



# eQ Plc – Result Q3 2023

Result presentation 24 October 2023

# eQ Group – Key figures

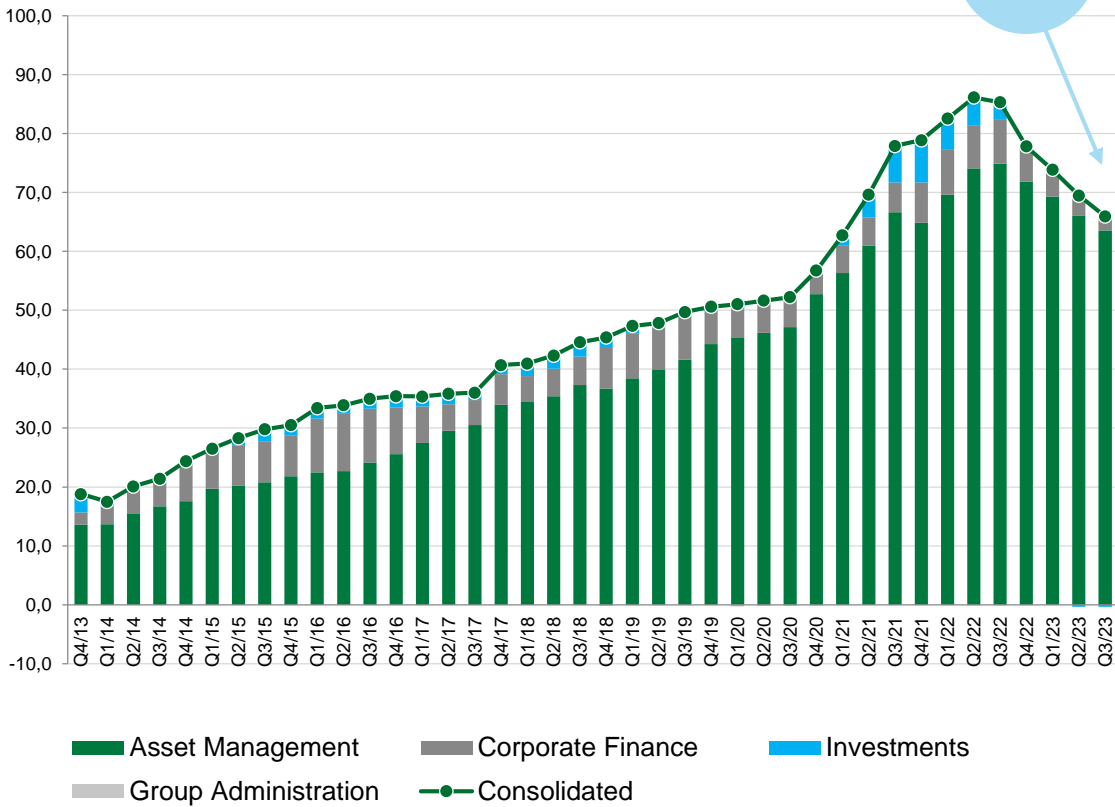


MEUR	1-9/2023	1-9/2022	Change	7-9/2023	7-9/2022	Change	1-12/2022
Net revenue	52.3	64.2	-18 %	16.6	20.1	-18 %	77.8
Operating profit	30.0	39.5	-24 %	10.2	12.4	-18 %	45.7
Profit for the period	23.8	31.4	-24 %	8.1	9.8	-18 %	36.3
Earnings per share (EUR)	0.59	0.79	-25 %	0.20	0.24	-19 %	0.91
Cost/income-ratio, %	42.6	38.4	11 %	38.5	38.3	1 %	41.1
Liquid assets	22.4	31.6	-29 %	22.4	31.6	-29 %	43.8
Investments in PE and RE funds	17.1	18.0	-5 %	17.1	18.0	-5 %	16.8

