

A black and white photograph of a grand, classical building facade, likely a historical or institutional structure. The building features ornate architectural details, including arched windows, decorative moldings, and a prominent corner tower. The image is used as a background for the title text.

**eQ Plc – result 2018  
- result presentation 7 February 2019**

# 2018 highlights



## Asset Management

- Real estate:
  - Real estate funds' net subscriptions 367 million euros in total
  - Funds' equity at the end of 2018 total of 1 365 million euros and invested capital 1 837 million euros
- Private Equity:
  - eQ PE X North –fund 175 million euros
  - eQ PE SF II –fund 135 million euros
- Traditional asset management:
  - Performances of the funds are still strong, in the past three years 71 % of the funds managed by eQ have surpassed their benchmark indices
- eQ has further improved its position as leading Finnish institutional asset manager. According to the 2018 SFR research, 63% of the largest Finnish institutional investors used eQ's services (55% in 2017)

## Corporate Finance

- 12 finalised transactions – 6 M&A –transactions and 6 real estate transactions
- Advium acted as the financial advisor to Kotipizza Group Oyj and Pöyry Oyj in connection with the public cash tender offers
- Advium maintained its strong position in large real estate transactions and was chosen for the twelfth time as Finland's best real estate investment bank (Euromoney)

# eQ Group – Key figures

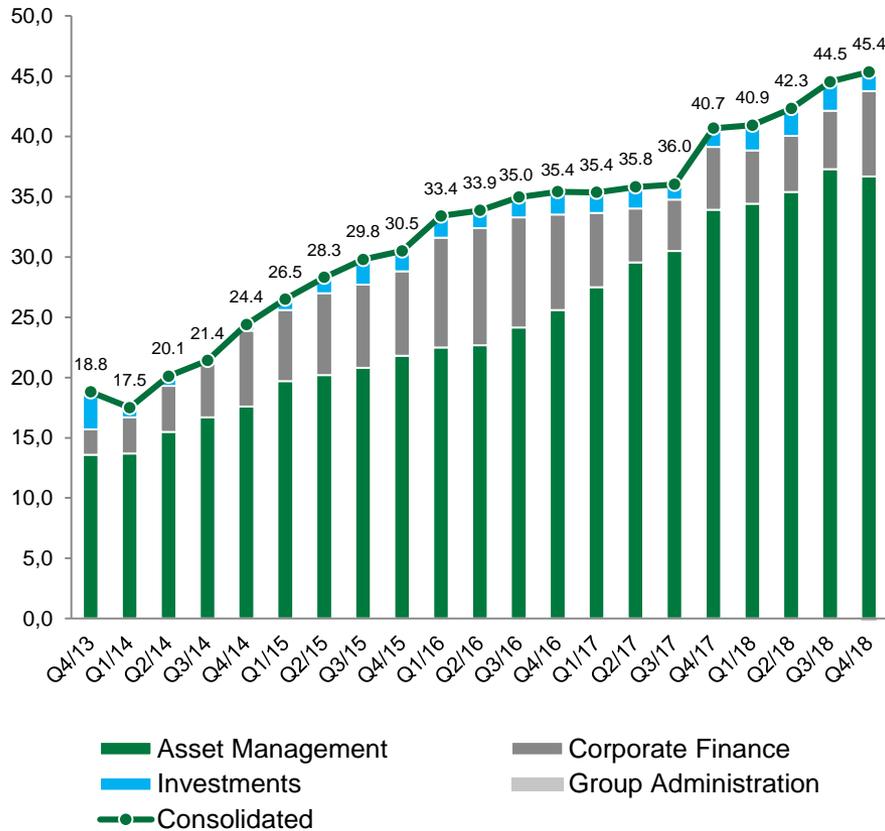


EUR million	1-12/2018	1-12/2017	Change%
Net revenue	45.4	40.7	12%
Operating profit	22.4	20.1	12%
Profit for the period	17.8	15.9	12%
Earnings per share (EUR)	0.47	0.43	10%
Cost income -ratio, %	50.5	50.5	0%
Liquid assets	25.7	24.7	4%
Investments in private equity funds	16.9	18.8	-10%
Proposal for dividend per share (EUR)	0.47	0.43	9%
Equity repayment per share (EUR)	0.07	0.07	0%

