



# Partners Group

REALIZING POTENTIAL IN PRIVATE MARKETS

17 MARCH 2020

## Annual results 2019

**Steffen Meister** Executive Chairman | **André Frei** Co-CEO | **David Layton** Co-CEO | **Philip Sauer** Co-Head Group Finance & Corporate Development



**Dr. Anette Waygood** Head Corporate Legal | **André Frei** Co-Chief Executive Officer

# Table of contents

---

**1 Investments**

---

**2 Clients**

---

**3 Financials**

---

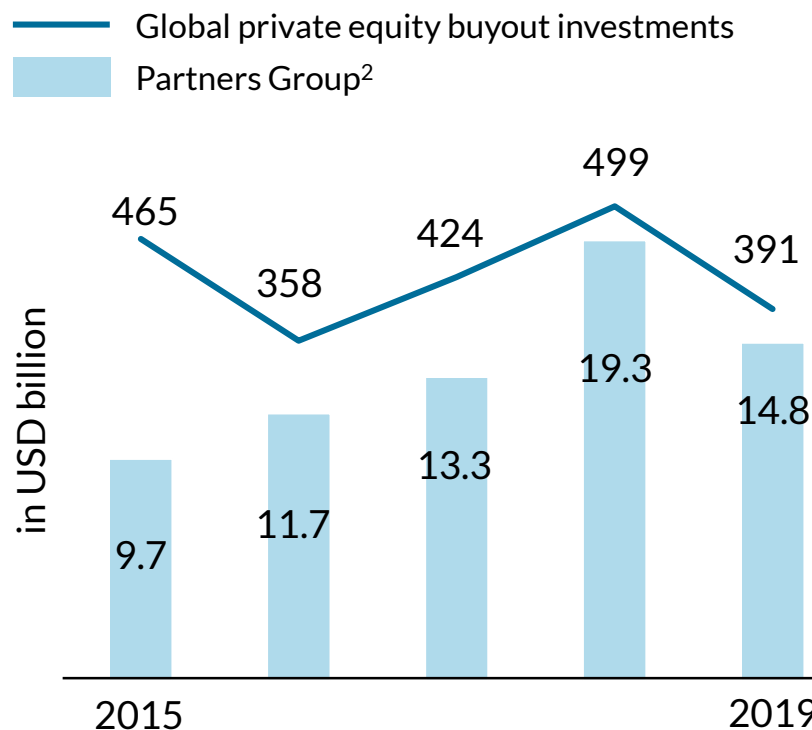
**4 Shareholder & stakeholder impact**

---

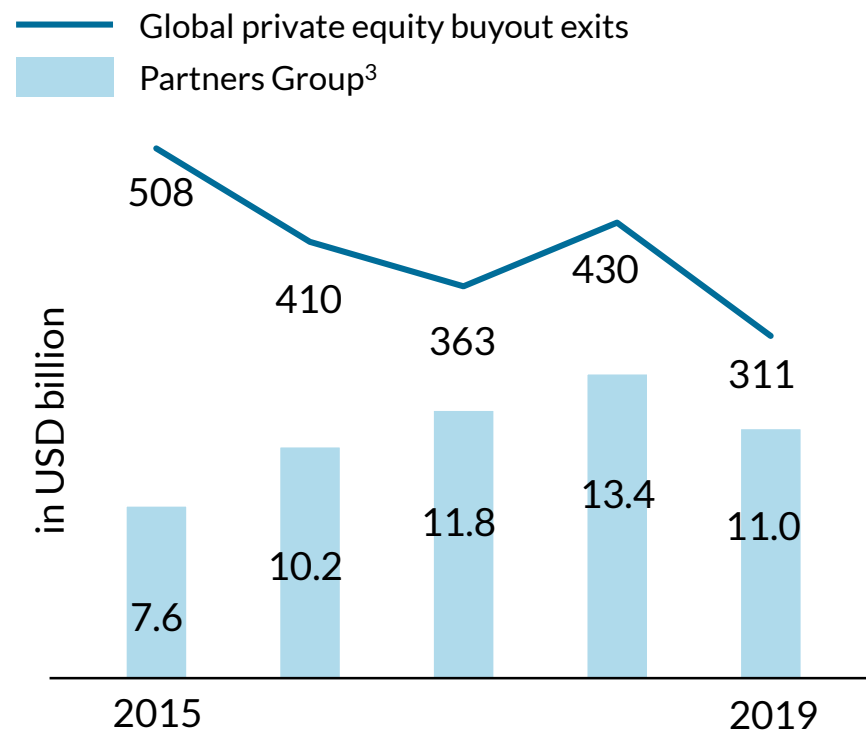


Global buyout investments were lower, but at healthy levels; 2019 saw a more challenging exit environment, caused by market uncertainty at the beginning of the year

### Global buyout investments<sup>1</sup> vs. Partners Group



### Global buyout exits<sup>1</sup> vs. Partners Group



Despite challenging market conditions in 2019, we successfully invested and divested assets

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

1 PreqinPro (2020). 2 Partners Group's private markets investments. Figures include add-on investments but exclude investments executed for short-term loans, cash management purposes and syndication partner investments. 3 Partners Group's underlying gross portfolio realizations.

Source: Partners Group (2020).



**Partners Group**  
REALIZING POTENTIAL IN PRIVATE MARKETS

In 2019, we successfully invested USD 14.8 billion in private market assets...

## Private equity

USD 6.4 bn



One of the top five US independent outpatient physical therapy services provider



**Blue River**  
—PetCare—

Leading operator of general practice veterinary hospitals in the US



One of Germany's largest toy manufacturers

## Private infrastructure

USD 1.6 bn



Leading Norwegian offshore midstream infrastructure platform



Leading developer, owner and operator of power generation assets in Latin America



Project to construct a 500-MW subsea power interconnector between Ireland and GB

## Private debt

USD 3.8 bn



Always have a plan  
Independent provider of recordkeeping services for retirement and college savings plans



**Nestlé Skin Health**

Global leader in developing, manufacturing and commercializing dermatology products



**TRANSMONTAIGNE**

US-based midstream terminaling and storage company

## Private real estate

USD 3.0 bn



176'976 square meter mixed use complex, Beijing, China



20 institutional office assets across four cities in the US



Industrial portfolio of eleven assets across seven cities in the US



...and generated USD 11.0 billion in gross portfolio realizations for our clients

## Private equity

USD 4.9 bn

**vermaat**

Leading Dutch provider of outsourced  
hospitality and premium catering services

**Osmose**  
The Structure Company

Leading US provider of integrity management services  
for the utilities and transmission & distribution sectors

**ACTION**

Europe's leading non-food  
discount retailer

## Private infrastructure

USD 1.0 bn

**MERKUR  
OFFSHORE**

396MW offshore wind farm in the German  
exclusive economic zone in the North Sea

**BILLY  
BISHOP**

**TORONTO CITY AIRPORT**

Operator of the only passenger terminal at  
Toronto's downtown airport

**NGL**  
Energy Partners LP

Publicly traded midstream MLP; owns and  
operates a vertically integrated energy business

## Private debt

USD 3.4 bn

**Infoblox**

Provider of hardware and software network  
services to manage and secure IT infrastructures

**ivc**  
Independent  
Vetcare

Leading veterinary care platform in Europe  
with more than 1'200 clinics in 10 countries

**Sabre Industries**

US-based producer of engineered structures  
for the power and wireless end markets

## Private real estate

USD 1.7 bn



Narita Hedistar,  
Hotel, Tokyo, Japan



Riata Corporate Park,  
Office, Austin, US



AB Center,  
Office, Berlin, Germany

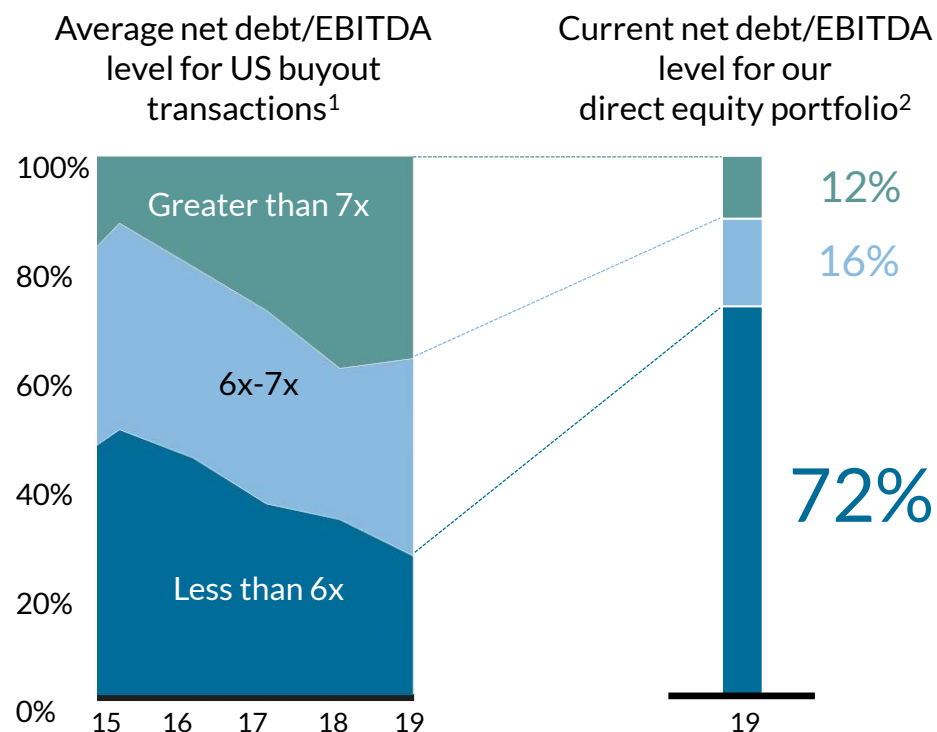
Note: For illustrative purposes only. Past performance is not indicative of future results. There is no assurance that similar results will be achieved. There is no assurance that similar investments will be made. Abbreviations: MLP = Master Limited Partnership.  
Source: Partners Group (2020).



**Partners Group**  
REALIZING POTENTIAL IN PRIVATE MARKETS

## Relatively conservative debt levels

### US buyout market<sup>1</sup> vs. Partners Group



- **Relatively conservative debt levels** compared to the US buyout market
- Returns are driven by our **focus on top-line growth** in the middle-market globally
- Enabled via our **entrepreneurial governance framework** and **active value creation**

<sup>1</sup> Source: Bain 2020 Private Equity Report based on data by Thomson LPC. Includes investments with disclosed purchase price and net debt/EBITDA levels only.

<sup>2</sup> Includes all active non-listed and listed portfolio companies in the following programs: Partners Group Direct Investments 2009, L.P., Partners Group Direct Investments 2012 (EUR), L.P. Inc., Partners Group Direct Investments 2016 (EUR), L.P. Inc. and Partners Group Direct Equity 2019 (EUR) S.C.A., SICAV-RAIF. Net debt/EBITDA level data are as of 31 December 2019.

Source: Partners Group (2020).



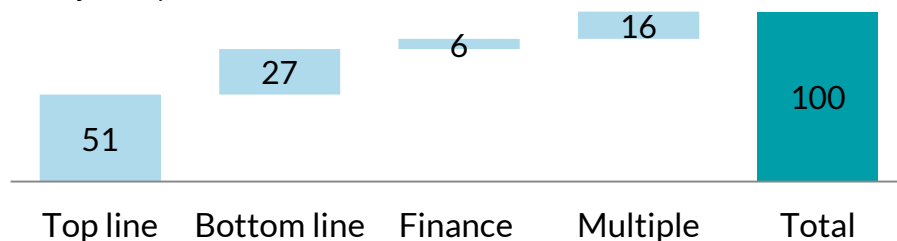


# Our systematic approach to governance and value creation generates transformative growth

## Measurable results across our portfolio companies in 2019

- **Entrepreneurial governance framework**  
Tailoring of board compositions to support investment thesis early on in the process
- **Active portfolio work**  
Develop targets, value creation plans and strategy pre-close and refine and implement post-close
- **Global Partners Group platform**  
Provides access to new business opportunities, a toolbox of best-practices, benchmarks and service providers

Projects by levers in %



**11% revenue growth in 2019<sup>1</sup>**



**Average of 16% EBITDA growth in 2019<sup>1</sup>**



**Expansion of EBITDA margin by 107bps<sup>1</sup>**



**>100 business introductions through the portfolio**



**>200 ongoing and >100 realized value creation and ESG initiatives in 2019<sup>1</sup>**



**>28k jobs created in 2019<sup>1</sup>**

Past performance is not indicative of future results. For illustrative purposes only. <sup>1</sup> Data as of 31 December 2019. Value creation in 2019 across all active non-listed and listed portfolio companies acquired before 31 December 2018 in the following programs: Partners Group Direct Investments 2012 (EUR), L.P. Inc. and Partners Group Direct Investments 2016 (EUR), L.P. Inc.  
Source: Partners Group (2020).



