

Partners Group Private Equity

Strong exits may trigger sizeable buybacks

Partners Group Private Equity Limited (PEY) continues its strong exit activity with €65.4m in distributions in the first nine months of 2025 (9M25) and a further 22% of its end-September 2025 NAV in agreed sales processes. Another 11% of NAV is in listed holdings, which gradually will be sold off. Overall, PEY's manager expects c €200m in proceeds in both FY25 and FY26, which would bring its exit activity closer to the historical average of 21% of opening NAV per year and which bodes well for its share buybacks. PEY posted a 2.1% NAV total return (TR) in Q325 (supported by a 2.6pp impact from changes in portfolio value), which partly offset the (largely fx-driven) 5.7% NAV TR decline in H125. On a constant currency basis, PEY's portfolio value was up 10.6% in the 12 months to end-Q325, with two of its three holdings that floated last year (Vishal Mega Mart and Galderma) being important drivers. EBITDA growth and higher multiples contributed 7.0pp and 3.0pp, respectively, to this increase, partly offset by a 4.5pp impact of higher net debt (amid refinancing in late 2024 and early 2025 on improved terms to drive growth).

PEY has already carried out its first buybacks under its capital allocation framework introduced in 2024, with 150k shares repurchased in October and further purchases in November. Assuming PEY's discount to NAV remains above 20% until the end of 2025, the significant contracted exit proceeds (c €214m), coupled with potential further realisations of PEY's listed holdings, may lead to further buybacks in early 2026. However, the volume of these share repurchases is difficult to estimate at this stage, as some of these exits were agreed after reporting date, and as PEY's free cash flow will be influenced by its new investments in Q425. Meanwhile, PEY announced its second interim dividend of €0.375 per share, in line with its policy of paying out 5% of opening NAV per year. This implies a 7.5% dividend yield based on the current share price.

PEY invested €41.6m in 9M25, of which €23.3m was in Q325, mostly into six new investments, including MPM Products, a global premium pet food company, and Restor3d, a medtech company providing patient-specific 3D-printed musculoskeletal implants. Its near-term pipeline (transactions expected to close in Q425) includes Infinity Fincorp Solutions, an Indian non-bank lender serving under-banked small business owners, as well as two undisclosed companies – a provider of hospice care and a provider of business decisioning data and analytics. PEY's manager believes that its current investment pipeline should allow it to reach an investment pace closer to the historical c 10–15% of NAV per year.

PEY's liquidity position at end-September 2025 consisted of €2.1m in cash and equivalents and a €111m undrawn credit facility. We note that PEY recently announced an early renewal of the facility at a lower commitment fee (80bp vs 100bp previously) and margin on drawn amounts (270bp vs 295–325bp previously). The new facility matures in November 2029. It was upsized from €140m to €150m.

Investment companies
Listed private equity

3 December 2025

Price **€10.70**
Market cap **€740m**

Shares in issue 69.2m
Code/ISIN PEY/GG00B28C2R28
Primary exchange LSE
AIC sector Private equity
Financial year end 28 February
52-week high/low €9.1 €11.2

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

- Attractive dividend policy and a well-structured buyback framework.
- Focus on transformative trends in various 'foundational' subsectors of the real economy and an entrepreneurial governance approach.
- Strong exit pipeline and potential for substantial buybacks.

Bear points

- NAV total return below peer average in recent years.
- Interest rate normalisation may reduce prospective private equity returns, put pressure on interest coverage ratios and/or lead to refinancing issues across private equity-backed companies in the medium term.
- Portfolio exposed to a potential further depreciation of US dollar against euro.

Analyst

Milosz Papst +44 (0)20 3077 5700

investmenttrusts@edisongroup.com
[Edison profile page](#)

**Partners Group Private Equity
is a research client of Edison
Investment Research Limited**

Strong return on PEY's investment in the PCI Pharma Services

PEY's agreed exits that were yet to close as of end-Q325 included the sale of PCI Pharma Services (closed in October 2025), Apex Logistics (minority stake sold to majority shareholder Kuehne+Nagel), Clario (sold to a strategic investor, Thermo Fisher Scientific), International Schools Partnerships (partial sale of a 20% stake to CVC Strategic Opportunities), as well as the remaining consideration for Techem. We calculate that the sales consideration for PCI Pharma Services implies a strong 4.8x multiple on invested capital (MOIC), the total proceeds from Apex Logistics (including dividends received earlier) imply a healthy c 3.3x MOIC since its investment in 2021 and the c €27.5m in proceeds from the Clario exit represent a robust c 2.0x MOIC over a roughly five-year holding period. After reporting date, PEY agreed the sale of Convex Group, a speciality property and casualty insurer and reinsurer, with the transaction valuing PEY's stake at €23m (11% above last carrying value).

