



# Partners Group

REALIZING POTENTIAL IN PRIVATE MARKETS

15:00 – 16:00 GMT (Dublin, London)  
16:00 – 17:00 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 Q4 2015, 4 February 2016



# Global private markets investment management

## Private markets focus

Over **EUR 46 billion<sup>1</sup>** AuM in private equity, private debt, private real estate, private infrastructure

## Strong resources

Over **830** employees representing over **50** nationalities across **18** offices

## Independent

Combined, **employees** are the **largest shareholder**

## Stable & transparent

**Long-term** incentive structures  
**Listed** on the SIX Swiss Exchange



## Wide network

>**370** direct investments  
>**730** 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 **50 professionals** offering customized structuring, legal and tax services

<sup>1</sup> Unaudited, as of 31 December 2015.

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

- Exposure to a mature, globally diversified, private equity portfolio
- Repositioning of portfolio to focus on direct investments
- Global deal flow focused on small/mid-cap direct investments, with allocation to mezzanine debt
- Attractive dividend yield: target to distribute 5-8% of NAV p.a.
- Managed by Partners Group, a leading global private markets investment manager with over EUR 46 billion AuM<sup>1</sup>

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## Positive performance and continued progress with repositioning of portfolio

### Princess benefits from mature portfolio and positive environment for realizations during 2015

NAV and share price	<ul style="list-style-type: none"> <li>● <b>NAV total return +3.8% for Q4 2015</b> (+17.5% FY 2015)</li> <li>● NAV per share of EUR 9.51; net assets of EUR 657.4 million</li> <li>● <b>Share price total return +5.1% for Q4 2015</b> (+20.9% FY 2015)</li> <li>● Share price of EUR 7.87; market capitalization of EUR 544.2 million</li> <li>● YTD 2016<sup>1</sup>: share price total return -3.4% amid heightened equity market volatility</li> </ul>
Portfolio activity	<ul style="list-style-type: none"> <li>● <b>EUR 25.1 million invested</b> during the quarter including buyouts of Vermaat, TOUS, Pacific Bells, infrastructure investment in Seaborn Networks and two new direct debt investments</li> <li>● <b>EUR 32.9 million of realizations</b> during the quarter including EUR 6.6 million from the refinancing of Securitas Direct, EUR 3.0 million dividend from Global Blue and EUR 17.1 million from the legacy third party fund portfolio</li> <li>● <b>Investment level</b> stands at 93.5% of NAV</li> </ul>
Balance sheet	<ul style="list-style-type: none"> <li>● Net liquidity of EUR 42.7 million (6.5% of NAV) and available credit line of EUR 50 million</li> <li>● Second interim dividend of EUR 18.7 million paid during Q4 2015 (EUR 37.3 million in total, FY 2015)</li> <li>● EUR 40 million commitment to Partners Group Direct Equity 2016 program</li> <li>● Total unfunded commitments of EUR 131.8 million (20.0% of NAV)</li> </ul>

Past performance is not indicative of future results. 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 31 December 2015. Performance figures are net of all fees.

<sup>1</sup>As of 29 January 2016.

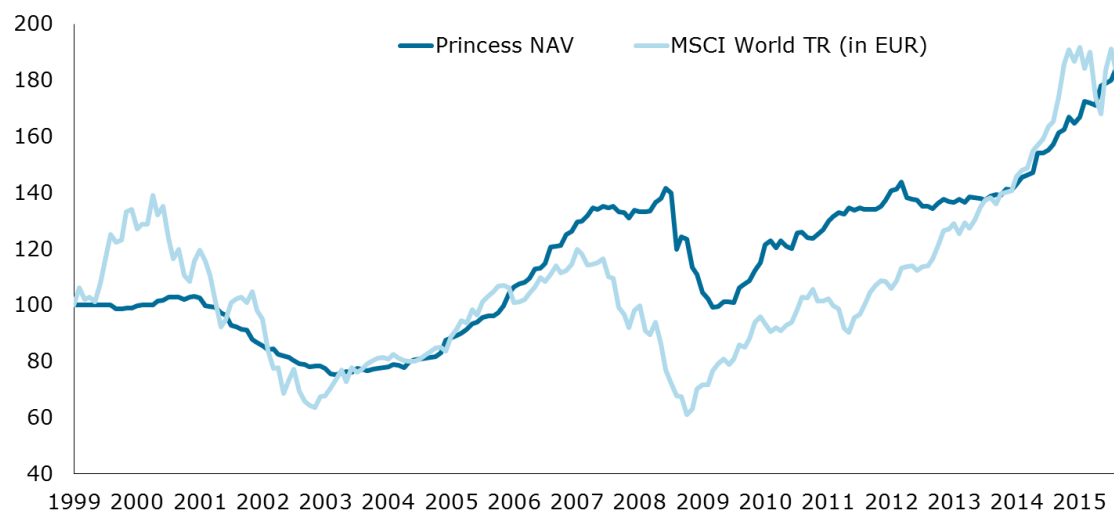


# Historic NAV performance

## NAV performance

- NAV total return: +3.8% in Q4 2015 (+17.5% in FY 2015)
- Portfolio valuation development: +4.3% in Q4 2015 (+18.8% in FY 2015)
- FX development: +0.4% in Q4 2015 (+2.3% in FY 2015)

## 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	+20.9%	+17.5%	+10.3%
3 years	+44.4%	+36.6%	+60.0%
5 years	+82.4%	+46.7%	+77.4%
10 years	n/a	+92.2%	+77.0%
15 years	n/a	+79.5%	+56.4%