**Partners Group**  
REALIZING POTENTIAL IN PRIVATE MARKETS

# COVID-19: economic impact will depend on the duration and severity of the outbreak

## Assessment of potential impact of Coronavirus COVID-19 on Partners Group and its portfolio

### 1. Health & safety

Early measures undertaken to ensure the health & safety of Partners Group and portfolio company employees

### 5. Investment opportunity

Periods of economic turbulence have historically provided relatively attractive buying opportunities in private markets (albeit at lower volume)

### 4. Supply chain disruptions

Too early to be accurately quantified across the portfolio; however, so far no material impact from supply chain disruptions



### 2. Business continuity

We safeguard Partners Group's business continuity globally and work closely with the management teams of our portfolio companies

### 3. Liquidity & dry powder

We expect select portfolio companies to experience a revenue impact; our dry powder currently amounts to over USD 15 billion, allowing us to cover immediate liquidity needs





## The strength of private markets investing in times of uncertainty

### Significant advantages of being owned by private equity

- Long term view & capital
- Significant equity dry powder
- Entrepreneurial governance
- Responsible ownership
- Accessibility to debt finance

### Select examples of COVID-19 portfolio impact



Global pharmaceutical services outsourcer offering packaging and clinical & drug manufacturing services

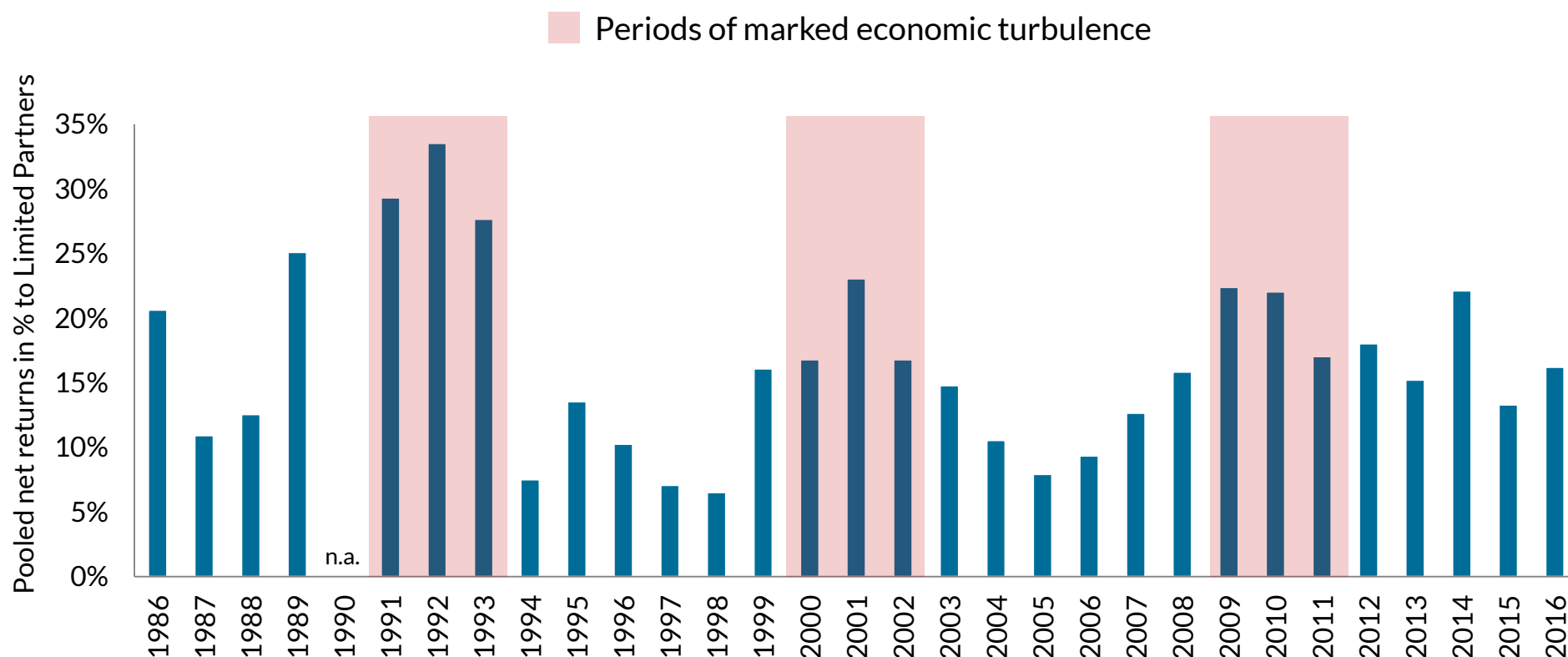


A fast growing casual dining restaurant chain in China, with more than 100 stores in 20 cities



## Private equity buyout programs raised during periods of economic turbulence have historically had higher returns

### Historical returns for US private equity buyout programs



Past performance is not indicative of future results. There is no assurance that similar results will be achieved. For illustrative purposes only.  
Source: Cambridge Associates (Q3 2019). Returns represent pooled net internal rates of returns (IRR) to Limited Partners by vintage year. IRR are net of fees, expenses and carried interest. Benchmarks with "n.a" have an insufficient number of funds in the vintage year sample to produce a meaningful return.



**Partners Group**  
REALIZING POTENTIAL IN PRIVATE MARKETS

# Table of contents

---

1 Investments

---

2 Clients

---

3 Financials

---

4 Shareholder & stakeholder impact

---



# Strong growth across all asset classes

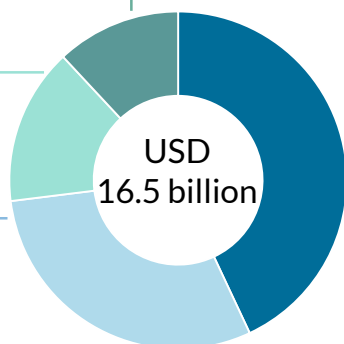
## Breakdown of assets raised by asset class in 2019

### Private real estate (15%)

- Real estate opportunities
- Global integrated
- Customized mandates

### Private infrastructure (12%)

- Global integrated
- Customized mandates



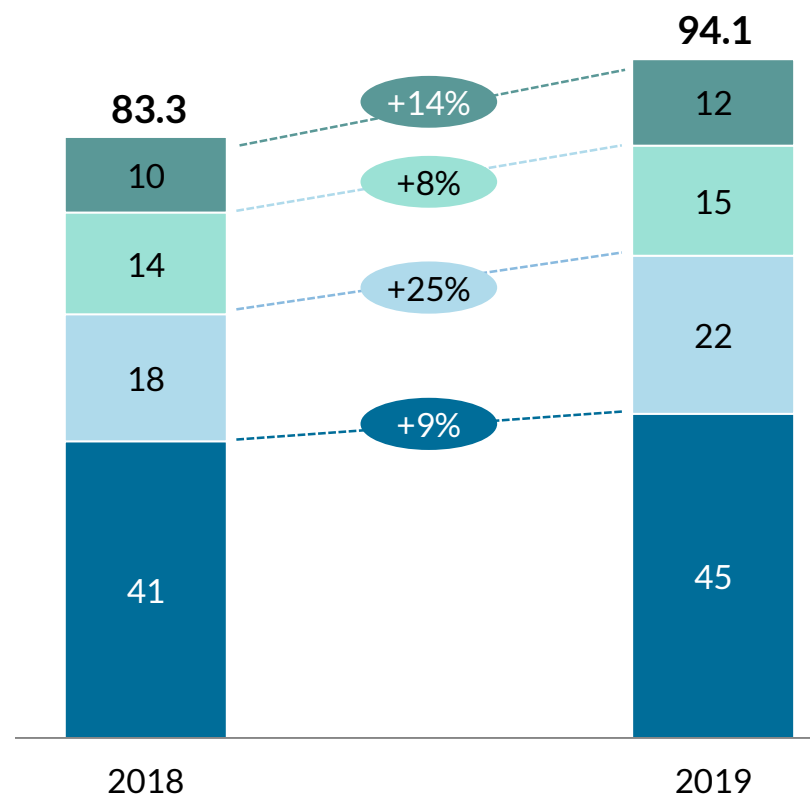
### Private debt (30%)

- Global senior loans
- Multi-asset credits
- Customized mandates

### Private equity (43%)

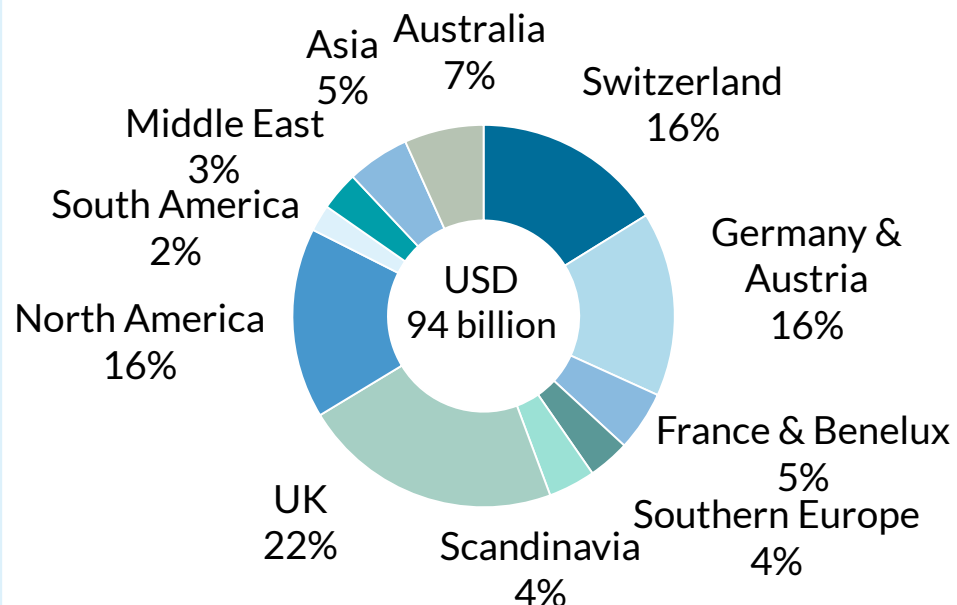
- Direct equity
- Global integrated
- Customized mandates

## Net AuM development by asset class (in USD billion)

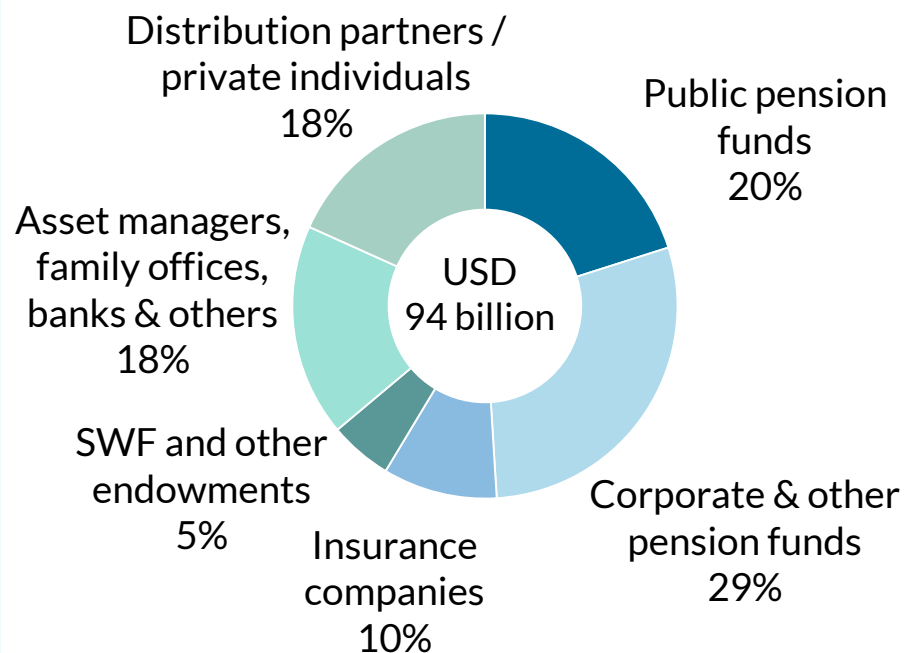


## AuM diversified across regions and client type

AuM by region (as of 31 December 2019)

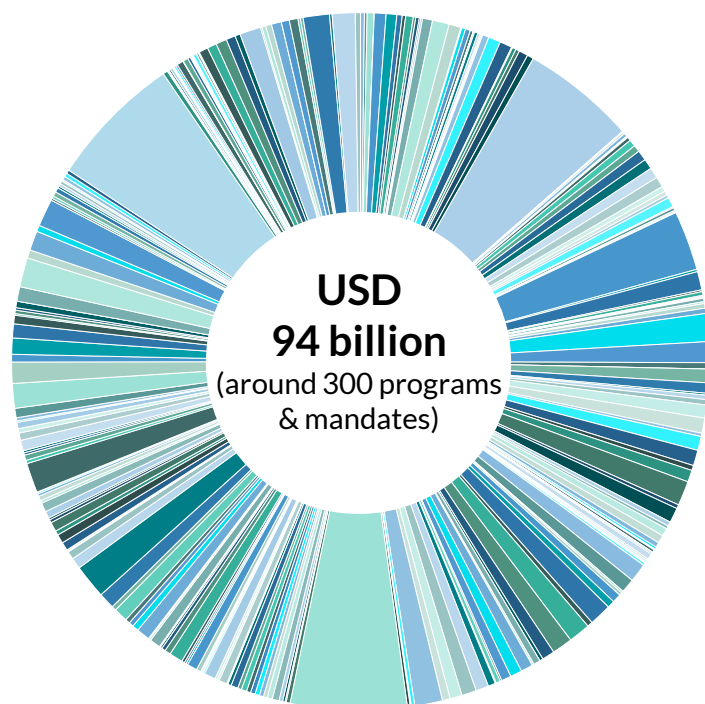


AuM by client type (as of 31 December 2019)