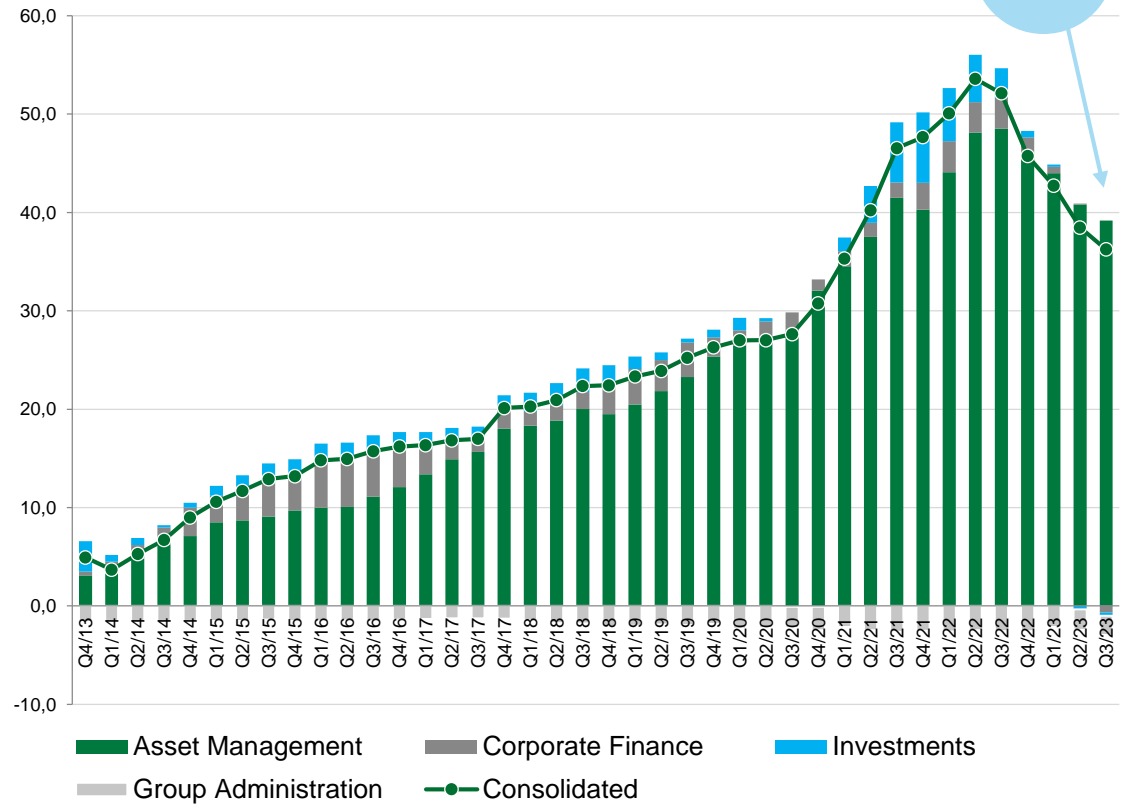
# eQ Group – Rolling 12 months



**Net revenue development, rolling 12 months, MEUR**



**Operating profit development, rolling 12 months, MEUR**





# eQ Group – Balance sheet



ASSETS (MEUR)			LIABILITIES AND EQUITY (MEUR)		
	9/2023	12/2022		9/2023	12/2022
Liquid assets	0.0	0.0	Other liabilities	7.8	6.8
Claims on credit institutions	18.0	23.7	Accruals and deferred income	9.9	16.6
Financial assets			Lease liabilities	5.2	5.6
Financial securities	4.4	20.1	Income tax liabilities	0.2	0.0
PE and real estate fund investments	17.1	16.8	<b>TOTAL LIABILITIES</b>	<b>23.1</b>	<b>29.1</b>
Intangible assets	29.3	29.4	Share capital	11.4	11.4
Tangible assets	4.9	5.8	Reserve for invested unrestricted equity	24.7	27.1
Other assets	14.6	14.4	Retained earnings	7.5	7.0
Accruals and prepaid expenditure	0.6	0.4	Profit (loss) for the period	23.8	36.3
Income tax receivables	1.1	0.1	<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>67.3</b>	<b>81.8</b>
Deferred tax assets	0.3	0.1			
<b>TOTAL ASSETS</b>	<b>90.4</b>	<b>110.9</b>	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>90.4</b>	<b>110.9</b>

Liquid assets

**22.4**

MEUR

Private equity and real estate fund investments

**17.1**

MEUR

Interest-bearing loans

**0.0**

MEUR

Total capital and the capital requirement ratio

**289.2 %**



# Asset Management

# Asset Management – Income statement

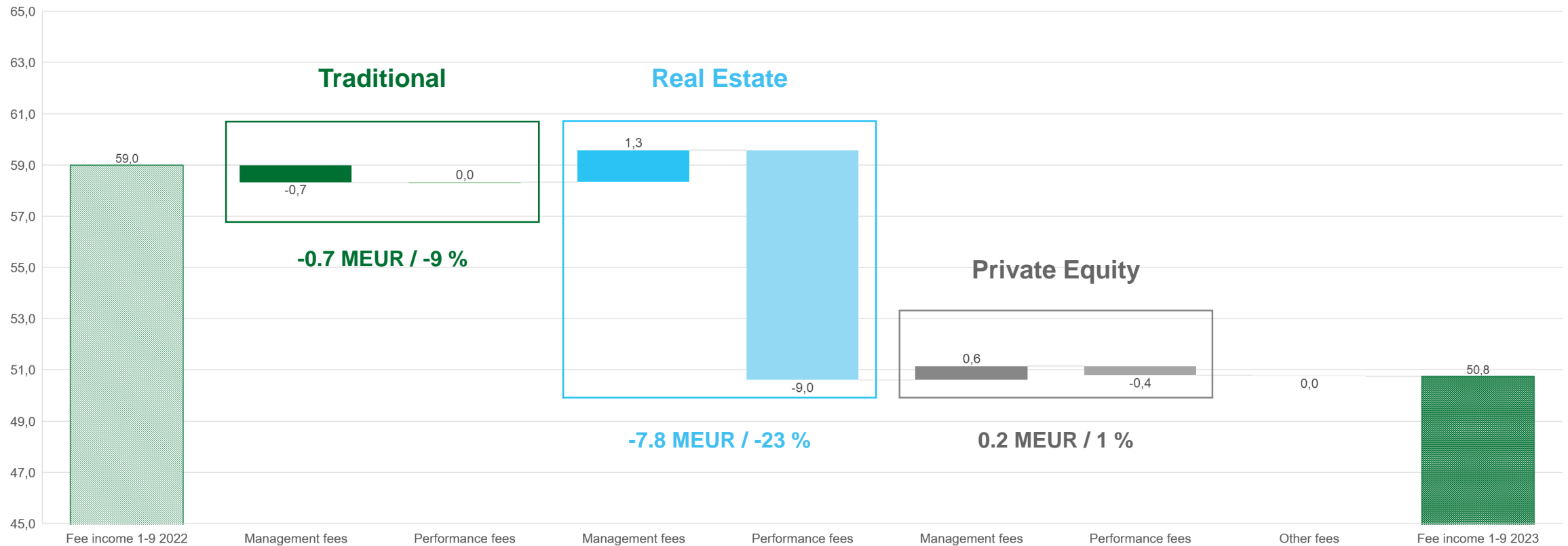


MEUR	1-9/2023	1-9/2022	Change	7-9/2023	7-9/2022	Change	1-12/2022
<b>NET REVENUE</b>	50.3	58.6	-14 %	15,9	18,5	-14 %	<b>71,8</b>
Personnel expenses	-15.4	-17.3	-11 %	-4.4	-5.4	-18 %	-22.0
Other administrative expenses	-1.3	-1.3	5 %	-0.4	-0.4	-3 %	-1.8
Depreciation	-0.8	-0.6	23 %	-0.3	-0.2	4 %	-0.9
Other operating expenses	-1.0	-0.9	13 %	-0.3	-0.3	5 %	-1.2
<b>OPERATING PROFIT</b>	<b>31.7</b>	<b>38.4</b>	<b>-17 %</b>	<b>10.5</b>	<b>12.1</b>	<b>-14 %</b>	<b>45.9</b>
Cost/income -ratio, %	36.8	34.3	7 %	33.8	34.2	-1 %	36.0