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

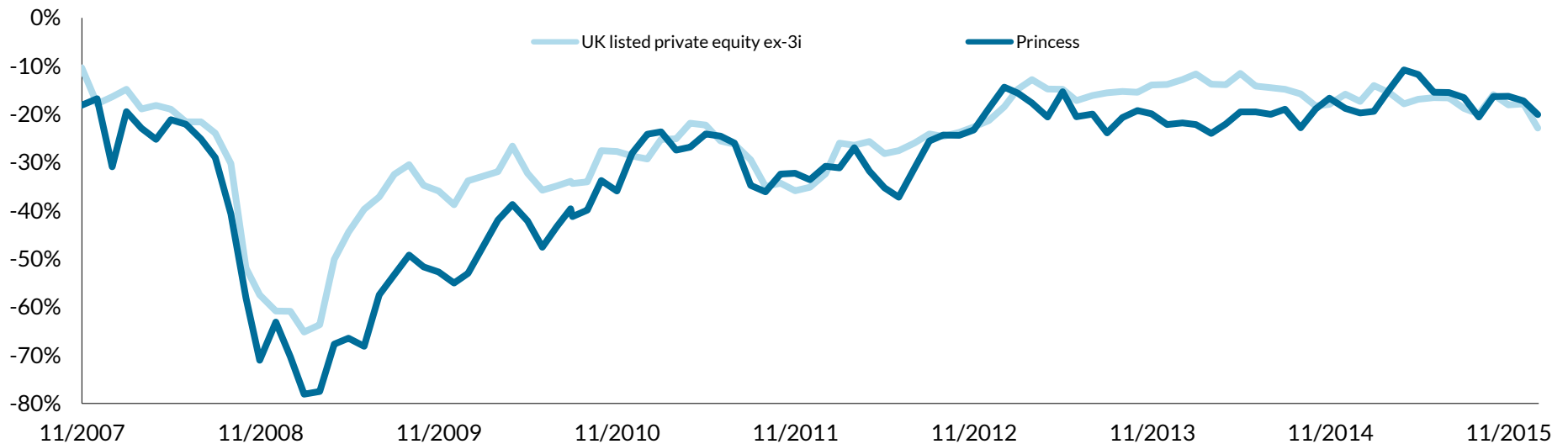
Past performance is not indicative of future results. As of 31 December 2015. Source for MSCI World TR (ticker NDDUWI) in EUR: Bloomberg; investment return and the principal value of an investment will fluctuate. Shares may be worth more or less than original cost when sold. Current performance may be lower or higher than performance shown. Princess NAV figures are net of all fees. <sup>1</sup> Princess figures: 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	-20.1%
UK LPE ex-3i	-22.9%

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# Key figures

Key figures (in EUR)

	31.12.2013	31.12.2014	31.12.2015
<b>NAV</b>	560.1m	593.5m	657.4m
<b>NAV per share</b>	8.09	8.58	9.51
<b>NAV per share incl. dividends paid</b>	10.53	11.92	14.00
<b>Price</b>	6.30	6.97	7.87
<b>Investment level</b>	70.7%	85.9%	93.5%
<b>Over-commitment incl. credit line (% NAV)</b>	-3.1%	5.3%	5.9%
<b>Net liquidity</b>	62.2m	27.3m	42.7m
<b>Deferred receivables<sup>1</sup></b>	101.9m	56.4m	0m
<b>Available credit line (total available credit line)</b>	50.0m (50.0m)	50.0m (50.0m)	50.0m (50.0m)
<b>Unfunded commitments to legacy funds</b>	58.2m	54.0m	48.9m
<b>Unfunded commitments to PG's direct programs<sup>2</sup></b>	138.5m	111.1m	82.9m
	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
<b>Dividends per share</b>	<b>0.53</b>	<b>0.54</b>	<b>0.54</b>

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## Ten largest direct value drivers – Q4 2015

Name	Investment stage	Investment year	Value created (in EUR m)
MultiPlan	BO Large	2014	10.9
VAT Vakuumventile AG	BO Mid	2014	5.1
Fermaca	Infrastructure	2014	2.8
Action	BO Mid	2011	2.8
Education publisher 2 <sup>1</sup>	BO Large	2013	2.4
Global Blue	BO Mid	2012	1.8
Dynacast	BO Mid	2015	1.3
Information service company <sup>1</sup>	BO Large	2007	-1.1
Project Sun <sup>1</sup>	BO Small	2011	-1.1
Telecommunication company <sup>1</sup>	BO Large	2007	-0.6
<b>Top ten value drivers</b>			<b>24.3</b>

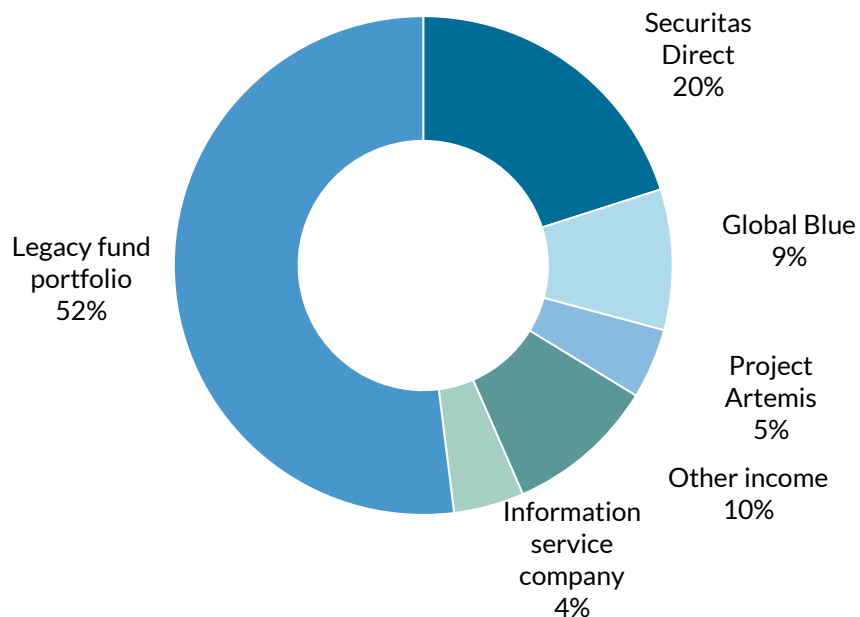
Seven out of ten largest value drivers are positive

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## Realization activity in Q4 2015

