



# Partners Group

REALIZING POTENTIAL IN PRIVATE MARKETS

15 August 2018  
10:00 – 11:00 BST (Dublin, London)  
11:00 – 12:00 CET (Zurich, Frankfurt)

+44 207 107 06 13 (from the UK)  
+41 58 310 50 00 (from Continental Europe)

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

## Princess Private Equity Holding Limited

Update presentation: NAV as of 30 June 2018



# Partners Group: a leading global private markets investment manager

## Private markets focus

EUR 67.1 billion<sup>1</sup> AuM in private equity, private debt, private real estate, private infrastructure

## Strong resources

Over 1,000 employees<sup>2</sup> representing approximately 50 nationalities across 19 offices

## Independent

Combined, employees are the largest shareholder

## Stable & transparent

Long-term incentive structures  
Listed on the SIX Swiss Exchange<sup>4</sup>



## Wide network

>450 direct investments<sup>3</sup>  
>800 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<sup>2</sup> offering customized structuring, legal and tax services

<sup>1</sup> Unaudited, inclusive of all Partners Group affiliates, as of 30 June 2018.

<sup>2</sup> Team figures as of 30 June 2018.

<sup>3</sup> Does not include corporate senior debt.

<sup>4</sup> Partners Group Holding AG is listed on the SIX Swiss Exchange.



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

Princess provides public market investors with exposure to a global portfolio of leading private companies

## Debt portfolio

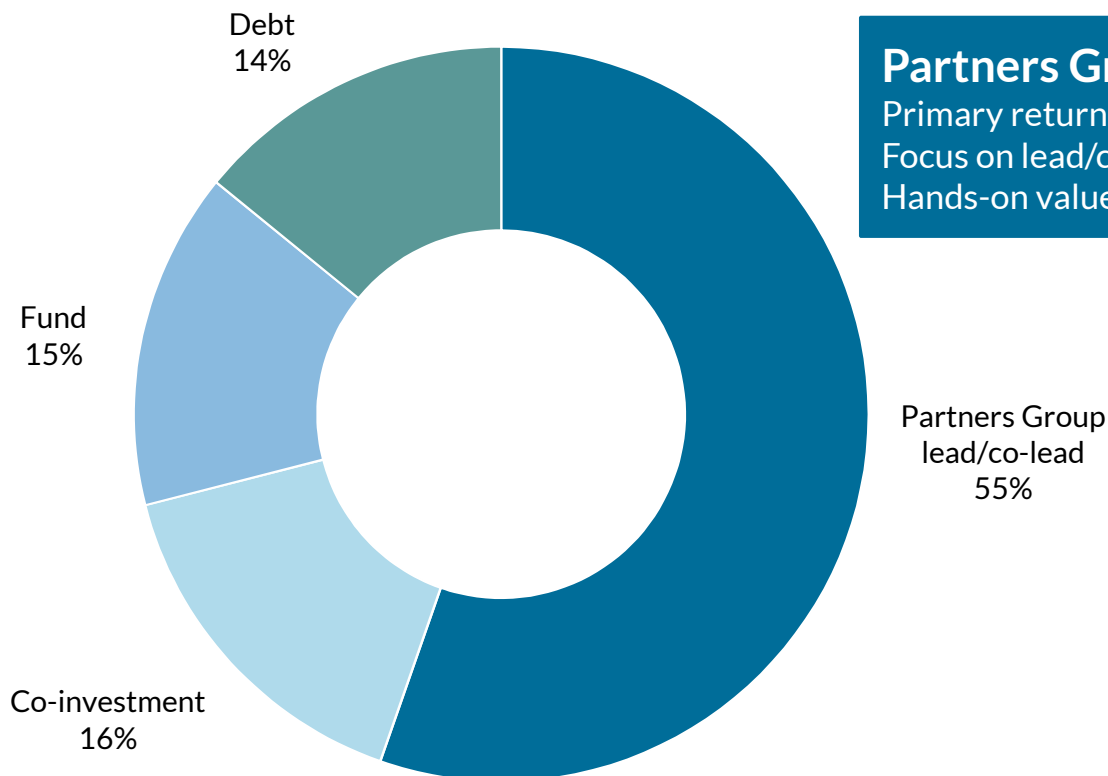
Immediate yield  
Reduces volatility  
Cash-management

## Fund portfolio

Legacy holdings in run-off  
Mature and cash generative

## Co-investment portfolio

Diversification  
Complements PG direct portfolio  
Flexibility to deploy capital



## Partners Group direct portfolio

Primary return driver  
Focus on lead/co-lead equity investments  
Hands-on value creation

Partners Group  
lead/co-lead  
55%

Investment objective to generate capital growth and an attractive dividend yield (target 5-8% p.a. of NAV)

For illustrative purposes only. There is no assurance that targets will be achieved. Diversification does not ensure a profit or protect against loss. Source: Partners Group. As of 30 June 2018.



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## Positive NAV development in Q2 2018

### Investments in Hearthside Food Solutions, SRS Distribution and Amann Girrback

#### Performance

- **NAV total return +3.8% for Q2 2018 (+5.7% YTD)**
- NAV per share of EUR 11.06; net assets of EUR 765.1 million
- **Share price total return +2.8% for Q2 2018 (-2.3% YTD)**
- Share price of EUR 10.05; market capitalization of EUR 695.0 million

#### Quarterly portfolio activity

- **EUR 22.8 million of realizations** mainly from legacy fund portfolio
- Sale of Varsity Brands agreed at an **uplift of over 90% to previous carrying value<sup>1</sup>**, representing a multiple of **3.4x cost**
- **EUR 48.2 million** invested including lead direct investment in Hearthside Food Solutions and co-investments in SRS Distribution and Amann Girrback
- Six transactions in-closing as of quarter-end will deploy an additional ~EUR 89 million<sup>2</sup>

#### Balance sheet

- Interim dividend of EUR 0.28 (dividend yield 5.6%<sup>3</sup>) per share paid in Q2 2018
- Net liquidity of EUR 75.3 million (9.8% of NAV)
- Available credit line of EUR 50 million (6.5% of NAV)
- Unfunded commitments of EUR 112.6 million (14.7% 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. Share price return is based on EUR quote (Bloomberg: PEY LN). 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. <sup>1</sup> Uplift on May NAV. <sup>2</sup> Investments amounts have been adjusted to reflect anticipated post-closing syndication of certain transactions <sup>3</sup> Last twelve months dividends divided by share price as of reporting end. Source: Partners Group. As of 30 June 2018. NAV performance figures are net of all fees.