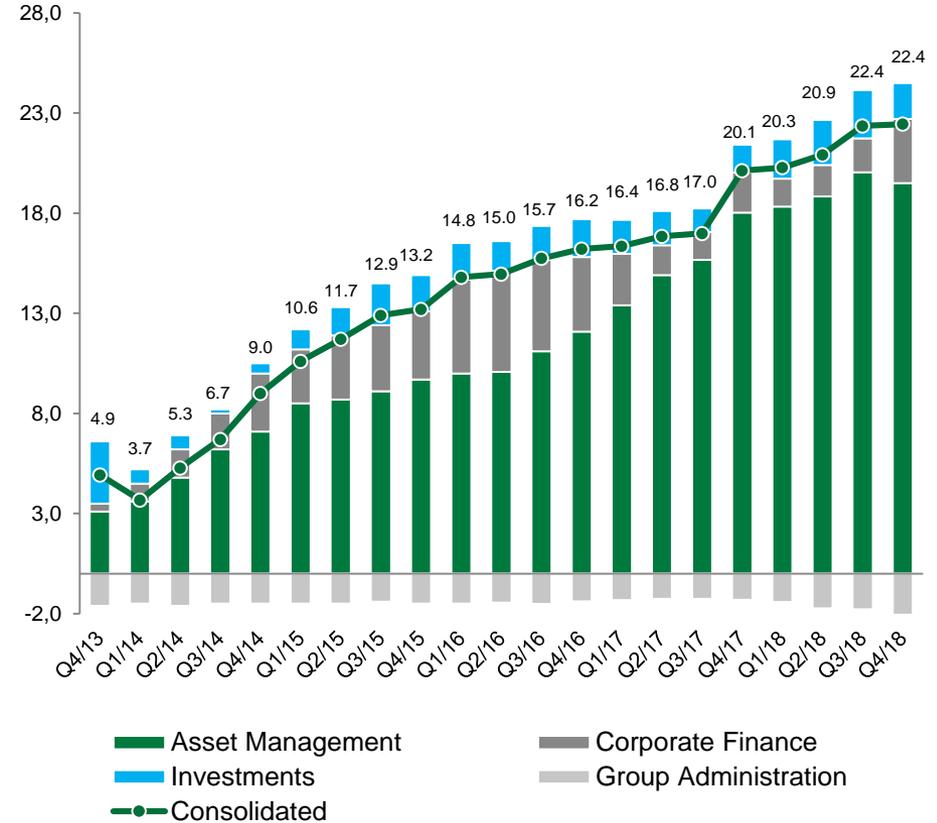
# eQ Group – Rolling 12 months



Net revenue development, rolling 12 months (€'m)



Operating profit development, rolling 12 months (€'m)



- eQ Group's rolling 12-month operating profit has already grown for 19 consecutive quarters.

# eQ Group – Balance sheet



## ASSETS

(EUR million)

12/2018 12/2017

Liquid assets	0.0	0.0
Claims on credit institutions	15.8	14.6
Financial assets		
Financial securities	9.9	10.1
Private equity fund investments	16.9	18.8
Intangible assets	29.4	29.4
Tangible assets	0.3	0.3
Other assets	5.1	2.7
Accruals and prepaid expenditure	0.6	0.6
Income tax receivables	0.1	0.0
Deferred tax assets	-	0.3

## TOTAL ASSETS

78.2 76.8

## LIABILITIES AND EQUITY

(EUR million)

12/2018 12/2017

Other liabilities	4.1	3.9
Accruals and deferred income	11.1	9.1
Income tax liabilities	0.7	0.8
Deferred tax liabilities	0.1	0.3
TOTAL LIABILITIES	16.0	14.1
Share capital	11.4	11.4
Fair value reserve	-	-0.2
Reserve for invested unrestricted equity	27.0	29.6
Retained earnings	6.0	5.9
Profit (loss) for the period	17.8	15.9
TOTAL SHAREHOLDERS' EQUITY	62.2	62.7

## TOTAL LIABILITIES AND EQUITY

78.2 76.8

- Liquid assets 25.7 M€
- Private equity fund investments 16.9 M€
- Interest-bearing liabilities 0.0 €
- Solvency ratio 9.6%



# ***Asset Management***



# Asset Management – Income statement



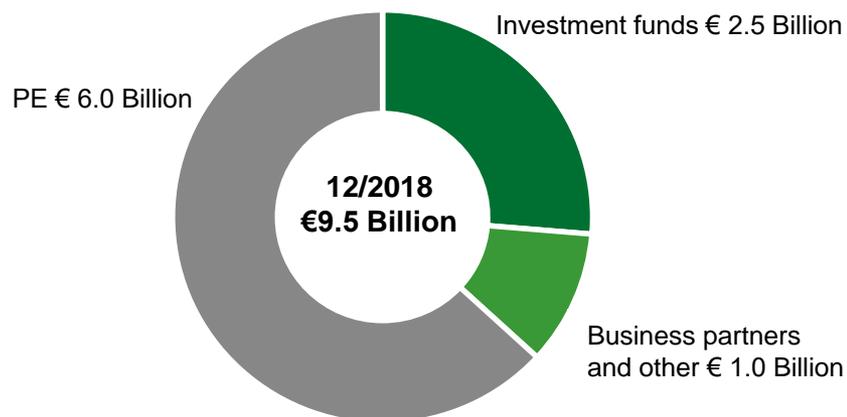
EUR million	1-12/2018	1-12/2017	Change %
<b>NET REVENUE</b>	<b>36.7</b>	<b>33.9</b>	<b>8%</b>
Personnel expenses	-13.8	-12.6	10%
Other administrative expenses	-1.7	-1.7	-1%
Depreciation	-0.2	-0.2	-30%
Other operating expenses	-1.5	-1.3	12%
<b>OPERATING PROFIT</b>	<b>19.5</b>	<b>18.0</b>	<b>8%</b>
Cost-income ratio, %	46.9	46.8	0%