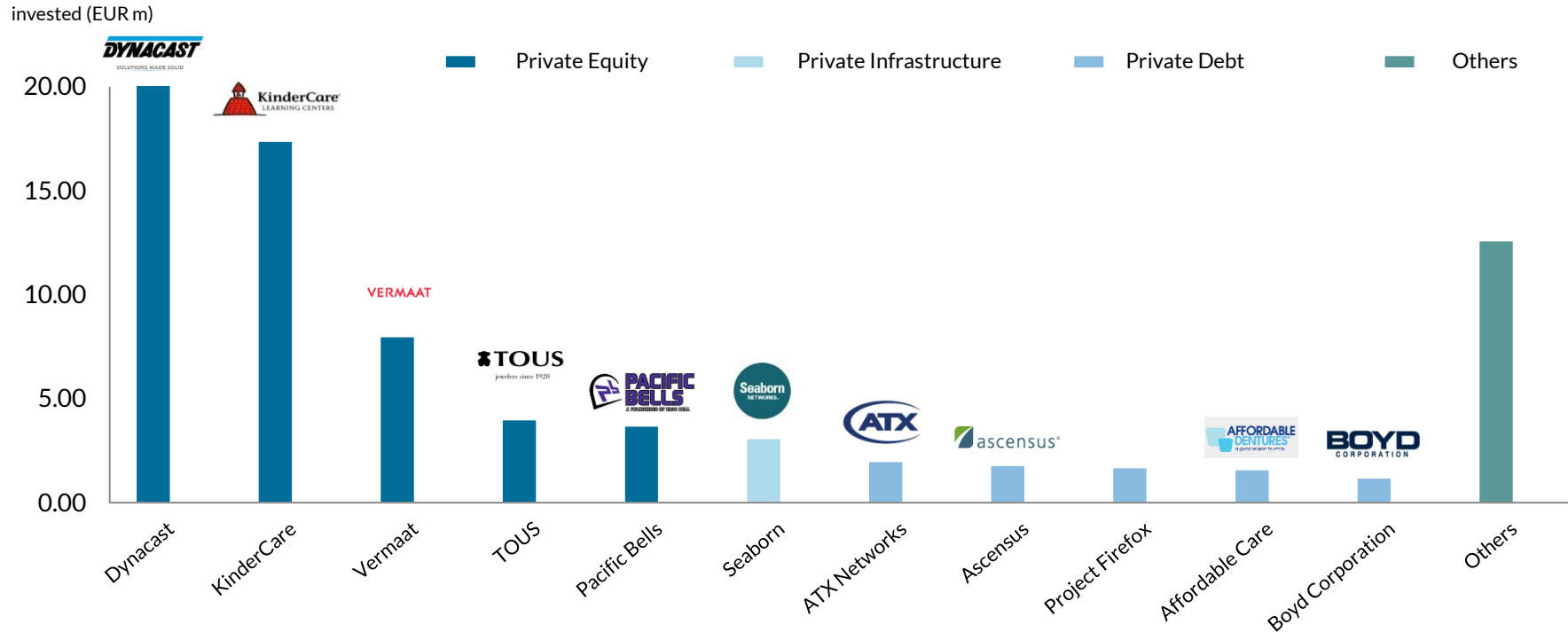


- EUR 6.6 million from Securitas Direct (debt repayment; multiple 1.5x)
- EUR 3.0 million received from Global Blue (dividend recap)
- EUR 1.5 million received from Project Artemis (debt repayment, multiple 1.3x)
- EUR 1.5 million received from Information service company (sale of shares)
- EUR 17.1 million from mature legacy fund portfolio
- Other income is predominately interest from private debt investments

- EUR 32.9 million in realizations during Q4 2015
- EUR 130.7 million in realizations in 2015 (22.0% of opening NAV)



# Investment activity in 2015

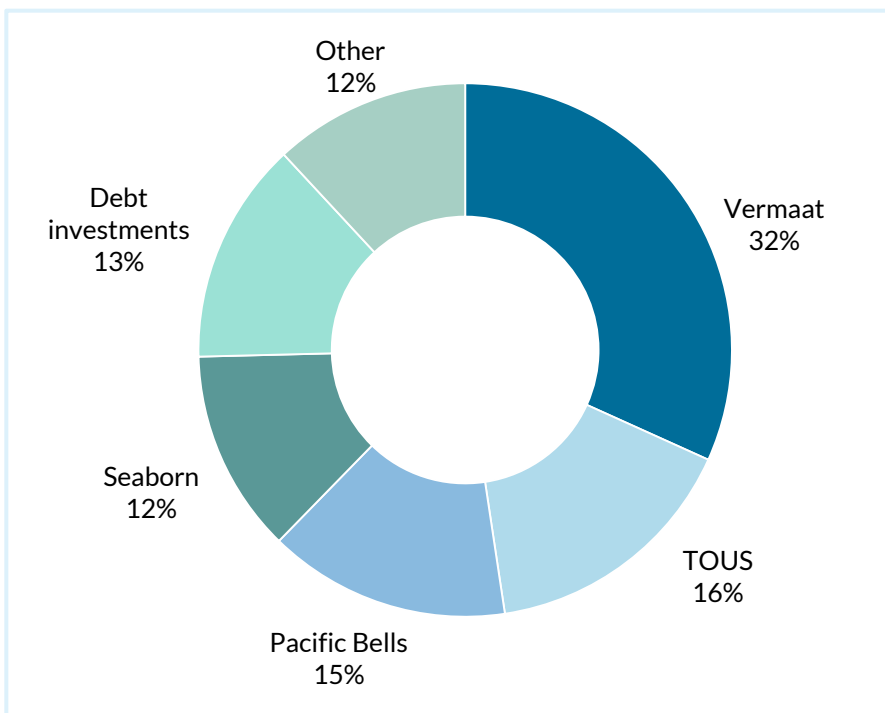


EUR 78.1 million invested in total in 2015:

- EUR 65.5 million invested in 11 new direct investments
- EUR 12.6 million called by other investments (predominately calls in third-party funds)

There is no assurance that similar investments will be made. For illustrative purposes only. As of 31 December 2015. Some names may not be disclosed for confidentiality reasons.

## Investment activity in Q4 2015



- EUR 8.0 million invested in buyout of Vermaat (high-end catering)
- EUR 4.0 million invested in buyout of TOUS (jewelry)
- EUR 3.7 million invested in Pacific Bells
- EUR 3.1 million invested in Seaborn
- EUR 3.4 million invested into two new debt investments
- Other investment activity is predominately capital calls from legacy fund portfolio (EUR 2.9 million)

- EUR 25.1 million invested during Q4 2015
- EUR 78.1 million invested FY 2015

Past performance is not indicative of future results. As of 31 December 2015. Calculated on a look-through basis and therefore includes funds from previous Partners Group Direct Investments 2012 (EUR), L.P. and Partners Group Direct Mezzanine 2011, L.P. capital calls.



# Investment highlight: Vermaat Groep, B.V.

## Company overview



**Dutch Market Leader in high-end catering and hospitality services** operating a total of 231 premium food and beverage outlets across the Netherlands.

- **Geography:** Europe
- **Deal size:** Mid-cap
- **Industry:** Healthcare
- **Entry date:** December 2015
- **Employees<sup>1</sup>:** ~2300

## Relative value/investment rationale

- **Market leader** in high-end catering and hospitality services
- **Long-term contracts** with high-end catering and hospitality services
- **Trend-based tailwinds:**
  - The premiumization of the eating experience in Europe
  - Willingness to pay premium for quality food

## Strategic initiatives

- **Leverage knowledge** from PG's long investment track record in the **food sector**
- **Growth in existing end markets and international expansion**
- **Operational improvements**

## Investment highlight: Pacific Bells

### Company overview



**Leading Franchisee of Taco Bell and Buffalo Wild Wings**  
operating 139 restaurants across five US states.

- **Geography:** US
- **Deal size:** Mid-cap
- **Industry:** Consumer
- **Entry date:** October 2015
- **Employees<sup>1</sup>:** ~ 5'200

### Relative value/investment rationale

- **Strong performing brands** with broad appeal that resonate well with **key millennial demographic**
- **Fourth largest Taco Bell franchisee** in the country with 110 restaurants
- **Fifth largest World Wings franchisee** in the US with 29 restaurants
- **Highly qualified management team** with **strong operational reputation**

### Strategic initiatives

- **Upgrade of management team** in order to better prepare the company to scale
- **Balance Sheet Management** given non-standard loan characteristics
- **Capital Growth:** Additional equity capital for organic new store investment and add-on opportunities



# Investment highlight: Seaborn Networks – Seabras-1

## Company overview



Seabras -1 developed by Seaborn Networks will be the **first direct subsea fiber optic cable** between New York, USA and Sao Paulo, Brazil.