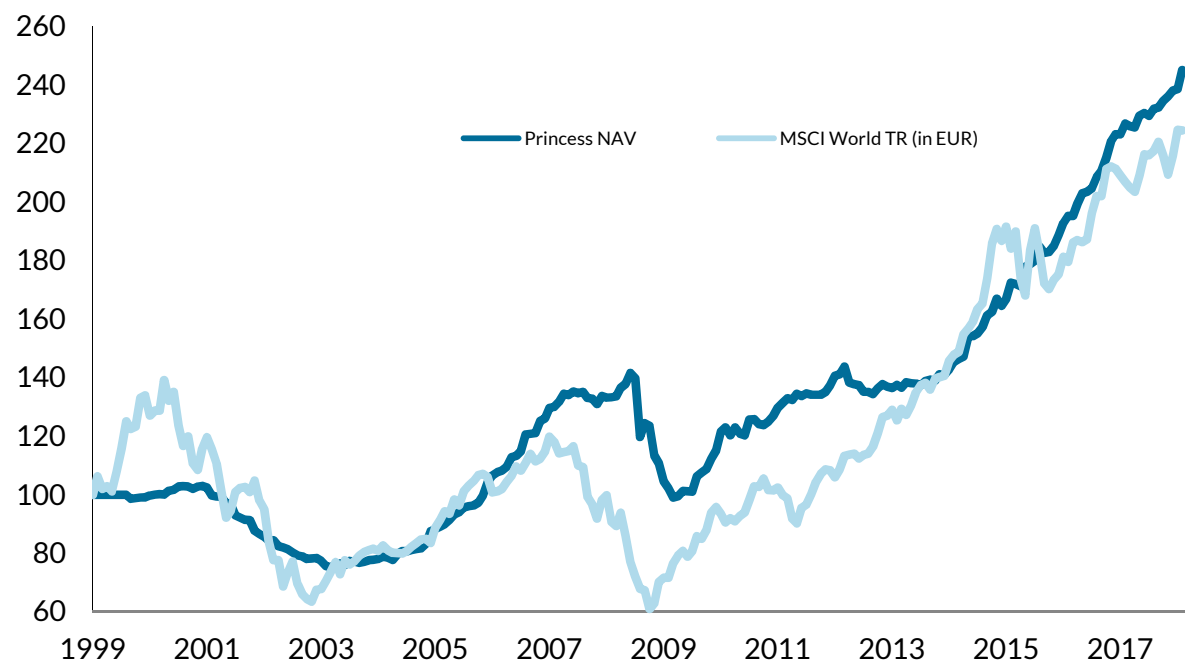


# Historic NAV performance

## NAV contributors

- NAV total return: +3.8% Q2 2018 (+5.7% YTD)
- Portfolio valuation development: +4.5% Q2 2018 (+7.5% YTD)
- FX development: +0.4% Q2 2018 (-0.0% YTD)

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



## Total return in EUR

	Princess share price <sup>2</sup>	Princess NAV	MSCI World
1 year	+6.1%	+8.1%	+8.5%
3 years	+56.3%	+42.1%	+21.9%
5 years	+114.1%	+78.2%	+78.9%
10 years	+119.0%	+83.9%	+147.4%

**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 2018. 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.

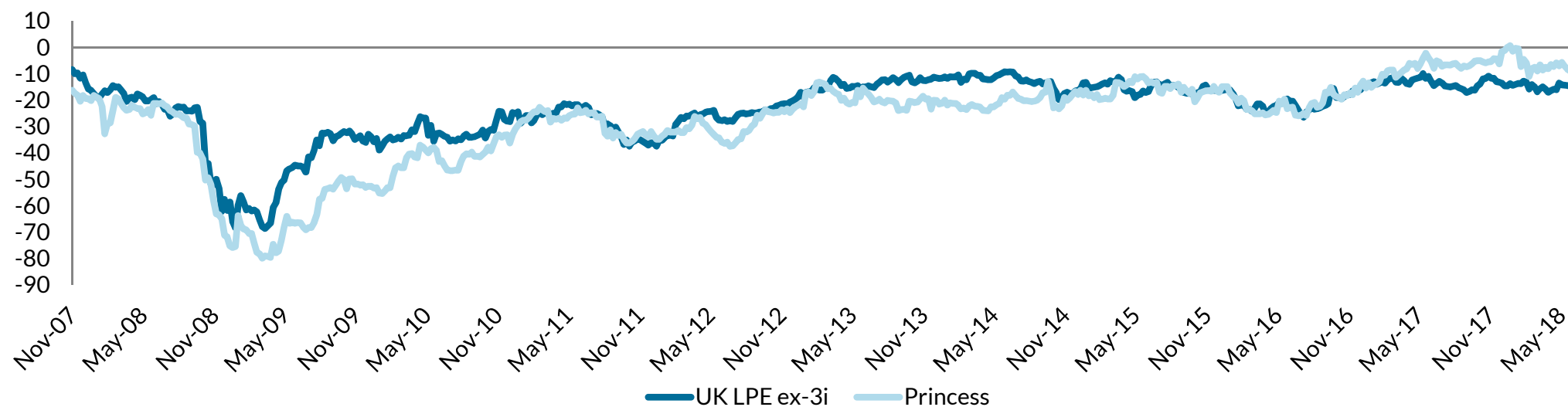
<sup>1</sup> Princess NAV performance: since inception in May 1999. <sup>2</sup> Share price return is based on EUR quote (Bloomberg: PEY LN).



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# Discount development

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



Discount to NAV	
Princess	-10.3%
UK LPE ex-3i	-15.6%

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# Key figures

Key figures (in EUR)

	31.12.2016	31.12.2017	30.06.2018
<b>NAV</b>	702.9m	742.0m	765.1m
<b>NAV per share</b>	10.16	10.73	11.06
<b>NAV per share incl. dividends paid</b>	15.81	17.58	18.58
<b>Share price</b>	8.63	10.58	10.05
<b>Investment level</b>	92.6%	88.1%	90.2%
<b>Over-commitment incl. credit line (% NAV)</b>	0.2%	-2.6%	-1.7%
<b>Net liquidity</b>	52.0m	88.3m	75.3m
<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>	45.6m	33.5m	37.2m
<b>Unfunded commitments to PG's direct programs<sup>1</sup></b>	57.7m	85.6m	75.4m
	FY 2016	FY 2017	YTD 2018
<b>Dividends per share</b>	0.54	0.56	0.28
<b>Dividend yield<sup>2</sup></b>	6.3%	5.3%	5.6%

**Past performance is not indicative of future results.** As of 30 June 2018. 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. **1** Partners Group Direct Investments 2012 EUR, Partners Group Direct Equity 2016, Partners Group Direct Mezzanine 2011 and single line direct investments. **2** Last twelve months dividends divided by share price as of reporting end.