Moreover, it expects to receive €3.8m proceeds in conjunction with Esentia's IPO, while retaining a stake of c €10.6m as of 21 November 2025. The combined value of €14.4m is below the end-September 2025 carrying value of €26.1m, which PEY considers a result of short-term market dynamics and liquidity considerations rather than a change in Esentia's fundamentals. Esentia, which became PEY's investment in 2014, is a developer, owner and operator of midstream natural gas infrastructure in Mexico. It is PEY's last remaining investment that is not a standard private equity buyout, as it was originally structured as a private infrastructure investment via a blend of equity and mezzanine debt.

General disclaimer and copyright

This report has been commissioned by Partners Group Private Equity and prepared and issued by Edison, in consideration of a fee payable by Partners Group Private Equity. Edison Investment Research standard fees are £60,000 pa for the production and broad dissemination of a detailed note (Outlook) following by regular (typically quarterly) update notes. Fees are paid upfront in cash without recourse. Edison may seek additional fees for the provision of roadshows and related IR services for the client but does not get remunerated for any investment banking services. We never take payment in stock, options or warrants for any of our services.

Accuracy of content: All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable, however we do not guarantee the accuracy or completeness of this report and have not sought for this information to be independently verified. Opinions contained in this report represent those of the research department of Edison at the time of publication. Forward-looking information or statements in this report contain information that is based on assumptions, forecasts of future results, estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations.

Exclusion of Liability: To the fullest extent allowed by law, Edison shall not be liable for any direct, indirect or consequential losses, loss of profits, damages, costs or expenses incurred or suffered by you arising out of or in connection with the access to, use of or reliance on any information contained on this note.

No personalised advice: The information that we provide should not be construed in any manner whatsoever as, personalised advice. Also, the information provided by us should not be construed by any subscriber or prospective subscriber as Edison's solicitation to effect, or attempt to effect, any transaction in a security. The securities described in the report may not be eligible for sale in all jurisdictions or to certain categories of investors.

Investment in securities mentioned: Edison has a restrictive policy relating to personal dealing and conflicts of interest. Edison Group does not conduct any investment business and, accordingly, does not itself hold any positions in the securities mentioned in this report. However, the respective directors, officers, employees and contractors of Edison may have a position in any or related securities mentioned in this report, subject to Edison's policies on personal dealing and conflicts of interest.

Copyright 2025 Edison Investment Research Limited (Edison).

Australia

Edison Investment Research Pty Ltd (Edison AU) is the Australian subsidiary of Edison. Edison AU is a Corporate Authorised Representative (1252501) of Crown Wealth Group Pty Ltd who holds an Australian Financial Services Licence (Number: 494274). This research is issued in Australia by Edison AU and any access to it, is intended only for "wholesale clients" within the meaning of the Corporations Act 2001 of Australia. Any advice given by Edison AU is general advice only and does not take into account your personal circumstances, needs or objectives. You should, before acting on this advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a particular financial product you should read any relevant Product Disclosure Statement or like instrument.

New Zealand

The research in this document is intended for New Zealand resident professional financial advisers or brokers (for use in their roles as financial advisers or brokers) and habitual investors who are "wholesale clients" for the purpose of the Financial Advisers Act 2008 (FAA) (as described in sections 5(c) (1)(a), (b) and (c) of the FAA). This is not a solicitation or inducement to buy, sell, subscribe, or underwrite any securities mentioned or in the topic of this document. For the purpose of the FAA, the content of this report is of a general nature, is intended as a source of general information only and is not intended to constitute a recommendation or opinion in relation to acquiring or disposing (including refraining from acquiring or disposing) of securities. The distribution of this document is not a "personalised service" and, to the extent that it contains any financial advice, is intended only as a "class service" provided by Edison within the meaning of the FAA (i.e. without taking into account the particular financial situation or goals of any person). As such, it should not be relied upon in making an investment decision.

United Kingdom

This document is prepared and provided by Edison for information purposes only and should not be construed as an offer or solicitation for investment in any securities mentioned or in the topic of this document. A marketing communication under FCA Rules, this document has not been prepared in accordance with the legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This Communication is being distributed in the United Kingdom and is directed only at (i) persons having professional experience in matters relating to investments, i.e. investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "FPO") (ii) high net-worth companies, unincorporated associations or other bodies within the meaning of Article 49 of the FPO and (iii) persons to whom it is otherwise lawful to distribute it. The investment or investment activity to which this document relates is available only to such persons. It is not intended that this document be distributed or passed on, directly or indirectly, to any other class of persons and in any event and under no circumstances should persons of any other description rely on or act upon the contents of this document.

This Communication is being supplied to you solely for your information and may not be reproduced by, further distributed to or published in whole or in part by, any other person.

United States

Edison relies upon the "publishers' exclusion" from the definition of investment adviser under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. This report is a bona fide publication of general and regular circulation offering impersonal investment-related advice, not tailored to a specific investment portfolio or the needs of current and/or prospective subscribers. As such, Edison does not offer or provide personal advice and the research provided is for informational purposes only. No mention of a particular security in this report constitutes a recommendation to buy, sell or hold that or any security, or that any particular security, portfolio of securities, transaction or investment strategy is suitable for any specific person.