# Asset Management – Fee income and Aum

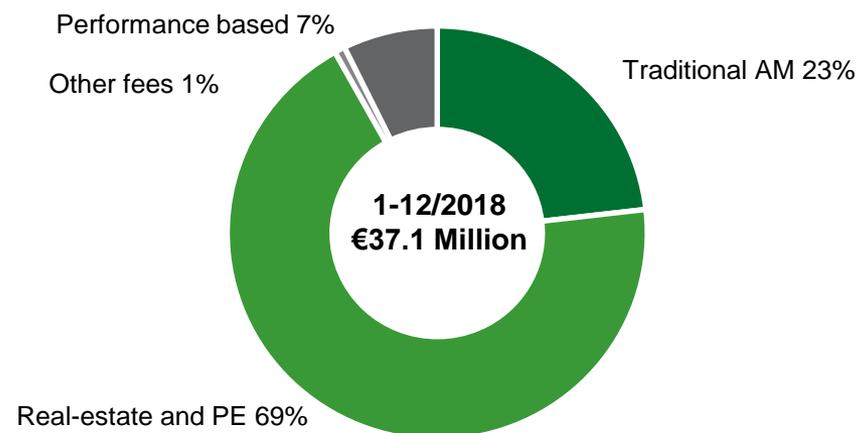


EUR million	1-12/2018	1-12/2017	Change %
Management fees – Traditional AM	8.6	8.9	-3%
Management fees – Real-estate and PE	25.5	18.4	39%
Other fees	0.3	0.6	-45%
Performance based fees	2.7	6.4	-58%
<b>TOTAL</b>	<b>37.1</b>	<b>34.3</b>	<b>8%</b>