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## Ten largest direct value drivers – Q2 2018

Name	Investment stage	Investment year	Value created (in EUR m)
Ceridian Corporation <b>IPO</b>	BO Large	2007	8.9
Permotio International Learning	Growth	2013	4.9
Varsity Brands <b>SALE AGREED</b>	BO Mid	2014	4.3
Fermaca	Infrastructure	2014	2.9
PCI Pharma Services	BO Mid	2016	2.2
Cerba HealthCare	BO Mid	2017	2.0
Foncia	BO Mid	2016	1.9
CPA Global	BO Mid	2017	1.5
BarBri	BO Mid	2011	1.3
Curvature	BO Mid	2016	-1.2
<b>Top ten value drivers</b>			<b>28.7</b>

Nine out of ten largest value drivers are positive

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## Realization activity in Q2 2018

Investment	Inv. Year	Exit route	Asset class	EUR m
Legacy fund portfolio				13.4
Cooperation Pharmaceutique Francaise SAS 	2015	Refinancing	Debt	3.6
Black Knight Financial Services 	2013	Sale of shares	Equity	2.4
Other				3.4
<b>Total</b>				<b>22.8</b>

- Realization activity during the quarter driven by the legacy fund portfolio
- Exit of Varsity Brands signed during Q2 2018 at a multiple of 3.4x cost. Proceeds of EUR 10.3 million were received following closing July, representing an uplift of >90% versus previous carrying value<sup>1</sup>.





**EUR 22.8 million received during Q2 2018 (EUR 83.1 million YTD)**

Past performance is not indicative of future results. For illustrative purposes only. There is no assurance that similar results will be achieved. 1 Uplift on May NAV. Source: Partners Group. As of 30 June 2018. Calculated on a look-through. Realizations shown represent the largest direct realizations in Q2 2018.



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## Investment activity in Q2 2018

Investment	Country	Strategy	Stage	EUR m
Hearthside Food Solutions 	USA	Equity (lead)	BO Mid	17.9
SRS Distribution, Inc. 	USA	Equity (co-invest)	BO Mid	14.1
Amann Girrbach 	Austria	Equity (co-invest)	BO Mid	8.6
Cerba HealthCare (Bio7 add-on) 	France	Equity (lead)	BO Mid	1.6
Liquid senior loans		Debt		4.6
Other				1.4
<b>Total</b>				<b>48.2</b>

- Hearthside Food Solutions is a leading food contract manufacturer. The company provides contract packaging and contract manufacturing of specialty food items such as granola bars, croutons, cereals, popcorn and snack mixes
- SRS Distribution is a US-based manufacturer of roofing products
- Amann Girrbach is a leading European provider of CAD/CAM equipment and consumables for the dental industry
- Add-on investment in portfolio company Cerba Healthcare to fund the acquisition of Groupe Bio7, a France-based specialist in clinical analysis
- Investments in liquid senior loans made for cash management purposes

**EUR 48.2 million invested during Q2 2018 (EUR 66.5 million YTD)**

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## New investment: Hearthside Food Solutions

### Company overview



### Lead investment

Leading outsourced contract manufacturer of grain-based snack foods

Geography	United States
Industry	Consumer
Headquarters	Downers Grove, Illinois
Entry date	May 2018

### Value creation

- **Grow in new geographies:** leverage PG's platform to grow in Europe and Asia
- **Grow in adjacent markets:** acquire strategic targets in core product categories, optimize capacity, and secure strategic brand partnerships
- **Product and packaging innovation:** increasing R&D in high-growth product categories

### Investment criteria

- **Stable product portfolio:** well-diversified product exposure in a non-cyclical sector
- **Organic growth opportunities:** opportunity to expand to new geographies and adjacent markets
- **Proven industry consolidator:** integrated 9 acquisitions since 2009 with active acquisition pipeline







Princess invested EUR 17.9 million during Q2 2018

Past performance is not indicative of future results. Value creation initiatives are targets. For illustrative purposes only. There is no assurance that similar investments will be made. Source: Partners Group; Company information as at entry. The investment represents the largest investment for Princess Private Equity during Q2 2018.



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# Direct equity transactions signed and in-closing

 <ul style="list-style-type: none"> <li>Partners Group lead transaction</li> <li>Italy-based manufacturer of power transmission belts for the industrial belt market with a leading position in the polyurethane segment</li> </ul>	<div style="border: 2px solid red; padding: 2px; display: inline-block; margin-bottom: 10px;"><b>CLOSED</b></div>  <ul style="list-style-type: none"> <li>Partners Group lead transaction</li> <li>Netherlands-based manufacturer of lightweight conveyor and specialty belt for process automation</li> </ul>	<div style="border: 2px solid red; padding: 2px; display: inline-block; margin-bottom: 10px;"><b>CLOSED</b></div>  <ul style="list-style-type: none"> <li>Partners Group lead transaction</li> <li>Leading global provider of outsourced product engineering and software development services</li> </ul>	<div style="border: 2px solid red; padding: 2px; display: inline-block; margin-bottom: 10px;"><b>CLOSED</b></div>  <ul style="list-style-type: none"> <li>Partners Group lead transaction</li> <li>Leading global sub-metering service provider with operations in more than 20 countries and the number one market position in Germany, the largest sub-metering market globally</li> </ul>	 <ul style="list-style-type: none"> <li>Partners Group co-lead transaction<sup>2</sup></li> <li>One of India's largest hyper-market brands with a network of ~250 stores</li> </ul>	 <ul style="list-style-type: none"> <li>Partners Group lead transaction</li> <li>Follow-on investment to support Permotio's "buy-and-build" strategy to create a leading international private schools group<sup>3</sup></li> </ul>
<p>The two companies have highly complementary product and service offerings. Post-closing Partners Group intends to merge the companies to create a market-leader<sup>1</sup></p>					

Princess will invest approx. EUR 89 million in six 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. As of 30 June 2018. <sup>1</sup> Subject to anti-trust clearances and other regulatory approvals. <sup>2</sup> Along with domestic partner. <sup>3</sup> Permotio International Learning trades under the name International Schools Partnership.

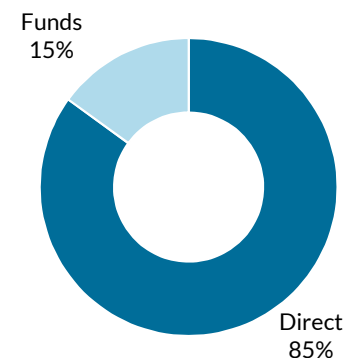


# Diversified private equity portfolio with substantial allocation to mature portfolio companies

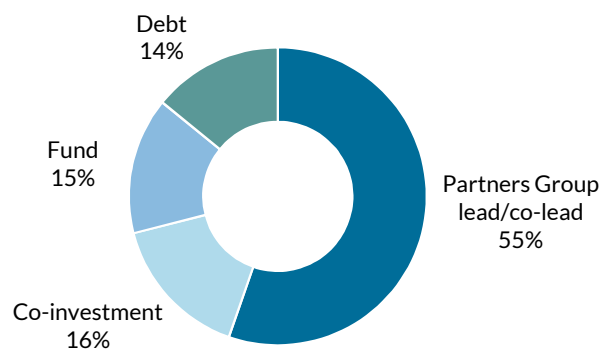
## Portfolio construction

- **Partners Group lead/co-lead:** active value creation to drive returns
- **Co-investment:** diversification via exposure to other leading managers with no additional fee layer
- **Debt:** reduces cash drag via efficient deployment of capital
- **Fund portfolio:** mature, legacy holdings in run-off