# Asset Management – Fee income change



## Asset management fee income change -8.2 MEUR / -14 %

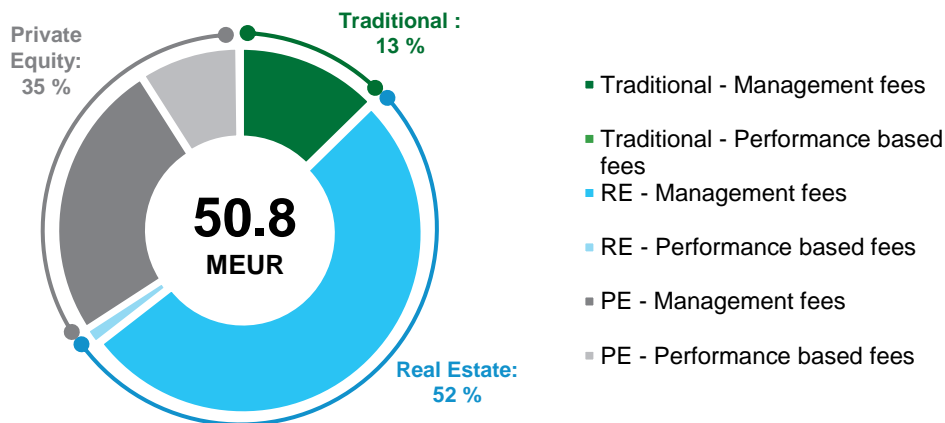


# Asset Management – Fee income and Aum

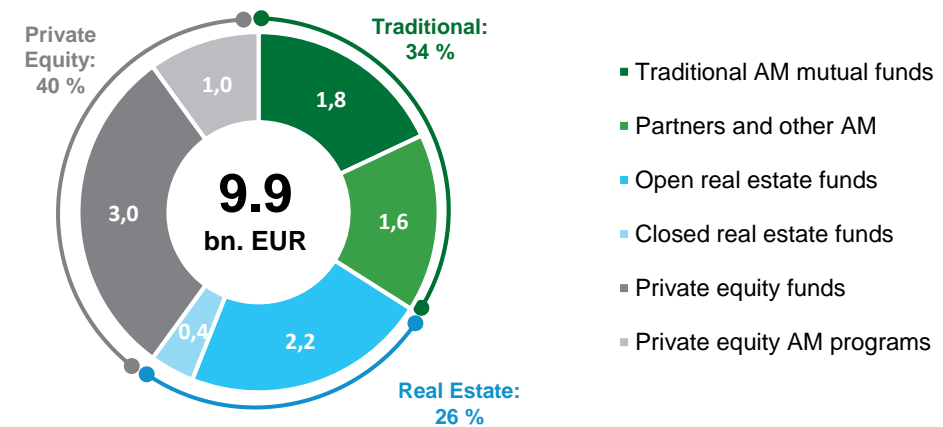


MEUR	1-9/2023	1-9/2022	Change	7-9/2023	7-9/2022	Change	1-12/2022
<b>Management fees</b>							
Traditional asset management	6,6	7,3	-9 %	2,2	2,3	-3 %	9,4
Real estate asset management	27,0	25,8	5 %	8,7	9,0	-3 %	35,1
Private equity asset management	13,1	12,6	4 %	4,4	4,4	1 %	16,9
<b>Management fees total</b>	<b>46,8</b>	<b>45,6</b>	<b>2 %</b>	<b>15,4</b>	<b>15,8</b>	<b>-2 %</b>	<b>61,5</b>
<b>Performance based fees</b>							
Traditional asset management	0,0	-	n/a	0,0	-	n/a	0,0
Real estate asset management	-0,7	8,3	-109 %	-0,9	1,0	-192 %	4,3
Private equity asset management	4,6	5,0	-7 %	1,5	1,9	-20 %	6,5
<b>Performance based fees total</b>	<b>3,9</b>	<b>13,3</b>	<b>-71 %</b>	<b>0,6</b>	<b>2,8</b>	<b>-78 %</b>	<b>10,8</b>
<b>Other fees</b>	<b>0,1</b>	<b>0,1</b>	<b>-22 %</b>	<b>0,0</b>	<b>0,0</b>	<b>12 %</b>	<b>0,1</b>
<b>Fee income total</b>	<b>50,8</b>	<b>59,0</b>	<b>-14 %</b>	<b>16,1</b>	<b>18,6</b>	<b>-14 %</b>	<b>72,4</b>

## Fee income 1-9/2023



## Assets under management 9/2023



\* In addition eQ has 2.9 billion of assets in private equity reporting services, total Aum is EUR 12.8 billion