## Assets under management 12/2018



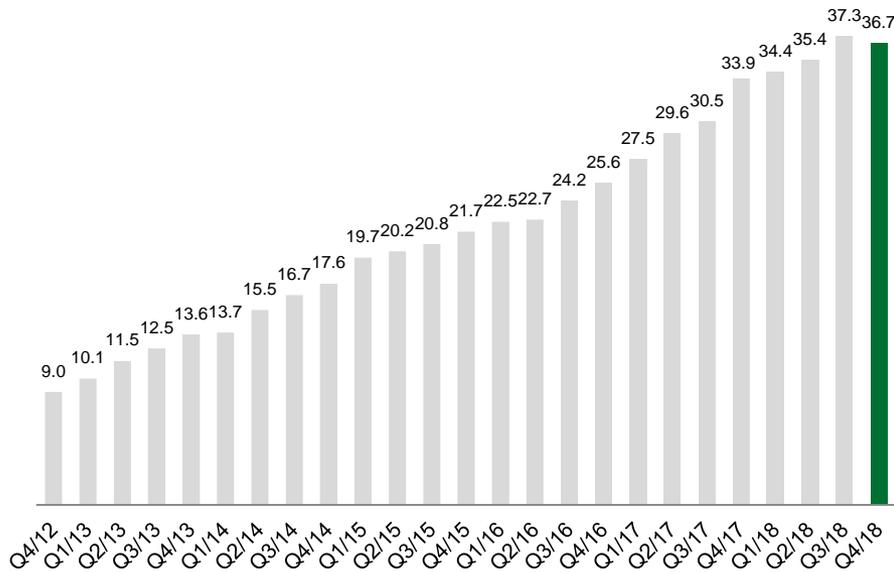
## Fee income 1-12/2018



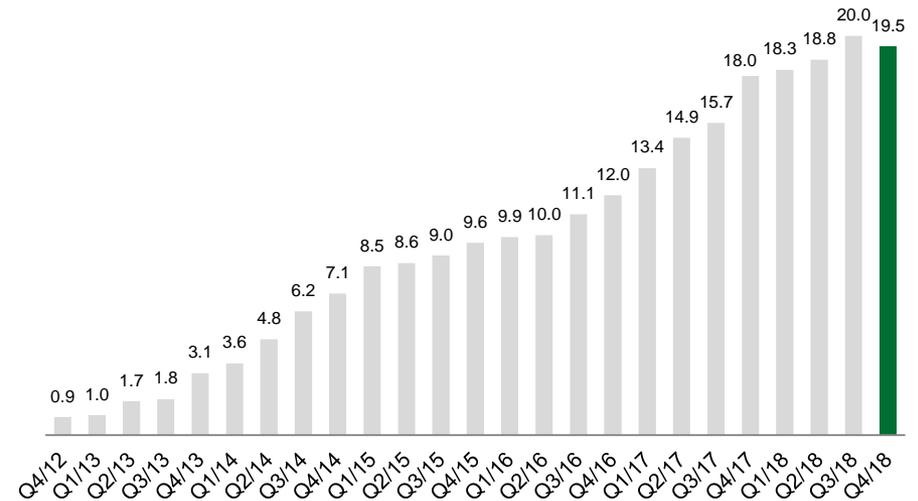
# Asset Management – Rolling 12 months



Net revenue development, rolling 12 months (€'m)



Operating profit development, rolling 12 months (€'m)



# Asset Management – Mutual funds



Fund	12 months			3 years p.a.			Morning-star
	Return*	Comparison	Diff.	Return*	Comparison	Diff.	
<b>Gross returns 31 December 2018</b>							
<b>Fixed income funds</b>							
eQ Money Market	-0,16 %			0,01 %			
eQ Euro Floating Rate	-2,31 %	-0,33 %	-1,98 %	0,50 %	-0,29 %	0,79 %	no rating
eQ Government Bond	-0,18 %	1,01 %	-1,19 %	1,26 %	1,47 %	-0,21 %	☆☆☆☆☆
eQ Euro Investment Grade	-1,83 %	-1,13 %	-0,70 %	3,13 %	1,98 %	1,15 %	☆☆☆☆☆
eQ High Yield	-4,47 %	-3,44 %	-1,02 %	4,56 %	4,12 %	0,44 %	☆☆☆☆☆
eQ Emerging Markets Corporate Bond	-3,17 %	-3,83 %	0,66 %	3,17 %	2,91 %	0,25 %	☆☆☆☆☆
eQ Emerging Markets Corporate Bond Local	-0,61 %			5,00 %			☆☆☆☆☆
<b>Equity funds</b>							
eQ Finland	-7,76 %	-3,89 %	-3,87 %	4,65 %	6,69 %	-2,03 %	☆☆☆☆☆
eQ Nordic Small Cap	-7,47 %	-8,31 %	0,84 %	1,16 %	2,74 %	-1,58 %	☆☆☆☆☆
eQ Europe Property	9,72 %	-8,49 %	18,21 %	6,52 %	-0,86 %	7,38 %	☆☆☆☆☆
eQ Europe Dividend	-10,09 %	-10,57 %	0,48 %	-0,13 %	-0,21 %	0,08 %	☆☆☆☆☆
eQ Frontier Markets	-12,58 %	-12,19 %	-0,39 %	3,17 %	2,44 %	0,73 %	☆☆☆☆☆
eQ CO2	-0,16 %	-4,11 %	3,94 %	8,34 %	4,51 %	3,82 %	☆☆☆☆☆
eQ Emerging Asia	-18,62 %	-10,86 %	-7,76 %	2,27 %	6,78 %	-4,50 %	☆☆☆☆☆
eQ Emerging Dividend	-4,58 %	-10,27 %	5,69 %	12,46 %	7,41 %	5,05 %	☆☆☆☆☆
eQ Emerging Markets Small Cap	-4,33 %	-14,49 %	10,16 %				☆☆☆☆☆
eQ Russia	-12,86 %	-1,64 %	-11,22 %	12,12 %	10,50 %	1,62 %	☆☆☆☆☆
<b>Real estate funds</b>							
eQ Care**	11,35 %			11,84 %			no rating
eQ Finnish Real Estate**	9,29 %			11,62 %			no rating
<b>Balanced Funds</b>							
eQ Mandate	-4,56 %						
<b>Funds managed by business partners</b>							
eQ Euro Investment Grade Bond Index	-0,54 %	-0,60 %	0,05 %	1,67 %	1,60 %	0,07 %	☆☆☆☆☆
eQ Europe Active	-3,83 %	-10,57 %	6,74 %				no rating
eQ Europe Stock Index	-10,26 %	-10,57 %	0,31 %	0,72 %	0,38 %	0,34 %	☆☆☆☆☆
eQ Japan Stock Index	-8,47 %	-8,49 %	0,02 %	1,65 %	1,67 %	-0,02 %	☆☆☆☆☆
eQ Emerging Markets Stock Index	-10,24 %	-10,27 %	0,03 %	7,46 %	7,41 %	0,06 %	☆☆☆☆☆
eQ US Stock Index	-0,17 %	-0,15 %	-0,02 %	6,77 %	6,76 %	0,01 %	☆☆☆☆☆
<b>Average (funds managed by eQ)</b>	-3,20 %	-4,87 %	0,62 %	4,82 %	2,64 %	0,68 %	☆☆☆☆☆
<b>Funds that have exceeded the comparison index (Funds managed by eQ)</b>			47 %			71 %	

## eQ Care

- Invests in modern care properties
- Well-diversified portfolio
  - 190 properties
  - Investments in properties catering to different care sectors with a broad geographical spread focusing on Southern Finland
  - Tenants include leading public and private sector care providers
- Avg. lease maturity: 8 years
- Vacancy 0%
  
- Invested capital: €1036m
- Equity (NAV): €750m
- 2018 net subscriptions: €208m
  
- Return 2018: 9.2%
- Return from start: 9.0% p.a.