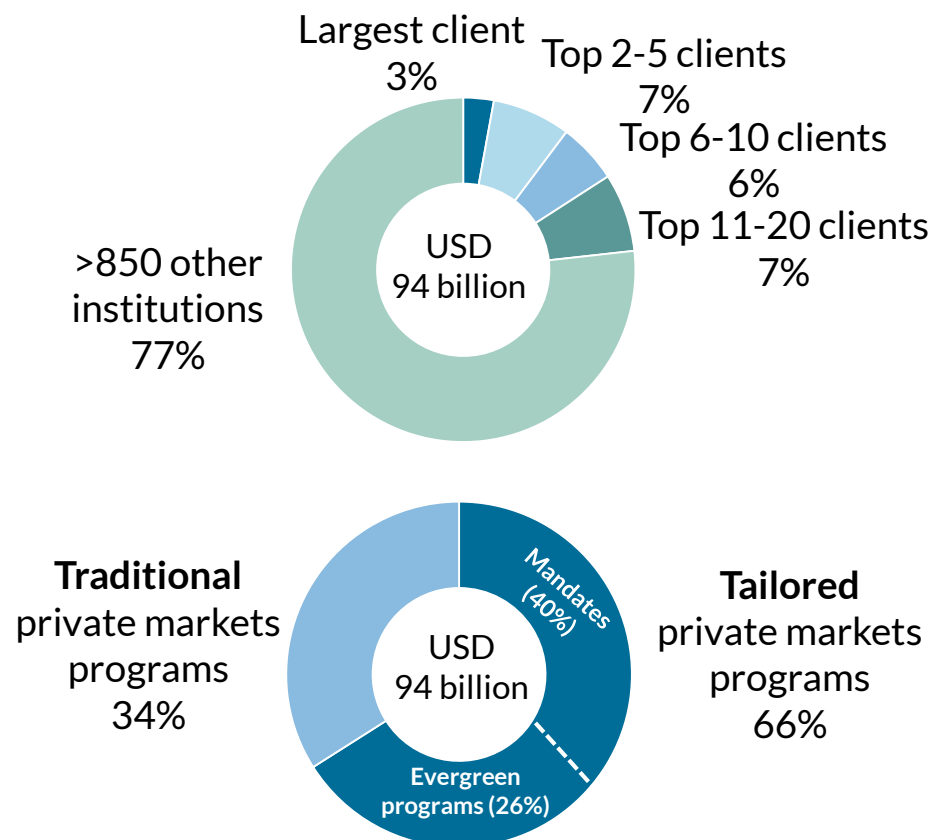


## AuM well-diversified across number of programs, client base and program structure

Breakdown by private market programs and mandates<sup>1</sup>

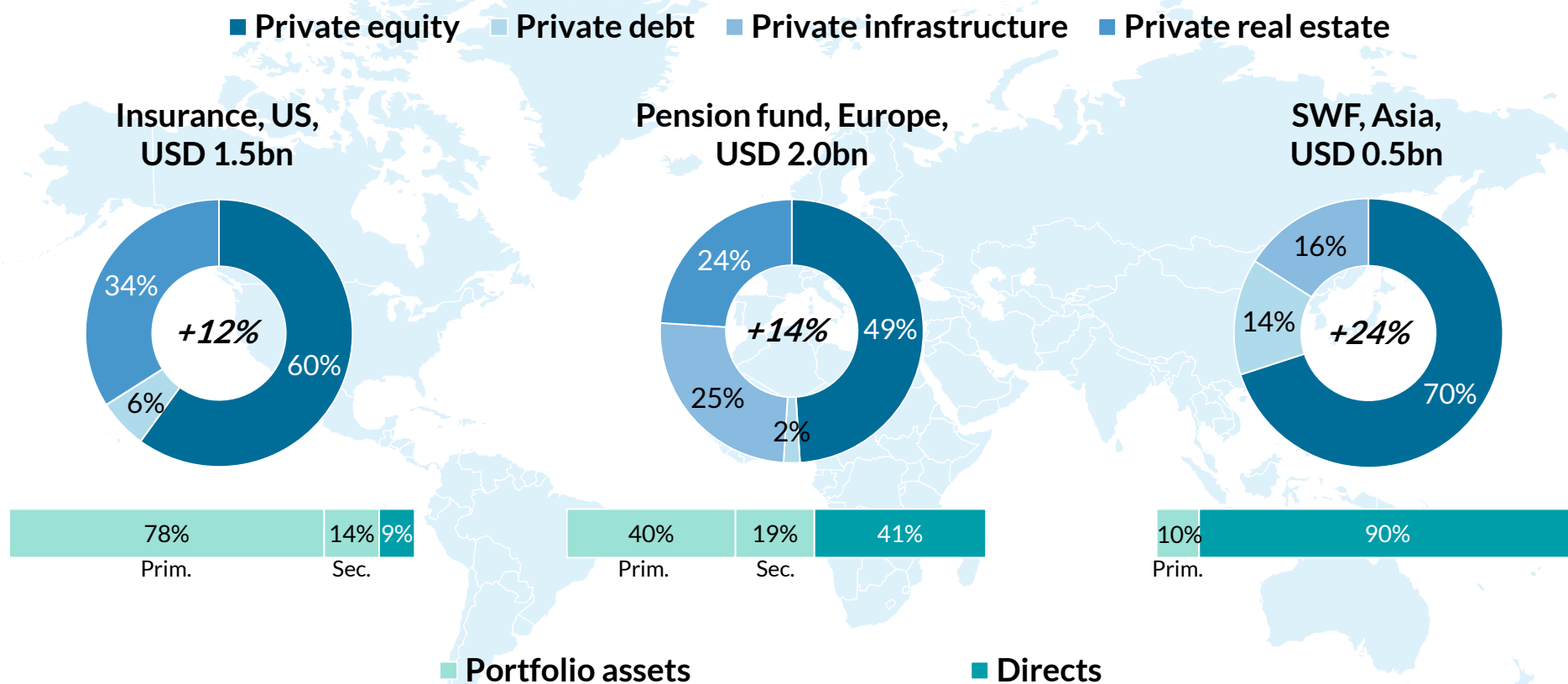


Breakdown by client and program structure<sup>1</sup>





## 2019 net returns of Partners Group's select large mandates



Figures as of 31 December 2019. Figures are based on cashflows and valuations converted to USD using fixed FX rates as of the report date. Return figures are net of all fees to investors for the year 2019. Return figures rounded to full percentage. Diversification does not ensure a profit or protect against loss. Size shown corresponds to committed capital. %-splits across asset classes and investment strategies are based on commitment amounts to underlying investments. Past performance is not indicative of future results. There is no assurance that similar returns will be achieved. For illustrative purposes only.

Abbreviations: SWF = sovereign wealth fund, Prim. = primaries, Sec. = secondaries.

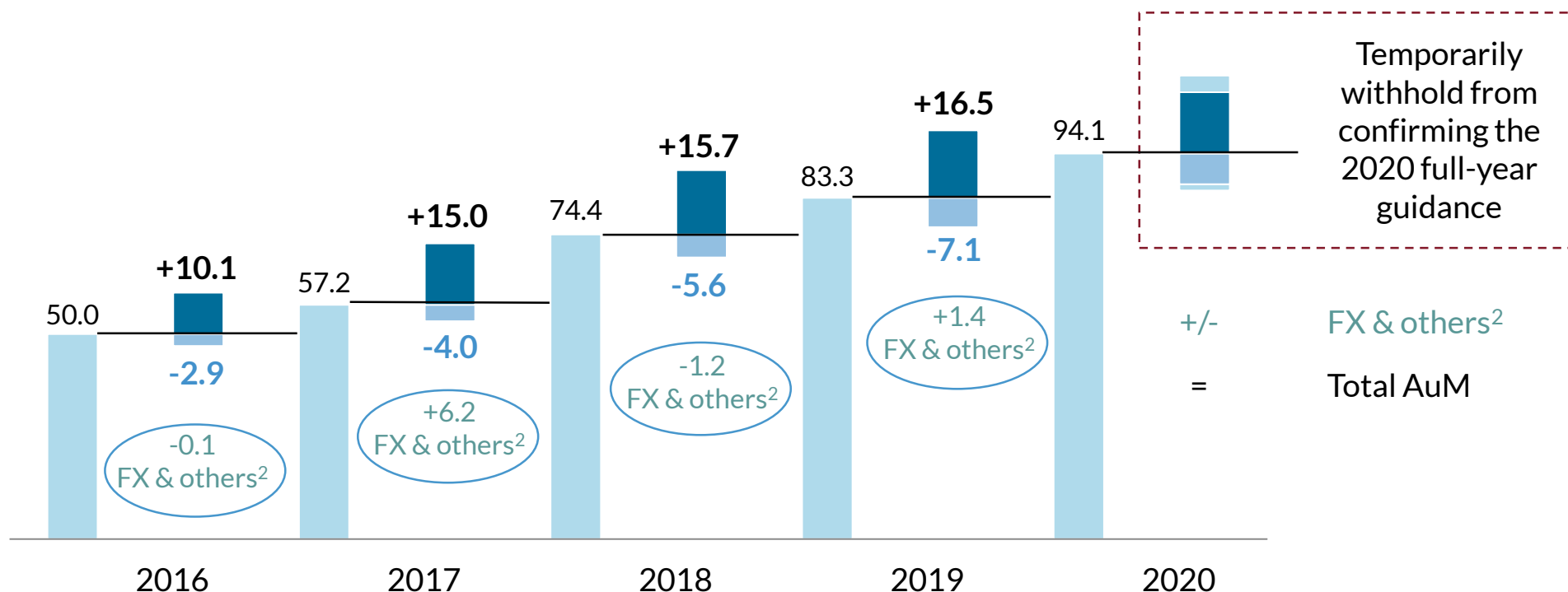
Source: Partners Group (2020).



**Partners Group**  
REALIZING POTENTIAL IN PRIVATE MARKETS

Due to COVID-19, the firm has chosen to withhold from confirming its 2020 guidance on full-year as of today and will provide an update with next AuM announcement in July

### AuM, client demand and other effects (in USD billion)



Note: The update on the firm's gross client demand guidance followed the authorization of the consolidated financial statements made by the Board of Directors on 4 March 2020. <sup>1</sup> Tail-downs & redemptions: tail-downs consist of maturing investment programs (typically closed-ended structures); redemptions stem from semi-liquid evergreen programs. <sup>2</sup> Others consist of performance and investment program changes from select programs. For illustrative purposes only.  
 Source: Partners Group (2020).



**Partners Group**  
 REALIZING POTENTIAL IN PRIVATE MARKETS

## We are consistently recognized for our ESG, impact and sustainability initiatives



*"Partners Group has effectively integrated these standards into a tool that investment professionals can use"*

October 2016



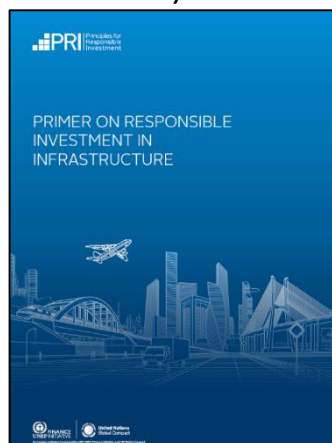
ESG INTEGRATION  
INSIGHTS

PREMIER ISSUE  
Q4 2016



*"Sapphire Wind Farm has engaged directly with over 10,000 members of the community"*

January 2018



*"PG LIFE has translated the high-level SDGs into an investable private markets strategy"*

September 2018



*"PG LIFE has one of the most thoughtful & innovative applications of the IMP framework"*

January 2019



*"PG LIFE has helped define minimum standards to be an 'impact investor'"*

April 2019



We translate responsible investment concepts into practical and implementable tools



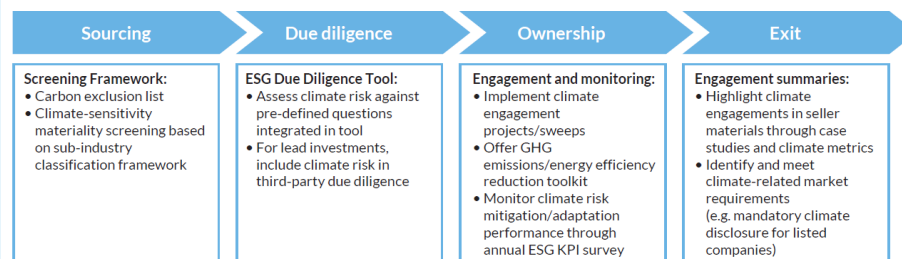
# 2019 Corporate Sustainability Report: defining our strategy on climate change

## Strategy definition

- We are developing a **platform-wide Climate Change Strategy<sup>1</sup>**
- Formalize **Partners Group's approach to managing climate risks and impacts** across our company and our portfolio.



## Embedded into investment and ownership process



## Commitment to offset CO2 emissions from air travel



**33'799'192** passenger **miles** travelled for business trips in 2019. This is equivalent to 15'710 metric tons of **CO2e**, which were **100% offset**

<sup>1</sup> Our approach to climate change aligns with the four core elements of the Task Force on Climate-related Financial Disclosures: governance, strategy, risk management, and metrics & targets.  
Source: Partners Group (2020).