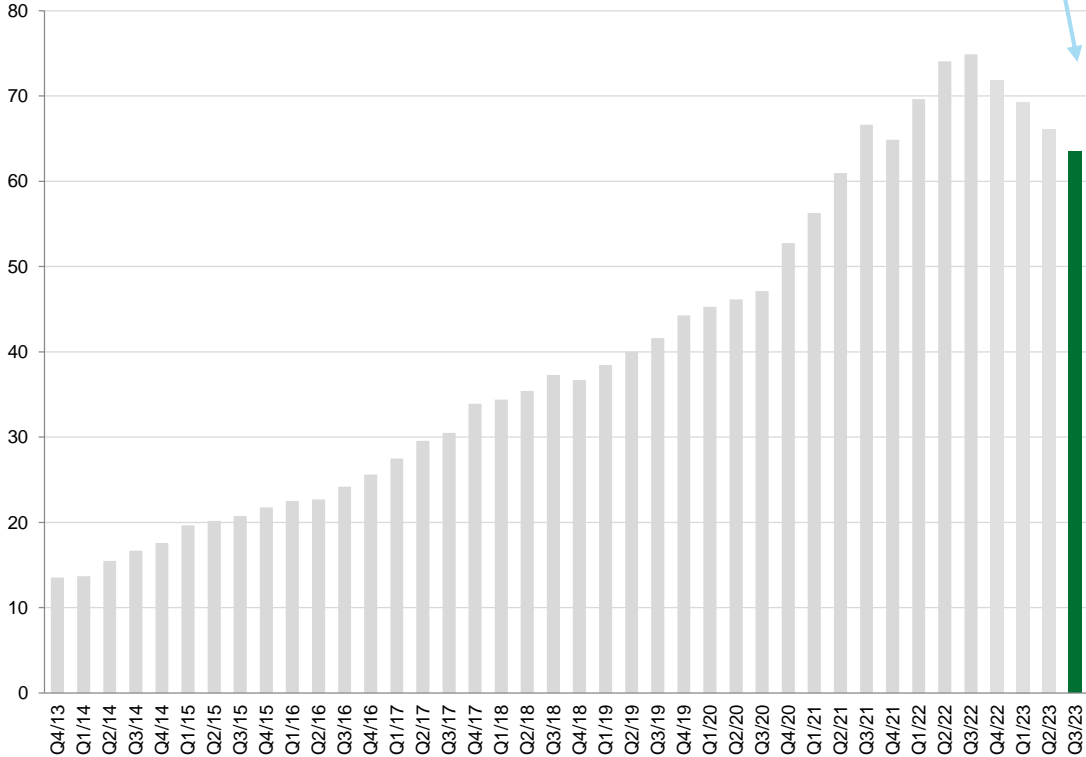


# Asset Management – Rolling 12 months



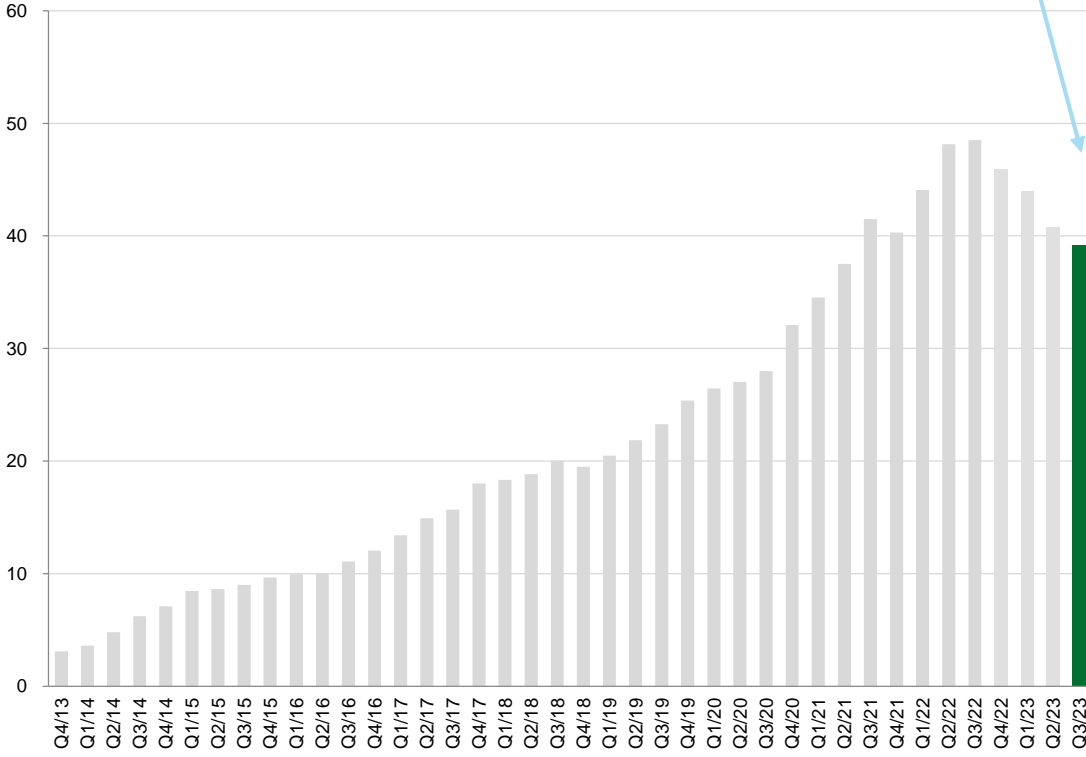
**Net revenue development,  
rolling 12 months, MEUR**

63.5



**Operating profit development,  
rolling 12 months, MEUR**

39.2



# Asset Management – Traditional funds



Fund	3 months			Since beginning of the year			3 years p.a.			Morning-star
	Return	Comp.	Diff.	Return	Comp.	Diff.	Return	Comp.	Diff.	
<b>Fixed income Funds</b>										
eQ Euro Short Term	0,95 %			2,34 %			0,69 %			no rating
eQ Floating Rate	1,26 %	0,85 %	0,41 %	4,37 %	2,00 %	2,37 %	1,26 %	0,32 %	0,94 %	☆☆☆☆☆
eQ Euro Government Bond	-2,35 %	-2,48 %	0,13 %	-0,16 %	-0,43 %	0,28 %	-6,13 %	-7,32 %	1,19 %	☆☆☆☆☆
eQ Euro Investment Grade	0,96 %	0,30 %	0,66 %	3,54 %	2,34 %	1,19 %	-3,64 %	-3,86 %	0,22 %	☆☆☆☆☆
eQ High Yield	2,17 %	1,68 %	0,49 %	7,43 %	6,15 %	1,29 %	1,24 %	0,71 %	0,53 %	☆☆☆☆☆
eQ Emerging markets Corporate Bond HC	-0,37 %	-1,55 %	1,19 %	0,69 %	0,04 %	0,65 %	-2,15 %	-5,40 %	3,24 %	☆☆☆☆☆
eQ Emerging Markets Corporate Bond Local Currency	0,98 %			6,97 %			4,67 %			☆☆☆☆☆
<b>Equity Funds</b>										
eQ Finland	-2,86 %	-3,94 %	1,07 %	-1,99 %	-6,59 %	4,59 %	7,19 %	3,82 %	3,37 %	☆☆☆☆☆
eQ Nordic Small Cap	-3,63 %	-5,15 %	1,51 %	1,04 %	-3,63 %	4,68 %	3,02 %	-0,33 %	3,36 %	☆☆☆☆☆
eQ Europe Small Cap Fund	-1,70 %	-2,78 %	1,08 %	7,14 %	2,75 %	4,39 %	5,17 %	4,77 %	0,40 %	☆☆☆☆☆
eQ Europe Dividend	0,52 %	-2,06 %	2,58 %	6,26 %	8,83 %	-2,57 %	13,40 %	10,95 %	2,46 %	☆☆☆☆☆
eQ Frontier Markets	3,31 %	5,09 %	-1,77 %	10,44 %	8,23 %	2,20 %	14,41 %	5,26 %	9,15 %	☆☆☆☆☆
eQ Blue Planet	-3,38 %	-0,52 %	-2,86 %	4,85 %	12,00 %	-7,14 %	6,25 %	11,83 %	-5,57 %	☆☆☆☆☆
eQ Emerging Markets Dividend	3,19 %	0,03 %	3,15 %	10,13 %	2,64 %	7,49 %	9,69 %	1,68 %	8,01 %	☆☆☆☆☆
eQ Emerging Markets Small Cap	4,46 %	6,06 %	-1,60 %	15,67 %	14,65 %	1,02 %	9,77 %	14,44 %	-4,68 %	☆☆☆☆☆
eQ Global Fund	-0,68 %			8,21 %			8,65 %			☆☆☆☆☆
<b>Balanced Funds</b>										
eQ Mandate	-0,08 %			5,49 %			3,80 %			☆☆☆☆☆
<b>Average</b>	-0,26 %	-0,25 %	0,34 %	4,34 %	2,72 %	1,14 %	4,78 %	2,05 %	1,26 %	☆☆☆☆☆
<b>Funds that have exceeded the comparison index</b>			77 %			85 %			85 %	(3,2 stars)

