third party managers sourced via global investment platform
- **Credit:** diversified portfolio of subordinated/senior debt investments
- **Liquidity buffer:** ~5% held in cash/liquid senior loans to fund dividend payments if required
- **Target portfolio of 50-80 companies** offers diversification benefits and reduces volatility of cash-flows compared to a more concentrated portfolio

### Illustrative portfolio allocation



Diversified portfolio of globally-sourced direct investments based on relative value approach

Actual allocation depends on numerous factors and may differ significantly. There is no assurance that target returns will be achieved. For illustrative purposes only. Diversification does not ensure a profit or protect against loss. Source: Partners Group information June 2017.



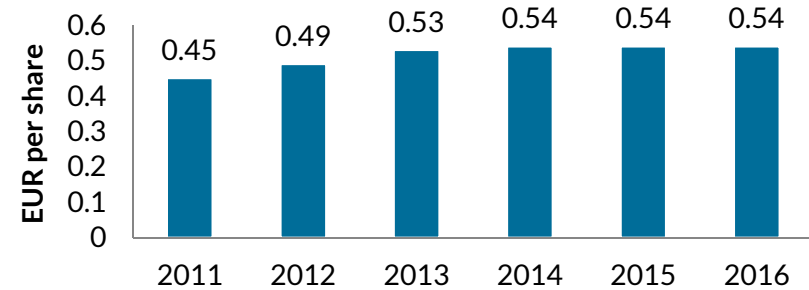
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# Princess: balance sheet management and dividends

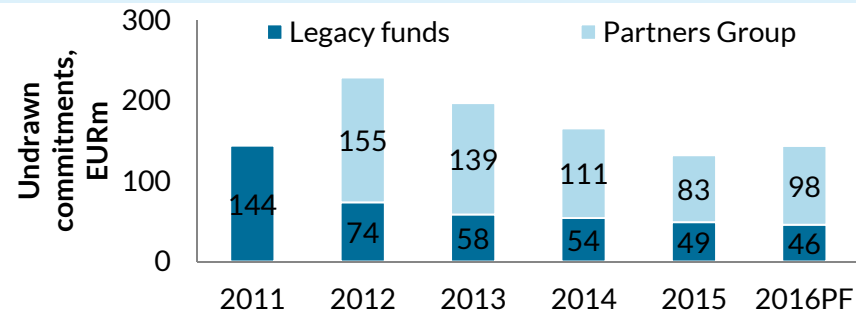
## Balance sheet management

- Maintain high investment level to reduce cash drag
- Distribute 5-8% p.a. on opening NAV via dividends
- Dividend payments underpinned by high cash generation
- No new commitments to external managers
- Credit facility available for short-term liquidity requirements

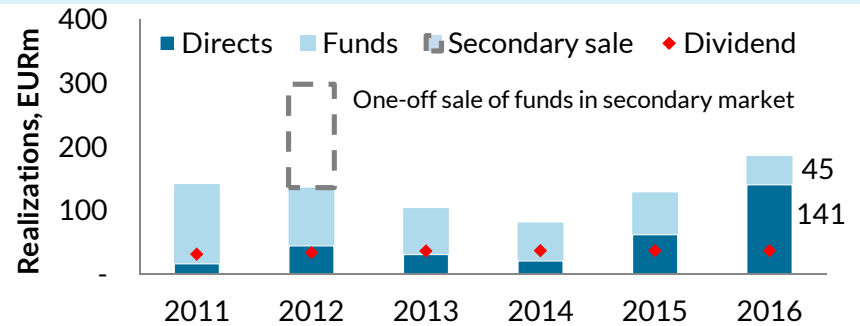
## Six year dividend track record



## Reduction in commitments from legacy fund portfolio



## Direct portfolio is now generating significant cash-flow



Shift to direct investments provides greater visibility over future cash-flows

Source: Partners Group calculations. 2016PF: Commitments to PG's direct programs shown on a pro-forma basis including additional EUR 40 million commitment to Partners Group Direct Equity 2016 which was approved by the Board in November 2016 and executed in January 2017. There is no assurance that similar results will be achieved. For illustrative purposes only.

## Valuation metrics of 50 largest direct portfolio companies

### Princess portfolio

	Top 10	Top 20	Top 50
EV/EBITDA	12.5x	12.3x	11.7x
Net debt/EBITDA	4.4x	4.6x	4.5x
Leverage	37.3%	39.4%	40.8%
Weighted average EV	EUR 2.4bn	EUR 2.3bn	EUR 2.2bn

- EV/EBITDA range: 5.9x to 17.3x
- Net debt/EBITDA range: -0.4x to 8.2x

Past performance is not indicative of future results. For illustrative purposes only. As of 30 June 2017. Based on available information. Valuation and performance metrics are weighted averages based on the value of the portfolio companies in the latest valuation report, excluding debt investments and quoted investments. Some investments are excluded due to recent M&A activities, or different accounting methodology and their numbers are considered not meaningful for this analysis. Source: Partners Group information.



