

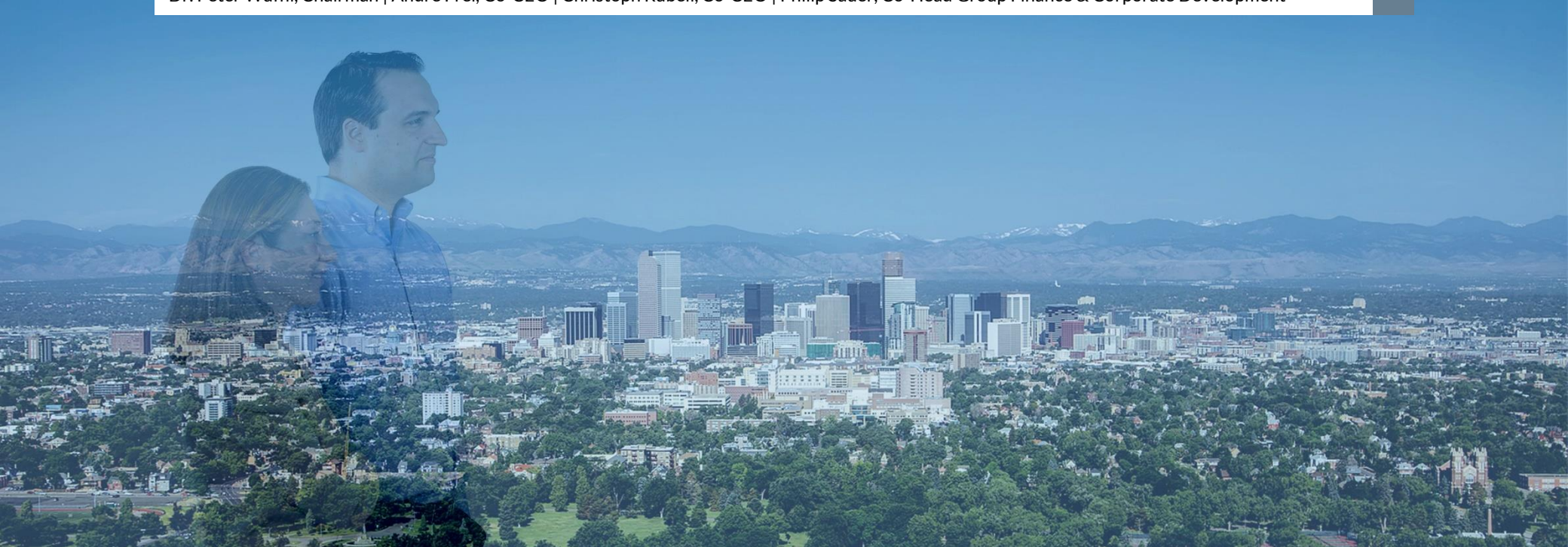


Partners Group

REALIZING POTENTIAL IN PRIVATE MARKETS

Annual Results 2017

Dr. Peter Wuffli, Chairman | André Frei, Co-CEO | Christoph Rubeli, Co-CEO | Philip Sauer, Co-Head Group Finance & Corporate Development



Bilge Ogut Private Equity Europe | **David Layton** Head Private Equity

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3 Investments

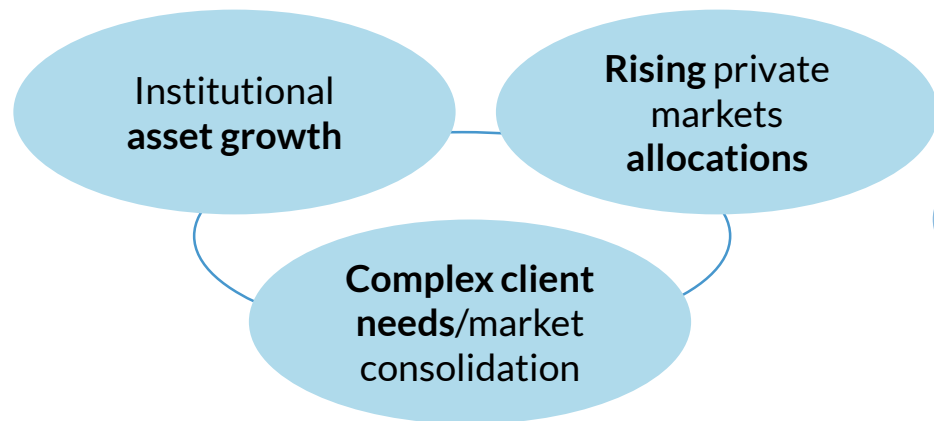
4 Financials



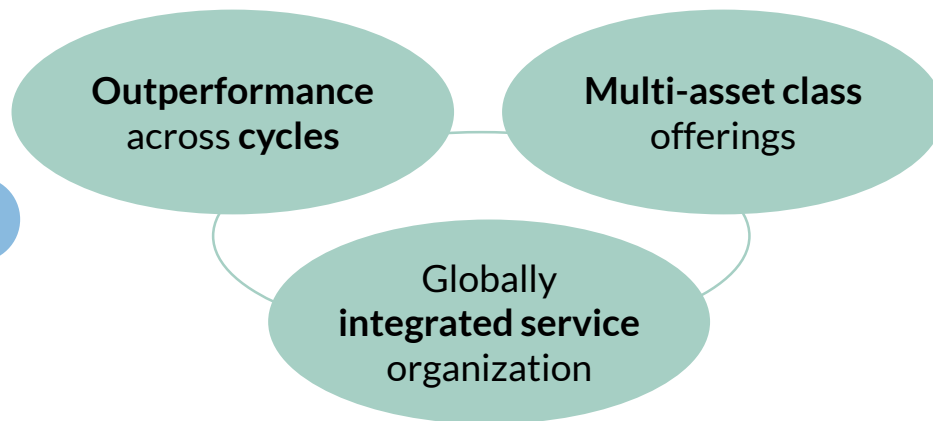
Partners Group
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The Partners Group formula

Attractive industry

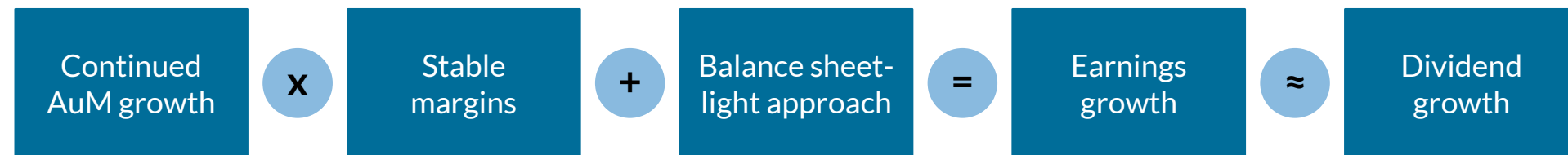


Partners Group business model



+

Competitive shareholder returns



Partners Group was one of the most valuable listed private markets investment managers globally at year-end 2017

Market capitalization in USD billion¹

Rank	Firm	Market Cap
1	The Blackstone Group	38
2	Partners Group	18
3	KKR	17
4	Apollo Global Management	14
5	3i Group	12
6	Carlyle Group	8
7	Onex Corporation	8
8	Eurazeo SA	7
9	Oaktree Capital Group	7
10	Ares Management	4

Key figures 2017²

1'245

CHF million
revenue

825

CHF million
EBITDA

>1'000

professionals
globally

¹ Bloomberg, as of 29 December 2017.

² Figures for the financial year ended 31 December 2017 and as of 31 December 2017.



Entrepreneurial governance enables a long-term approach to value creation

Rotation in Board responsibilities proposed

Private market governance practices enable long-term value creation.

The Board of Partners Group strives to uphold such practices in order to create long-term value for our shareholders.

- The Board will propose Steffen Meister as its next Chairman¹
- Steffen Meister will succeed Dr. Peter Wuffli, who has been Chairman since 2014
- The Board will propose Dr. Peter Wuffli as its Vice Chairman

Transitioning leadership while ensuring continuity in strategy and focus

¹ The Board proposes Steffen Meister as its next Chairman at the Annual General Meeting of shareholders to be held on 9 May 2018.



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2018 Annual General Meeting for clients



Continued increase in institutional investors' allocation to private markets globally