- **Geography:** US/Brazil
- **Deal size:** Greenfield
- **Industry:** Infrastructure
- **Entry date:** December 2015
- **Employees<sup>1</sup>:** ~40

## Relative value/investment rationale

- **Experienced management** - development, installation and operation on 250'000km of subsea cable
- **Rapid growth of bandwidth traffic** between the US and Latin America
- **Mature technology installed** by the leading provider with construction risks transferred to the installer
- **USD** denominated asset with Latin American growth exposure

## Strategic initiatives

- Opportunity to construct the **core infrastructure assets** of the future
- Working with management to **optimize cable capacity**
- Opportunity for **add-on branches** to connect Seaborn's system to other landing points in Latin America



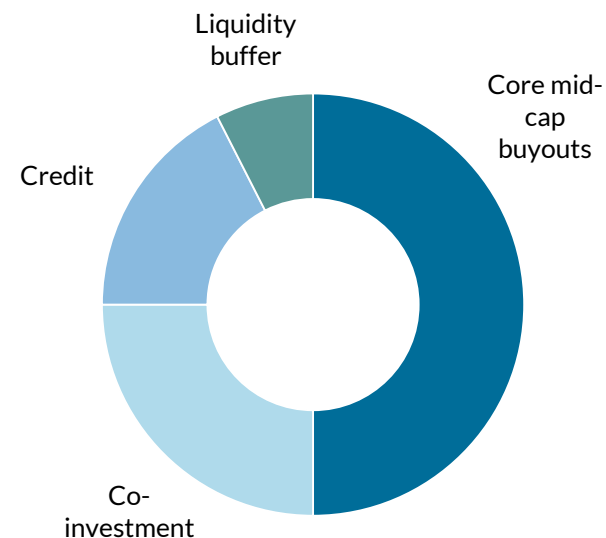
## Portfolio planning approach

**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:** mezzanine/second lien investments
- **Liquidity buffer:** ~5% held in cash/senior loans to fund dividend payments
- **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

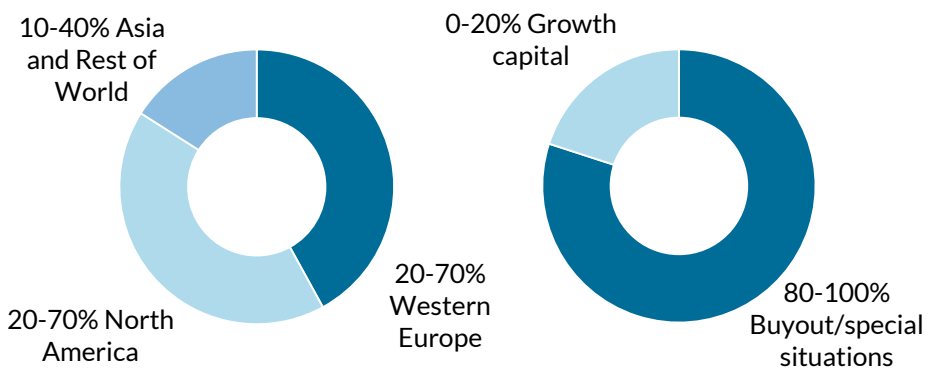


# Commitment of EUR 40 million to Partners Group Direct Equity 2016

## Program overview

- Number of investments: ~20
- Diversification: diversified across industries, geographies, transaction sizes and stages
- Targeted vintage years: 2016-2019
- Target return: 20% gross IRR<sup>1</sup>

## Targeted geographical exposure and investment type



## Investment criteria

- **Market leading** mid-cap companies
- **Attractive growth** potential
- High **margins** and **cash** generation
- Experienced **management** teams
- Clearly identified **value-add** opportunities for **Industry Value Creation** team to lead and/or assist
- **Control** investments
- Reasonable **valuations**
- **Sustainable** capital structures

Continuation of global mid-cap investment strategy from predecessor 2012 program

Past performance is not indicative of future results. For illustrative purposes only. There is no assurance that target returns will be achieved.

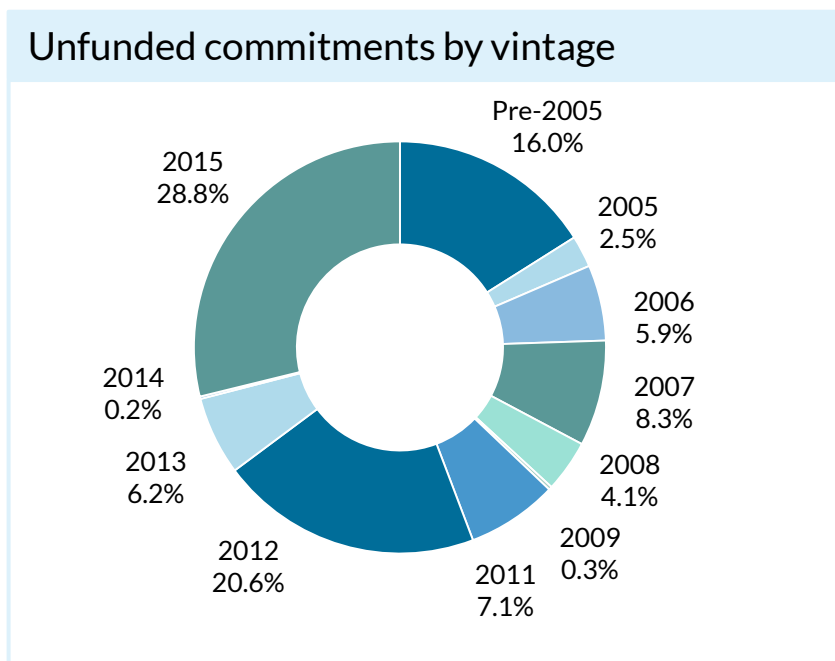
<sup>1</sup> Gross IRR: Investment return/net return are IRR-based performance measures. For time horizons of less than twelve months, returns are not annualized but based on the respective time horizon. Investment multiple/return are currency-neutralized and net of costs of underlying investments.