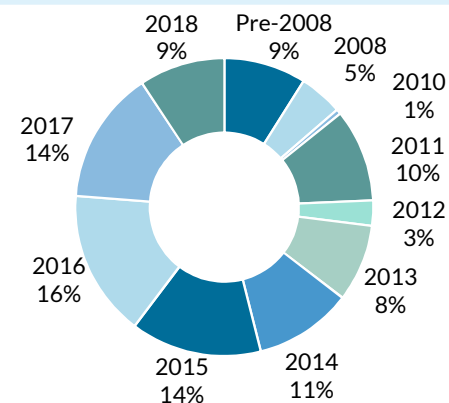
## Investments by type<sup>1</sup>



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



## 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 2018. Source: Partners Group information.

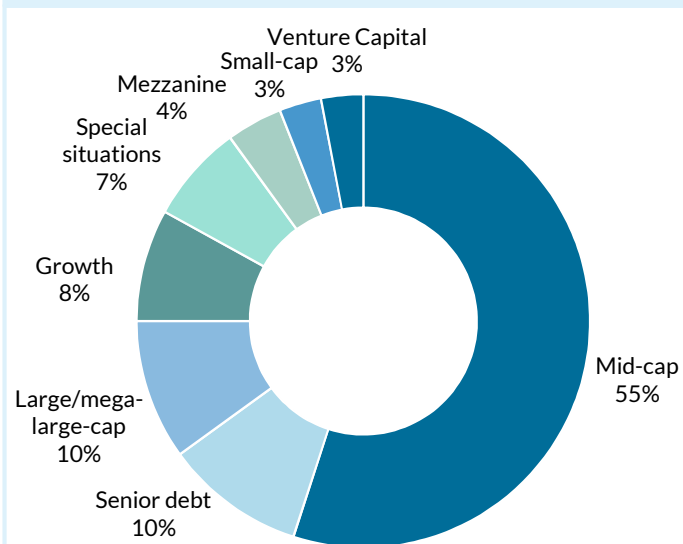


# Invested across stages and regions, with overweight in mid-cap buyout

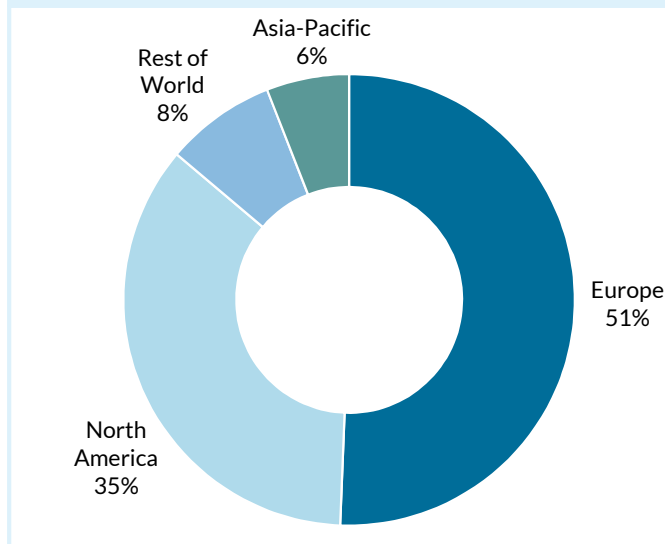
## Portfolio overview

- 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

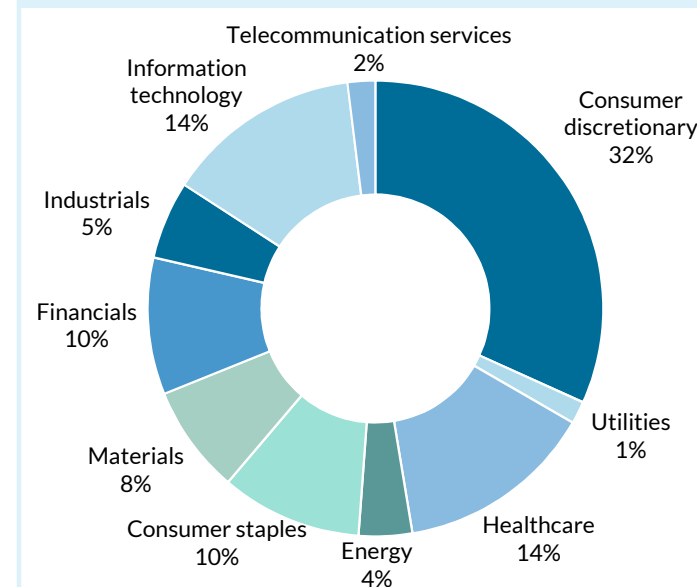
### Investments by stages<sup>1</sup>



### 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 direct equity companies

#### Performance metrics

- 9.9% revenue growth over last 12 months
- 11.8% EBITDA growth over last 12 months
- EUR 1.1 billion weighted average revenue

#### Valuation metrics






- 12.8x EV/EBITDA
- 5.5x net debt/EBITDA
- 44.6% leverage
- EUR 2.5 billion weighted average enterprise value

- Double-digit 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

**Past performance is not indicative of future results.** Actual performance may vary. Weighted average figures for a sample of direct equity investments based on available information. Valuation metrics include all direct equity investments valued based on EV/EBITDA (sample represents 42 companies; 63.6% of NAV). Performance metrics exclude certain direct equity investments for which M&A activity represents the main driver of year-on-year growth or for which comparable annual figures are not available (sample represents 35 companies; 48.0% of NAV). Source: Partners Group information. As of 30 June 2018.








## Overview of 10 largest direct investments (1)

Investment	Country	Investment stage	Investment year	Investment description	% of NAV
 ACTION VERBASEND VERLEDIG, VERBAZEND VOORDIG	Netherlands	BO Mid	2011	Action is a Dutch discount retailer with over 1'100 retail stores and over 41'000 employees in the Netherlands, Belgium, Germany, France, Luxembourg, Austria and Poland.	7.6
 International Schools Partnership	UK	Growth	2013	Permotio (trading as International Schools Partnership) was formed to create a leading international private schools group through a “buy & build” strategy, in conjunction with a proven management team.	6.3
 FORM TECHNOLOGIES	USA	BO Mid	2015	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
 FONCIA	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 500 branches located throughout France, Switzerland, Germany and Belgium.	3.4
 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.	3.3