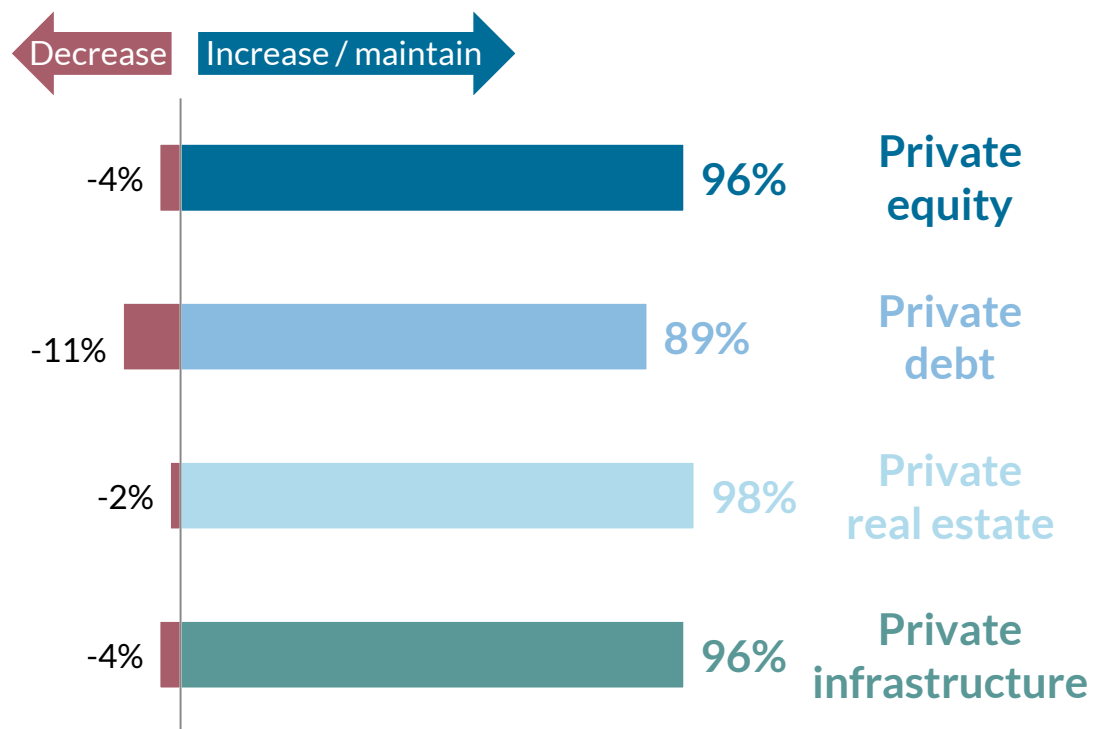
Partners Group's clients

Over 1'000 institutional clients



Private markets allocation over the long term

Institutional investors' intentions for their private markets allocations over the long term¹

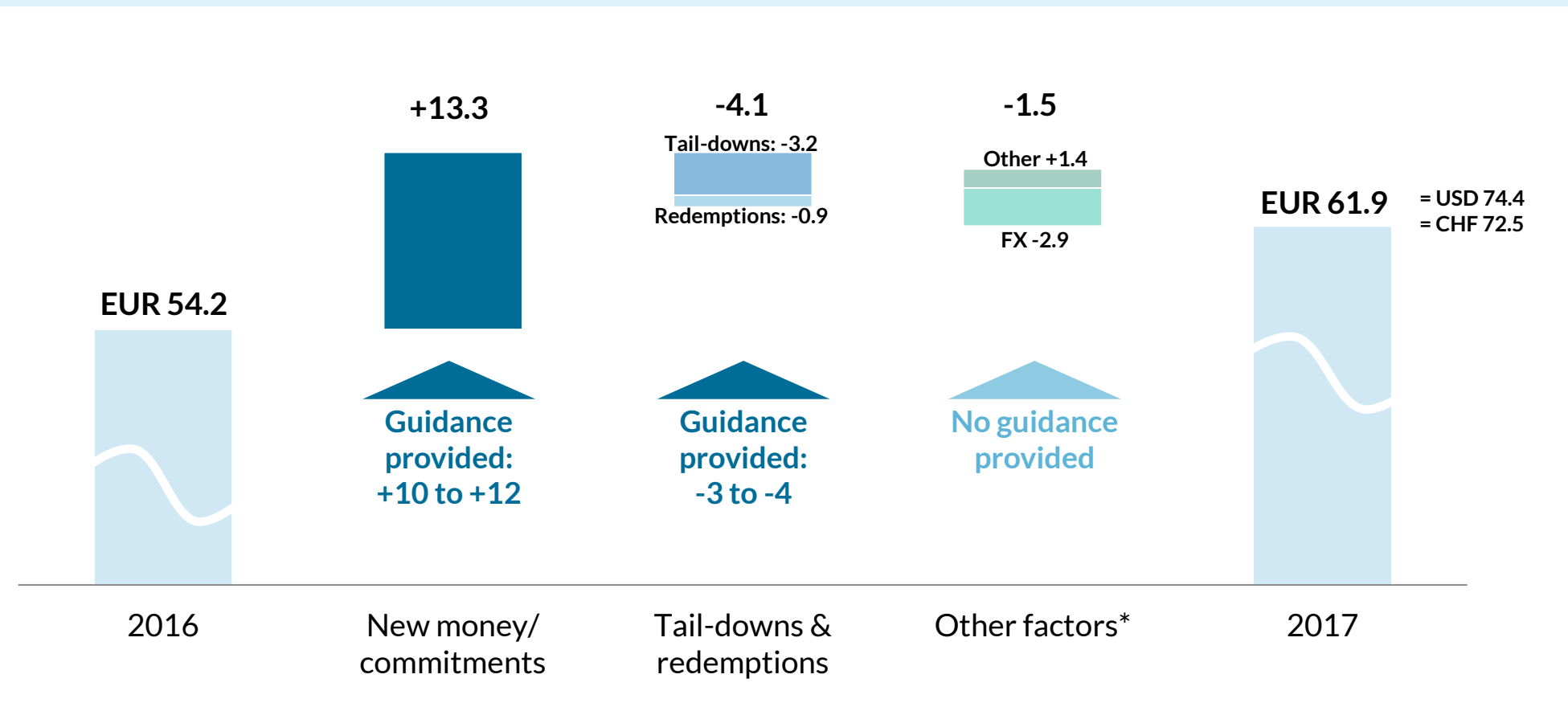


¹ Preqin Alternative Asset Outlook (H1 2018) "2018 Preqin global private debt report".



14% net AuM growth in 2017

Total AuM development (in EUR billion)

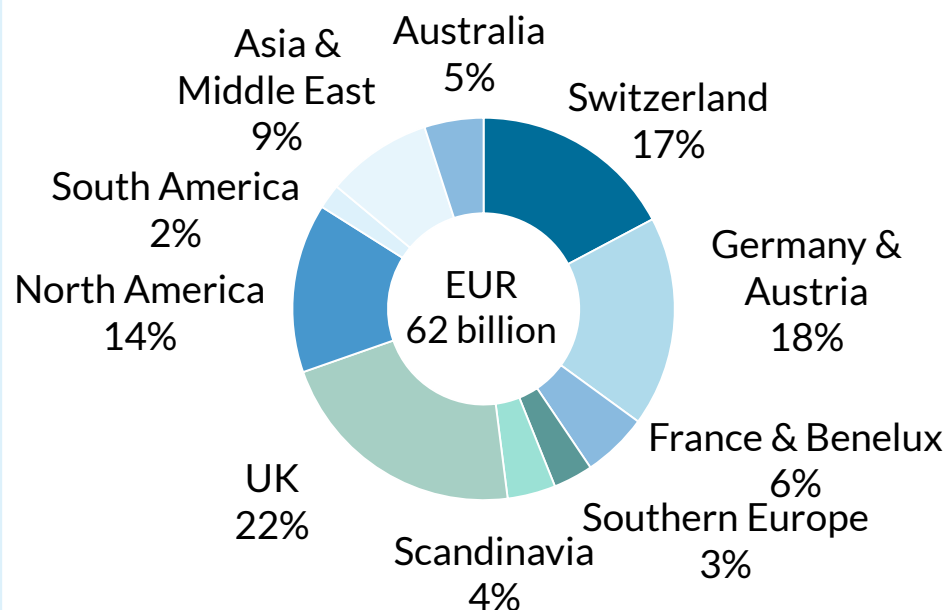


*Other factors consist of currency effects, performance, investment program changes and other effects.

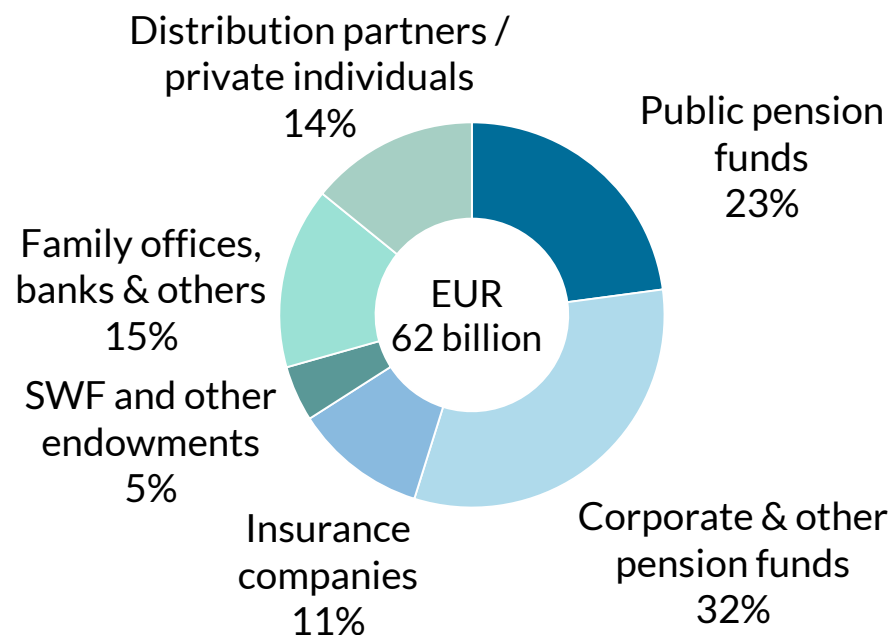


AuM diversified across regions and types of clients

AuM by region (as of 31 December 2017)

