



# **Full-Year 2024 Results Transcript**

05 March 2025

## **AGENDA**

### **Ludmilla Binet**

*Head of Shareholder Relations*

Good morning, everyone. And thank you for joining the call today. I am Ludmilla Binet, Head of Shareholder Relations, and it is with great pleasure that I welcome you to our full year 2024 conference call.

Earlier this morning, we issued a press release announcing our 2024 results. A copy of this release and the slide presentation are available on the Shareholders section of our website. For today's presentation, I am joined by Alain Rauscher, Chairman and Chief Executive Officer; Melanie Biessy, Managing Partner and Chief Operating Officer; and Patrice Schuetz, Partner and Chief Financial Officer, who will present the highlights of the year, provide an update on the business activity and review the financial results of 2024. Let me now hand over to Alain.

## **HIGHLIGHTS**

### **Alain Rauscher**

*Chairman & Chief Executive Officer*

Thank you, Ludmilla. And good morning, everybody. It is my pleasure to welcome you on this call.

2024 was another successful year for Antin marked by major achievements.

First, Flagship Fund V was the largest infrastructure fund worldwide to hold a final close in 2024.

Second, the sale of Grandi Stazioni Retail marked the last exit of Flagship Fund II. That fund is now fully realized with a gross multiple of 2.6x, a top quartile performer and a great outcome for our fund investors.

Third, we continued to record strong performance in our funds and across our portfolio companies. All funds are performing on or above plan.

Fourth, turning now to our P&L, we are pleased to report a record level of revenues, EBITDA and net income.

Our underlying EBITDA at EUR 187 million is above the guidance we had set a year ago.

Given our strong cash flow generation and significant cash position, we are distributing the near totality of our profits to shareholders with a 93% payout ratio. This is equivalent to about 7% dividend yield.

Looking forward, we expect 2025 to be a transition year, as we prepare for the next fundraising cycle that will kick off with Mid Cap Fund II.

We are excited about the years ahead and confident about our medium-term outlook. The infrastructure asset class is exceptionally well positioned within private markets, underpinned by supportive secular trends such as electrification, decarbonization and the exponential growth of data. Antin is well positioned to remain a leader and a winner in this field, delivering superior returns for all its stakeholders.

### **A STRONG INVESTMENT PLATFORM**

Before going into the details of our 2024 business activity, I would like to reflect on what makes our investment platform so strong and how we have navigated the recent market environment as an investor and as a company.

I will sum up 2024 in three words; resilience, agility and growth.

First, resilience. The value of our portfolio companies has increased gradually while we remain disciplined in our approach. We deployed capital with a continued focus on risk-adjusted returns.

Second, we remained agile. We were able to exit the last asset of Fund II on advantageous terms despite the low M&A cycle. We were also able to act quickly when it comes to new investments such as Proxima and to have access to financing despite high interest rates and at times challenging market condition.

And finally, growth. In relation to our investments, value creation is driven by growth initiatives within our portfolio companies, both organic and through acquisitions.

We have initiated and executed a wide range of successful initiatives that we expect to produce attractive results and ultimately returns to our fund investors. From that level, we continue to advance our strategic thinking and expect to be in a position to share more context with you in the near future. In the meantime we continue to be thoughtful when it comes to our cost buildup and the hiring of employees.

### **SUCCESSFUL FINAL CLOSE OF FLAGSHIP V AND GRADUAL IMPROVEMENT IN DEAL ACTIVITY**

2024 was marked by the successful final close of Flagship Fund V, three additional investments and one exit, which you see on this slide.

On fundraising, EUR 1.1 billion were raised during 2024, bringing the total commitments of Fund V to EUR 10.2 billion. The fund closed above its target size and 56% above its predecessor fund. This makes Fund V one of the fastest scaling large cap infrastructure fund in the world and the largest infrastructure fund to close globally in 2024.

We see an improving momentum in our investment activity, supported by gradual recovery in deal activity, a decrease in rates and a greater certainty on the outlook. Inflation has come down, and interest rates have decreased or at least stabilizing. We continue to be disciplined as we deploy capital in a rapidly changing alignment, and we pick our spots very carefully.

We have made three new investments for a total of EUR 1.8 billion in 2024 with Portakabin and Proxima for Flagship Fund V and GTL Leasing for NextGen. We feel very good about those investments and the potential for value creation.

Portakabin is a modular building infrastructure business, headquartered in the U.K. and expanding in Continental Europe. Proxima is the project name for the launch of the first privately owned operator of high-speed passenger trains in France and the northwestern part of France. GTL Leasing, which is part of NexGen, is a lessor of hydrogen transportation and storage equipment in North America.