## Performance metrics of 50 largest direct portfolio companies

### Princess portfolio

	Top 10	Top 20	Top 50
LTM EBITDA growth	23.7%	20.1%	16.7%
LTM revenue growth	16.2%	15.3%	13.2%
Weighted average revenue	EUR 1.3bn	EUR 1.1bn	EUR 1.0bn

- LTM EBITDA growth range: -18.0% to +40.6%
- LTM revenue growth range: -8.0% to +33.9%

Past performance is not indicative of future results. For illustrative purposes only. As of 30 June 2017. Based on available information. Valuation and performance metrics are weighted averages based on the value of the portfolio companies in the latest valuation report, excluding debt investments and quoted investments. Some investments are excluded due to recent M&A activities, or different accounting methodology and their numbers are considered not meaningful for this analysis. Source: Partners Group information March 2017.



## Transparent and up-to-date NAV reporting

### Valuation approach

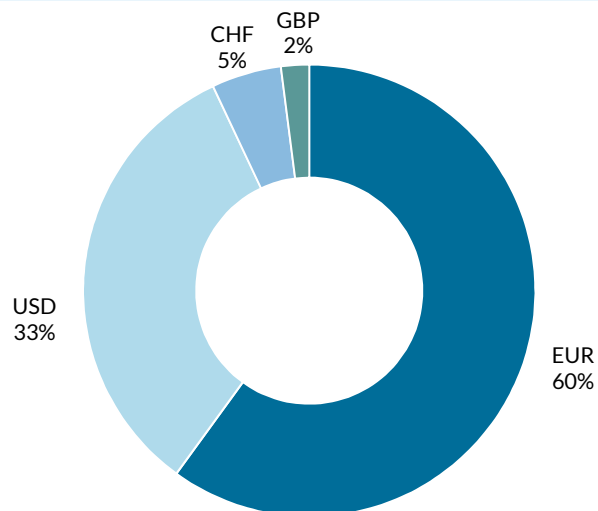
- The Partners Group valuation approach based on fair value standards provides accurate and timely valuation based on the fair value principle.
- Partners Group follows a valuation approach and guidelines which are in accordance with IFRS/IAS 39 and US GAAP Topic 820 to determine the fair value of underlying investments of the Partners Group private equity portfolio on a look-through basis.
- The process is independently verified by PricewaterhouseCoopers and valuations are audited annually.
- Company valuations as represented in the investment partners' quarterly reports tend to lag behind their fair value development. Consequently, reported valuations may no longer be accurate. The Partners Group restated valuation approach based on fair value standards seeks to overcome this shortfall.

### NAV by date of valuation

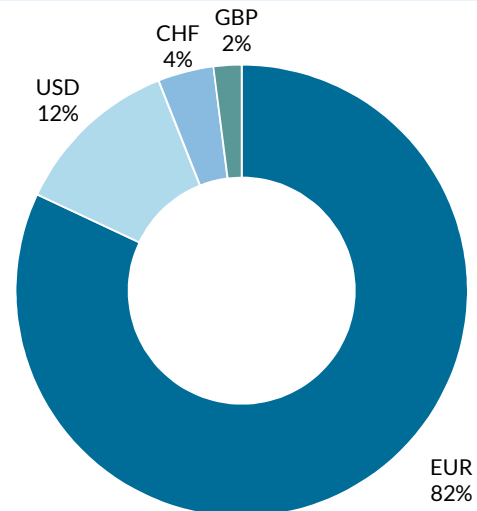
- 91.3% of portfolio was valued as of 30 June 2017.
- With the transition to the direct investment focus, it is anticipated that Princess will move towards an almost full valuation as of the respective reporting period without any substantial reporting time lag.

## Currency hedging and foreign exchange impact on Princess' NAV

### Currency exposure before hedging



### Currency exposure after hedging



### Currency hedging strategy

- Princess applies a hedging strategy to help reduce the impact fluctuating foreign exchange rates have on performance
- Princess currently uses a hedging strategy utilizing instruments including options and forward contracts aimed at limiting negative effects from currency movements between the US dollar and the euro

Note: Figures are subject to decimal rounding. For illustrative purposes only. As of 30 June 2017. Source: Partners Group information.



## Contacts

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### Trading Information

Listing:	London Stock Exchange
Ticker:	PEY
ISIN:	GG00B28C2R28
Bloomberg:	PEY LN
Reuters:	PEY.L

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