**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 2018. Source: Partners Group information.

## Overview of 10 largest direct investments (2)

Investment	Country	Investment stage	Investment year	Investment description	% of NAV
 Fermaca	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.	3.1
 HEARTH-SIDE FOOD SOLUTIONS	USA	BO Mid	2018	Hearthside Food Solution provides contract packaging and contract manufacturing of specialty food items such as granola bars, croutons, cereals, popcorn and snack mixes.	2.3
 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.	2.3
 IDEMIA	France	BO Large	2017	IDEMIA was formed through the merger of Oberthur Technologies (OT) and Safran Identity & Security (Morpho). IDEMIA provides digital identify solutions.	2.2
 Global Blue	Switzerland	BO Mid	2012	Global Blue is a Switzerland-based company that provides refund and currency transfer services for tourists globally. The company facilitates transactions between merchants, banks and international shoppers.	1.9
<b>Total 10 largest direct investments</b>					<b>36.9</b>

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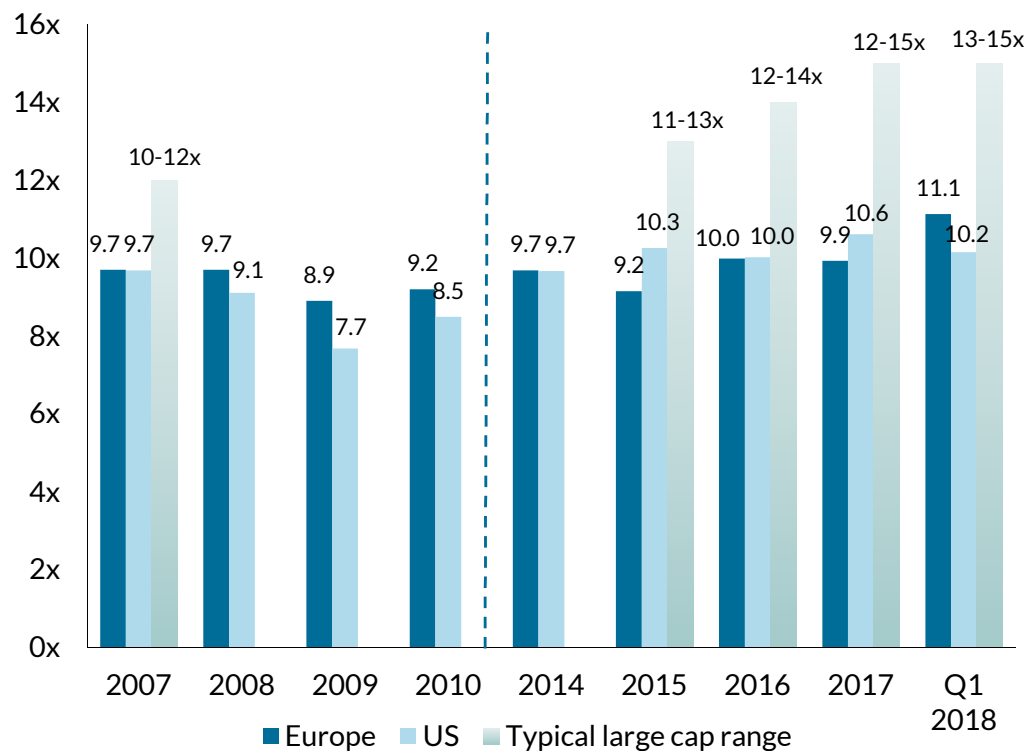
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# Private equity valuations rising to new record highs, yet with realistic financing parameters

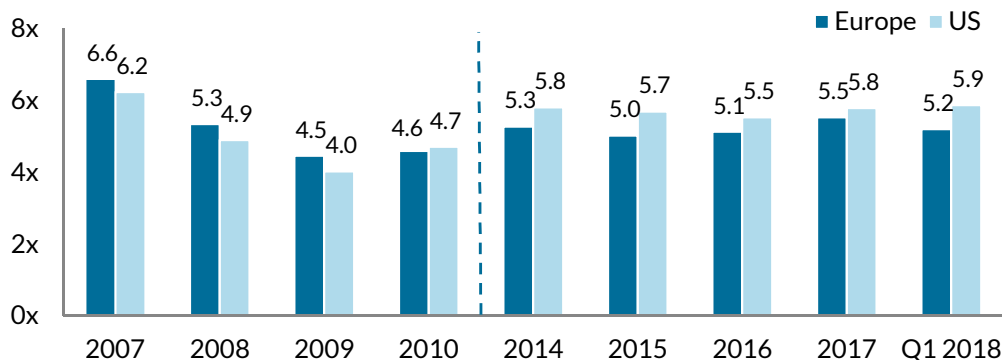
## Near record valuations, especially for large-caps

Average EV/EBITDA multiples and approximations for typical large-cap deals



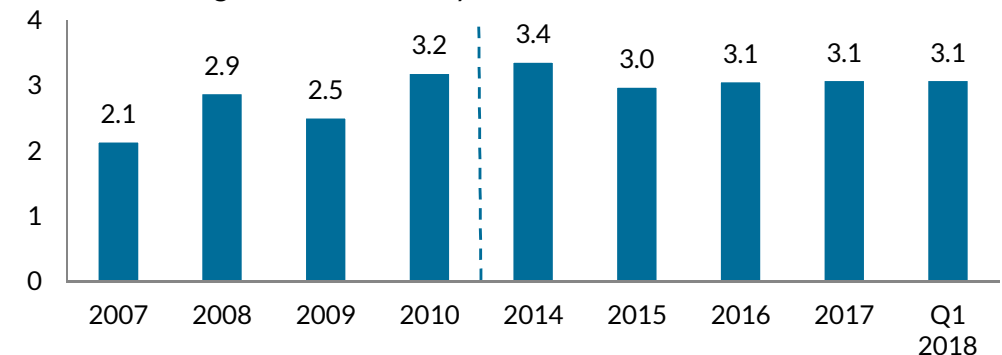
## Buyout transactions backed by elevated leverage levels

Total debt over EBITDA<sup>1</sup>



## Interest coverage cushions still comfortable

Interest coverage ratio<sup>2</sup> for US buyout deals, with EBITDA of > EUR 50m



<sup>1</sup> EBITDA of EUR/USD 50 or more; <sup>2</sup> Interest coverage defined as EBITDA/cash interest  
 Source: Partners Group and S&P Global Leveraged Lending Review and US Leverage Buyout Review (both Q1 2018)

# Partners Group's integrated sourcing advantage

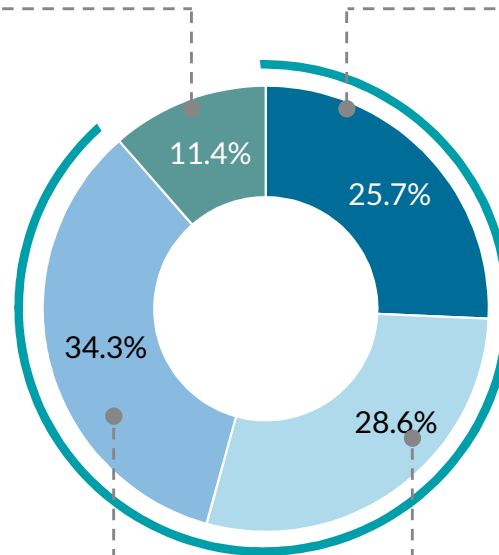
## Only advisors and intermediaries

- Local contacts with advisors across all Partners Group teams
- Systematic coverage of banks at local and global level