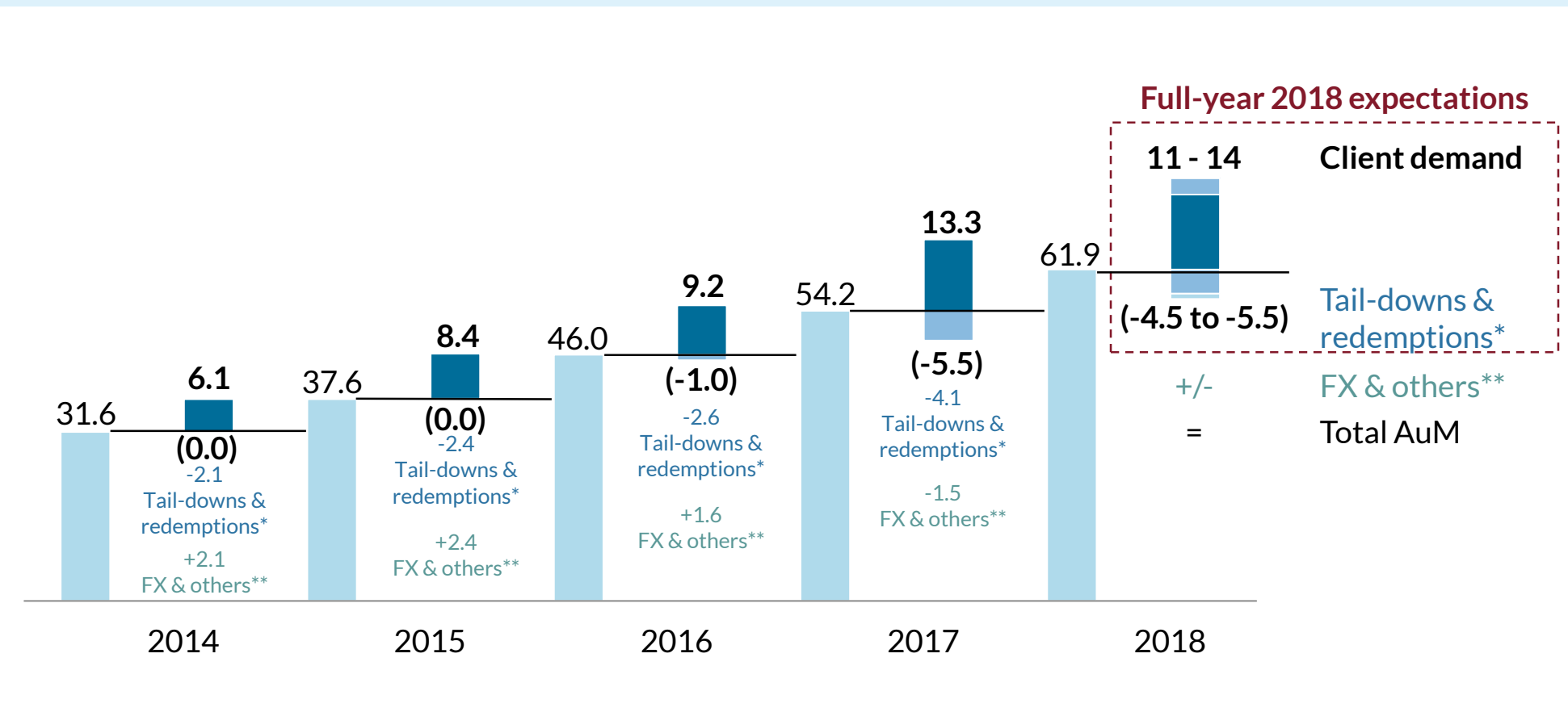


AuM by type (as of 31 December 2017)



Expected gross client demand in 2018

AuM, client demand and other effects (in EUR billion)



*Tail-downs & redemptions: tail-downs consist of maturing investment programs (typically closed-ended structures); redemptions stem from liquid and semi-liquid programs (~20% of AuM).

**Others: consist of performance from select programs and other effects.

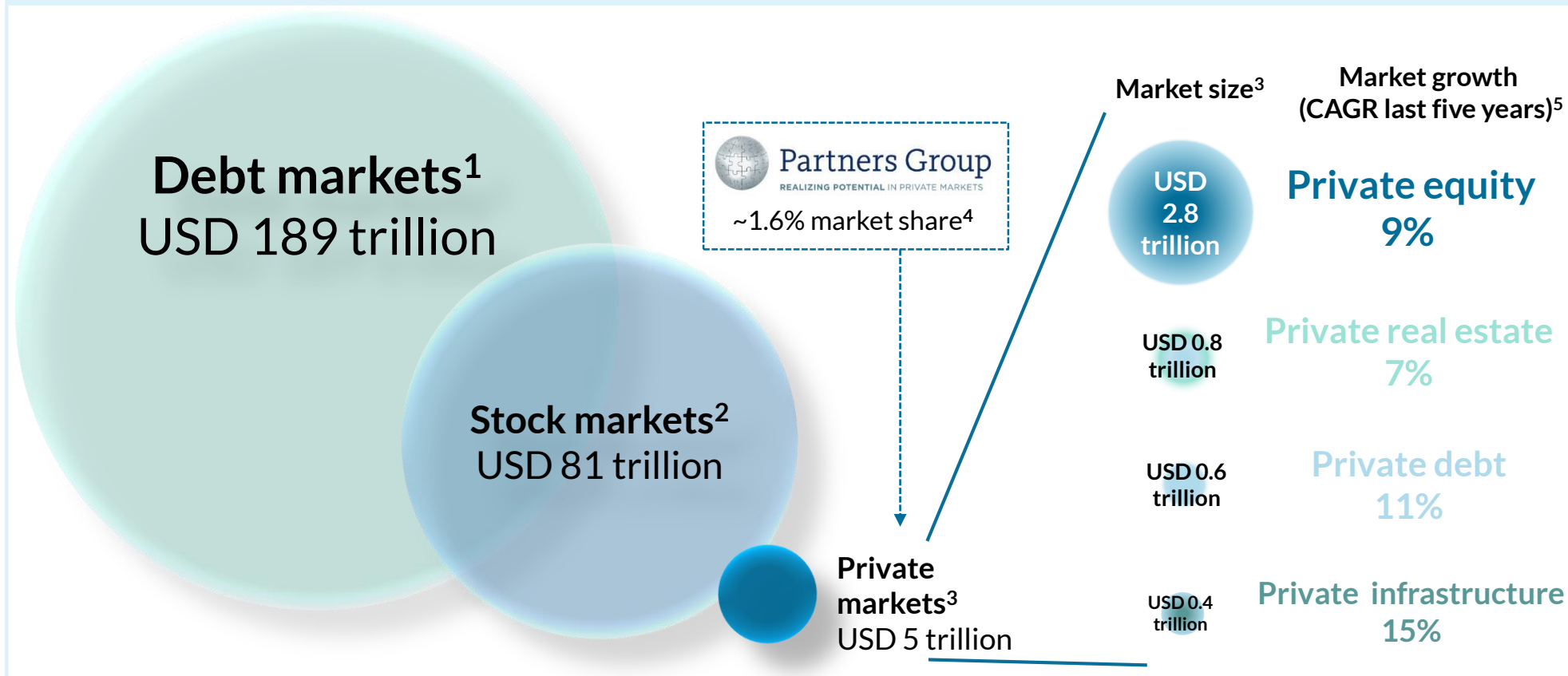
Note: negative effects (2014-2017) consist of both tail-downs & redemptions as well as FX & others.



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The private markets industry put into perspective

Market AuM 2017



Source: IIF Q3 2017 report (January 2018), Bloomberg, Preqin global private debt report (2018). 1 Includes USD 63 trillion government, USD 58 trillion financial sector and USD 68 trillion in non-financial corporate debt. Estimates as of Q3 2017. The definition of the IIF also included USD 48 trillion household debt, which has not been considered for the purpose of this analysis. 2 Bloomberg World Exchange Market Capitalization (WCAUWRLD Index) as of 31 December 2017. 3 AuM as of June 2017. Includes USD 2.8 trillion private equity, USD 0.6 trillion private debt, USD 0.8 trillion private real estate and USD 0.4 trillion private infrastructure. The definition of Preqin also included USD 0.2 trillion natural resources AuM, which has not been considered for the purpose of this analysis. 4 Market share calculated based on Partners Group's AuM as of 31 December 2017, EUR 61.9 billion (USD 74.4 billion). 5 Compound annual growth rate 2012-2017.



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Private markets have evolved

Transformative growth in private markets

"Scaling private markets" (1995-2010)

- From private equity to real assets
- From financial engineering to financial value creation
- From traditional sector specialists to multi-asset coverage

New challenges/
opportunities

"Moment of truth" (2010-2025)

- 1 Institutionalization of business
- 2 Commoditization of certain private market segments
- 3 Transformation of valuations framework

Specialization & scale



Scale and specialization are pre-requisites for success in private markets today

1 Institutionalization

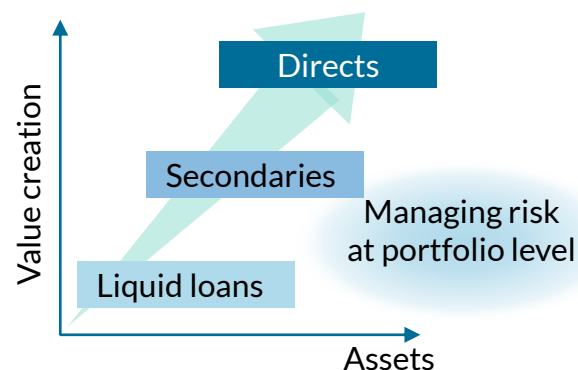
Driving intermediation and execution speed

Private equity surge spurs faster auctions – strong demand for prized assets leads to express deals as valuations near 10-year high
[Financial Times, 2017]

Develop investment hypothesis and value creation strategy today for tomorrow's investments

2 Commoditization

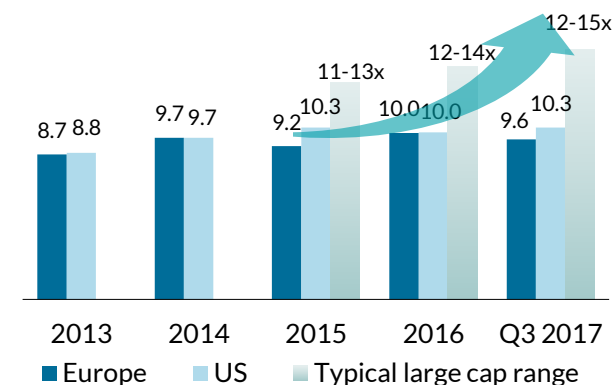
Growing beta characteristics in liquid loan and parts of secondary markets



Enhance returns at asset level; manage liquidity, investment level and diversification at portfolio level

3 Transformation of valuations

Structurally elevated valuation levels that may not reverse in the future



Source: Partners Group and S&P Global Leveraged Lending Review, Q3 2017.