## eQ Finnish Real Estate

- Invests in commercial real estate
- Currently 41 properties in the investment portfolio
  - Focus on mainly office and retail properties
  - Well-diversified tenant base with blue chip tenants such as Alko, HUS, Kesko, Lidl, Nordea, Posti, Power, SATO, S-Ryhmä, Tokmanni, XXL
  - The properties are located in the Helsinki area and other Finnish growth regions
- Avg. lease maturity: 6 years
- Vacancy 5%
  
- Invested capital: €801m
- Equity (NAV): €615m
- 2018 net subscriptions: €159m
  
- Return 2018: 7.2 %
- Return from start: 9.6 % p.a.

# Asset Management – Private Equity



## Private Equity - Fund of funds

Founded	Fund	Size	Stage	Investors
2019	eQ PE XI US	\$113m	1 <sup>st</sup> close	33
2018	eQ PE SF II	€135m	Investing	23
2018	eQ PE X North	€175m	Investing	85
2017	eQ PE SF	€124m	Fully invested	10
2017	eQ PE IX US	\$105m	Fully invested	52
2016	eQ PE VIII North	€160m	Fully invested	78
2015	eQ PE VII US	\$80m	Fully invested	34
2013	eQ PE VI North	€130m	Fully invested	42
2011	Amanda V East	€50m	Fully invested	24
2007	Amanda IV West	€90m	Fully invested	8
2006	Amanda III Eastern PE	€110m	Fully invested	34
2003	Mandatum PE Fund II	€20m	Fully invested	2
2002	Mandatum PE Fund I	€50m	Fully invested	7
2001	European Fund Inv. UK	€88m	Fully invested	15

The goal is to set up at least one new fund every year

## Private Credit

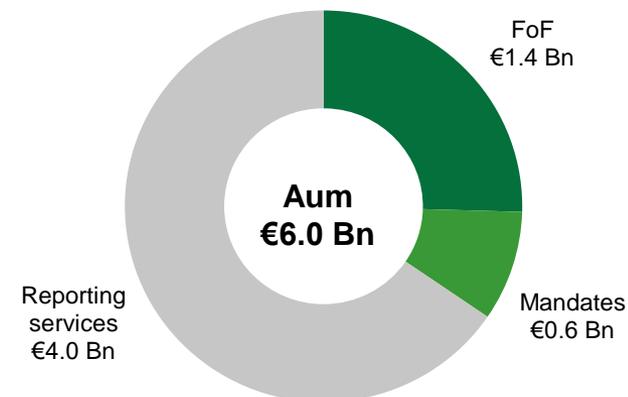
Founded	Fund	Size	Stage	Investors
2019	eQ Private Credit II	€70m	Fund raising	28
2017	eQ Private Credit	€92m	Fully invested	38