# Table of contents

---

1 Investments

---

2 Clients

---

**3 Financials**

---

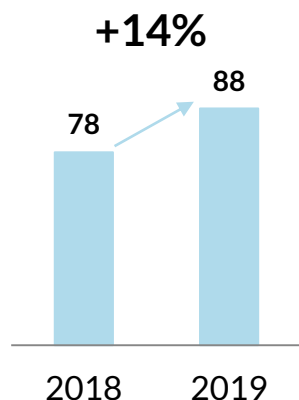
4 Shareholder & stakeholder impact

---



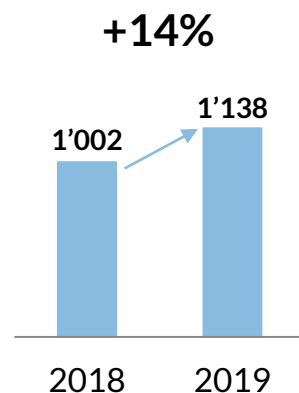
## 2019 financial highlights

### Avg. AuM<sup>1</sup> (in CHF billion)



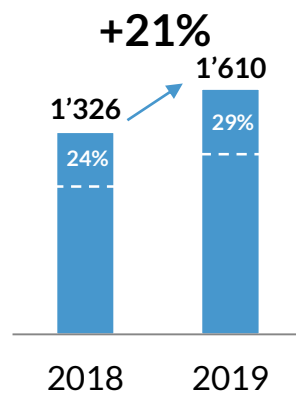
Sustained  
fundraising

### Mgmt. fees<sup>2</sup> (in CHF million)



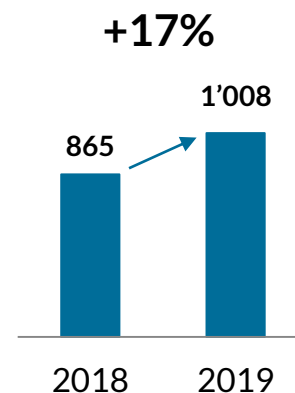
In line  
with avg. AuM

### Revenues<sup>3</sup> (in CHF million)



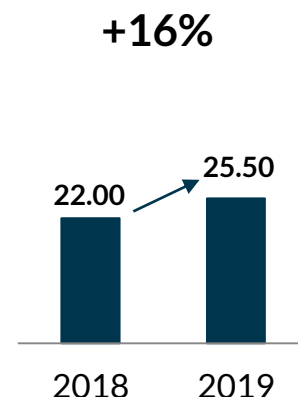
Strong perf. fee  
contribution

### EBIT (in CHF million)



~60% target  
EBIT margin

### Dividend<sup>4</sup> (in CHF per share)



76%  
payout ratio

<sup>1</sup> Average assets under management, calculated on a daily basis. <sup>2</sup> Management fees and other revenues, net, and other operating income. <sup>3</sup> Revenues from management services, net, and other operating income. <sup>4</sup> The Board of Directors proposes that a dividend of CHF 25.50 per share be paid for the financial year 2019, subject to the approval of the Annual General Meeting of shareholders to be held on 13 May 2020; the dividend payout ratio is defined as the (proposed) dividend per share divided by diluted earnings per share.

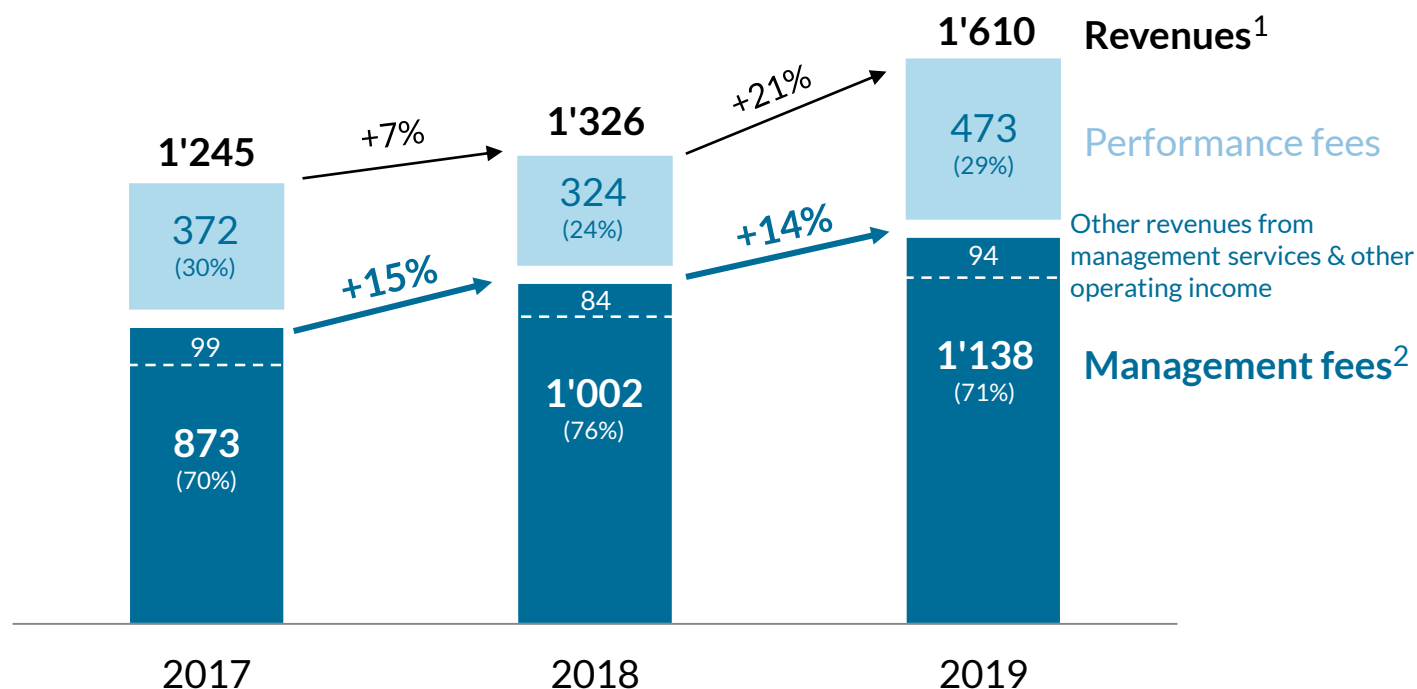
Source: Partners Group (2020).





## Sustained development of management and performance fees

Revenues<sup>1</sup> (in CHF million)



<sup>1</sup> Revenues from management services, net, and other operating income.

<sup>2</sup> Management fees and other revenues, net, and other operating income.

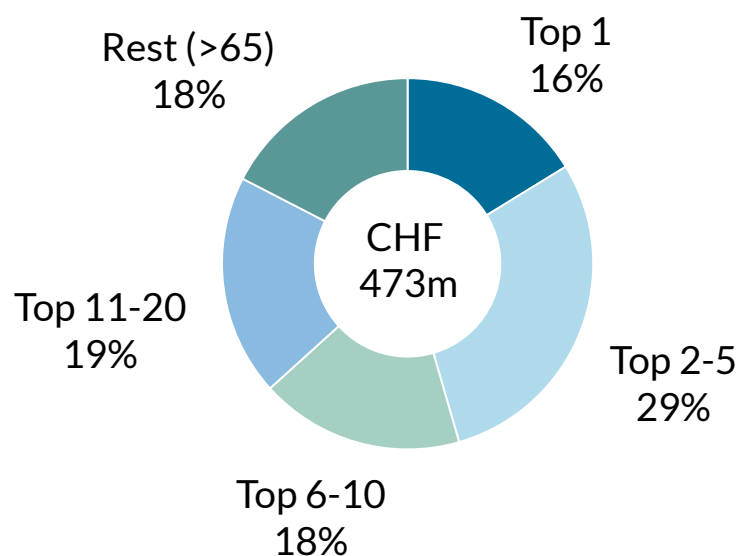
Source: Partners Group (2020).



**Partners Group**  
REALIZING POTENTIAL IN PRIVATE MARKETS

## Over 85 investment programs and mandates contributed to performance fees in 2019

### Performance fee contribution by investment programs & mandates in 2019

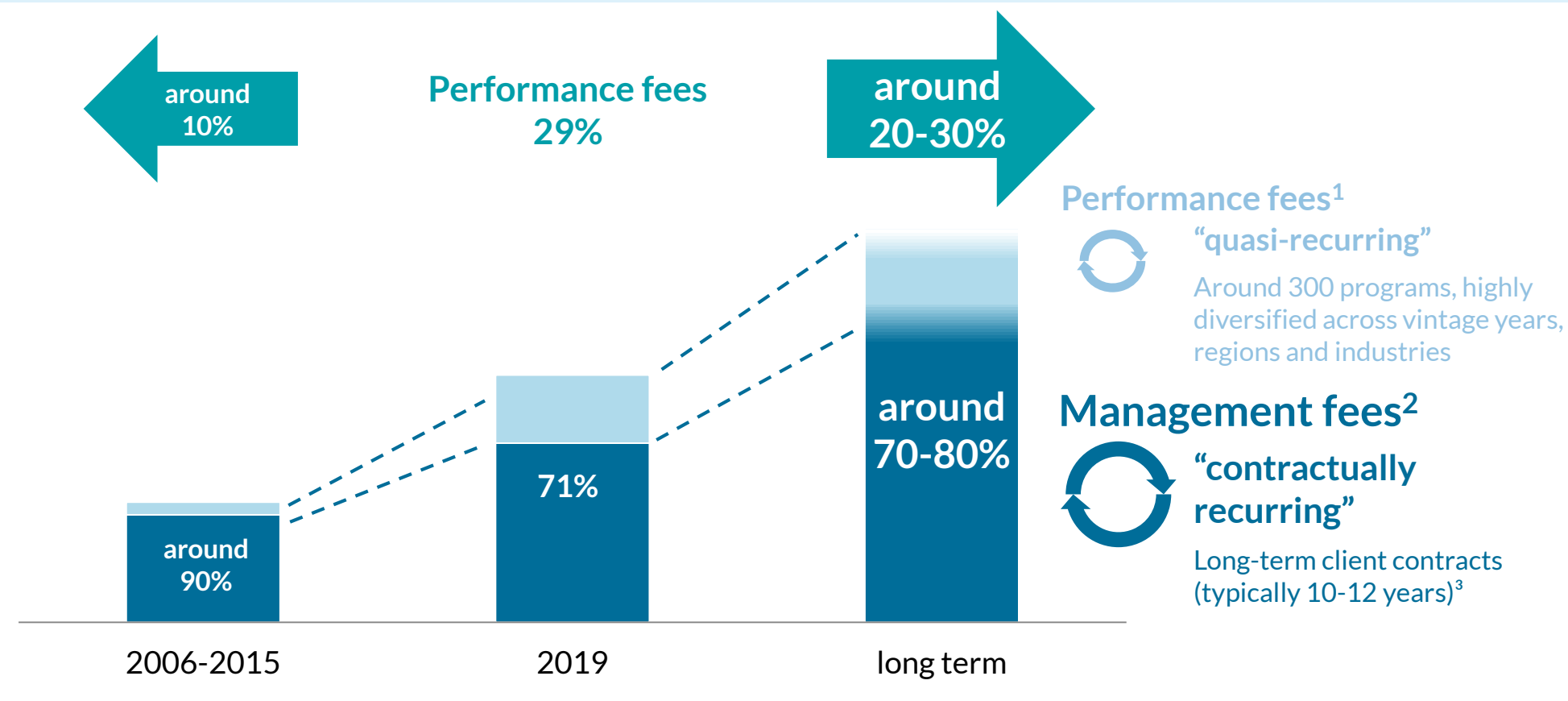


- Over 85 investment programs & mandates contributed to 2019 performance fees
- Dozens of direct assets across many vehicles contributed to 2019 performance fees
- Typically, several investment programs & mandates invest in any single asset



# Management fees will continue to be the main source of revenues

## Outlook on performance fees



<sup>1</sup> 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. <sup>2</sup> Management fees and other revenues, net, and other operating income.