Value creation at asset level needs to be a top priority across all asset classes



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Partners Group 2017 investment platform overview

Investment platform update

- **Over 1'000 professionals**
- **USD 13.3 billion** invested in private markets opportunities on behalf of our clients
 - **USD 8.3 billion direct investments** based on **3'843 direct opportunities screened**
 - USD 4.1 billion invested in 30 assets
 - USD 4.2 billion invested in 47 credits
 - **USD 2.2 billion secondary investments; USD 137 billion screened** across all asset classes
 - **USD 2.8 billion invested with select best-in-class managers** in the private markets industry
- **USD 11.8 billion** underlying **portfolio distributions**

77 direct investments across the globe

North America	Europe	Asia-Pacific/ RoW
27 direct investments	34 direct investments	16 direct investments



Note: figures exclude investments executed for short-term loans, cash management purposes and syndication partner investments. The number of credits does not include liquid loans in the syndicated debt market.



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Continued significant deal flow

First screenings in 2017

	Directs	Secondaries	Primaries
Private equity	1'482	USD 88 billion	193
Private debt	424	n/a	n/a
Private real estate	1'084	USD 39 billion	204
Private infrastructure	853	USD 10 billion	77
Total screened	3'843	USD 137 billion	474
Executed	USD 8.3 billion 30 assets & 47 credits*	USD 2.2 billion 26 transactions	USD 2.8 billion 34 commitments

*USD 4.1 billion invested in 30 assets, USD 4.2 billion invested in 47 credits.

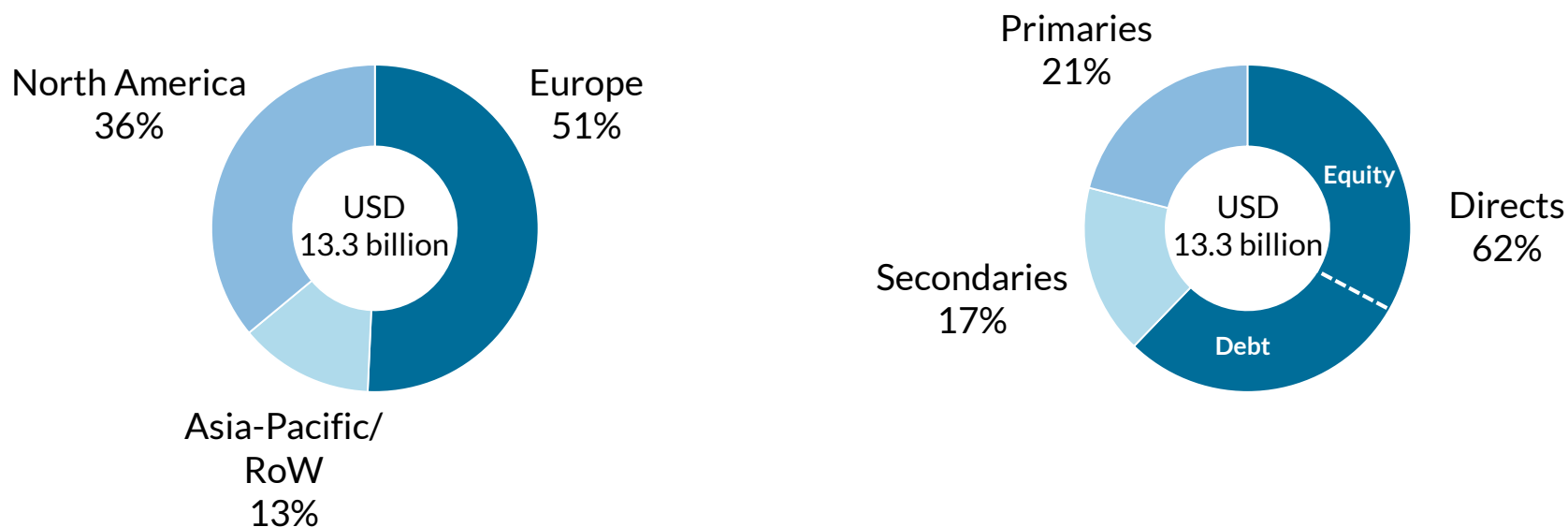
Note: figures exclude investments executed for short-term loans, cash management purposes and syndication partner investments. The number of credits does not include liquid loans in the syndicated debt market.



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Private markets investment activities in 2017 across the globe and all asset classes

Private markets investments during 2017



Note: figures exclude investments executed for short-term loans, cash management purposes and syndication partner investments.



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Private equity

Investment strategies

Active management
is the only road to
growth



1

**Platform
companies**

2

**Category
winners**

3

**Defensive
leaders**

Transformative trends & select focus areas



**Cost structure
optimization**



**Industry
4.0**



**Growing
middle class**

Europe

**Business process
outsourcing**

Civica



Leading provider of specialist software, digital solutions and outsourcing services in the UK.

US

**Specialization &
digitalization**

USIC



A leading provider of underground utility locating services in the US.

Asia & EMs

**International
education platforms**

Language training company



A market leader in English language training services in Vietnam.



Private real estate

Investment strategies

Unlocking
hidden potential



**1 Buy below re-
placement cost**

**2 Buy, fix and
sell**

**3 Develop
core**

Transformative trends & select focus areas



Demographic shifts



Technology growth



E-commerce

Europe

**Urbanization &
affordable housing**

Residential



Development of 1'700
residential apartments

Location: Stockholm, Sweden
Size: >57'000 square meters

US

**Substantially leased
assets**

Office



Acquisition of a portfolio of
two Class A office buildings

Location: Tampa, US
Size: >46'000 square meters

Asia-Pacific

**XXL
warehouses**

Logistics



Acquisition of an infill site in the
industrial precinct of Southport

Location: Southport, Australia
Size: 21 hectares



Private infrastructure

Investment strategies

Investing in
construction-stage
assets



1 Platform opportunities

2 Build core

3 Operational value creation

Transformative trends & select focus areas



Global growth of renewable energy

Europe

Offshore wind

Borssele III/IV



731.5MW construction-ready offshore wind farm, comprising 77 Vestas 9.5 MW turbines

Country: Netherlands



Communication infrastructure

Europe

Fiber networks

Tutor Group



Add-on to Covage, the European arm of our existing fiber platform Axia

Country: France

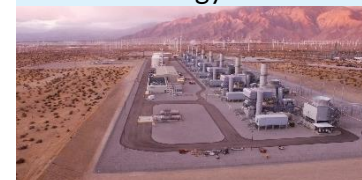


Energy infrastructure

US

Natural gas

Sentinel Energy Center



Peaking power plant with a 10-year availability-based power purchasing tolling agreement

Country: US



Private debt

Investment strategies

Recession resilience,
stable revenues,
high cash conversion



1 Creative structures

2 Attractive sub-sectors

3 Buy-and-build strategies

Focus on attractive assets across debt markets



US



Global company providing computer security software solutions

HQ: Tampa, FL, USA



Europe



World's largest outsourcing and technology services specialist for governments

HQ: Zurich, Switzerland

Asia-Pacific



Leading provider of non-invasive aesthetic treatments in Australia

HQ: Sydney, Australia



Key drivers of private markets performance

Value creation approach



2017 results¹



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✓ >200 ongoing value creation initiatives

✓ >70 initiatives realized

✓ >200 board meetings held

✓ Over 100 business introductions throughout the portfolio

✓ Active exit management; USD 11.8 billion gross portfolio distributions²

20% Revenue growth

18% EBITDA growth

>13k Jobs created

¹ Value creation in 2017 across all active, non listed, Partners Group Direct Investments 2012 (EUR), L.P. Inc. and Partners Group Direct Investments 2016 (EUR), L.P. Inc. portfolio companies acquired before 31 December 2016. Data for the financial year ended 31 December 2017 and as of 31 December 2017.

² Figures calculated net of underlying fees, gross of Partners Group fees. For illustrative purposes only. There is no assurance that such distributions will be achieved. There is no assurance that similar investments will be made. Source: Partners Group.