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# Summary of unfunded commitments

	Unfunded commitments (EUR million)
Partners Group Direct Mezzanine 2011 Program	9.4
Partners Group Direct Equity 2012 Program	27.1
Partners Group Direct Equity 2016 <sup>1</sup> Program	38.0
Single line directs	8.4
<b>Total PG direct unfunded commitments</b>	<b>82.9</b>
Third party funds	48.9
<b>Total unfunded commitments</b>	<b>131.8</b>



- Total unfunded commitments of EUR 131.8 million (20.0% of NAV)
- EUR 21.1 million unfunded commitments to pre-2005 vintages are considered unlikely to be called
- Princess has net liquidity of EUR 42.7 million and an undrawn credit line of EUR 50 million

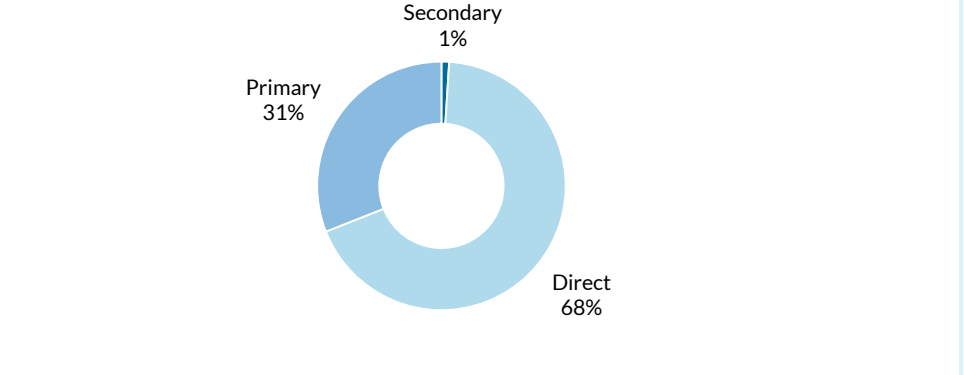
For illustrative purposes only. <sup>1</sup> Commitment to Partners Group Direct Equity 2016 program was made in December 2015 and is therefore accounted for as 2015 vintage commitment.

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

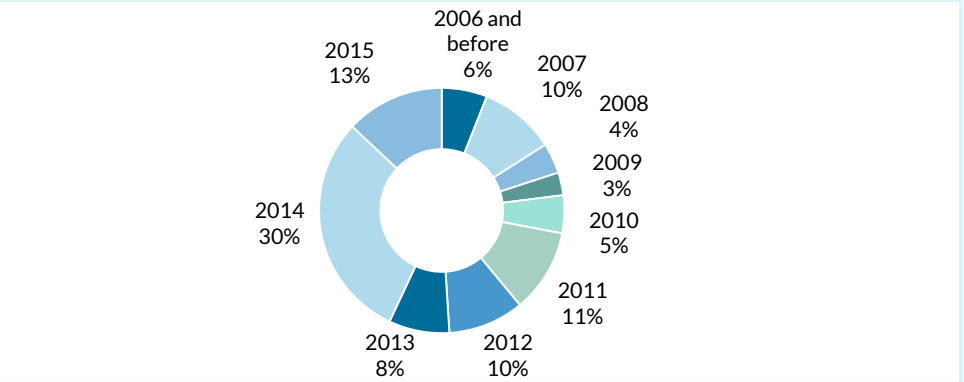
## Differentiating portfolio characteristics

- Continued repositioning of the portfolio to focus on direct investments
- Allocation to directs has increased to 68%
- Diversified exposure to a global portfolio of direct private equity and private debt investments. Largest single company exposure amounts to 8.0% of NAV
- Primary portfolio forecast to reduce over time reflecting high level of realizations
- Weighted average portfolio company age of 3.9 years across the entire portfolio<sup>1</sup>

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



## Portfolio assets by investment year<sup>1</sup>



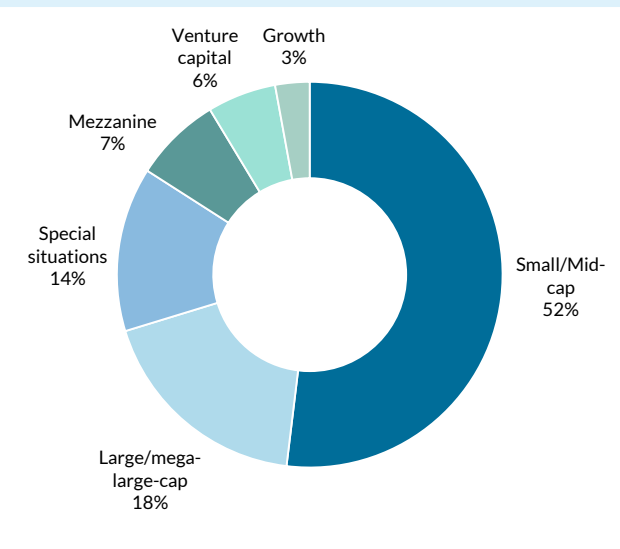
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<sup>1</sup> Based on the value of private equity investments on a lookthrough basis, as of 31 December 2015.

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

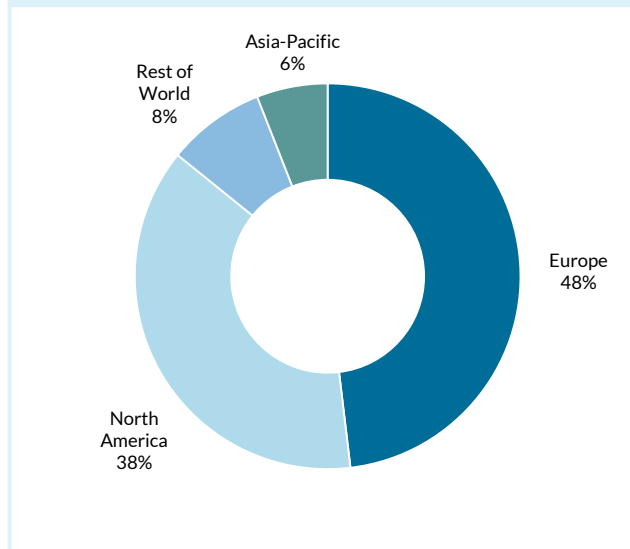
## Portfolio allocation

- Financing stage: focus on mid-cap buyout segment
- Regions: diversified across regions
- Industries: broadly diversified across industries

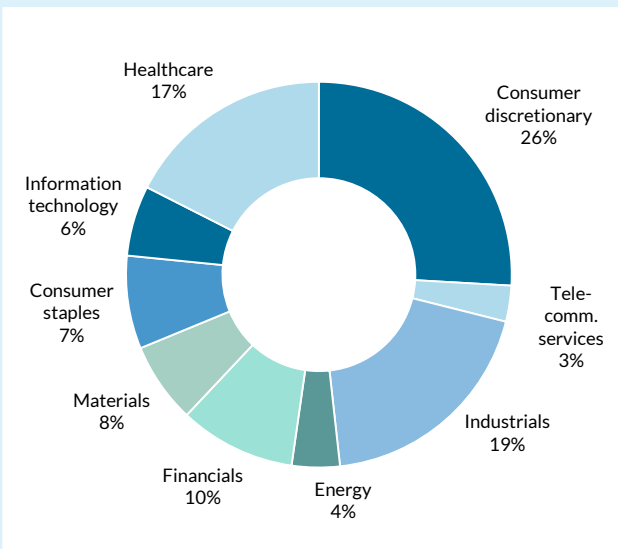
### Investments by stages<sup>1</sup>



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



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



Diversification does not ensure a profit or protect against loss. Actual performance may differ. Note: Figures are subject to decimal rounding. Allocations may vary over time. <sup>1</sup> Based on the value of private equity investments on a lookthrough basis, as of 31 December 2015.