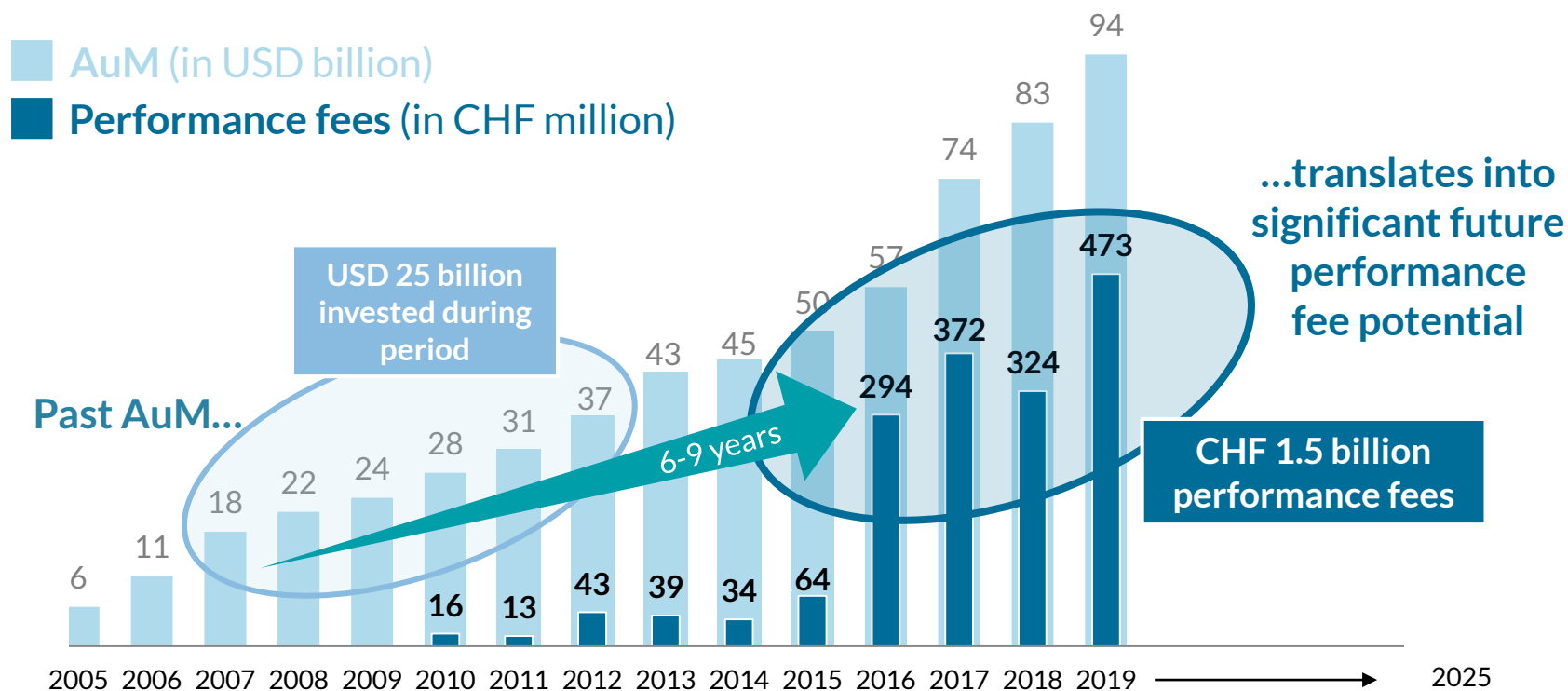
<sup>3</sup> Typical duration is 10-12 years for equity offerings and 5-7 years for debt programs.

Source: Partners Group (2020).



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

AuM development in USD billion and performance fee development in CHF million



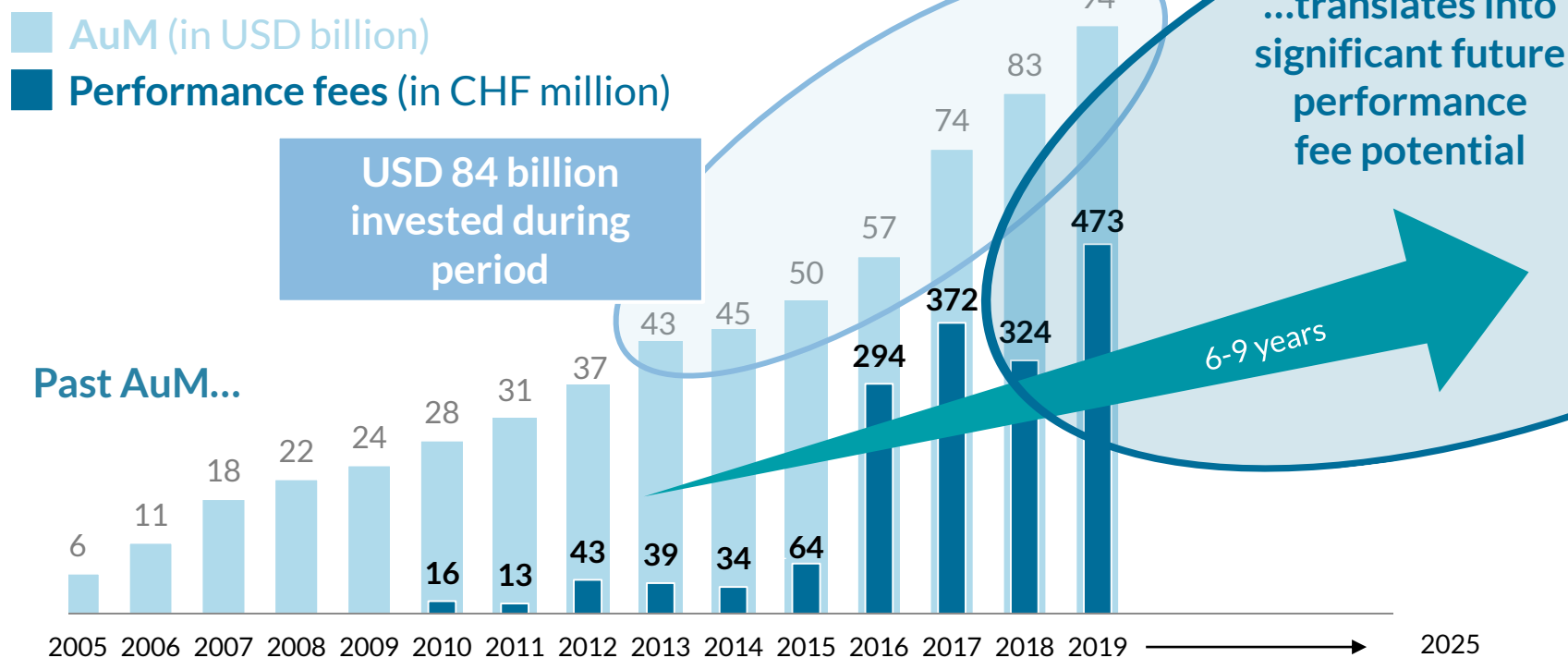
Note: assuming that the market remains favorable to exits, Partners Group expects to continue to generate significant performance fees from the underlying client portfolios due to the visibility that it has on the life cycles of its programs.  
Source: Partners Group (2020).



**Partners Group**  
REALIZING POTENTIAL IN PRIVATE MARKETS

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

AuM development in USD billion and performance fee development in CHF million



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.

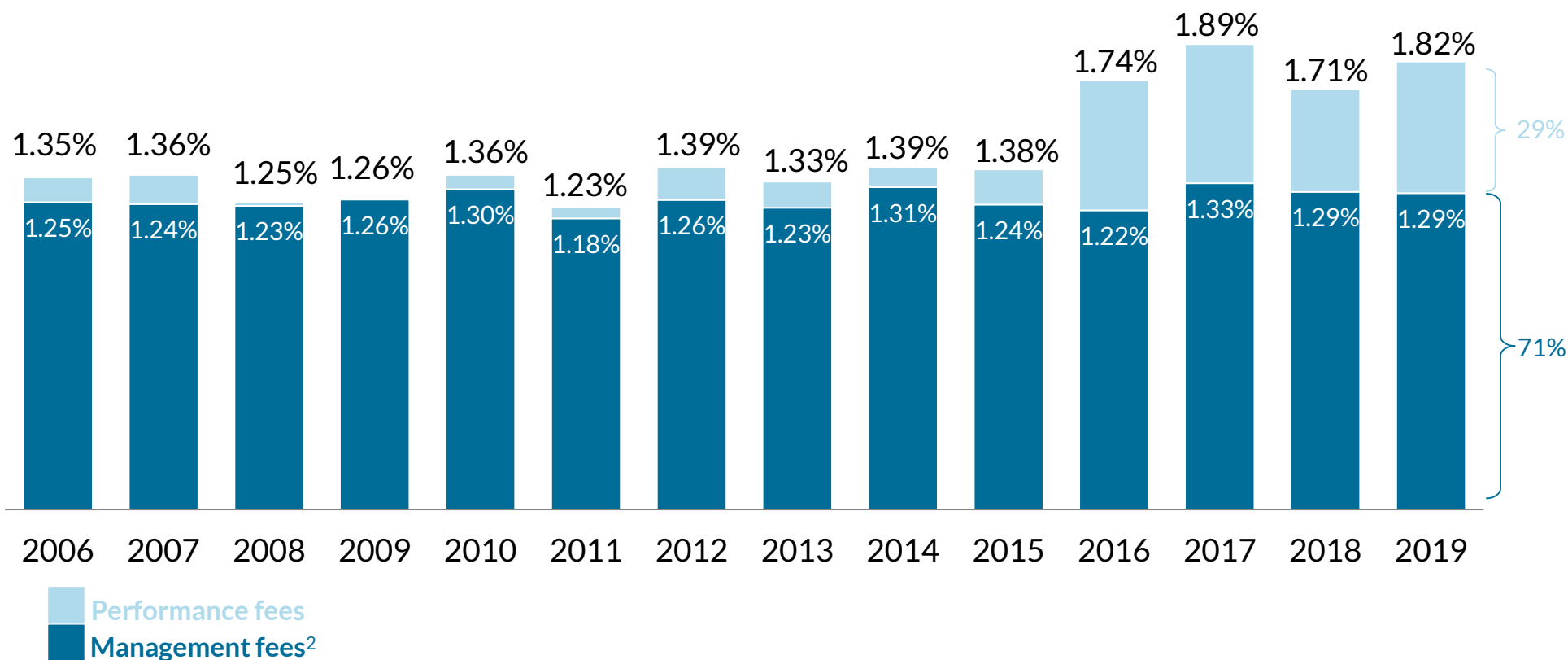
Source: Partners Group (2020).



**Partners Group**  
REALIZING POTENTIAL IN PRIVATE MARKETS

## Stable revenue margin on management fees

### Revenue margin<sup>1</sup>



<sup>1</sup> Calculated as revenues divided by average assets under management, calculated on a daily basis.

<sup>2</sup> Management fees and other revenues, net, and other operating income.

Source: Partners Group (2020).



**Partners Group**  
 REALIZING POTENTIAL IN PRIVATE MARKETS



## Platform build-out accelerated; personnel expenses grew disproportionately

### Revenues, costs and EBIT development (in CHF million)

	2018		2019
Revenues	1'326	+21%	1'610
Total operating costs, of which	-461	+31%	-603
Personnel expenses	-377	+30%	-490
Personnel expenses (regular)	-247	+24%	-306
Personnel expenses (performance fee-related)	-129	+43%	-185
Other operating expenses	-68	+16%	-79
Depreciation & amortization <sup>1</sup>	-17	+101%	-34
EBIT	865	+17%	1'008
EBIT margin	65%	-2%-points	63%

Note: revenues include management fees and other revenues, net, performance fees, net, and other operating income. Regular personnel expenses exclude performance fee-related expenses. Performance-fee-related personnel expenses are calculated on an up to 40% operating cost-income ratio on revenues stemming from performance fees. <sup>1</sup> The increase was mainly driven by CHF 13 million of depreciation on newly recognized right-of-use assets in relation to lease contracts as required by the newly adopted IFRS 16. Until 2018, these lease expenses were reported as part of other operating expenses.

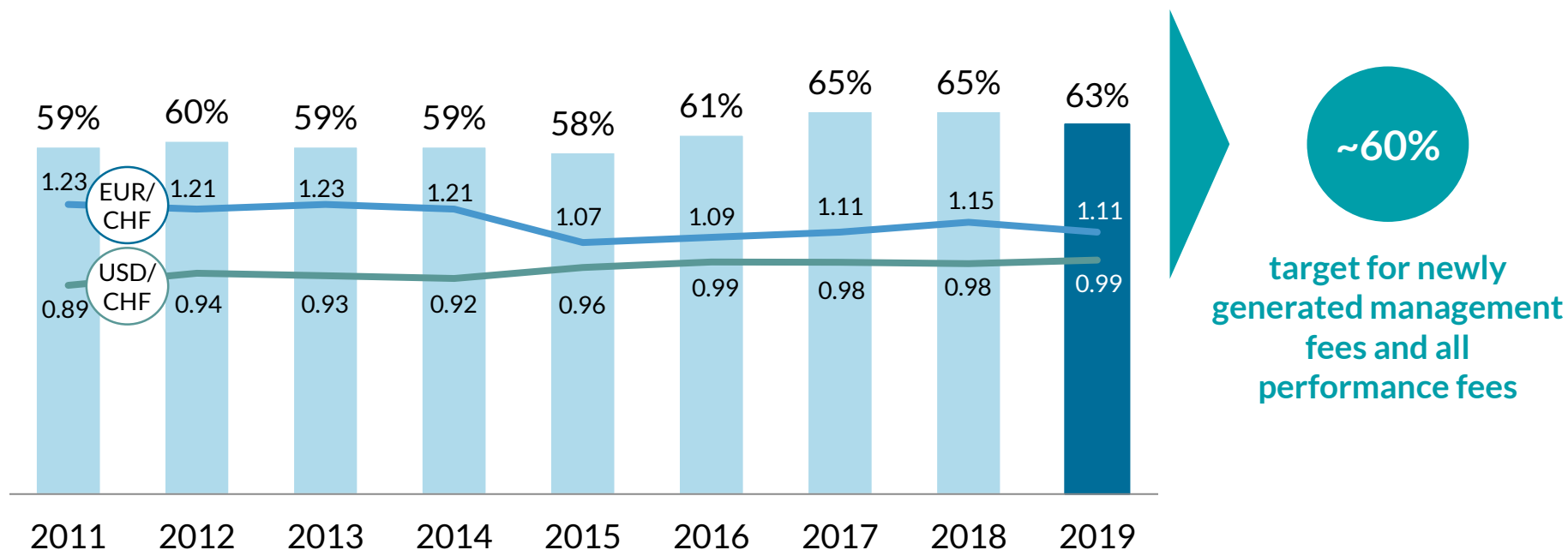
Source: Partners Group (2020).