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Partners Group retains high scores from UN PRI for responsible investment

Partners Group's 2017 UN PRI report for responsible investment



- Strategy & Governance **A+**
- Private equity **A+**
- Private real estate **A**
- Private debt **A**

**Results highlight strong
ESG program and leadership in
responsible investment**



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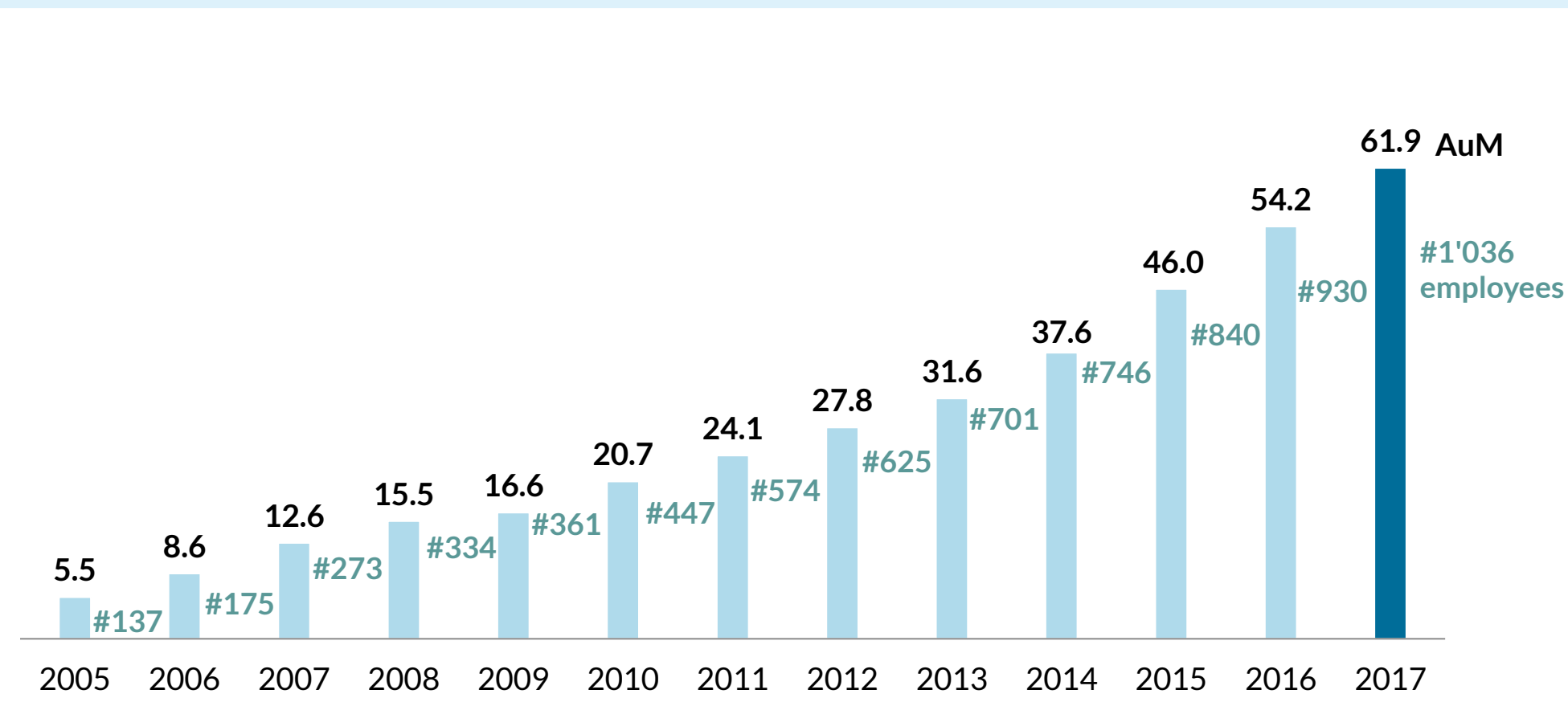
4 **Financials**



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Sustained growth in AuM and number of employees over the last decade

Total AuM (in EUR billion)



Note: assets under management exclude discontinued public alternative investment activities and divested affiliated companies.

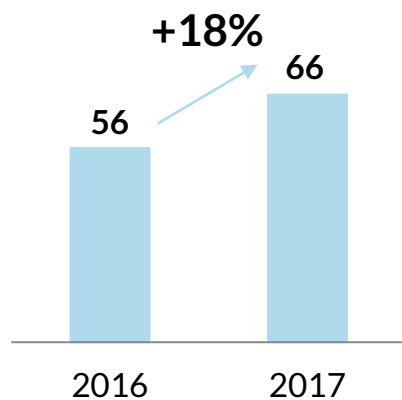


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Strong results across the board

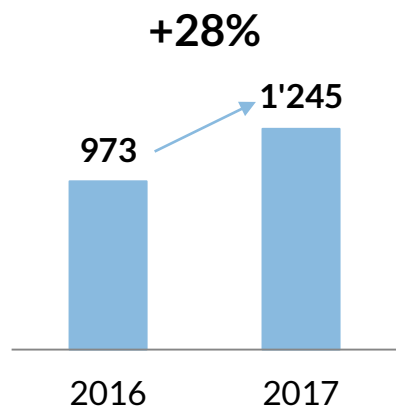
Financial highlights 2017

Avg. AuM¹
(in CHF billion)



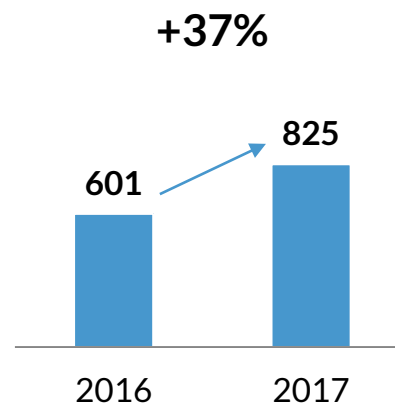
Driven by
fundraising for
flagship programs

Revenues²
(in CHF million)



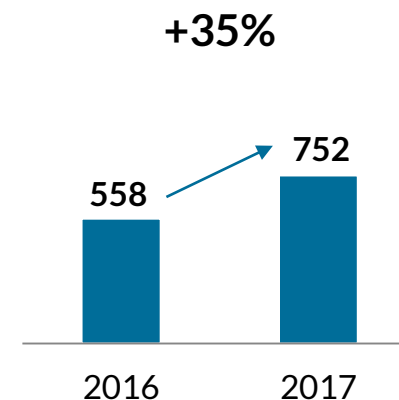
Supported by high late
management fees
& other income

EBITDA
(in CHF million)



Revenue growth
temporarily outpaces
hiring activities

Profit
(in CHF million)



Broadly in line
with EBITDA
development

¹ Average assets under management calculated on a daily basis ² Revenues include management fees and performance fees. Management fees include recurring management fees and other revenues, net, other operating income and share of results of associates.



Revenues increase more than costs, driving EBITDA and IFRS profit

Key financials (in CHF million)

	2016		2017
Revenues ¹ , of which	973	+28%	1'245
Management fees ²	679	+29%	873
Performance fees	294	+26%	372
EBITDA	601	+37%	825
EBITDA margin	62%		66%
Financial result	38		36
Income tax expenses	-68		-95
Tax rate	11%		11%
<u>IFRS profit</u>	<u>558</u>	<u>+35%</u>	<u>752</u>
Diluted EPS	20.92		28.09

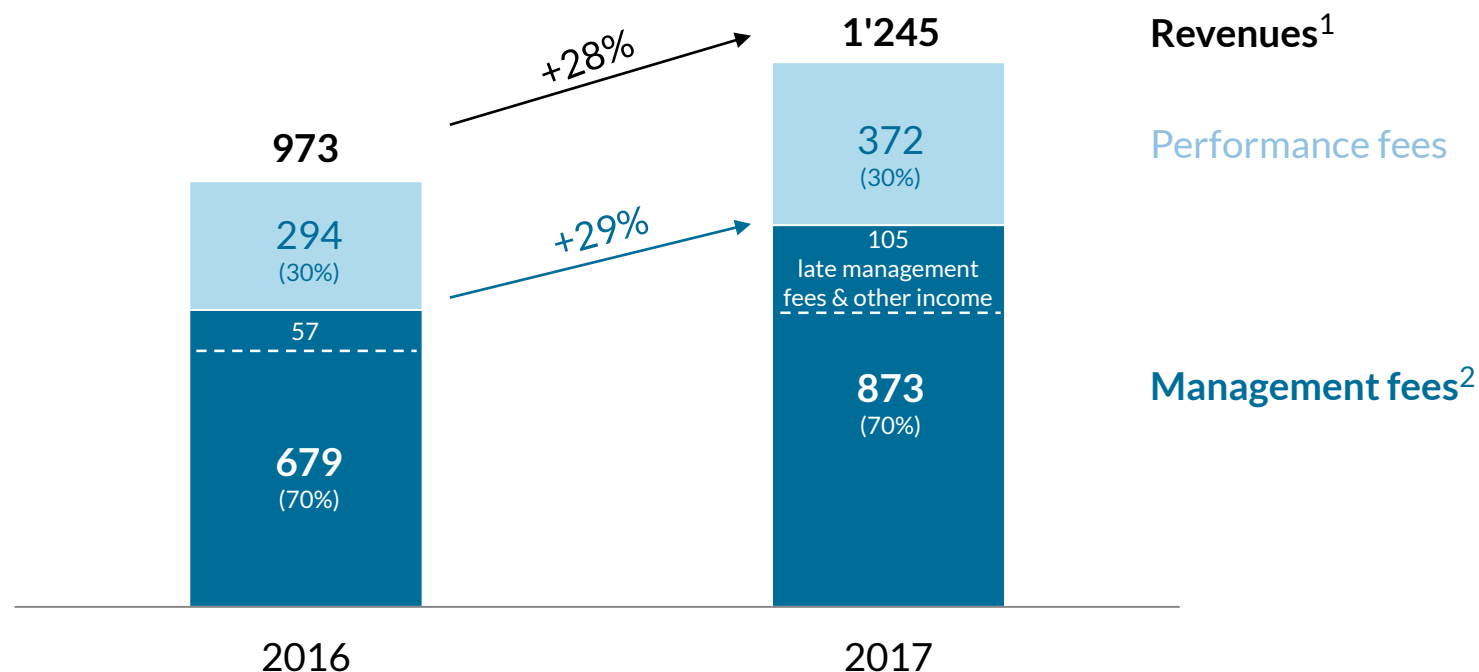
¹ Revenues include management fees and performance fees.