The gross returns are calculated without the fund's management fee, but after the fund's other running costs and trading costs. The management fee during this period has been 0.2 - 2.5% per year, depending on the fund.

# Asset Management – Real Estate funds



## eQ Community Properties

- Invests in modern care properties and social infrastructure properties
- Avg. lease maturity 9 years, vacancy 3 %, initial rental yield 5.6 %
- Invested capital: 2 125 MEUR
- Equity (NAV): 1 462 MEUR
- 1-9/2023 net subscriptions: 14 MEUR
- Return 1-9/2023: -5.5 %
- Return from start: 7.7 % p.a.

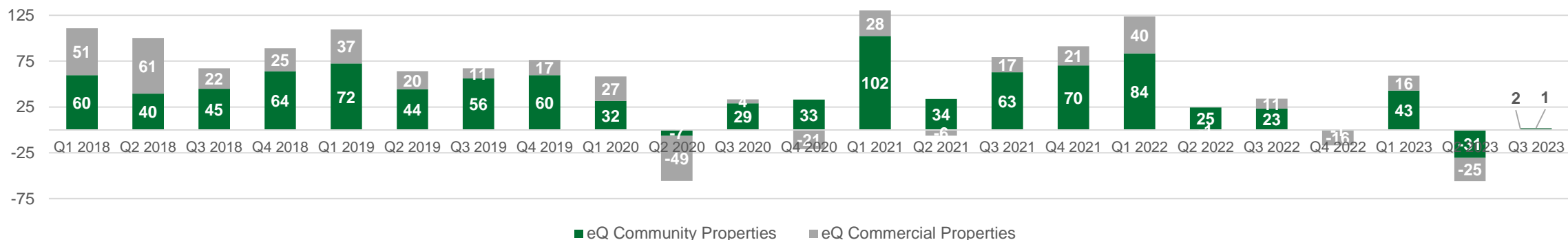
## eQ Commercial Properties

- Invests in commercial real estate
- Avg. lease maturity 6 years, vacancy 8 %, initial rental yield 6.1 %
- Invested capital: 1 277 MEUR
- Equity (NAV): 703 MEUR
- 1-9/2023 net subscriptions: -8 MEUR
- Return 1-9/2023: -6.1 %
- Return from start: 6.9 % p.a.

## eQ Residential

- Closed-end fund only for professional investors – invests in residential properties
- eQ Residential I:
  - Established 5/2020, closed 5/2021
  - Equity (NAV) 100 MEUR, the fund invest about 300 million in residential properties
- eQ Residential II
  - Established 2/2022
  - Equity (NAV): 53 MEUR