## Managed accounts

Manages private equity operations of clients

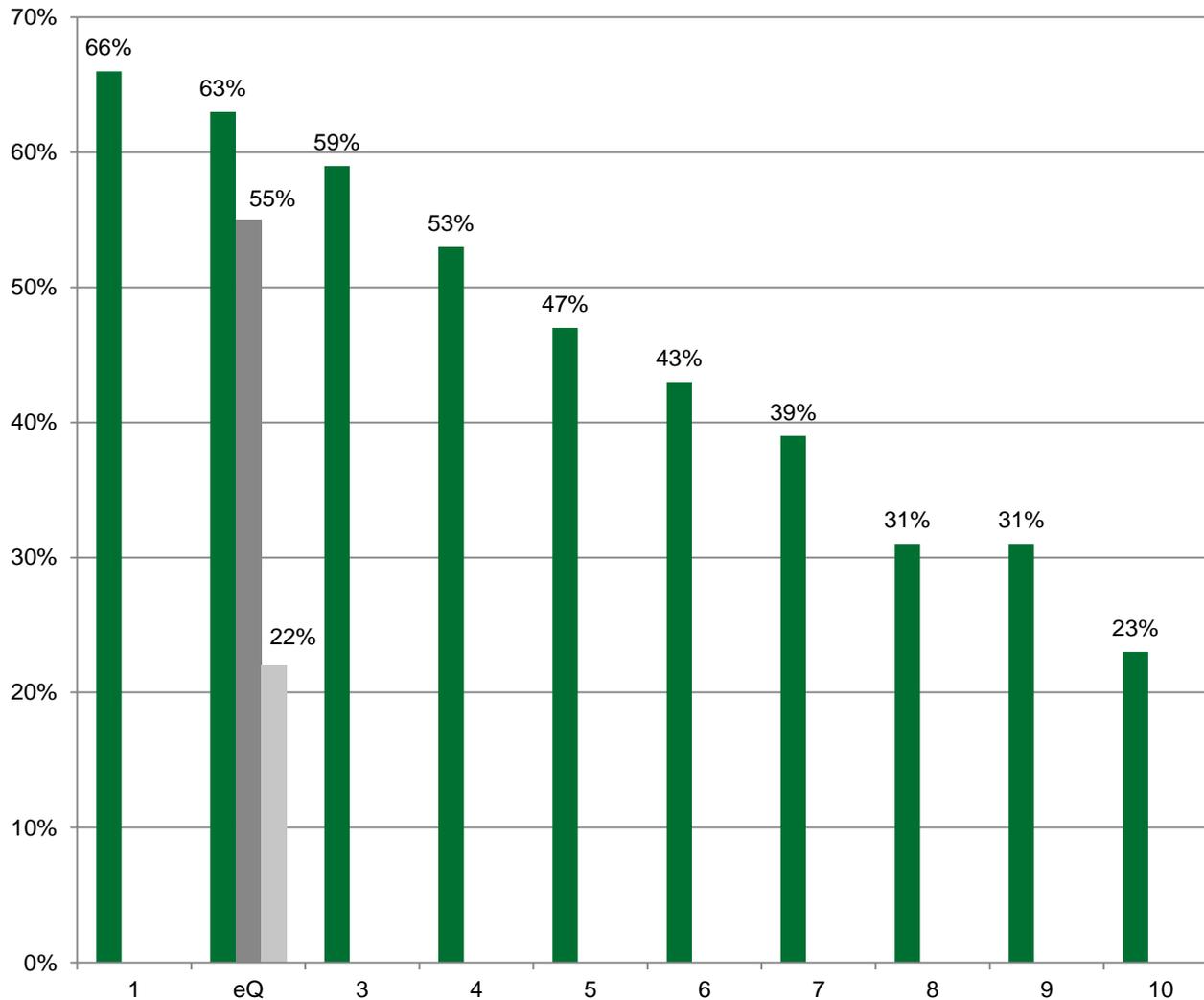
### Example of clients

- Church of Finland
- Finnish Cultural Foundation
- Technology Industries of Finland and foundations within the field of technology



*Professional team with lot of experience and exceptional investment success, average return of 21% p.a. (1997-2018)*

# SFR research – most used institutional asset managers



■ 2018  
■ 2017  
■ 2012



# ***Corporate Finance***



## Advium Corporate Finance

- Leading Finnish Corporate Finance advisor
- Completed some 180 transactions for a value of about 14 billion euro
- 14 professionals with experience from Corporate Finance, Private Equity and Real Estate transactions

### Mergers & acquisitions

#### Leading Finnish M&A advisor

- Divestments, acquisitions
- Mergers
- Public tender offers
- Other services

**100 completed transactions since 2000 –  
value of about € 5.0 billion**

### Real estate transactions

#### # 1 Finnish real estate advisor

- Portfolio and large single-asset transactions
- Sale and leaseback transactions
- Other services

**Over 80 completed transactions since 2000 –  
value of about € 9.0 billion**

#### **Euromoney:**

Adviumin has been awarded as best Finnish real estate advisor twelve times since 2005

# Corporate Finance – Latest transactions



## M&A Transactions and Equity capital markets

 <p>made a voluntary public cash offer for all shares in</p>  <p>EUR 611 million</p> <p>Advisor to Pöyry <i>Pending</i></p>	 <p>made a voluntary public cash offer for all shares in</p>  <p>EUR 146 million</p> <p>Advisor to Kotipizza <i>January 2019</i></p>	 <p>has agreed to sell its personal accident and travel insurance business</p> <p>to</p>  <p>Advisor to the Seller <i>January 2019</i></p>	<p>The founders and other owners</p> <p>sold</p>  <p>to</p> <p>a group of investors</p> <p>Advisor to the Sellers <i>November 2018</i></p>	<p>sentica</p> <p>and other owners sold</p>  <p>to</p> <p>a group of industrial investors</p> <p>Advisor to Sentica <i>October 2018</i></p>	 <p>acquired</p>  <p>Advisor to the Sellers <i>July 2018</i></p>	<p>A group of investors and management owners</p> <p>sold</p>  <p>to</p>  <p>Advisor to the Sellers <i>June 2018</i></p>
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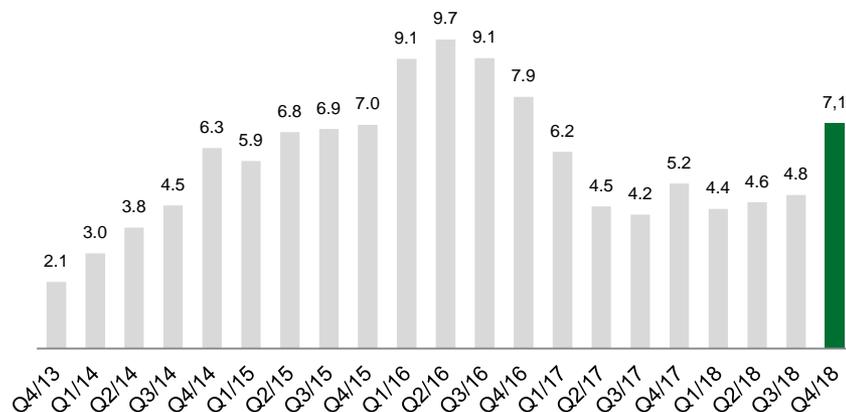
## Real estate transactions