² Management fees include recurring management fees and other revenues, net, other operating income and share of results of associates.



Management fee growth outpaces AuM growth due to higher late management fees & other income and higher-margin management fees

Revenues (in CHF million)



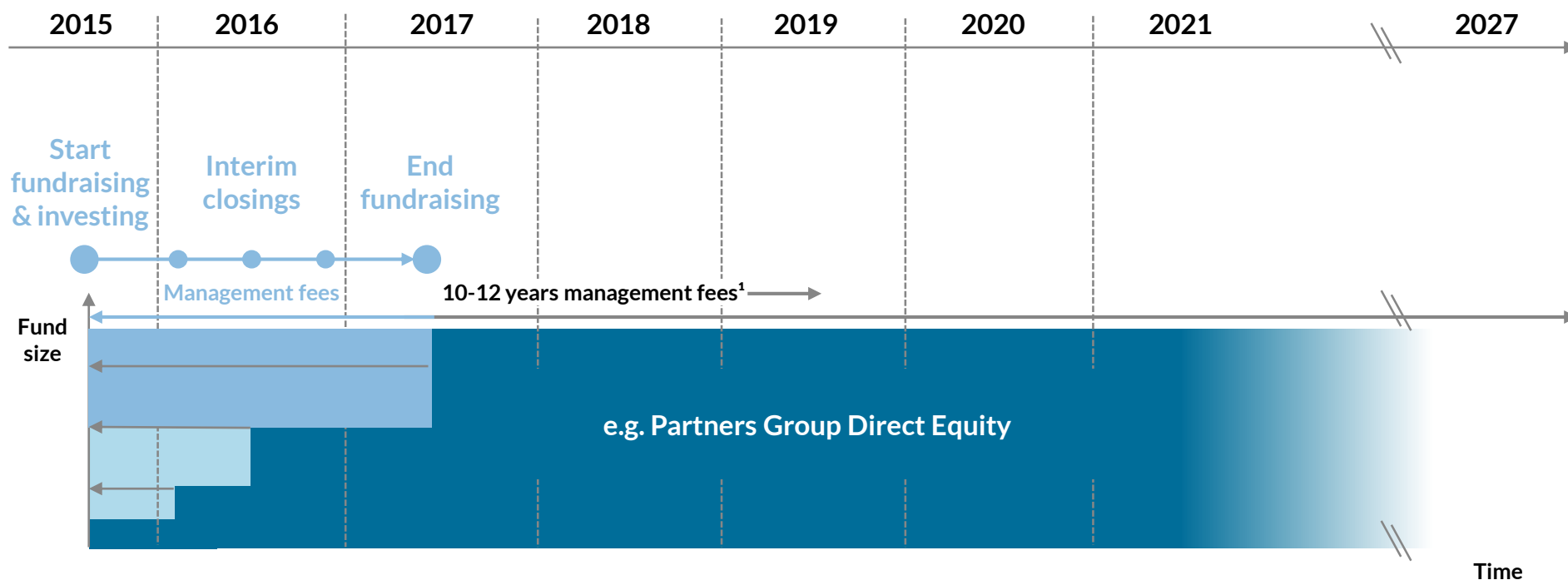
¹ Revenues include management fees and performance fees.

² Management fees include recurring management fees and other revenues, net, other operating income and share of results of associates.



Management fees may vary between calendar years during fundraising

Illustrative example

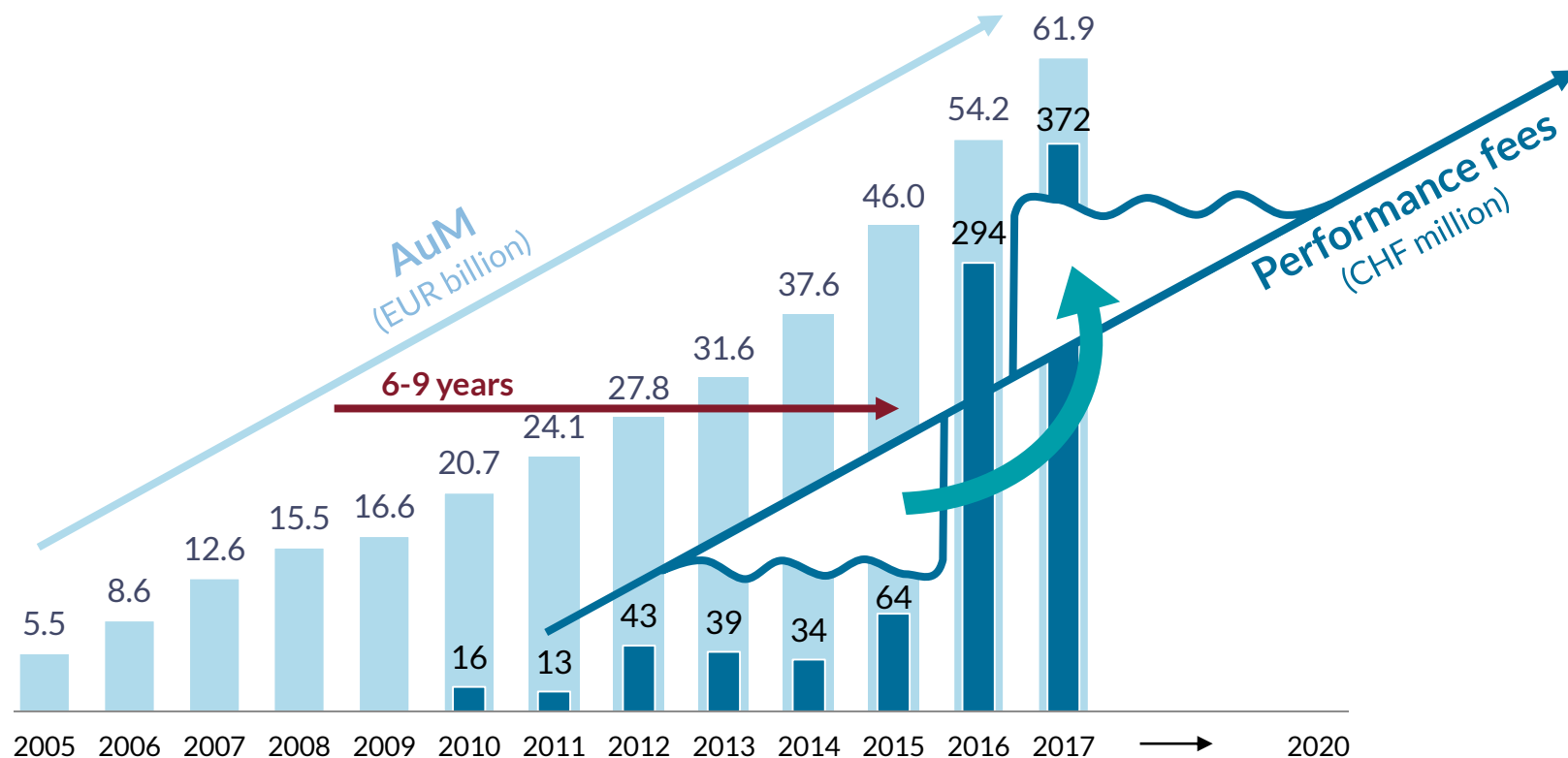


¹ Typical duration is 10-12 years for equity offerings and 5-7 years for debt programs.



Continued solid performance fee development

In the long run, performance fees are expected to grow in line with AuM growth



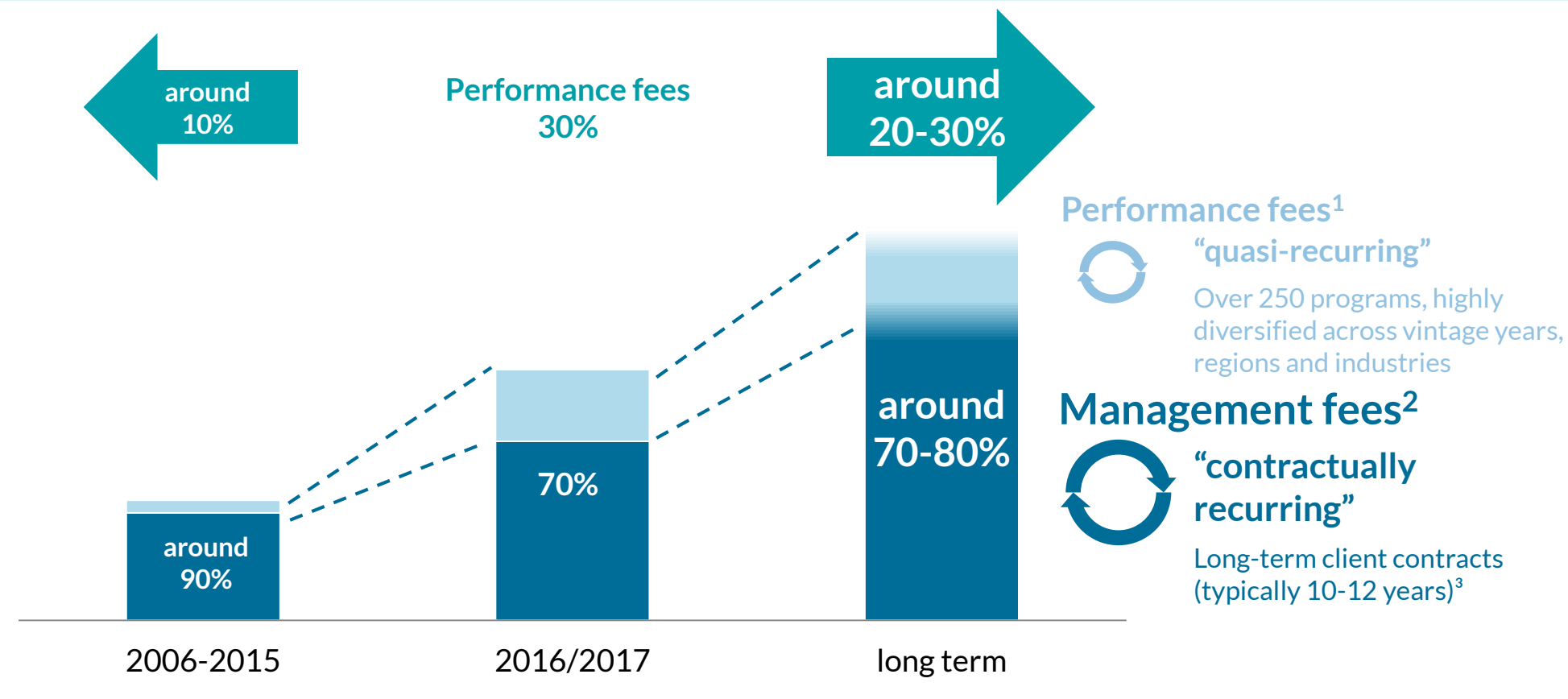
Note: assuming that the market remains favorable to exits, Partners Group expects to continue to generate significant performance fees from the underlying client portfolios due to the visibility that it has on the life cycles of its programs.