## eQ's open-end real estate funds – net subscriptions, MEUR



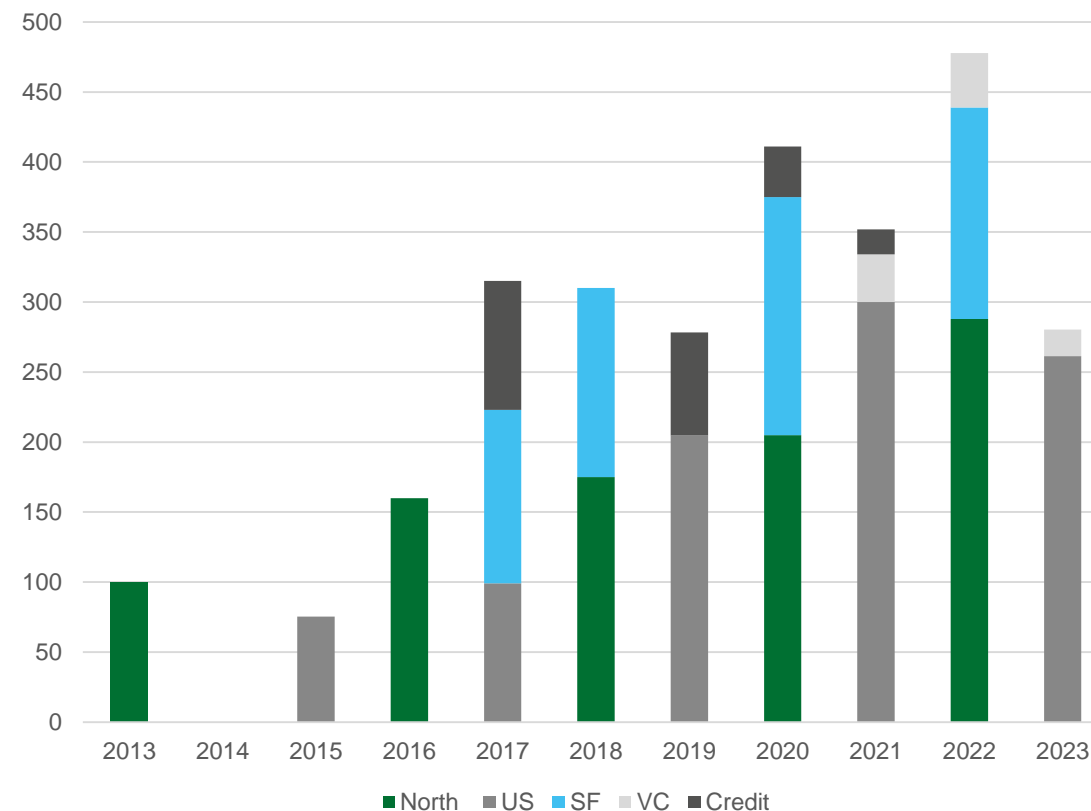
# Asset Management – Private Equity



AUM total 3.0 bn EUR

Vintage	Fund	Size	Stage
<b>Fund of funds – Northern Europe</b>			
2022	eQ PE XIV North	288 MEUR	Investing
2020	eQ PE XII North	205 MEUR	Fully invested
2018	eQ PE X North	175 MEUR	Fully invested
2016	eQ PE VIII North	160 MEUR	Fully invested
2013	eQ PE VI North	100 MEUR	Fully invested
2007	Amanda IV West	90 MEUR	Fully invested
<b>Fund of funds – North America</b>			
2023	eQ PE XV US	277 MUSD	4th close
2021	eQ PE XIII US	318 MUSD	Fully invested
2019	eQ PE XI US	217 MUSD	Fully invested
2017	eQ PE IX US	105 MUSD	Fully invested
2015	eQ PE VII US	80 MUSD	Fully invested
<b>Fund of funds – Secondary</b>			
2022	eQ PE SF IV	151 MEUR	Investing
2020	eQ PE SF III	170 MEUR	Fully invested
2018	eQ PE SF II	135 MEUR	Fully invested
2017	eQ PE SF	124 MEUR	Fully invested
<b>Fund of funds – Eastern Europe</b>			
2011	Amanda V East	50 MEUR	Fully invested
2006	Amanda III Eastern PE	110 MEUR	Fully invested
<b>Fund of funds - Venture Capital</b>			
2023	eQ VC II	20 MUSD	1st close
2021	eQ VC	77 MUSD	Investing
<b>Private Credit</b>			
2020	eQ Private Credit III	54 MEUR	Fully invested
2019	eQ Private Credit II	74 MEUR	Fully invested
2017	eQ Private Credit	92 MEUR	Fully invested

Fundraising, MEUR



2023: fourth close eQ PE XV US -fund, first close eQ VC II -fund – fundraising ongoing



# Corporate Finance



# Corporate Finance – Latest transactions



## M&A Transactions and Equity markets

<p><b>OTAVA</b> mandatory public cash tender offer for all shares in</p>  <p>€ 749 million</p> <p>Advisor to the Buyer July 2023</p>	<p><b>Oalixis</b> voluntary public cash tender offer for all shares in</p> <p><b>uponor</b></p> <p>€ 1,875 million</p> <p>Advisor to the Buyer Cancelled</p>	<p><b>BainCapital</b> Security Trading, Fennogens and Corbis voluntary public cash tender offer for all shares in</p> <p><b>Caverion</b></p> <p>€ 1,092 million</p> <p>Advisor to the Buyer Cancelled</p>
<p><b>TRILL IMPACT</b> acquired</p>  <p>from</p>  <p>Advisor to the Buyer September 2022</p>	<p><b>BERNER</b> Group company</p>  <p>acquired a majority in</p> <p><b>Finnamyli</b></p> <p>Advisor to the Buyer July 2022</p>	<p>Lifeline Ventures, the founders and other investors sold</p> <p><b>AKKURATE<sup>+</sup></b> to</p>  <p>Advisor to the Sellers June 2022</p>

## Real estate transactions

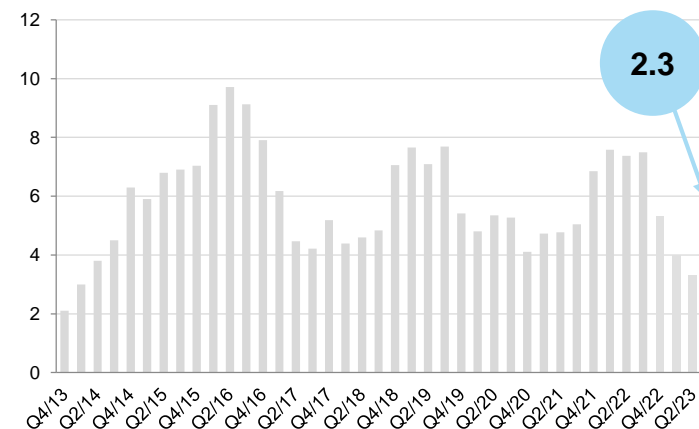
<p><b>Schroders</b> sold an office property to <b>NIAM</b> Advisor to the Seller August 2023</p>	<p><b>ESPOO ESBO</b> sold a fire station portfolio for € 31 million to <b>LÄHITAPIOLA</b> Advisor to the Seller December 2022</p>	<p><b>Kymsote KIINTEISTÖT</b> sold a hospital property to <b>HEMSÖ</b> Advisor to the Seller October 2022</p>
<p><b>CROMWELL EUROPEAN REIT</b> sold an office property in Helsinki to <b>TALLBERG</b> Advisor to the Seller July 2022</p>	<p><b>ILMARINEN YIT</b> <b>HGR</b> Property Partners formed a Joint Venture to develop the Keilaniemi area Advisor to the Parties June 2022</p>	<p><b>ESPOO ESBO</b> sold Espoo Hospital for € 295 million to <b>LähiTapiola Yhteiskunta-kiinteistöt Suomi Ky</b> Advisor to the Seller March 2022</p>