## Global network

- >1'000 people in 19 offices
- 28 dedicated IVC professionals
- >300 industry experts and >60 senior advisors in PG's network
- > 30 lead and >60 joint portfolio companies



**89%  
strategically  
sourced**

## PG Platform

- >800 private markets investment partners
- >300 advisory board seats
- Weekly secondary deal flow of c. USD 1bn
- >USD 5bn in over 280 debt investments



## PRIMERA database

- Intelligence on >30k private companies and in-depth information on >8k of them
- Proactive tracking and identification of targets



**Systematic approach to identify attractive assets we would love to own before they come to market**

Past performance is not indicative of future results. For illustrative purposes only. All investments made for the Partners Group Direct Investments 2012 and Partners Group Direct Investments 2016. Team figures as of 30 April 2018. Source: Partners Group (H1 2018).



# Partners Group's established investment strategies

## 1 Platform companies



- Acquire companies with a strong management team and infrastructure, and lead add-on acquisition programs for platform build-out
- Strategic and diverse initiatives to internationalize business and management
- Turn superior anchor assets into leaders

Growing a company beyond current markets and set-up

## 2 Category winners



- Companies that are leaders within their respective sub-segment in terms of market share or growth potential
- Focus on more established companies with a competitive advantage and differentiated product offerings
- Further develop growth and increase profitability via effective value chain improvements

Identify growth trends through deep vertical sector research

## 3 Defensive leaders



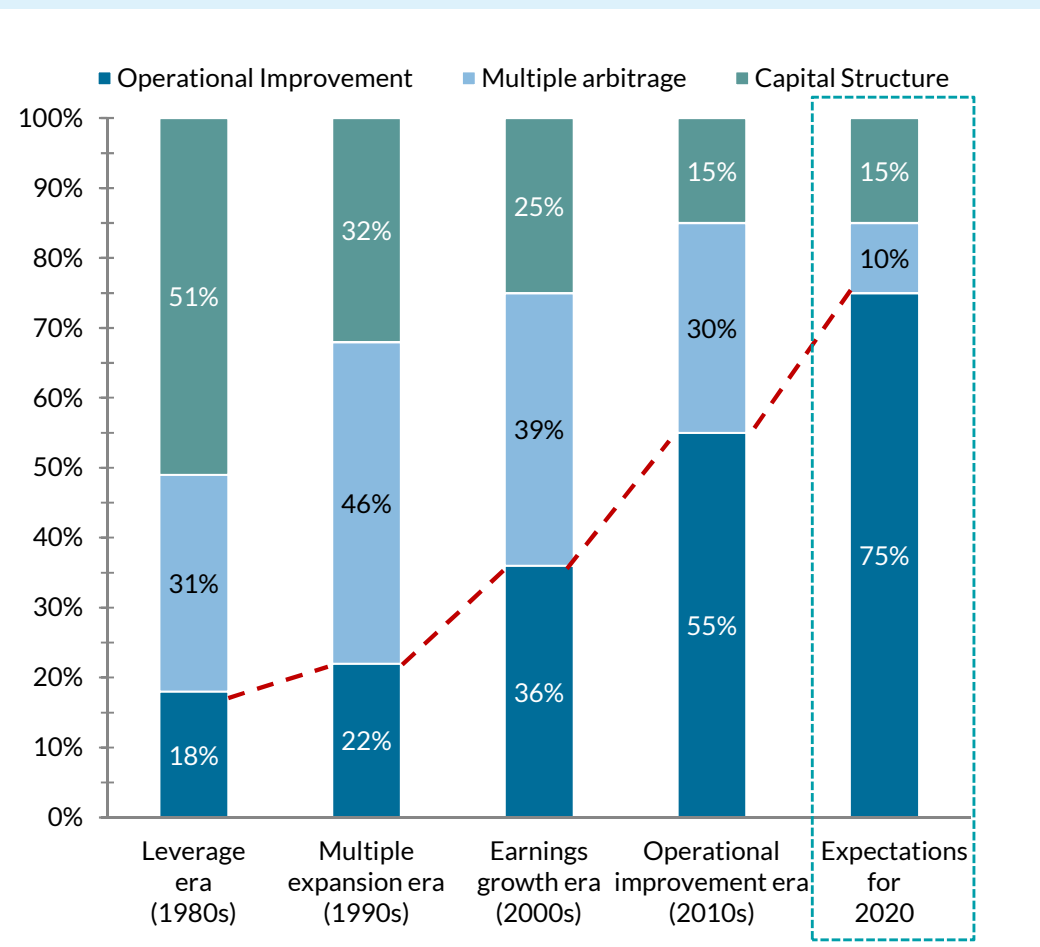
- Search for 'niche leaders' with strong defensive capabilities and high cash flow generation
- Value-creation initiatives drive valuations and the ability to quickly de-leverage in an uncertain environment
- Develop resilient assets by fully exploiting business strength

Build out the strategic angle of defensive assets



# Partners Group has developed a systematic approach to value creation

## Evolution of return drivers in the PE industry<sup>1</sup>



## Systematic methodology is key to create value

- **28 dedicated industry value creation professionals<sup>2</sup>** globally complemented by **>60 external senior advisors**
- Industry value creation team acts as an **integral part of the investment underwriting**
- Board and Management are **aligned on targets, value creation plans, and strategy pre-signing**
- IVC and NEDs are **active as board members, advisors to individual projects, and coaches to management**
- Strategic **project management office (PMO)** is installed and coordinates implementation of the strategic plan
- Global PG platform is levered through access to **new businesses and proprietary toolbox** of best-practices, benchmarks, and service providers



**>200 ongoing value creation initiatives**



**>30 add-on investments<sup>3</sup>**

Past performance is not indicative of future results. For illustrative purposes only. There is no assurance that similar investments will be made. Target returns are based on various Partners Group estimates. There is no guarantee that targets will be realized or achieved or that the investment will be successful.

<sup>1</sup> Estimated contributors of PE value creation (Operational improvement, Multiple arbitrage, Leverage) based on EY study: Brigl, Herrera, Meerkatt, Liechtenstein, Prats, & Rose, 2008 <sup>2</sup> Team figures as of 30 April 2018. <sup>3</sup> Figures based on Partners Group Direct Investments 2012 and 2016, L.P. portfolio companies.