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Management fees will continue to be the main source of revenues

Outlook on performance fees



¹ Assuming that the market remains favorable to exits, Partners Group expects to continue to generate significant performance fees from the underlying client portfolios due to the visibility that it has on the life cycles of its programs.

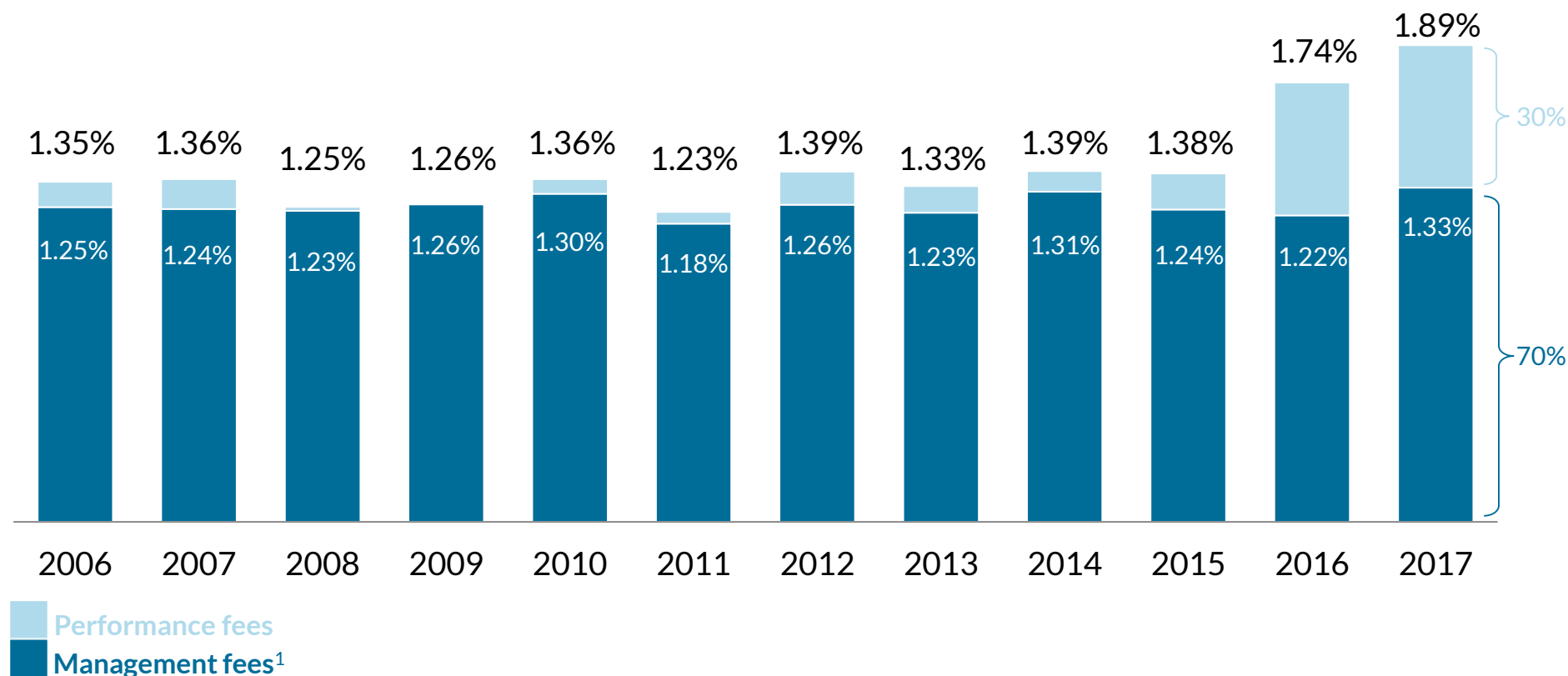
² Management fees include recurring management fees and other revenues, net, other operating income and share of results of associates.

³ Typical duration is 10-12 years for equity offerings and 5-7 years for debt programs.



Stable revenue margin on management fees; higher margins due to higher level of performance fees

Revenue margin (calculated as revenues divided by average daily AuM)



¹ Management fees include recurring management fees and other revenues, net, other operating income and share of results of associates.



Revenues grew more than costs

Revenues, costs and EBITDA development (in CHF million)

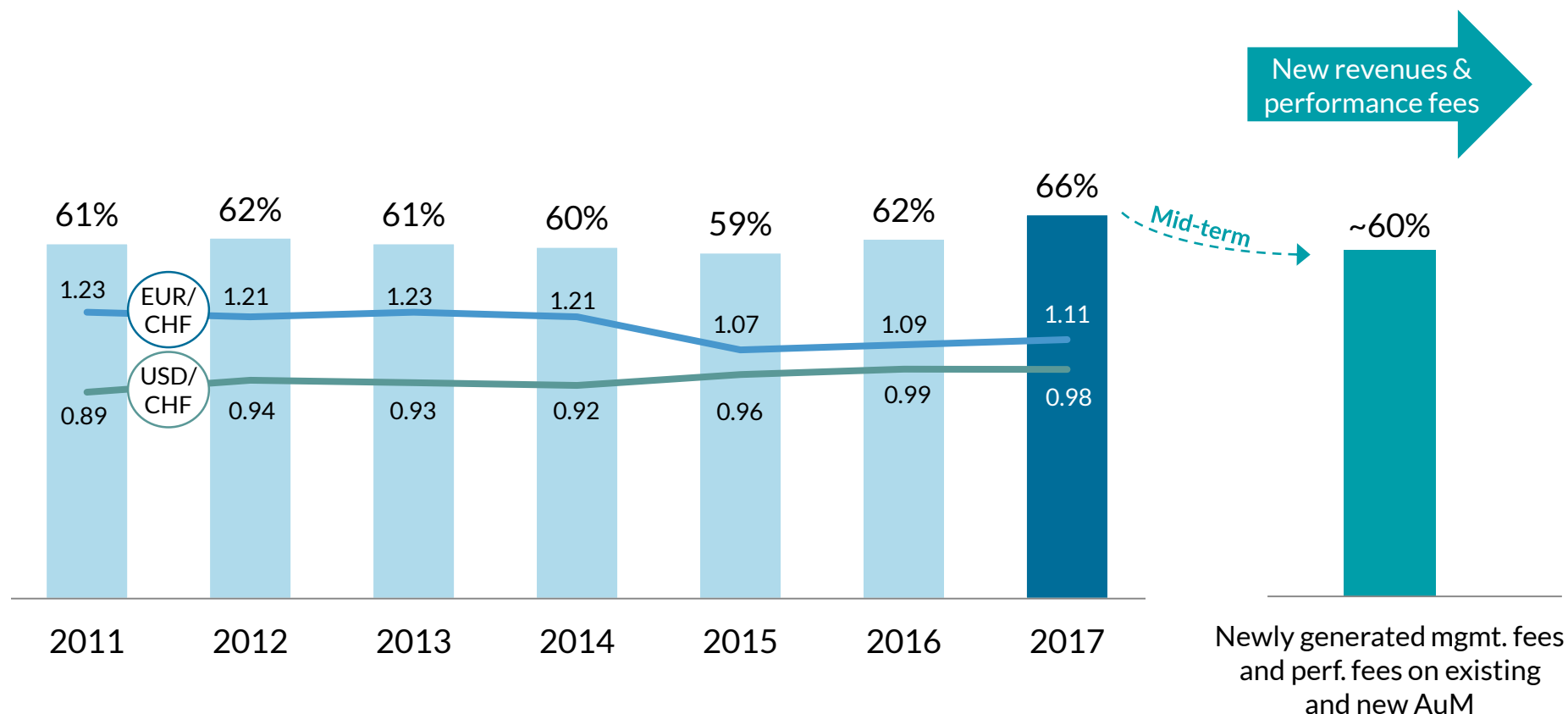
	2016		2017
Revenues ¹	973	+28%	1'245
Total costs, of which	-372	+13%	-420
Personnel expenses	-318	+13%	-359
Operating expenses	-55	+10%	-60
EBITDA	601	+37%	825
EBITDA margin	62%	+4%-points	66%

¹ Revenues include management fees and performance fees. Management fees include recurring management fees and other revenues, net, other operating income and share of results of associates.



