Partners Group Private Equity

Cash return timetable takes shape

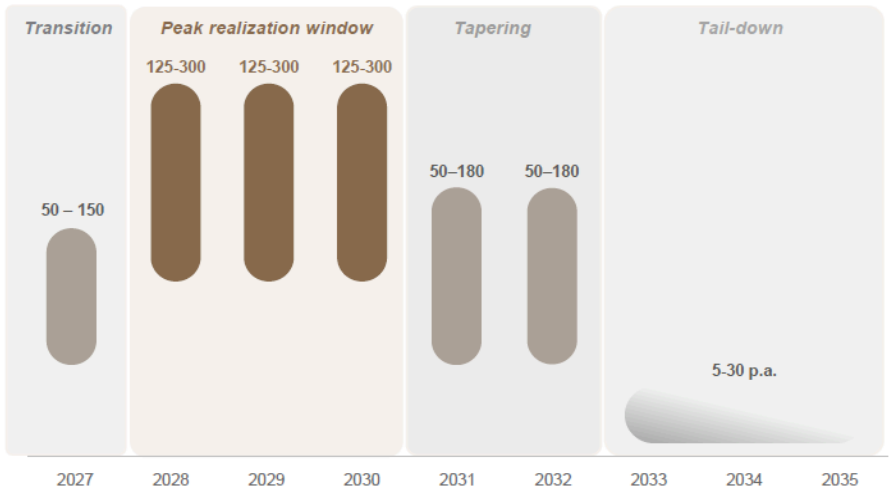
Investment companies
Listed private equity

25 November 2026

Price	**€6.42**
Market cap	**€419m**
Shares in issue	65.3m
Code/ISIN	PEY/GG00B28C2R28
Primary exchange	LSE
AIC sector	Private equity
Financial year end	31 December
52-week high/low	€10.3 €6.3

Partners Group Private Equity's (PEY's) Q326 results showed a stabilisation in NAV performance following a challenging H126, although the nine-month NAV total return (TR) remained negative at 8.8%. More importantly, Partners Group (PG, PEY's investment manager) has provided an indicative timetable for cash returns under the managed wind-down approved by shareholders in October 2026. PG expects the majority of PEY's end-September 2026 NAV to be distributed within five years, with a potential exit pipeline covering over €200m of portfolio NAV in 2027–28 and more than 20 assets with potential partial or full monetisation over the next 12–18 months. At a c 44% discount to NAV (adjusted for the ex-dividend event on 5 November 2026), PEY offers potential upside as portfolio valuations are converted into cash returns. However, the pace and value of realisations, alongside portfolio performance, remain important considerations.

Exhibit 1: PG's shareholder distribution expectations (€m)



Source: Partners Group

Significant cash returns projected from 2027

PG expects PEY's managed wind-down to take around eight years, with cumulative distributions of €0.8–1.2bn, including dividends and share redemptions, compared with the end-September 2026 NAV of €760m. Its indicative projections (subject to timing and value of exits, as well as portfolio performance) suggest distributions of €50–150m in 2027, increasing to €125–300m annually during 2028–30, before declining thereafter. PEY will generally cease making new investments, except where required under existing commitments or to protect or enhance the value of portfolio holdings. Net realisation proceeds are expected to be returned through automatic share redemptions, normally on a semi-annual basis, with no capital returns anticipated before 31 March 2027. The annual base management fee has been reduced from 1.50% to 1.25%, while the incentive fee remains unchanged. PEY also intends to maintain its existing dividend policy, subject to sufficient liquidity and portfolio cash flows. The second interim dividend of €0.325 per share, payable in December 2026, brings total declared dividends for FY26 to €0.65 per share, which now implies a c 10% yield.

Fund objective

Partners Group Private Equity is an investment holding company domiciled in Guernsey that mainly provides equity capital to private companies in the middle and upper-middle market. Its portfolio consists mostly of direct investments, and it has a small portfolio of legacy third-party fund investments that is currently in run-off. It aims to provide shareholders with long-term capital growth and an attractive dividend yield.