Source: PwC, Partners Group (H1 2018)



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## Summary and outlook

### Investment approach

- **Go global:** global platform supports strong deal flow and implementation of global relative value investment strategy
- **Strategic sourcing:** proactive identification and tracking of target companies ahead of official sales process
- **Stay disciplined:** maintain selectivity and focus on core investment themes
- **Focus on growth:** platform strategies and operation improvements to drive growth in portfolio companies

### Focus on value creation and realizations

- **Industry value creation team:** 28 dedicated operational specialists<sup>1</sup> across six industry verticals drive value creation at portfolio company level
- More than **200 on-going value creation initiatives**<sup>2</sup>
- **EBITDA and revenue growth of 11.8% and 9.9% year-on-year** for direct equity investments<sup>3</sup>
- Continue to use supportive market conditions to realize assets where value creation has been achieved

### Attractive dividend stock with capital growth

- **5 year annualized NAV total return of 12.2% p.a.**
- LTM dividends of EUR 0.56 per share represent a **5.6% yield**
- 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 2018. 1 Team figures as of 30 April 2018. 2 In Partners Group Direct Investments 2012 (EUR), L.P. and Partners Group Direct Investments 2016. 3 Latest LTM figures available as of 30 June 2018. Weighted average figures for a sample of direct equity investments based on available information. Performance metrics exclude certain direct equity investments for which M&A activity represents the main driver of year-on-year growth or for which comparable annual figures are not available (sample represents 35 companies; 48.0% of NAV). Return figures shown are net of fees. There is no assurance that similar results will be achieved.



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3	Market update and investment implications
4	Summary and outlook
5	<b>Appendix</b>

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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 (Euro Quote)	<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: AOLBRL</li> </ul>		
Trading information (Sterling Quote)	<ul style="list-style-type: none"> <li>Ticker: London: PEYS</li> <li>Bloomberg: London: PEYS LN</li> </ul>	<ul style="list-style-type: none"> <li>ISIN: London: GG00B28C2R28</li> <li>WKN: London: BF012D4</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>Steve Le Page</li> <li>Felix Haldner</li> </ul>		
Joint Corporate Brokers	<ul style="list-style-type: none"> <li>JP Morgan Cazenove</li> <li>Numis Securities</li> </ul>			
Investment Manager	Princess Management Limited (with Partners Group AG as Investment Advisor)			
Management fee	1.5% p.a. <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.



## 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

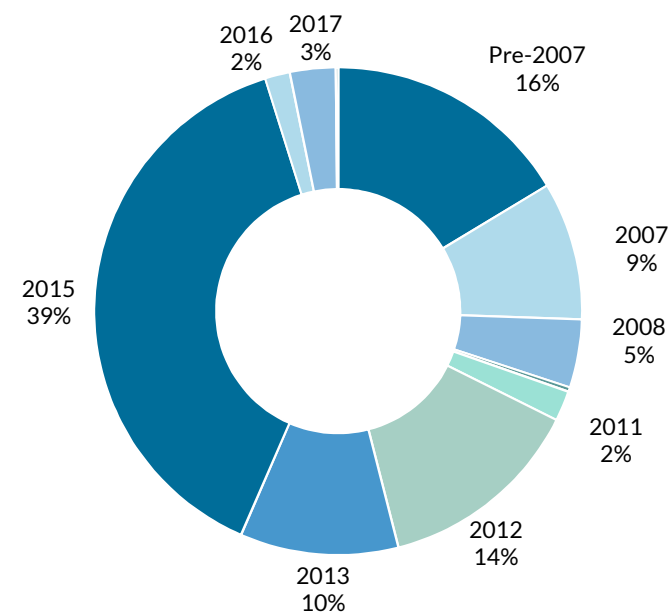
The credit facility provides Princess with long-term flexibility to balance short-term funding needs



## 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>	41.8
Single line directs	16.6
<b>Total PG direct unfunded commitments</b>	<b>75.4</b>
Third party funds	37.2
<b>Total unfunded commitments</b>	<b>112.6</b>

### Unfunded commitments by vintage



- Total unfunded commitments of EUR 112.6 million (14.7% of NAV)
- EUR 22.3 million unfunded commitments to pre-2007 vintages are considered unlikely to be called
- Princess has net liquidity of EUR 75.3 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.



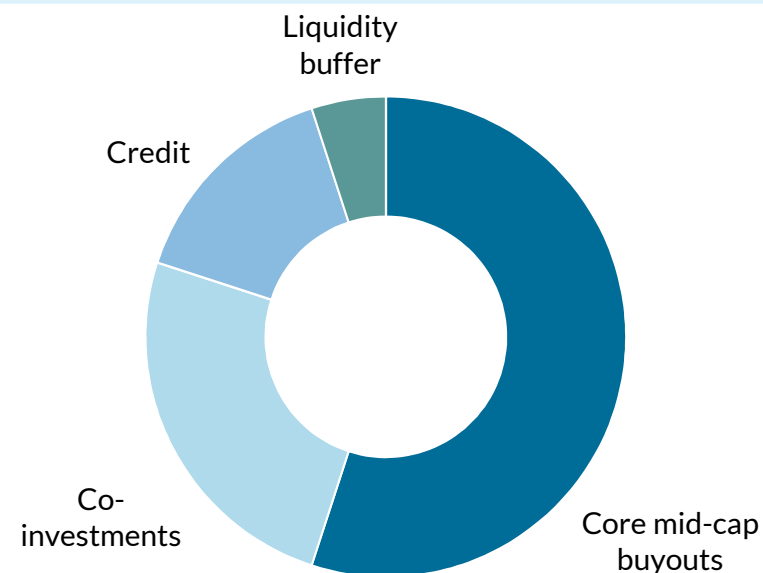
## Princess: portfolio management

**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 lead direct 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 2018.



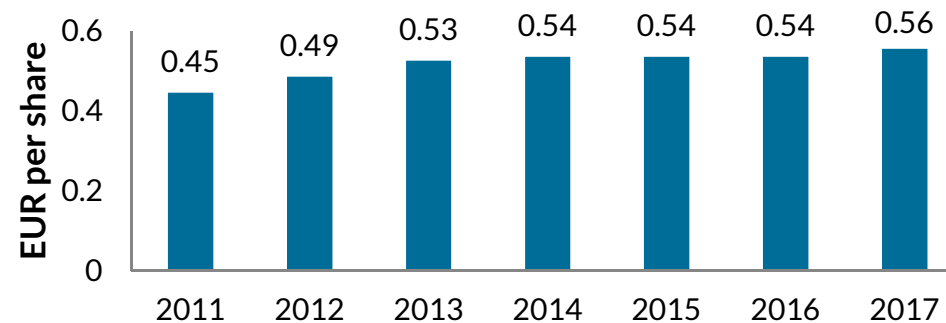
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# Princess: balance sheet management and dividends