On the exit side, we are pleased to report that exit activity resumed with the sale of GSR, which marks the full realization of Fund II. The performance of Fund II is in line with Fund I and well above our target returns in both cases, a testament to the value we create for our fund investors.

### **THE WORLD'S LARGEST INFRASTRUCTURE FUND TO CLOSE IN 2024**

With Fund V holding its final close in December, I would like to emphasize a few points. Fundraising for Fund V delivered a 56% upsizing versus the previous vintage, an outstanding achievement in a difficult fundraising environment. This places our flagship series among the fastest-growing scaled infrastructure strategy in the world.

Regarding our client base, we made some key strategic wins with Fund V with EUR 4.4 billion raised for more than 120 new fund investors. That's an outstanding accomplishment in an environment where fund investors faced both liquidity and allocation constraints and many investors significantly reduced their allocations to new relationships.

We made, in particular, notable progress in Asia Pacific and even more so in North America, where we raised 5x more commitments than for Fund IV. This was achieved thanks to the dedicated client solutions and fundraising team we set up with professionals on the ground in both continents, which we did not have previously.

Our ambition is to continue to grow our presence among institutional clients in all the geographies, but especially in North America, which accounts for nearly two-thirds of fundraising worldwide.

In addition, we have made good progress in penetrating the wealth management channel, which has made a meaningful contribution to Flagship Fund V. We will continue to do more in the future to seize the opportunity in a growing client segment.

### **SCALED PLATFORMS EMERGING AS WINNERS IN AN IMPROVING FUNDRAISING ENVIRONMENT**

In 2024, infrastructure fundraisings that have successful closings were heavily concentrated among the largest funds. Half of the \$85 billion raised came from funds larger than \$5 billion,

reflecting broader trends in product markets. Just six funds accounted for over 50% of total fundraising in 2024, and we are the largest one with a 30% market share.

While infrastructure fundraising remained challenging in 2024, the outlook for the asset class is much more positive in the medium term. 77% of fund investors plan to maintain or increase their commitments to infrastructure and 96% of fund investors think that infrastructure will perform about the same or better than in the past decade.

It is clear that the infrastructure asset class has a bright future ahead, underpinned by supportive secular trends such as electrification, decarbonization and the exponential growth of data. Antin is well positioned to remain a leader in its field, and we have just been recognized as the European Fund Manager of the Year 2024 by Infrastructure Investors.

### **ROBUST PORTFOLIO COMPANY GROWTH YEAR-ON-YEAR**

Regarding investment performance, our portfolio companies' growth accelerated in the second half of the year, especially thanks to several assets in Flagship Fund III and Mid Cap Fund I that had a remarkable year. The average growth rate of 12% for revenues and 20% for EBITDA in 2024 is the main driver of value creation for our portfolio.

This growth is powered by both organic initiatives and add-on acquisitions, which were plentiful in 2024. As you can see on the slide, we made 152 add-on acquisitions in our portfolio companies during the year, of which 110 across Hippocrates and Wildstone.

We also continue to emphasize profitable growth, which partly explain the improvement in EBITDA margin that you see here. To fund the acquisition of portfolio companies and invest in their growth, we have successfully accessed the financing market.

We have seen continued activity in the debt financing market with EUR 8 billion of debt raised or refinanced in 2024 so far with eight add-ons or refinancing and four new financings. It is also worth noting that we have a sound maturity profile with no immediate maturities across the portfolios.

### **FUND PERFORMANCE CONTINUES ON OR ABOVE PLAN**

All this translates into a healthy portfolio performance in 2024. Fund III, III-B, Mid Cap I and NextGen I all increased their gross multiples in 2024.

In the case of NextGen, we were particularly pleased to see several of its young companies greatly ramp up their activities in 2024. Flagship V also saw all its assets performing well even though the effect was diluted by the closing of four new investments this year that were initially valued at cost. 2024 was also marked by the resumption of exit activity after a low M&A cycle.

### **EXIT ENVIRONMENT GRADUALLY IMPROVING**

In total, it's an impressive 50% of our flagship investments that have been exited to date. The return distribution continues to be heavily skewed towards above plan. Our winners have done really well with realization of Grandi Stazioni Retail, GSR.

We now have 82% of realized investments that yield returns on or above plan. Fund II generated a final growth multiple of 2.6x, well above target. I remind the target is 2x. Looking ahead, we plan to accelerate exit activities with probably two exits in 2025 and even more in 2026 with the first exit from Fund IV.

This should leave one or two assets for Fund III going into an extension period, which has been the case for all our funds to date. With that said, I will now hand over to Melanie.

**SUSTAINABILITY AS A DRIVER FOR DEAL SOURCING,  
VALUE CREATION AND RISK MITIGATION**

**Mélanie Biessy**

*Managing Partner and Chief Operating Officer*

Thank you, Alain.