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

### Key metrics for 50 largest portfolio companies (64.6% of NAV)

#### Performance metrics

- 11.8% revenue growth over last 12 months (2014: 11.2%)
- 17.1% EBITDA growth over last 12 months (2014: 10.1%)
- EUR 1.1 billion average revenue (2014: EUR 0.9 billion)






#### Valuation metrics

- 10.5x EV/EBITDA (2014: 10.6x)
- 4.3x net debt/EBITDA (2014: 4.7x)
- 42.5% leverage (2014: 45.2%)
- EUR 2.3 billion average enterprise value (2014: EUR 1.9 billion)

- Largest portfolio companies expected to become key driver of overall performance as portfolio becomes more concentrated
- The 50 largest portfolio companies now represent 64.6% of NAV (2014: 50.5%)
- Strong revenue and EBITDA growth at portfolio company level despite low growth from broader economy







## Overview of 10 largest direct investments (1)

Investment	Country	Investment stage	Vintage year	Investment description	% of NAV
 MultiPlan Choose right.	USA	BO Large	2014	MultiPlan provides cost containment solutions to healthcare payers in the US. Leveraging technology, data and analytics, the company optimizes healthcare transactions by reducing medical costs through its network and analytics-based solutions.	8.0
 VAT	Switzerland	BO Mid	2014	VAT is the global market leader for high-end vacuum valves, which is a critical component in highly complex manufacturing processes. The company focuses on end markets such as the semiconductor industry, as well as other industrial and research applications.	7.1
 ACTION VERBAND VOLLTOEG, VERBAND VOORDEG	Netherlands	BO Mid	2011	Action is a Dutch discount retailer with over 500 retail stores and more than 22'000 employees in the Netherlands, Belgium, Germany and France. The company offers a wide and varied product range, which includes household and office supplies, cosmetics, toys, etc.	4.1
 DYNACAST SOLUTIONS MADE SOLID	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.	3.8
 seit 1960 Die Menü-Manufaktur Hofmann®	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.	3.1

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## Overview of 10 largest direct investments (2)

Investment	Country	Investment stage	Vintage year	Investment description	% of NAV
 Fermaca	Mexico	Mezzanine/ Brownfield	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.	2.8
 KinderCare LEARNING CENTERS	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.	2.7
 TRIMCO	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. Products include hang tags and trimming products used for brand identification and information management.	2.4
Pharmaceutical developer <sup>1</sup>	Switzerland	BO Mid	2013	Pharmaceutical developer is a company that develops, manufactures and internationally markets well-proven and innovative pharmaceuticals in novel drug delivery forms.	1.7
 CAFFÈ NERO	UK	Mezzanine	2013	Caffè Nero is a founder-owned European style coffee house chain. The company serves a range of espresso-based coffees using an Italian-style blend of beans that is exclusive to Caffè Nero, as well as other hot and iced drinks.	N/A <sup>1</sup>

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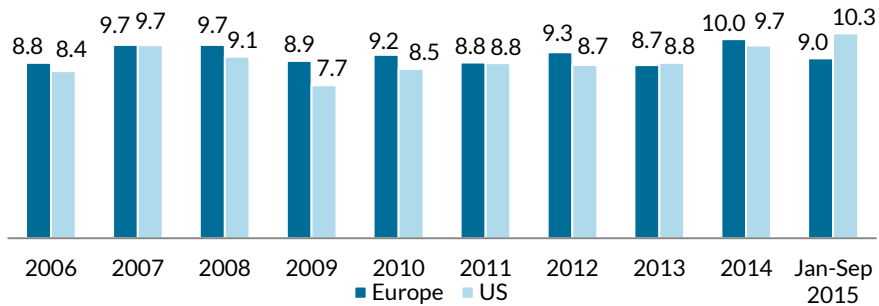
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# Private equity: with valuations near peak focus on pockets of growth and value-add

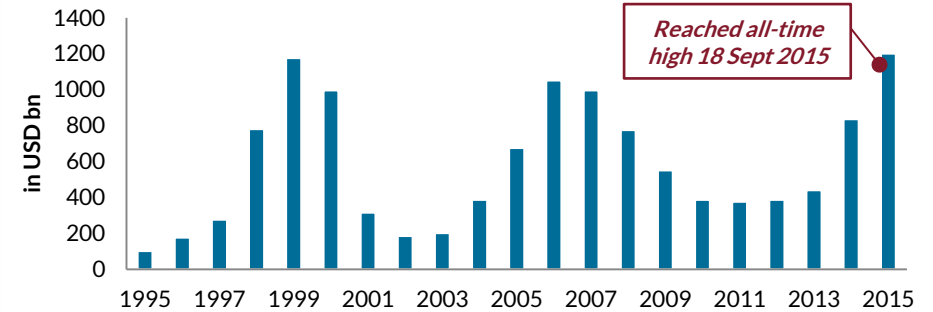
## Entry multiples at or near all-time high

Average purchase price multiple of trailing EBITDA



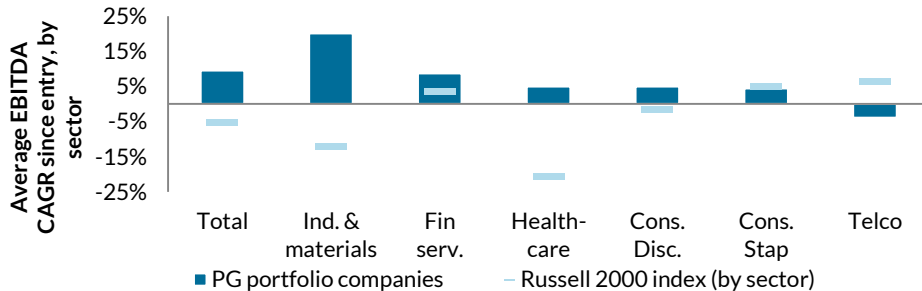
## It's a seller's market

Global M&A deals, 1995-YTD mid-Sept 2015, deals > USD 10bn

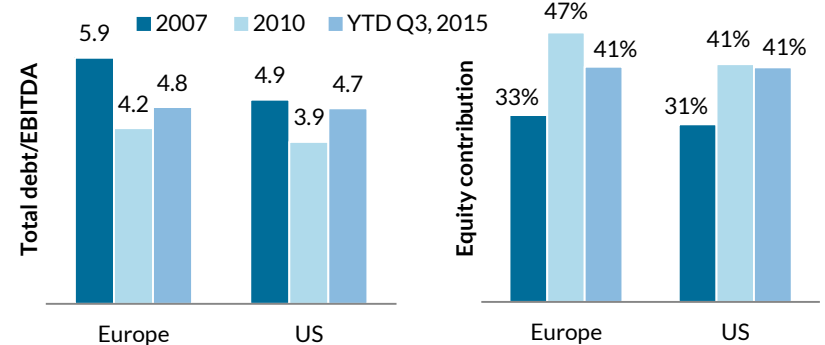


## Searching for pockets of growth

Partners Group Direct Investments 2012 (EUR) LP Inc. portfolio company EBITDA growth vs. public mid-cap comps.