# Corporate Finance – Key figures

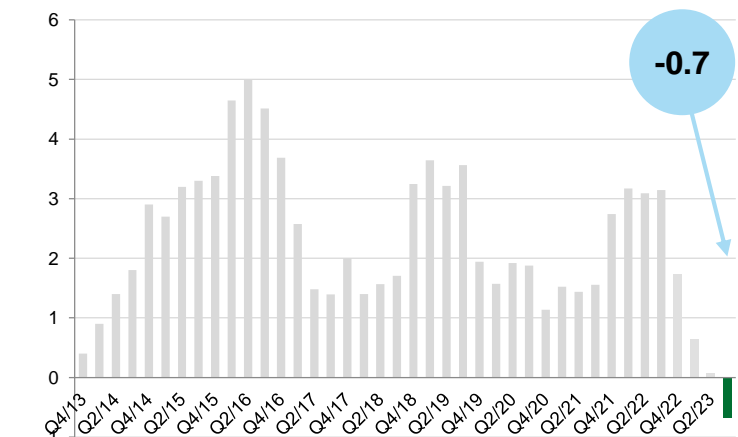


MEUR	1-9/2023	1-9/2022	Change	7-9/2023	7-9/2022	Change	1-12/2022
<b>NET REVENUE</b>	<b>1.2</b>	<b>4.3</b>	<b>-72 %</b>	<b>0.3</b>	<b>1.4</b>	<b>-77 %</b>	<b>5.4</b>
Personnel expenses	-1.6	-2.3	-29 %	-0.4	-0.7	-40 %	-2.9
Other administrative expenses	-0.3	-0.3	-15 %	-0.1	-0.1	-57 %	-0.4
Depreciation	-0.1	-0.1	-1 %	-0.0	-0.0	2 %	-0.2
Other operating expenses	-0.1	-0.1	-4 %	-0.0	-0.0	-11 %	-0.1
<b>OPERATING PROFIT</b>	<b>-0.9</b>	<b>1.5</b>	<b>-158 %</b>	<b>-0.2</b>	<b>0.5</b>	<b>-140 %</b>	<b>1.7</b>
Cost/income -ratio, %	172.9	64.9	166 %	163.4	62.8	160 %	67.7

Net revenue development, rolling 12 months, MEUR



Operating profit development, rolling 12 months, MEUR





# Investments

# Investments – Key figures



MEUR	1-9/2023	1-9/2022	7-9/2023	7-9/2022	1-12/2022
Returned capital (excl. profit)	1.2	2.7	0.6	1.1	2.9
Distribution of profits	0.6	1.3	0.2	0.8	2.0
Capital calls	-1.5	-1.7	-0.4	-0.6	-2.1
<b>Net cash flow</b>	<b>0.2</b>	<b>2.3</b>	<b>0.5</b>	<b>1.3</b>	<b>2.8</b>
<b>Market value</b>	<b>17.1</b>	<b>18.0</b>	<b>17.1</b>	<b>18.0</b>	<b>16.8</b>
<b>Investment commitments</b>	<b>7.1</b>	<b>8.1</b>	<b>7.1</b>	<b>8.1</b>	<b>7.5</b>
<b>Profit and loss</b>					
Distribution of profits	0.6	1.3	0.2	0.8	2.0
Value changes recognized through p&l	-0.1	0.2	0.1	-0.5	-1.2
Group internal management fee	-0.1	-0.1	-0.0	-0.0	-0.2
<b>Profit of the Investments-segment</b>	<b>0.4</b>	<b>1.4</b>	<b>0.3</b>	<b>0.2</b>	<b>0.7</b>

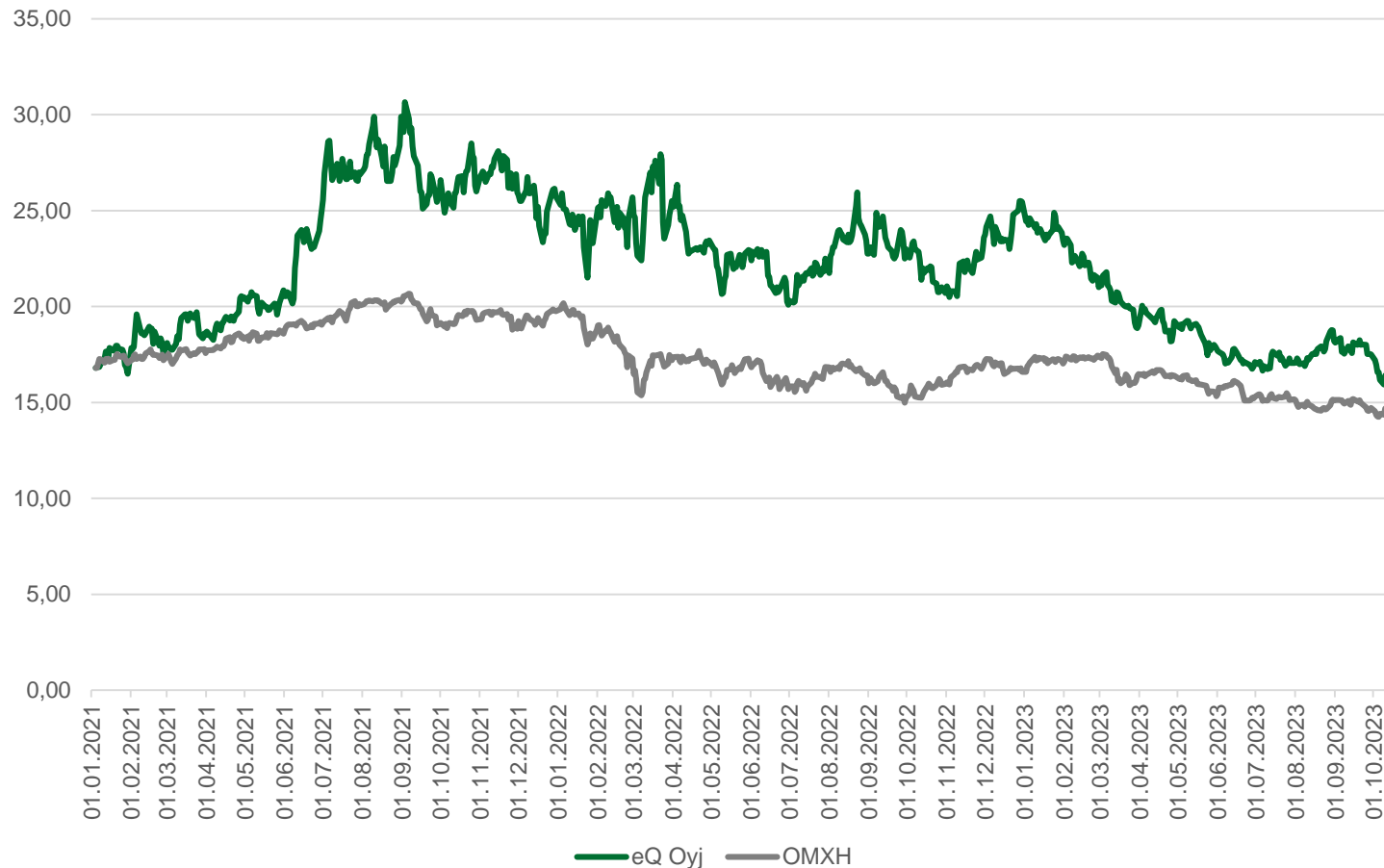
- During the period under review, eQ Plc made a USD 1.0 million investment commitment in the eQ PE XV US -fund and after the reporting period a USD 1.0 million investment commitment in the eQ VC II -fund.