**Partners Group**  
REALIZING POTENTIAL IN PRIVATE MARKETS

Target EBIT margin of ~60% for newly generated management fees as well as for performance fees on existing and new AuM

### EBIT<sup>1</sup> margin development

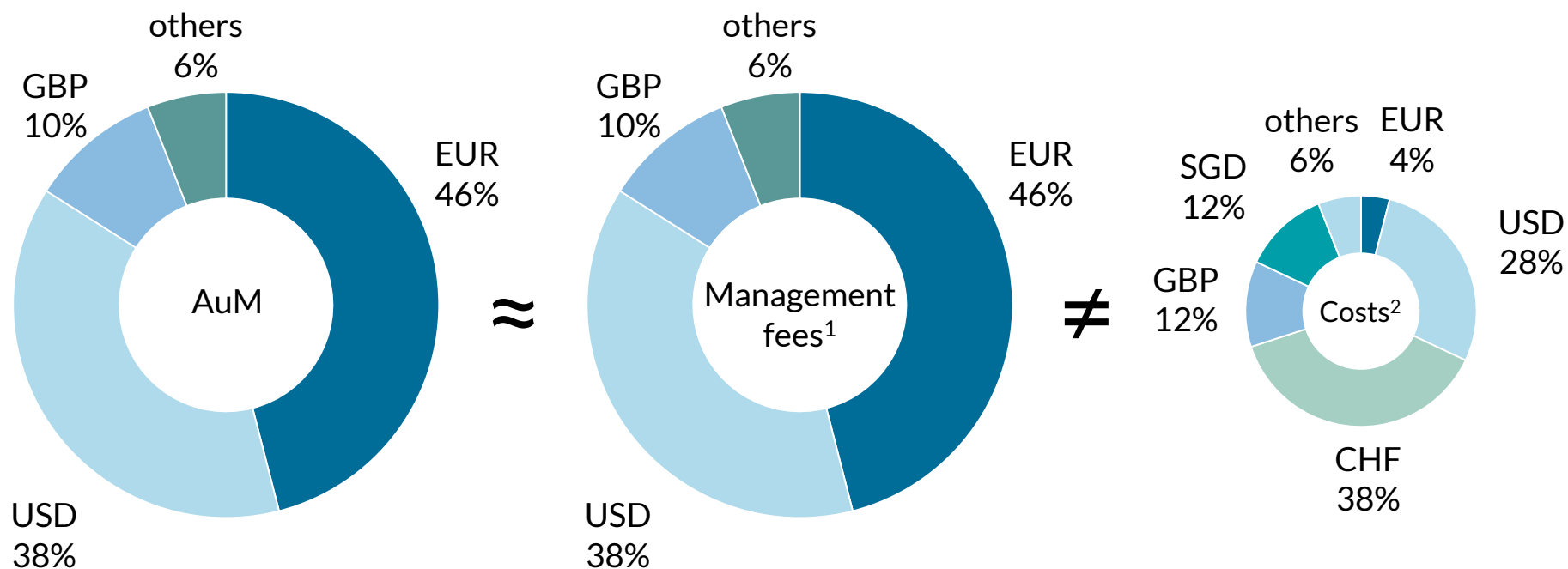


<sup>1</sup> For the years 2011 – 2014, non-cash items related to the capital-protected product Pearl Holding Limited were excluded from depreciation & amortization.  
 Note: foreign exchange rates in daily averages in respective years/periods.  
 Source: Partners Group (2020).



## Foreign exchange rate changes impacted the firm's EBIT margin by approx. -1%-point

### Currency exposure in 2019



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 similar

<sup>1</sup> Based on estimates and the currency denomination of underlying programs.

<sup>2</sup> Includes regular personnel expenses (excluding performance fee-related expenses) and other operating expenses.

Source: Partners Group (2020).



## Key financials and strong balance sheet

### Key financials (in CHF million, except for per share data)

	2018		2019
<b>Revenues<sup>1</sup>, of which</b>	<b>1'326</b>	<b>+21%</b>	<b>1'610</b>
Management fees <sup>2</sup>	1'002	+14%	1'138
Performance fees	324	+46%	473
Total operating costs <sup>3</sup>	-444		-569
D&A <sup>4</sup>	-17		-34
<b>EBIT</b>	<b>865</b>	<b>+17%</b>	<b>1'008</b>
EBIT margin	65%		63%
Financial result	23		30
Income tax expenses	-118		-137
<b>Profit</b>	<b>769</b>	<b>+17%</b>	<b>900</b>
<b>Diluted EPS</b>	<b>28.65</b>		<b>33.66</b>

### Strong balance sheet (as of 31 December 2019)

**1.0**  
CHF billion  
net liquidity<sup>5</sup>

**42%**  
return on  
equity

**0.7**  
CHF billion  
in own investments<sup>6</sup>

**2.3**  
CHF billion  
equity

<sup>1</sup> Revenues include management fees and performance fees. <sup>2</sup> Management fees and other revenues, net, and other operating income. <sup>3</sup> Total operating costs excluding depreciations & amortizations. <sup>4</sup> The increase was mainly driven by CHF 13 million of depreciation on newly recognized right-of-use assets in relation to lease contracts as required by the newly adopted IFRS 16. Until 2018, these lease expenses were reported as part of other operating expenses. <sup>5</sup> Comprises cash and cash equivalents and short-term loans, net of long-term debt. <sup>6</sup> Financial investments, investments in associates and net assets/liabilities held for sale. Abbreviations: D&A = depreciation and amortization, EPS = earnings per share.

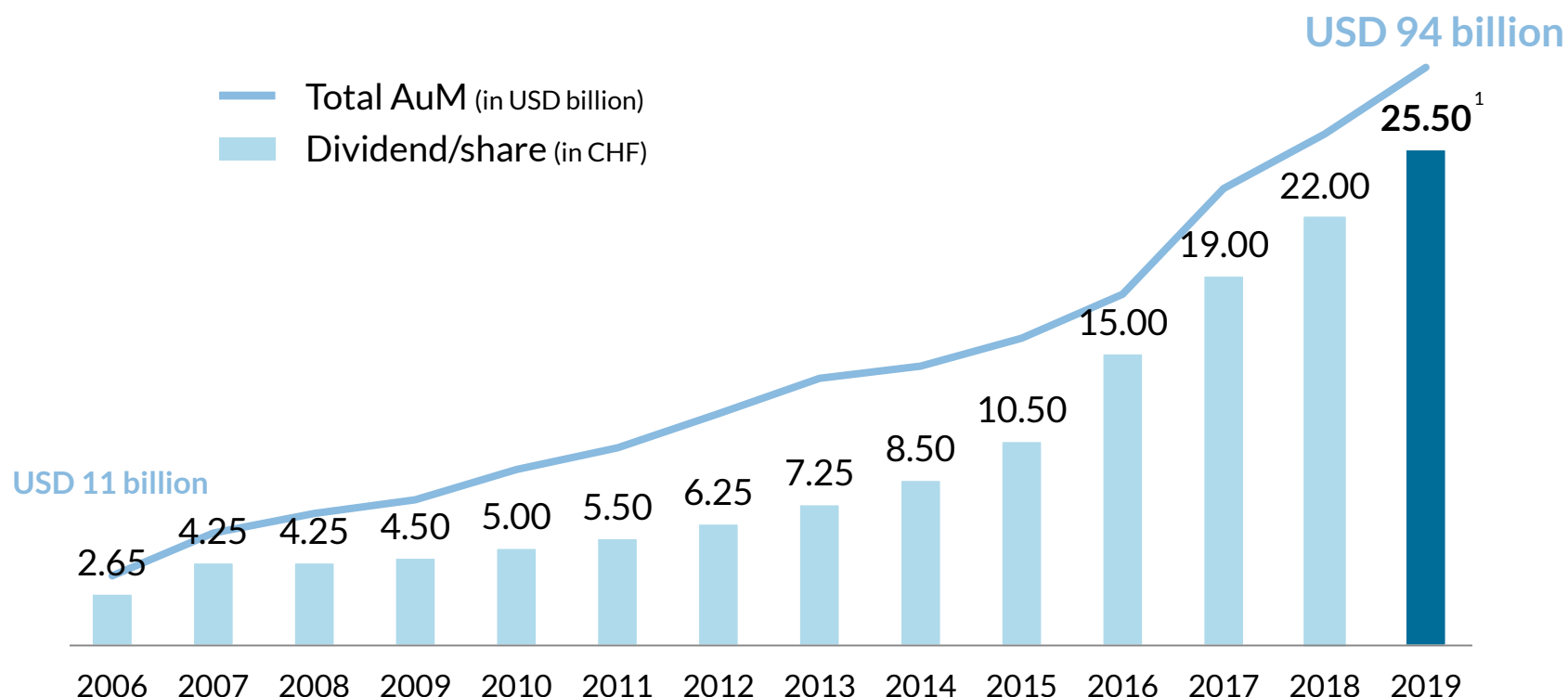
Source: Partners Group (2020).



**Partners Group**  
REALIZING POTENTIAL IN PRIVATE MARKETS

## Proposed dividend increase of 16% to CHF 25.50 per share (payout ratio of 76%)

### Dividend payment since IPO



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

<sup>1</sup> The Board of Directors proposes that a dividend of CHF 25.50 per share be paid for the financial year 2019, subject to the approval of the Annual General Meeting of shareholders to be held on 13 May 2020.

Source: Partners Group (2020).



**Partners Group**  
REALIZING POTENTIAL IN PRIVATE MARKETS

# Table of contents

---

1 Investments

---

2 Clients

---

3 Financials

---

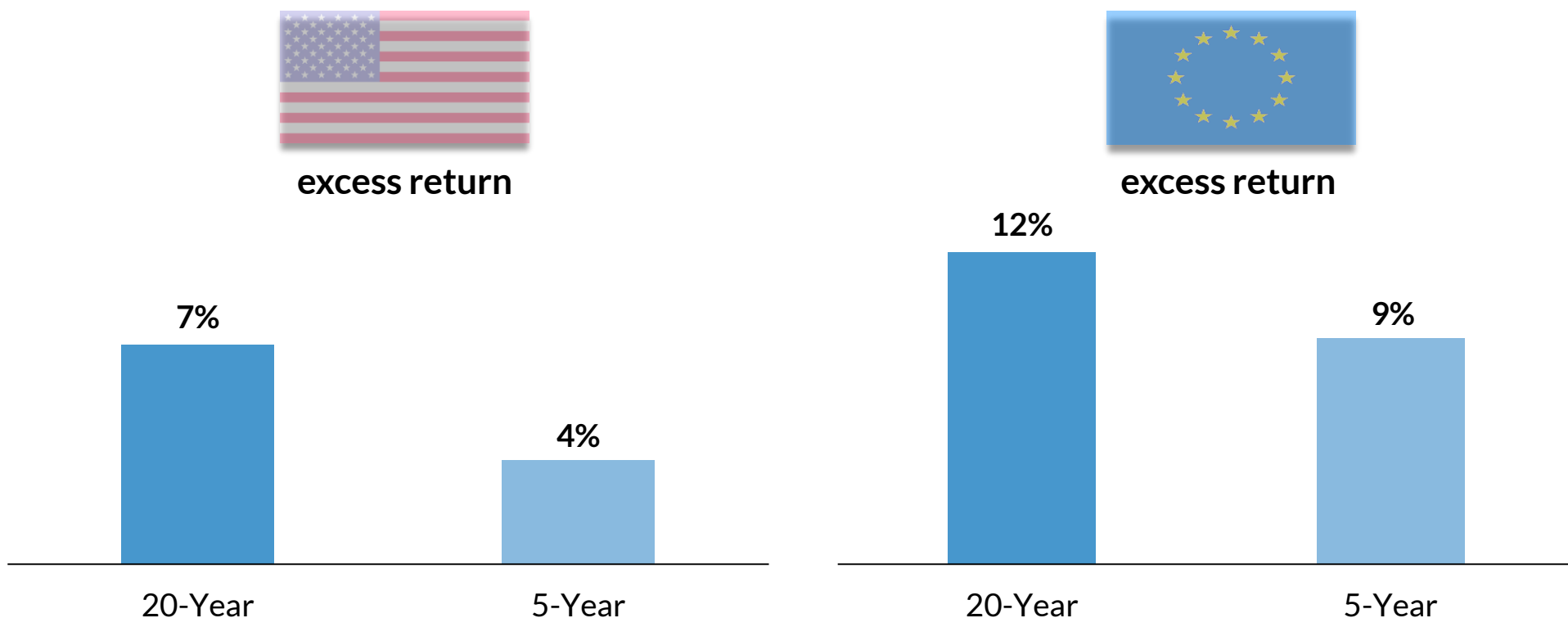
4 **Shareholder & stakeholder impact**

---



## Private markets have systematically outperformed public markets...

### Investment horizon excess returns



Source: Bloomberg (quarterly returns in local currency), Thomson Reuters (Cambridge Associates) (horizon returns of funds targeting North America in USD) (horizon returns of funds targeting EMEA in EUR) as of 31.12.2018.