 <p>sold</p> <p>its head office property for € 55 million to</p>  <p>Advisor to the Seller <i>December 2018</i></p>	 <p>sold</p> <p>a 62,000 sqm warehouse property in Vantaa</p> <p>to</p>  <p>Advisor to the Seller <i>October 2018</i></p>	<p>Antero Vartia</p> <p>sold</p> <p>shares in public sauna and restaurant complex</p>  <p>Advisor to the Seller <i>October 2018</i></p>	 <p>sold</p> <p>its former HQ in the Helsinki CBD</p> <p>Advisor to the Seller <i>October 2018</i></p>	 <p>sold</p> <p>a portfolio of 1,600 apartments</p> <p>for € 97 million to</p>  <p>Advisor to the Seller <i>April 2018</i></p>	 <p>sold</p> <p>its HQ and production property in Helsinki</p> <p>to</p>  <p>Advisor to the Seller <i>April 2018</i></p>	 <p>sold</p> <p>two office properties in Helsinki</p> <p>to</p>  <p>Advisor to the Seller <i>2018</i></p>
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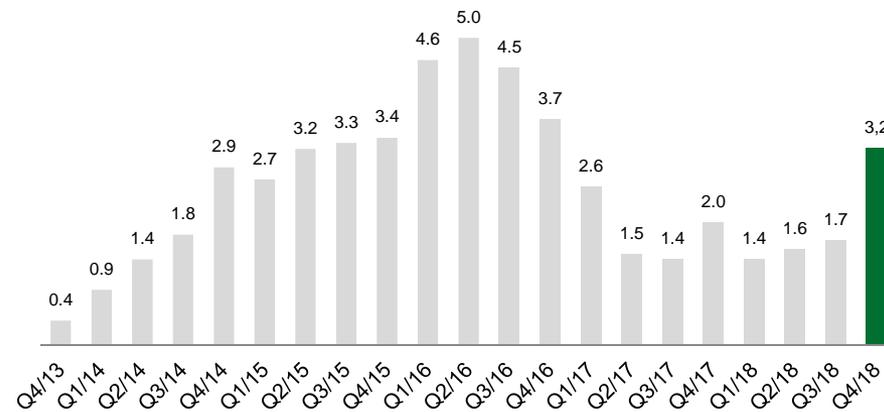
# Corporate Finance – Key figures



Net revenue development, rolling 12 months (€'m)



Operating profit development, rolling 12 months (€'m)



EUR million

1-12/2018

1-12/2017

Change %

**NET REVENUE**

7.1

5.2

35%

Personnel expenses

-3.2

-2.5

28%

Other administrative expenses

-0.3

-0.4

-19%

Depreciation

-0.0

-0.0

-32%

Other operating expenses

-0.3

-0.3

6%

Impairment losses of receivables

-

-0.0

-

**OPERATING PROFIT**

3.2

2.0

61%

Cost-income ratio, %

54.7

61.7

-11%

The background is a grayscale photograph of a business document. It features a bar chart with several bars of varying heights. Below the chart, there are labels for states: 'North Carolina', 'Georgia', 'Pennsylvania', 'Maryland', and 'Virginia'. A silver pen is lying diagonally across the bottom left of the image. A semi-transparent white rectangular box is overlaid on the right side of the image, containing the word 'Investments' in a bold, italicized black font.