# eQ's share, outlook and summary



# Share price development and market cap



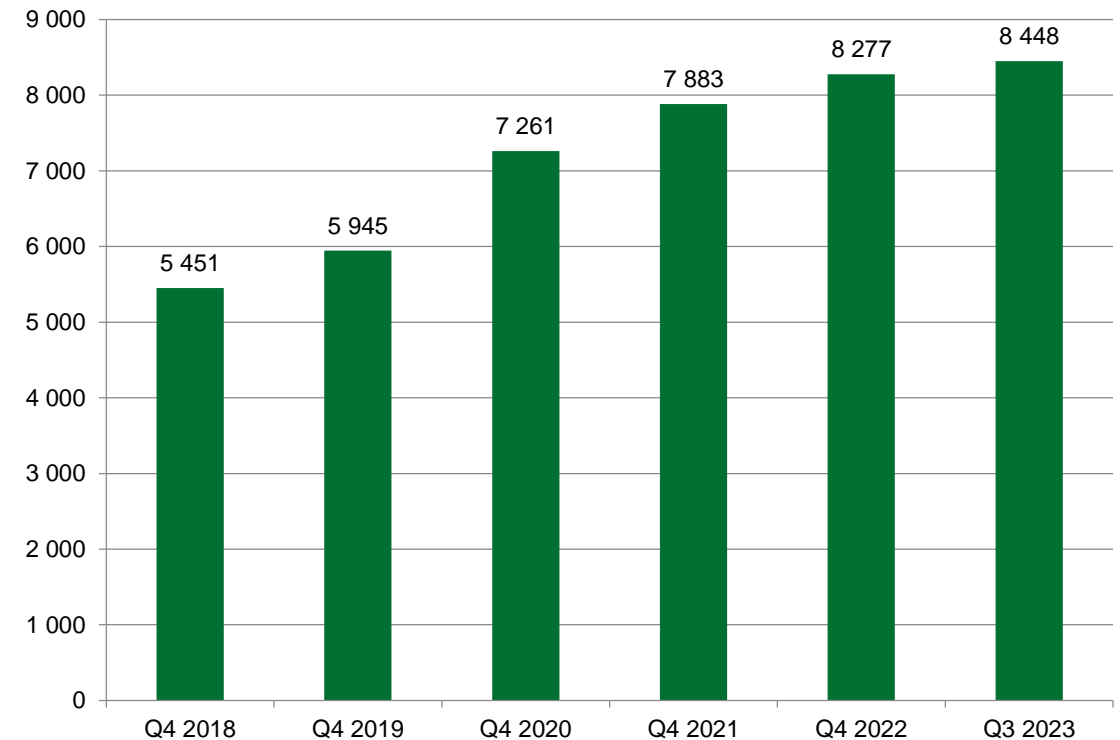
- The market capitalisation of eQ Plc was EUR 712.9 million (EUR 1,028.9 million 31 Dec 2022) at the end of the period under review.
- During the period, 813,761 shares were traded on Nasdaq Helsinki (1 638,918 shares from 1 Jan. to 30 Sept. 2023). In euros, the turnover was EUR 16.6 million (EUR 38.9 million).

# Shareholders 30 September 2023



	Shares	% of shares
1 Fennogens Investments S.A.	7 962 605	19,55
2 Rettig Group Oy Ab	6 206 706	15,24
3 Chilla Capital S.A.	6 165 904	15,14
4 Teamet Oy	4 250 000	10,43
5 Oy Cevante Ab	1 419 063	3,48
6 Fazer Jan Peter	1 314 185	3,23
7 Procurator-Holding Oy	793 892	1,95
8 Lavventura Oy	700 000	1,72
9 Keskinäinen Eläkevakuutusyhtiö Ilmarinen	697 500	1,71
10 Linnalex Ab	631 652	1,55
10 largest shareholders total	30 141 507	73,99
Nominee registered	378 857	0,93
Other shares	10 215 334	25,08
In total	40 735 698	100,00

## The number of shareholders



# Outlook



As for sales, the year 2023 has been good in private equity asset management. In September 2023, the eQ PE XV US private equity fund grew to USD 277 million in its fourth closing. This strengthens our view that demand will continue to be strong among investors, above all for private equity investment products. The returns of real estate funds are linked to the development of yields. Due to the rise of the yields, no performance fee is expected to accrue from the real estate funds from the year 2023. The performance fees of private equity funds will, on the other hand, be at the same level due to the catch up accrual.

Consequently, we specify our outlook and estimate the net revenue of the Asset Management segment in 2023 to be approximately EUR 67 million and the operating profit around EUR 41–42 million. In accordance with our disclosure policy, we do not issue profit guidance for the Corporate Finance and Investments segments. The results of these segments are highly dependent on factors that are not dependent on the company. Therefore, their operating profits may vary considerably and are difficult to foresee.

# Summary



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