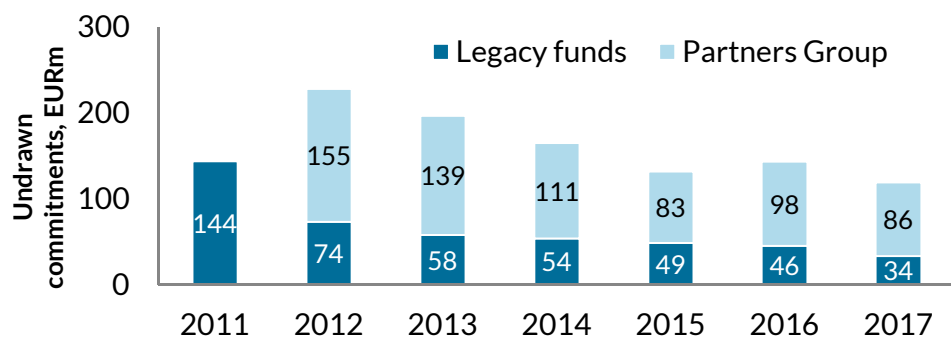
## Balance sheet management

- 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

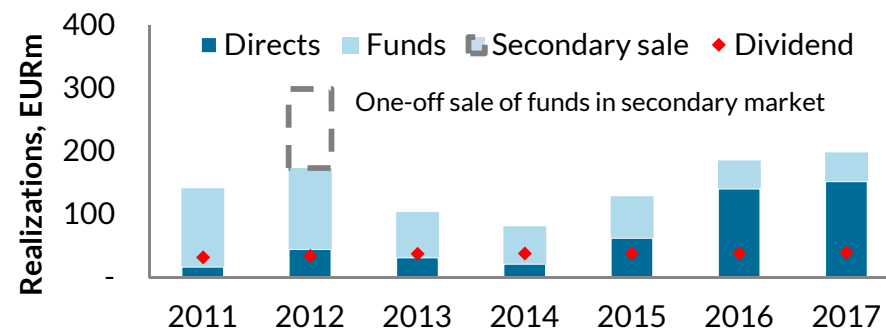
## Seven year dividend track record



## 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. There is no assurance that similar results will be achieved. For illustrative purposes only.



## Valuation metrics of direct equity companies

	Top 10	Top 20	Full sample
EV/EBITDA	13.6x	13.4x	12.8x
Net debt/EBITDA	5.7x	5.8x	5.5x
Leverage	43.4%	44.6%	44.6%
Weighted average EV	EUR 3.0bn	EUR 2.9bn	EUR 2.4bn

**Past performance is not indicative of future results.** Actual performance may vary. Weighted average figures for a sample of direct equity investments based on available information. Valuation metrics include all direct equity investments valued based on EV/EBITDA (sample represents 42 companies; 63.6% of NAV). Source: Partners Group information. As of 30 June 2018.



## Performance metrics of direct equity companies

	Top 10	Top 20	Full sample
LTM EBITDA growth	12.1%	12.9%	11.8%
LTM revenue growth	12.9%	11.5%	9.9%
Weighted average revenue	EUR 1.6bn	EUR 1.3bn	EUR 1.1bn

**Past performance is not indicative of future results.** Actual performance may vary. Weighted average figures for a sample of direct equity investments based on available information. Performance metrics exclude certain direct equity investments for which M&A activity represents the main driver of year-on-year growth or for which comparable annual figures are not available (sample represents 35 companies; 48.0% of NAV). Source: Partners Group information. As of 30 June 2018.



## Transparent and up-to-date NAV reporting

### Valuation approach

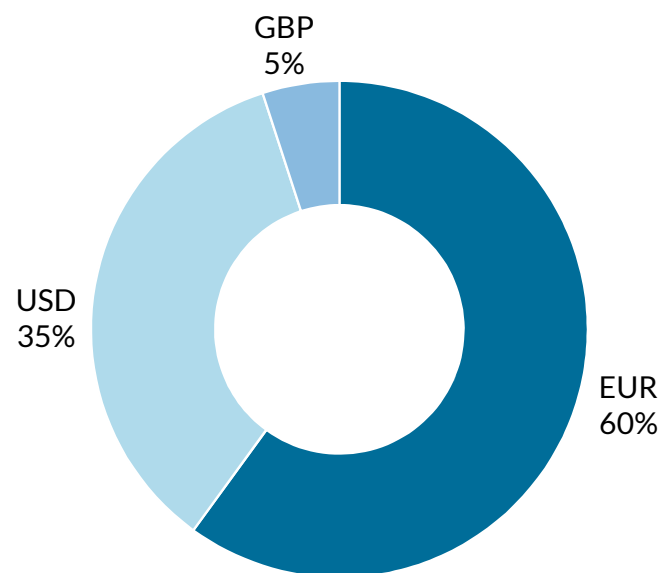
- The Partners Group valuation approach based on fair value standards provides accurate and timely valuation based on the fair value principle.
- Partners Group follows a valuation approach and guidelines which are in accordance with IFRS/IAS 39 and US GAAP Topic 820 to determine the fair value of underlying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

94% of portfolio valued as of 30 June 2018

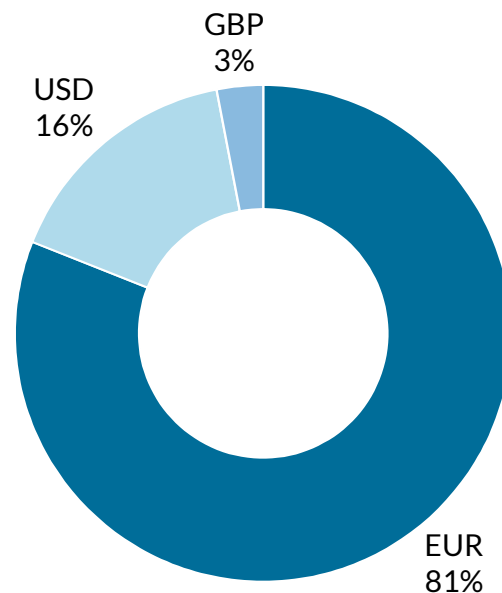


## Currency hedging and foreign exchange impact on Princess' NAV

### 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 2018. Source: Partners Group information.

## Contacts

George Crowe, Investor Relations

Email: [princess@partnersgroup.com](mailto:princess@partnersgroup.com)

### Trading Information (Euro Quote)

Listing: London Stock Exchange

Ticker: PEY

ISIN: GG00B28C2R28

SEDOL: B28C2R2

Bloomberg: PEY LN

Reuters: PEY.L

### Trading Information (Sterling Quote)

Listing: London Stock Exchange

Ticker: PEYS

ISIN: GG00B28C2R28

SEDOL: BF012D4

Bloomberg: PEYS LN

Reuters: PEYS.L

Princess Private Equity

Tudor House,

PO Box 477

St. Peter Port, Guernsey

Channel Islands

T: +44 1481 711 690

[www.princess-privateequity.net](http://www.princess-privateequity.net)

[princess@partnersgroup.com](mailto:princess@partnersgroup.com)



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