# ***Investments***

# Investments – Key figures



EUR million	1-12/2018	1-12/2017
Returned capital (excl. profit)	4.0	3.3
Distribution of profits	1.9	1.7
Capital calls	-2.0	-3.2
<b>Net cash flow</b>	<b>3.9</b>	<b>1.9</b>
Market value	16.9	18.8
Investment commitments	7.8	8.9
<i>Profit and loss</i>		
Distribution of profits	1.9	1.7
Value changes recognized through p&l	0.1	-
Write-downs	-	-0.1
Group internal management fee	-0.2	-0.2
<b>Profit of the Investments –segment</b>	<b>1.8</b>	<b>1.4</b>

- eQ Plc made during the 2018 accounting period an EUR 1.0 million investment commitment to the eQ PE X North Fund.
- eQ Plc made after the accounting period an USD 1.0 million investment commitment to the eQ PE XI US Fund.
- The value changes of the investments have been recognised through p&l since the beginning of 2018 as a result of the new IFRS 9 standard.



***eQ's share, outlook and summary***



# Share price development

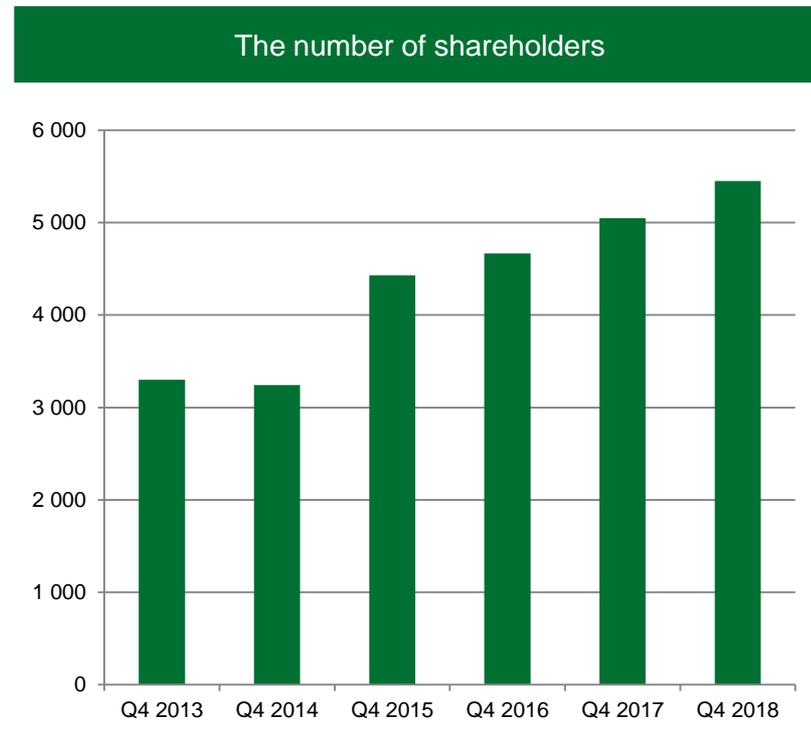


- The Market value of eQ Plc was 286.6 million euro on 31 December 2018

# Shareholders 31 December 2018



Shareholder	Shares	% of shares
1 Fennogens Investments S.A.	7 943 137	21.07
2 Chilla Capital S.A.	5 945 275	15.77
3 Anchor Oy Ab	5 803 677	15.39
4 Teamet Oy	4 100 000	10.87
5 Oy Cevante Ab	1 419 063	3.76
6 Fazer Jan Peter	1 298 306	3.44
7 Lavventura Oy	650 000	1.72
8 Linnalex Ab	631 652	1.68
9 Pinomonte Ab	529 981	1.41
10 Procurator-Holding Oy	473 892	1.26
10 largest shareholders total	28 794 983	76.36
Nominee registered	334 165	0.89
Other shares	8 578 050	22.75
In total	37 707 198	100.00



- Flagging announcements 4 June 2018:
  - Fennogens Investments S.A. announced that it had acquired shares of eQ Plc so that its holding exceeded the 20 per cent flagging threshold.
  - Rettig Capital Oy Ab (subsidiary Anchor Oy Ab) announced that it had acquired shares of eQ Plc so that its exceeded the 15 per cent flagging threshold.
  - Umo Capital Oy announced that it had sold shares of eQ Plc so that its holding fell below the 10 and 5 per cent flagging thresholds.
- eQ Group's personnel owns about 40% of the shares
- eQ Plc had 5 451 shareholders on 31 December 2018 (5 048 shareholders on 31 December 2017)

# Outlook



We expect that the net revenue and operating profit of the Asset Management segment will grow in 2019. We further estimate that the management fees of real estate and private equity asset management will grow on the previous year. The amount of performance fees is also estimated to grow. We believe that one of the private equity funds managed by eQ will reach the hurdle rate and begin to pay a performance fee during the second half of the year. As a result, we expect the profit of the Asset Management segment to grow clearly more than in 2018. Performance fees are dependent of the market development and, therefore, estimating them at the beginning of the year contains a greater risk.

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 of factors that are not dependent of the company. Consequently, their operating profits may vary considerably and are difficult to foresee.

# Summary and next financial reporting



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- The Q1/2019 interim report of eQ Plc will be published on Friday April 26th, 2019.