Bull points

- Scope for narrowing the discount to NAV as portfolio wind-down progresses.
- PG has strengthened its team of experienced operational experts.
- Potential for dividends and buybacks alongside semi-annual share redemptions.

Bear points

- Weak NAV performance in recent years.
- Worsening investor sentiment in private credit markets may influence debt refinancing conditions for PE-backed companies.
- Portfolio exposed to a potential depreciation of the US dollar against the euro.

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Portfolio valuations stabilised in Q326

PEY's NAV per share declined marginally from €11.57 at end-June 2026 to €11.54 at end-September 2026, following an 8.6% NAV TR decline in H126. The nine-month performance reflected an 8.8pp negative contribution from portfolio developments, partly offset by favourable currency movements (+1.2pp), while fees and other expenses detracted 2.0pp. Share buybacks provided some NAV accretion.

A limited number of holdings accounted for much of the weak performance during the first nine months of 2026 (9M26), including United States Infrastructure Corporation (a US utility infrastructure services provider), Emeria (a European residential real estate services business), Pharmathen (a pharmaceutical drug delivery specialist) and the listed Indian retailer Vishal Mega Mart. While the valuations of the principal underperforming private holdings stabilised during Q326, Vishal's share price remained under pressure despite continued operating growth. More encouragingly, PEY's younger investments (2024–26 vintages) continued to perform positively, contributing a positive 2.4pp to PEY's last-12-month (LTM) portfolio performance, compared with a 12.1% decline across the overall portfolio.

That said, aggregate portfolio operating performance remained subdued. For the 20 largest direct equity holdings valued using EBITDA multiples, representing 77% of NAV, LTM EBITDA growth moderated from 4.5% at end-June 2026 to 3.9% at end-September 2026. The weighted average enterprise value/EBITDA multiple declined from 16.8x to 15.7x, reflecting a less supportive valuation environment and portfolio mix effects, while net debt/EBITDA improved from 6.9x to 6.3x.

A visible exit pipeline, but limited Q326 proceeds

PEY received €115.3m in portfolio distributions during 9M26, equivalent to a robust c 14% of average NAV, against investments of €22.6m. However, realisation activity was concentrated in H126, with only €4.8m received in Q326, compared with €110.6m during the first six months of 2026.

PG has identified a potential exit pipeline covering over €250m of portfolio NAV in 2027–28 and more than 20 assets with potential partial or full monetisation over the next 12–18 months. The portfolio's maturity lends some support to this outlook, with c 34% of NAV invested in assets held for more than five years and c 7% in listed securities that can be sold progressively. Near-term proceeds are also expected from previously agreed transactions, including Techem and Clario. Importantly, PG intends to pursue realisations in line with the business plans of individual portfolio companies, rather than accelerate disposals at the expense of value.

PEY held €29.3m of cash and equivalents at end-September 2026, complemented by a fully undrawn €150m credit facility. Following the approval of the managed wind-down, the board also allocated a further €10m to discretionary share buybacks, in addition to c €4.8m remaining from previous allocations, which the board aims to deploy by end-January 2027. The manager will need to balance these shareholder distributions with outstanding investment commitments, portfolio funding requirements and ongoing expenses.

Exhibit 2: Five-year discrete performance data

12 months ending	Share price (%)	NAV (%)	MSCI World Small Cap (%)	MSCI World (%)
30/09/2022	(17.0)	(4.3)	(10.9)	(4.5)
29/09/2023	3.4	8.6	6.0	13.4
30/09/2024	6.8	(1.0)	19.0	26.2
30/09/2025	4.0	4.1	8.4	11.8
30/09/2026	(26.8)	(13.4)	20.0	19.7

Source: Partners Group Private Equity Limited data, LSEG Data & Analytics. Note: All % on a TR basis in euros.

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