## Rising leverage but high equity cushions



Source: S&P LCD Global Review (Q3 2015); Financial Times (September 2015); Partners Group, Bloomberg (November 2015), Cogent Partners (July 2015), Partners Group analysis and estimates; Past performance is not indicative of future results. For illustrative purposes only.

# Private equity: what we do in this environment

## 1 Platform strategies



- Pursue growth through platform building via internal growth, add-ons and cross-border expansion
- Strategic and diverse initiatives to internationalize business and management

Growing a company beyond current markets and set-up

## 2 Pockets of growth



- Find "hidden" growth areas by understanding the dynamics of specific sub-segments within broader industry verticals
- Focus on companies that can optimize growth and profitability via value chain improvements

Identify growth trends through deep vertical sector research

## 3 Niche leadership



- Focusing on companies with tailored, differentiated products
- Seeking (often local) leaders in highly fragmented markets

Identify customer needs in specialty markets

# Private equity: investment examples

## 1 Platform strategies



Largest for-profit provider (KUE LLC) of **early-childhood education** in the US (~1'400 centers in 38 US states)

### Value creation initiatives:

- Drive program enrollment
- Explore greenfield locations
- Support growth through M&A

Target return: ~22% IRR<sup>1</sup>

## 2 Pockets of growth



jewelers since 1920



Tous is a **jewelry, accessories** and **fashion firm** based in Catalonia, Spain with over **370 stores** worldwide

### Value creation initiatives:

- Selective internationalization
- Ecommerce rollout
- Optimization of offering and SKUs

Target return: ~20% IRR<sup>1</sup>

## 3 Niche leadership



A franchisee of **Taco Bell** and **Buffalo Wild Wings** restaurants with **139 locations** in **five states** across the US

### Value creation initiatives:

- Reap benefits of scale in a fragmented market
- Institutionalize processes
- De-lever the balance sheet

Target return: ~24% IRR<sup>1</sup>

<sup>1</sup> Figures calculated net of underlying fees, gross of Partners Group fees. For illustrative purposes only. There is no assurance that target returns will be achieved. There is no assurance that similar investments will be made. Source: Partners Group (Private Markets Navigator H1 2016).

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## Summary and outlook

### Portfolio

- Exposure to a high quality, global mid-cap direct portfolio
- Portfolio repositioning remains on track
- Weighted average LTM EBITDA<sup>1</sup> and revenue growth of 17.1% and 11.8% respectively for 50 largest portfolio companies
- Mature portfolio is anticipated to benefit from continued healthy exit environment

### Outlook for new investments

- We continue to screen a high volume of transactions but remain highly selective
- Global investment platform supports relative value investment approach
- Buy-and-build/roll-outs/operational value creation help to mitigate elevated entry multiples
- Identification of companies with potential for secular growth in a low-growth macro environment

### High dividend stock with capital growth

- Total shareholder return of +20.9% for 2015 (2014: +19.8%) comprised of:
  - Dividends: EUR 0.54 per share
  - Capital growth: EUR 0.90 per share
- Policy to distribute 5-8% p.a. of NAV via semi-annual dividends
- Next dividend to be declared in May and paid in June<sup>2</sup>



## Upcoming events

4 February 2016	Quarterly results presentation (Conference Call)
8 March 2016	Publication of annual report 2015
May 2016	Quarterly results presentation (Conference Call)
13 May 2016	AGM



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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	
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>1</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> 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.



## Credit facility key terms

### Size and tenure

- EUR 50 million senior revolving multi-currency credit facility
- Maturity on 26 July 2017
- Credit facility arranged by Lloyds Bank plc
- Interest on drawn amounts charged at EURIBOR +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



## Valuation metrics of 50 largest portfolio companies

### Princess portfolio

	Top 10	Top 20	Top 50
EV/EBITDA	10.8x	10.7x	10.5x
Net debt/EBITDA	3.9x	4.1x	4.3x
Leverage	36.5%	39.1%	42.5%
Average EV	EUR 3.1bn	EUR 2.6bn	EUR 2.3bn
% of NAV	37.9%	49.5%	64.6%

- Higher concentration of Top 10 reflects new direct investments
- EV/EBITDA range: 5.1x to 19.8x
- Net debt/EBITDA range: 0.9x to 10.3x

Past performance is not indicative of future results. As of 31 December 2015. Based on available information. Valuation and performance metrics are weighted averages based on the value of the portfolio companies in the latest valuation report.



## Performance metrics of 50 largest portfolio companies

### Princess portfolio

	Top 10	Top 20	Top 50
LTM EBITDA growth	20.4%	19.0%	17.1%
LTM revenue growth	14.6%	13.2%	11.8%
Average revenue	EUR 0.8bn	EUR 0.8bn	EUR 1.1bn
% of NAV	37.9%	49.5%	64.6%

- LTM EBITDA growth range: -18.6% to +59.4%
- LTM revenue growth range: -12.5% to +31.1%

Past performance is not indicative of future results. As of 31 December 2015. Based on available information. Valuation and performance metrics are weighted averages based on the value of the portfolio companies in the latest valuation report.