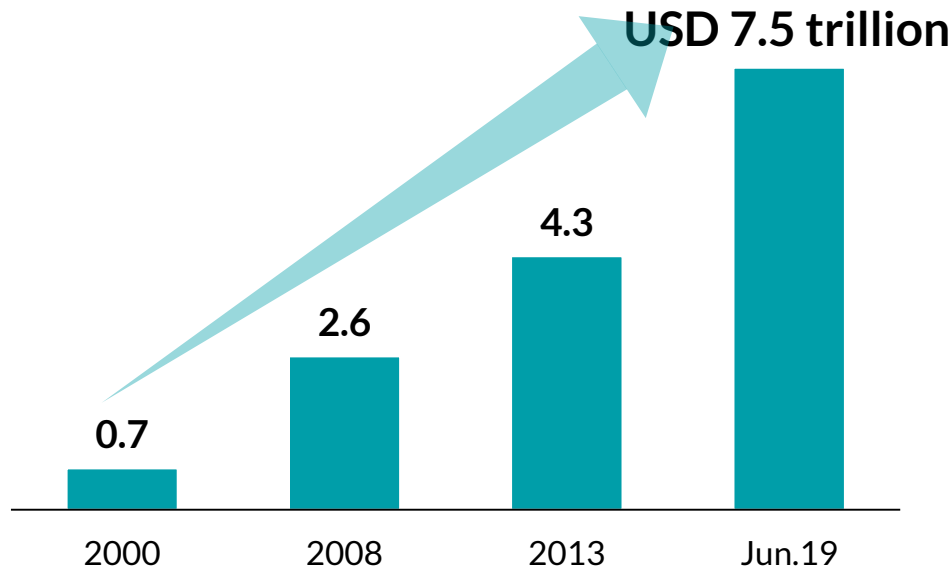
**Partners Group**  
REALIZING POTENTIAL IN PRIVATE MARKETS

## ...leading to increasing private market relevance

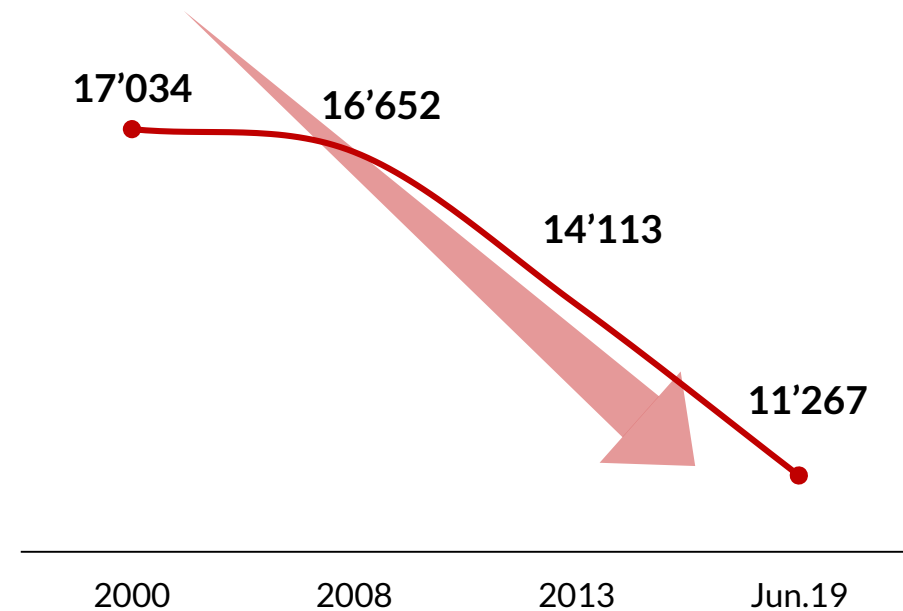
While the private market industry has grown,<sup>1</sup> the number of listed public companies has decreased

10x growth in the size  
of private markets<sup>2</sup>

USD 7.5 trillion



0.35x reduction in number  
of listed public companies<sup>1</sup>



Source: Bloomberg (quarterly returns in local currency), Thomson Reuters (Cambridge Associates) <sup>1</sup> US, Europe and Central Asia listed public companies per Worldbank.org. <sup>2</sup> Preqin's definition of AuM also included natural resources. Compound annual growth rate Dec 2000-Jun 2019.



**Partners Group**  
REALIZING POTENTIAL IN PRIVATE MARKETS



# But investor excitement meets mixed public perceptions

## Private markets perceptions

Everyone now believes that **private markets are better than public ones**

January 2020

**The Economist**

**Private Equity Too Complacent In The Face Of ... Public Opprobrium?**

August 2016

**Private Equity International**

**Pirate Equity: How Wall Street Firms are Pillaging American Retail**

July 2019

**Private Equity Stakeholder Project**

More than 90% want to **maintain or increase their capital contributions** to private equity

November 2018

**a.preqin**

Focusing on Net Returns May **Not Cut The Mustard**

December 2019

**DealBook**

Presidential candidate likens PE firms to **vampires looting middle class**

July 2018

**The New York Times**

Why Defined Contribution Plans Need Private Investments

October 2019

**INSTITUTE for PRIVATE CAPITAL**  
KENNEDY INSTITUTE OF PRIVATE ENTERPRISE  
AND KENNEDY PUBLIC & BUSINESS SCHOOLS

A New Path to Worker Ownership:  
**Turning Private Equity from Enemy to Friend**

January 2020

**NPQ**  
NONPROFIT QUARTLY

A **new leadership** agenda for private equity

January 2020

**WORLD ECONOMIC FORUM**

Study Shows **Adverse Economic Effects of Private Equity Buyouts**

October 2019

**Forbes**

?



## What will it take to sustain the growth and success of private markets?

### 1 Shareholder impact

superior results for our  
investors and their  
beneficiaries

To preserve outperformance,  
we must **avoid** becoming victims of our  
**own success**

### 2 Stakeholder impact

"return" for employees and  
other stakeholders at our  
portfolio companies

We must focus on stakeholder  
**alignment** through ownership  
excellence



## Relevant challenges in today's market

2018 annual results presentation, March 2019

We believe there are four key developments that investors should watch out for

**1 Economic challenges ahead**  
Jittery global economy and more geopolitical frictions generate headwinds

**2 Era of disruption**  
Combination of technologies from different sectors may leave operators blind-sided

**3 Public markets dynamics**  
Benefits of being public eroded by costs of "governance correctness"

**4 Private markets challenges**  
Strong growth attracts more competition for good assets

**Much more  
challenging  
environment  
than in the late  
20<sup>th</sup> century**



# Our private markets investment "formula" to preserve outperformance

## Business Excellence

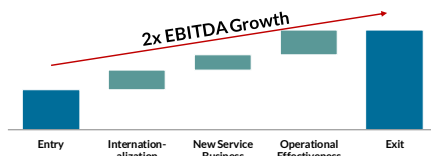
**Research:** study and build strong conviction for themes in most attractive sub-sectors



**Thematic Sourcing:** map out the most attractive themes and develop investment hypotheses

Healthcare	Bus. & fin. services	Consumer
<ul style="list-style-type: none"> <li>Aging: value-based care</li> <li>Fertility, physical therapy</li> <li>Ophthalmology</li> <li>Dental technological devices</li> </ul>	<ul style="list-style-type: none"> <li>Non-bank financials</li> <li>Lender specialty finance</li> <li>Insurance brokerage</li> </ul>	<ul style="list-style-type: none"> <li>Customization: SKU proliferation</li> <li>Contract manufacturing</li> <li>Flavoring/ingredients</li> </ul>
<ul style="list-style-type: none"> <li>Biologics: cell &amp; gene industry</li> <li>Allogeneic, viral vectors, equipment</li> <li>Cell &amp; gene manufacturers</li> </ul>	<ul style="list-style-type: none"> <li>Financial digitization</li> <li>Cardless payment</li> <li>Modular governance, risk &amp; compliance software</li> </ul>	<ul style="list-style-type: none"> <li>Health &amp; sustainability</li> <li>Beauty</li> <li>Healthy diet &amp; lifestyle</li> <li>Environmental sustainability</li> </ul>
<ul style="list-style-type: none"> <li>Next generation clinical trials</li> <li>Unique contract research organizations</li> <li>Remote monitoring/virtual trials</li> </ul>	<ul style="list-style-type: none"> <li>Outsourced services</li> <li>Risk &amp; pension services</li> <li>Facility &amp; hygiene services</li> </ul>	<ul style="list-style-type: none"> <li>Premiumization &amp; specialty retail</li> <li>Apparel brands</li> <li>Discount retail/fragrance hunt</li> </ul>
<ul style="list-style-type: none"> <li>Healthcare efficiency</li> <li>Health IT</li> <li>Telemedicine</li> <li>Diagnostic automation</li> </ul>	<ul style="list-style-type: none"> <li>Education &amp; training</li> <li>Private education</li> <li>EdTech &amp; modular learning management</li> </ul>	<ul style="list-style-type: none"> <li>Pet &amp; vet</li> <li>Services</li> <li>Products</li> </ul>

**Systematic value creation:** develop strategic value creation projects and rigorously implement



**Leverage platform:** apply best-in-class operations and processes across portfolio companies

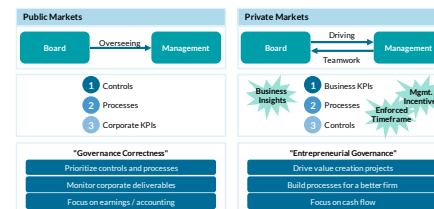


## Ownership Excellence

**Operating directors:** maintain a large and deep pool of (lead) operating directors' talent



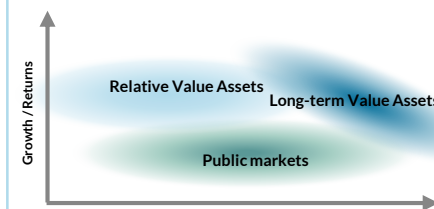
**Board design:** high-performance board based on value creation opportunities



**Board management:** Best-managed board to best manage the management team



**Driving long term winners:** focus on category leaders with continued upside potential






## What will it take to sustain the growth and success of private markets?

### 1 Shareholder impact

superior results for our investors and their beneficiaries



To preserve outperformance, we must **avoid** becoming victims of our own success

### 2 Stakeholder impact

"return" for employees and other stakeholders at our portfolio companies



We must focus on stakeholder alignment through ownership excellence



## Bifurcated views on private markets

### Shareholder

"We find better buyout fund performance than has previously been documented – performance consistently has exceeded that of public markets"

July 2013

**CHICAGO BOOTH**  
The University of Chicago Booth School of Business

"Everyone should have an opportunity to profit from private equity's superior corporate governance"

November 2019

**Forbes**

"Private equity is a pension aid for the young. Twentysomethings can enjoy benefits of longer-term investment"

July 2015

**FT** FINANCIAL  
TIMES

### Stakeholder

"Elizabeth Warren declares war on private equity 'vampires' in 2020 plan"

July 2019

**Bloomberg**

"Shocker: PE leads to job losses"

October 2019

**FT** FINANCIAL  
TIMES

"Who killed Toys'R'Us? Hint: it wasn't only Amazon"

August 2018

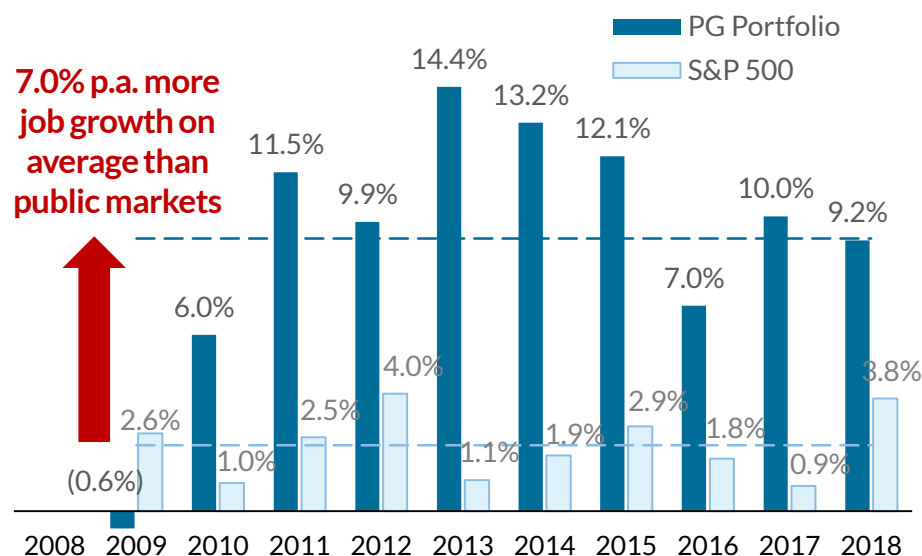
**THE WALL STREET JOURNAL.**



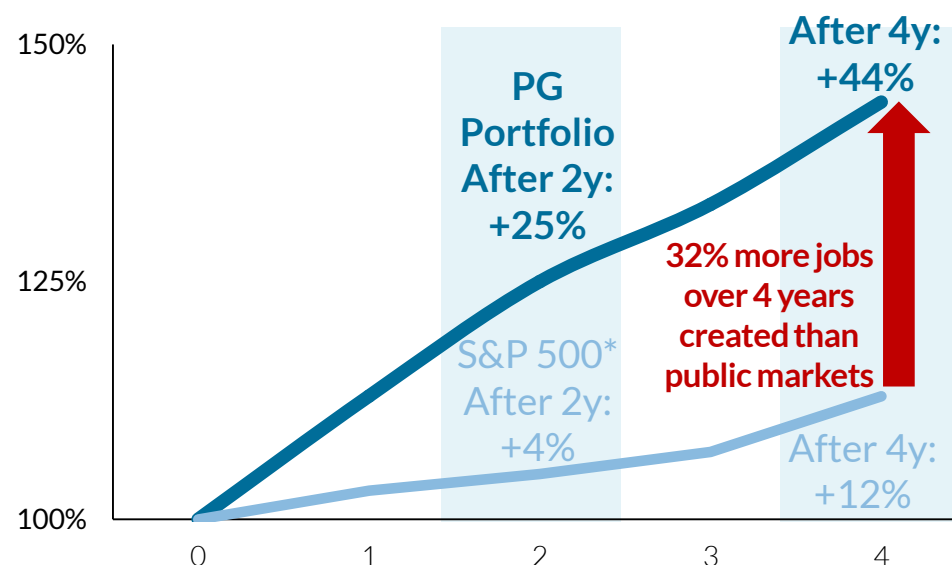
# Is private equity as bad for stakeholders as portrayed?