EBITDA margin target of ~60% confirmed as the firm is committed to further invest in its platform

EBITDA margin development



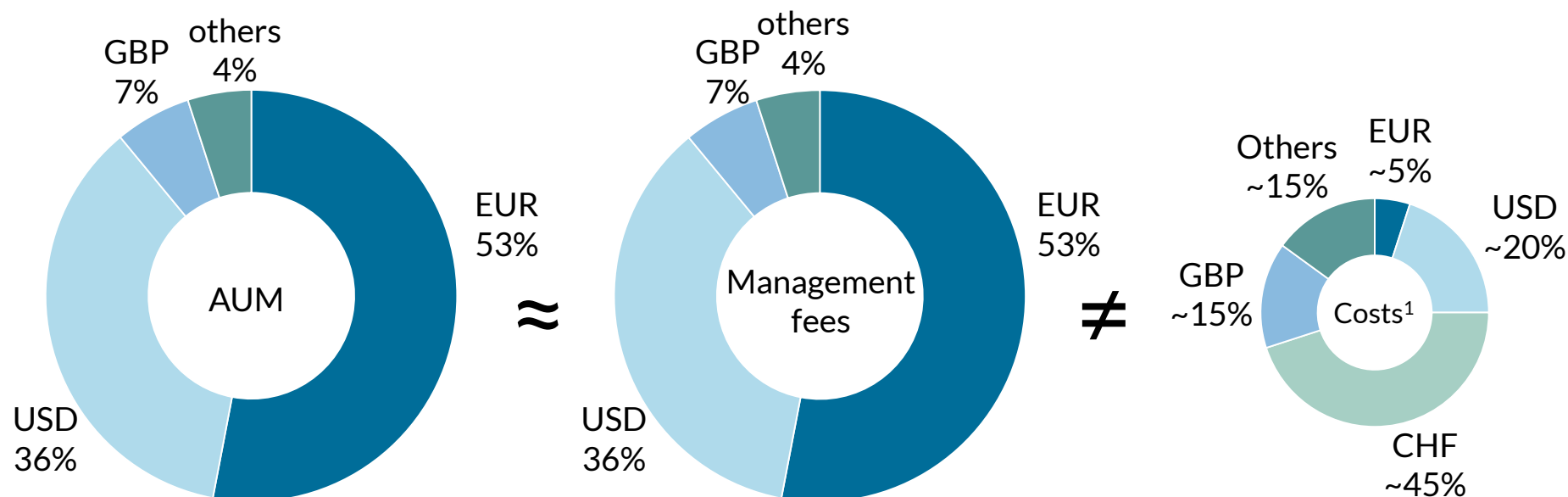
Note: foreign exchange rates in daily averages in respective years/periods.



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Foreign exchange rates and their impact on the EBITDA margin

Currency exposure in 2017



EUR/USD foreign exchange fluctuations have a greater impact on CHF management fees than on CHF costs, while their impact on performance fees and their corresponding costs is equal

Note: all figures are based on estimates and the currency denomination of underlying programs; revenues include revenues from management services, net, other operating income and share of results of associates.

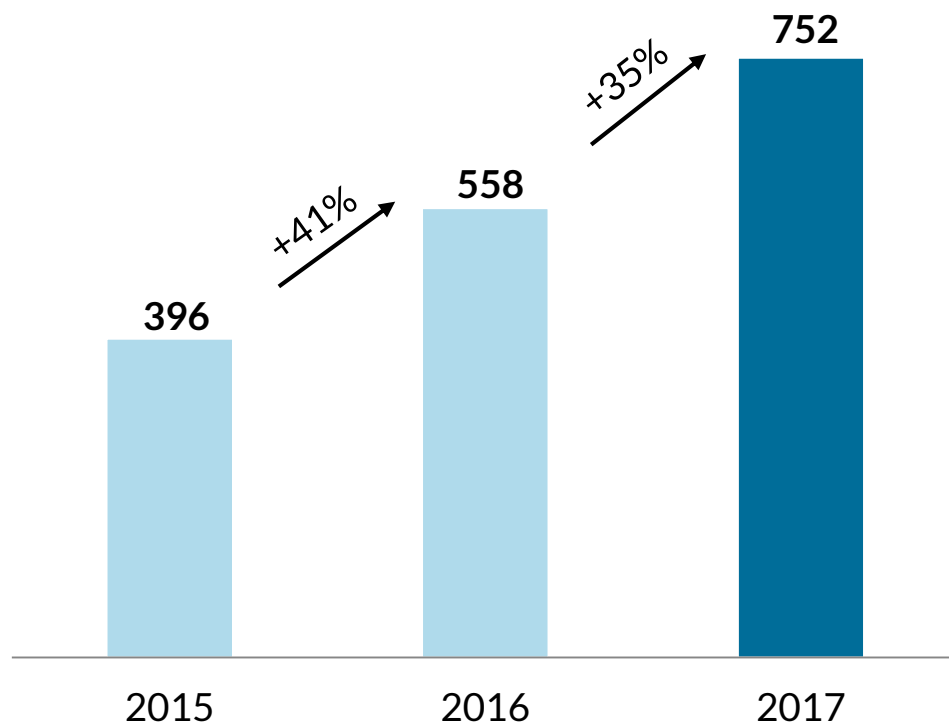
¹ Include personnel expenses and other operating expenses for the financial year ended 31 December 2017.



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Solid profit contribution and balance sheet

IFRS profit¹ (in CHF million)



Balance sheet 2017

1'266
CHF million
net liquidity²

43%
return on
equity

648
CHF million
in own investments³

1'956
CHF million
equity

¹ For the financial year ended 31 December 2017.

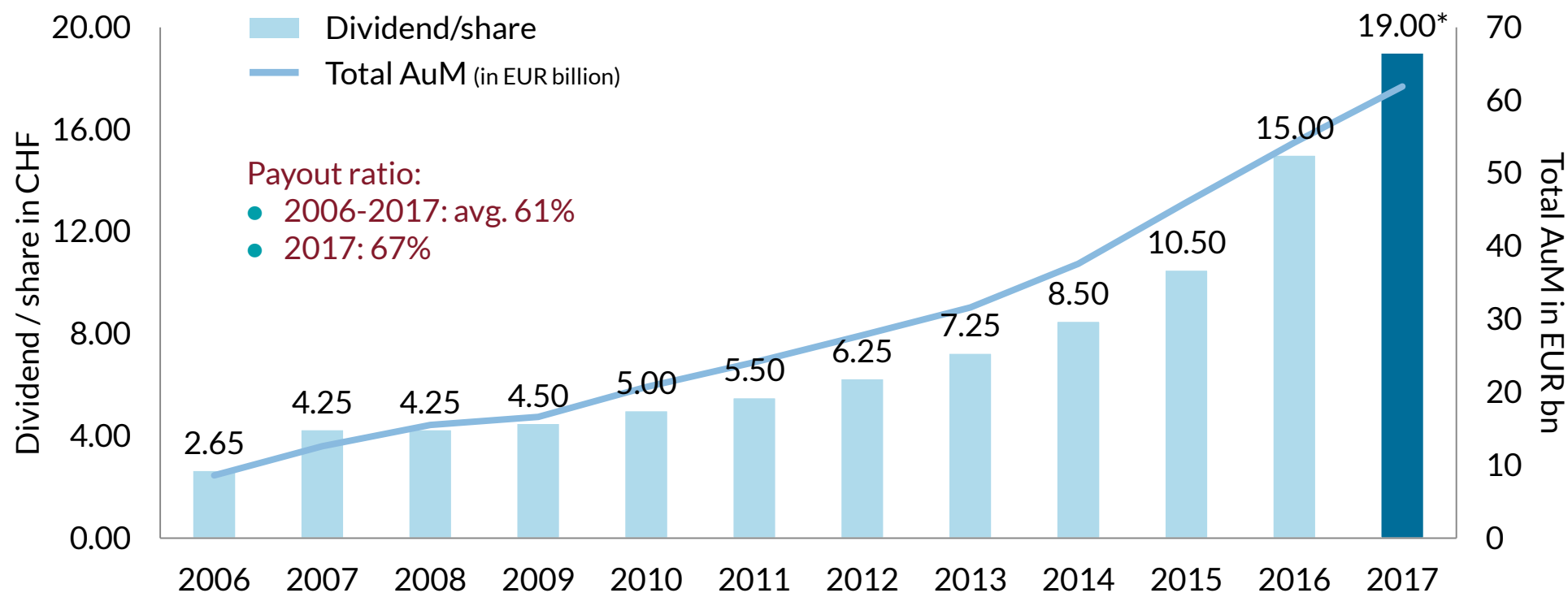
² Comprises cash and cash equivalents and short-term working capital facilities for investment programs provided by the firm, net of long-term debt.

³ Net of assets/liabilities held for sale, investments in associates and financials investments.



Proposed dividend of CHF 19.00 per share based on solid operating results and confidence in the future potential of the business

Dividend payment since IPO (CHF per share)



* The Board of Directors proposes that a dividend of CHF 19.00 per share be paid for the financial year 2017 at the Annual General Meeting of shareholders to be held on 9 May 2018.

Note: assets under management exclude discontinued public alternative investment activities and divested affiliated companies.



Partners Group
REALIZING POTENTIAL IN PRIVATE MARKETS

Contacts

Philip Sauer

Co-Head Group Finance & Corporate Development

T +41 41 784 66 60

Email: philip.sauer@partnersgroup.com

Zugerstrasse 57

6341 Baar-Zug

Switzerland

T +41 41 784 60 00

partnersgroup@partnersgroup.com

www.partnersgroup.com



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