## Transparent and up-to-date NAV reporting

### Valuation approach

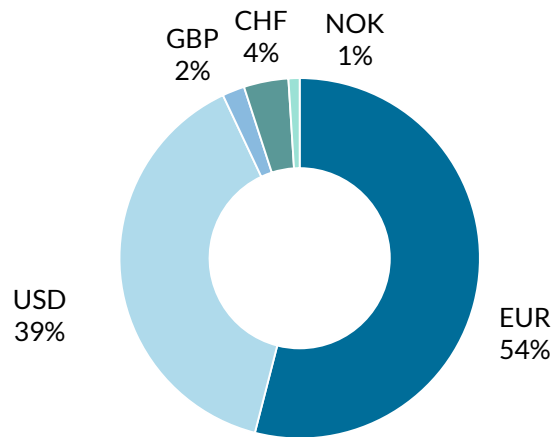
- The Partners Group valuation approach based on fair value standards provides accurate and timely valuation based on the fair value principle.
- Partners Group follows a valuation approach and guidelines which are in accordance with IFRS/IAS 39 and US GAAP Topic 820 to determine the fair value of underlying investments of the Partners Group private equity portfolio on a lookthrough 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

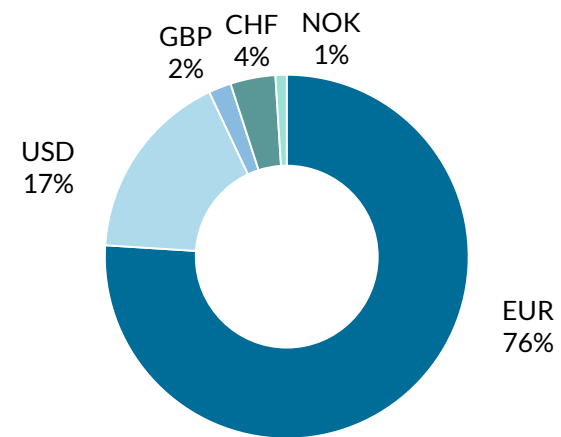
- 83.9% of portfolio was valued as of 31 December 2015.
- With the transition to the direct investment focus, it is anticipated that Princess will move towards an almost full valuation as of the respective reporting period without any substantial reporting time lag.

## 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. As of 31 December 2015.

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# Partners Group 2015 investment platform overview

## Investment platform update

- More than **580 private markets professionals** globally
- **Over 830 total employees**
- **USD 9.7 billion** invested in private markets opportunities on behalf of our clients
  - **About 3'850** direct opportunities screened
    - **USD 3.0 billion** invested in **26 assets**
    - **USD 2.6 billion** invested in **48 credits**
  - **USD 125 billion** screened on the secondary market and **USD 2.2 billion** invested
  - **USD 1.9 billion** invested with select best-in-class managers in the private markets industry

## 74 direct investments across the globe

### North America

36 direct investments

### Europe

29 direct investments

### Asia-Pacific/ RoW

9 direct investments





# More than 750 institutional investors worldwide

## Public pension funds and SWFs



## Insurance companies



## Private pension funds



## Banks and distribution partners



Clients listed include direct clients of Partners Group (USA) Inc., Partners Group AG or their affiliates, and investors in funds managed or advised by such parties. Clients listed were selected to demonstrate the breadth and types of clients served by Partners Group. Inclusion in the list does not indicate approval or disapproval by any of the clients of Partners Group or the services rendered by Partners Group to the relevant client.

# Partners Group is committed to integrating environmental, social and governance (ESG) factors

## ESG factors are increasingly important



Trimco

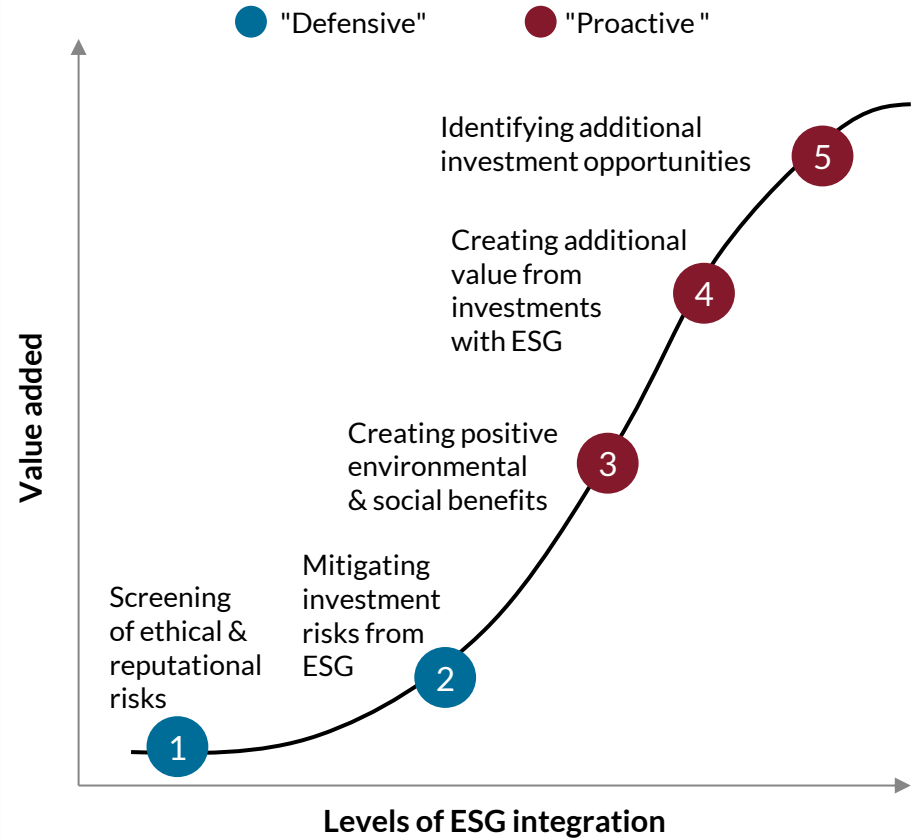


Thai wind project

## Partners Group's long-standing ESG commitment

- 1990's
  - Supported taskforce to create CalPERS' responsible investment policies on real estate
- 2006
  - Implemented Global Compact guidelines into investment processes for all asset classes
- 2008
  - Launched Partners Group Impact
  - One of the first private markets investment managers to sign United Nations Principles for Responsible Investment

## Transparent and structured methodology



## Track record

### Private equity

- Invested USD 34.7 billion in private equity
- **23.7%** IRR on fully realized buyout<sup>1</sup> direct investments
- Annualized outperformance over a cash flow equivalent MSCI world investment of **+7.3%**

### Private debt

- Invested USD 10.8 billion in private debt
- **12.9%** IRR on fully realized mezzanine direct investments
- Annualized outperformance over a cash flow equivalent MSCI world investment of **+4.7%**

**Past performance is not indicative of future results.** For illustrative purposes only. All figures subject to change. Data unaudited as of 30 September 2015. The track record represents the performance of aggregate investments made on behalf of Partners Group's clientele excluding investments that were disposed of not for investment considerations but due to other factors such as liquidity. Figures are net of underlying fees, but gross of fees to Partners Group. Figures are based on cash flows converted to USD using fixed FX rates as of the report date. Please note that the figures above were calculated on various methods that are not described in detail according to Partners Group policy. Outperformance over cash flow equivalent MSCI World investment using the static spread methodology. Index used: NDDLWI Index. <sup>1</sup> Includes all direct small- and mid-cap buyout, growth capital and special situation investments.



## 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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# Partners Group

REALIZING POTENTIAL IN PRIVATE MARKETS

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