We have outperformed public markets in job creation

## Weighted annual job growth rates



## Job growth by holding year



**\*\*Definition of S&P 500:** this benchmark reflects the development of FTE growth segmented by S&P 500 sub-sectors, weighted equally to the PG portfolio (example: if the "Industrial" sector has a 20% weight in the PG portfolio in a given year, the FTE growth of the S&P 500 Industrial companies will contribute 20% to the S&P 500\* benchmark growth in the same year). For illustrative purposes only. The inclusion of this index/benchmark is used for comparison purposes and should not be construed to mean that there will necessarily be a correlation between the fund/investment return and the index/benchmark. Past performance is not indicative of future results. There is no assurance that similar results will be achieved. Source: Partners Group, 2020.



**Partners Group**  
REALIZING POTENTIAL IN PRIVATE MARKETS

# As a responsible owner, we positively impact stakeholders in our portfolio...

Select stakeholder impact projects across our portfolio

## Satisfaction & Engagement

- Engagement surveys
- Annual employee awards
- New / updated facilities



## Personal Growth & Development

- Leadership training
- Development training
- Career planning



## Financial Access

- Employee hardship fund
- Employee participation plans
- Tuition reimbursement



## Diversity & Inclusion

- Building female leadership
- Coaching for differently-abled employees
- Hiring & training for refugees



## Health & Wellness

- Free/affordable exercise
- Affordable healthcare
- Health & Safety



## Family Support

- On-site day care
- Discounted education
- Corporate care partnerships





# ...but do we sufficiently "outperform" in our stakeholder engagement?

## Work environment

## Financial benefits

Portfolio Assets

Corporate & Team Culture



Development Opportunities



Engagement



Compensation



Benefits



Stakeholder Incentives



We actively implement select stakeholder engagement projects

Conglomerates

Disney

General Electric

Deloitte

Apple

Bank of America

Intuit

We benchmark ourselves to the best-in-class from the industry

Partners Group Corporate

Diversity & Sustainability / Care Projects

Leadership & Development Training

Leadership Excellence / Decision Authority

Fair Wages / Market Benchmarking

Appropriate Insurance / Pensions

Employee Participation Plan

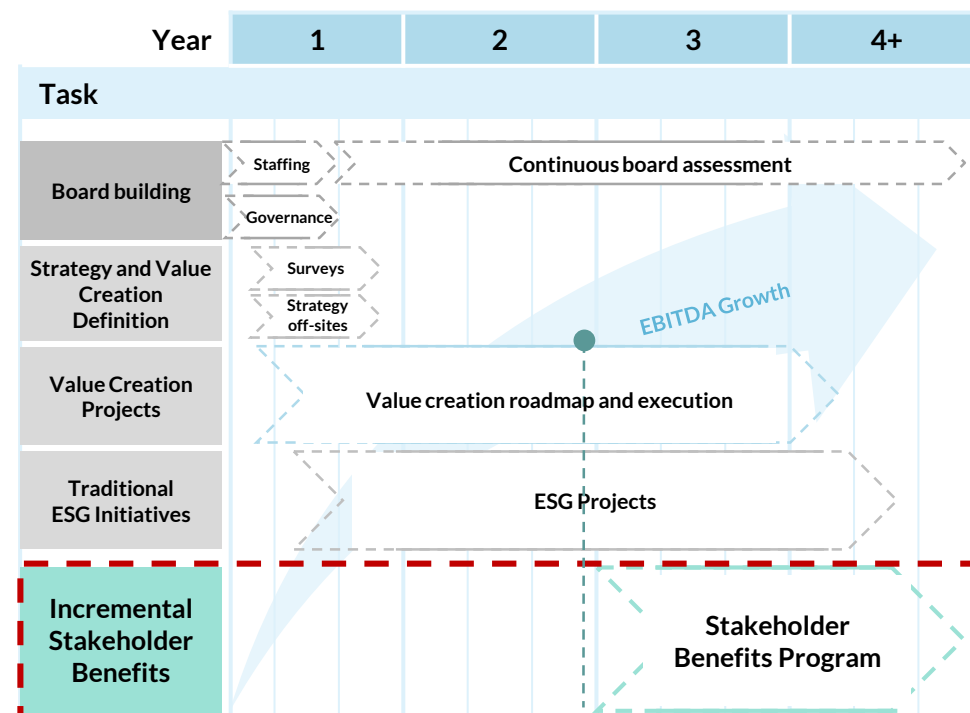
Lessons and experience we have learned at Partners Group



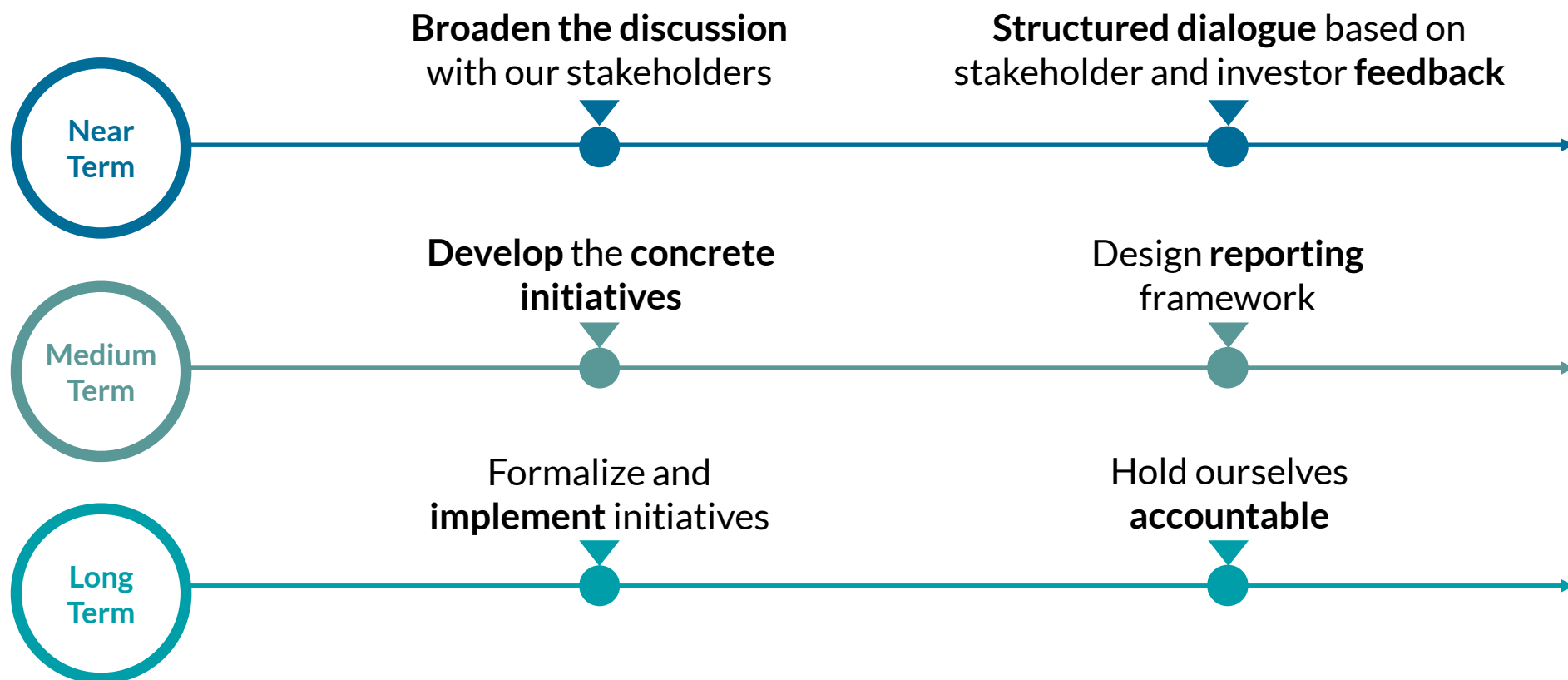
# Systemic Stakeholder Benefits Program under consideration

We want to allocate a portion of the value created to generate significant stakeholder impact

- **Re-investing a percentage of EBITDA growth** during ownership in Stakeholder Benefits Program
  - Benefits would go beyond traditional and customary ESG initiatives
  - Benefits would range from educational, environmental and social to financial support
  - Creating the **potential for higher valuation / exit multiple** via increased employee engagement
- Also providing **financial protection for employees** through pre-defined hardship funds



In a next step, we will open the dialogue with our investors and the industry



We are looking forward to achieving shareholder and stakeholder success together



## Contacts

Investor relations contact:

**Philip Sauer**

T +41 41 784 66 60

[philip.sauer@partnersgroup.com](mailto:philip.sauer@partnersgroup.com)

Media relations contact:

**Jenny Blinch**

T +44 207 575 25 71

[jenny.blinch@partnersgroup.com](mailto:jenny.blinch@partnersgroup.com)

Zugerstrasse 57

6341 Baar-Zug

Switzerland

T +41 41 784 60 00

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

[www.partnersgroup.com](http://www.partnersgroup.com)



# Partners Group

REALIZING POTENTIAL IN PRIVATE MARKETS

# Disclaimer

NEITHER THE INFORMATION IN THIS DOCUMENT NOR ANY RELATED MATERIALS MAY BE TAKEN OR TRANSMITTED INTO THE UNITED STATES OR DISTRIBUTED OR REDISTRIBUTED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES, AUSTRALIA, CANADA OR JAPAN.

This presentation is strictly confidential to the recipient and has been prepared by Partners Group Holding AG (the "Company") solely for information purposes and use at the presentation to the respective recipient ("Presentation"). All sources, which have not been otherwise credited, have been derived from Partners Group. The information contained herein consists of slides solely for use at the Presentation. By attending such Presentation, you agree to be bound by the following terms.

Figures provided have been rounded for presentation purposes and in certain instances rounding anomalies may arise.

This Presentation may not be reproduced, retransmitted or further distributed to the press or any other person or published, in whole or in part, for any purpose. Failure to comply with this restriction may constitute a violation of applicable securities laws. This Presentation does not constitute or form part of and should not be construed as, an offer to sell or issue or the solicitation of an offer to buy or acquire securities of the Company in any jurisdiction or an inducement to enter into investment activity. No part of this Presentation, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever. This Presentation does not constitute a prospectus or a similar communication within the meaning of article 752, 652a and/or 1156 of the Swiss Code of Obligations ("CO") or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange.

Neither the Presentation nor any copy of it may be taken or transmitted into the United States of America, its territories or possessions, or distributed, directly or indirectly, in the United States of America, its territories or possessions. Any failure to comply with this restriction may constitute a violation of U.S. securities laws. The Presentation is not an offer of securities for sale in the United States. The Company's securities may not be offered or sold in the United States except pursuant to an exemption from, or transaction not subject to, the registration requirements of the Securities Act.

Additional restrictions may apply according to applicable securities laws of other jurisdictions, including, without limitation, the European Union, Canada, Australia and Japan.

The information contained in this Presentation has not been independently verified. The Company is not under any obligation to update or keep current the information contained herein. Accordingly, no representation or warranty or undertaking, express or implied, is given by or on behalf of the Company or any of their respective members, directors, officers, agents or employees or any other person as to, and no reliance should be placed on, the accuracy, completeness or fairness of the information or opinions contained herein. Nothing herein shall be relied upon as a promise or representation as to past or future performance. Neither the Company nor any of their respective members, directors, officers or employees nor any other person accepts any liability whatsoever for any loss howsoever arising from any use of this Presentation or its contents or otherwise arising in connection with the Presentation.

This Presentation includes forward-looking statements, beliefs or opinions, including statements with respect to plans, objectives, goals, strategies, estimated market sizes and opportunities which are based on current beliefs, expectations and projections about future events. The words "believe," "expect," "anticipate," "intends," "estimate," "forecast," "project," "will," "may," "should" and similar expressions identify forward-looking statements. The forward-looking statements in this Presentation are based upon various assumptions, many of which are based, in turn, upon further assumptions, including, without limitation, management's examination of data available from third parties. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond its control, and the Company may not achieve or accomplish these expectations, beliefs or projections. Neither the Company nor any of its members, directors, officers, agents, employees or advisers intend or have any duty or obligation to supplement, amend, update or revise any of the forward-looking statements contained in this Presentation. The information and opinions contained herein are provided as at the date of the Presentation and are subject to change without notice.