In 2024, we continued the implementation of our sustainability roadmap, which primarily aims to further derisk our investments and enable bespoke value creation tools.

While we had already fully embedded the analysis of sustainability, risks and opportunities in our investment approval process in 2023, we now have also fully included it for existing portfolio companies, thanks to our new tool, Altitude, that we developed with AXA Climate.

Investment wise, this translates into the identification of medium- to long-term tailwinds tied to regulations for investor and client appetite. We now have nearly EUR 5 billion in equity invested in companies providing sustainable solutions. A large share of this is in Fund V as well as in Mid Cap and Nextgen.

On top of that, we raised EUR 1.2 billion in sustainability-linked loans in 2024, allowing our portfolio companies to benefit from advantageous interest rates once they reach certain sustainability milestones.

Sustainability-linked debt now totals nearly EUR 6 billion across our portfolio. Going forward, we believe we can further optimize our sustainability analysis and reporting, which is why we strengthened our platform with two new specialists and three new management initiatives.

**AI & DATA SCIENCE – BOOST OF VALUE CREATION & INTERNAL EFFICIENCIES**

The second theme around which we developed our platform in 2024 is performance improvement and especially the use of AI and data science.

The goal of those initiatives is to augment the talent that we fostered over the years and essentially to do more with the same resources. These initiatives are being included more systematically in our investment activities. Let me give you a few examples.

First, more thorough screening of add-on opportunities for our portfolio, especially for companies that have high and low growth strategies such as Hippocrates. Hippocrates is a pharmacies network in Italy.

Then another example, faster analysis in due diligence by automating low-value-added tasks. And finally, the launch of multiple performance improvement initiatives, notably around mapping optimization.

One telling example is Powerdot, which installs destination EV chargers in France, Spain and Portugal, and which we helped develop their own tools and teams to optimize charger placement to the precise spot that gets the most utilization.

Yet the most important development we've had in '24 is the development of our own GenAI tool called Gene to help our client relations team. To put some numbers on its usefulness, we entered over 600 due diligence questionnaires of several hundred questions each over the fundraising of Fund V. And while we want to retain human inputs for the more complex part, those are still thousands of hours that can be refocused on more value-added tasks.

Going into 2025, our goal is to expand on the tools and processes we've developed both in utilization and in functionality to support our platform. This concludes the activity update, and I will now hand over to Patrice to talk about our financial results.

## **RECORD RESULTS WITH GROWTH ACROSS KEY INDICATORS**

**Patrice Schuetz**

*Partner and Chief Financial Officer*

Thank you, Alain.

Thank you, Melanie. I will start by presenting key metrics for 2024, and I'm pleased to report that we achieved record financial results including the highest level of fee-paying AUM, revenue, EBITDA and net income in the firm's history.

We continue to deliver strong growth across key metrics, and I will talk about the different elements over the coming slides. Looking more closely at our AUM and revenues. Fee-paying AUM increased by 7.3% year-on-year and reached EUR 21.6 billion.

That's driven primarily by the successful close of Flagship Fund V. Total AUM increased by a similar percentage. Total revenue increased by 12.6% and continues to be essentially driven by management fees. These are long-term contracted and recurring earnings. Worth noting that in '24, Fund V generated EUR 27.7 million in catch-up fees, which is a revenue item that will not be recurring in 2025.

With respect to the average fee rates, our funds were slightly up year-on-year, mainly due to a greater share of our fee-paying AUM coming from Fund V, which charges fund investors a 1.4% fee rate on committed capital.

### **DOUBLE-DIGIT REVENUE GROWTH DRIVEN BY FINAL CLOSE OF FLAGSHIP FUND V**

As we look at the components of the revenue increases, the primary driver was management fees from Flagship Fund V. In addition, we invested more capital in Flagship Fund IV portfolio companies, which increased fee-paying AUM.

The full year effect of 2023 realizations for Fund III and III-B as well as the extension periods for Flagship Fund II led to lower management fees in 2024 for those funds. The remaining changes on this slide are less material, and this has overall led to a revenue number of EUR 318 million recognized for the full year.

### **PERFORMANCE-RELATED REVENUE EXPECTED TO MATERIALISE SOON**

With respect to performance fee-related revenue, we recognized small amounts in 2024. But the potential for carried interest revenue remains very substantial at EUR 520 million in total. That's assuming we achieve a 2x gross money multiple on our funds, which is the fund's target return.

While most of this performance fee-related revenue potential is a medium-term prospect, we expect to recognize some carried interest related to Fund III-B in 2025, depending on the successful rollout of our exit plans.

With respect to Mid Cap, NextGen, Flagship V carried interest, it's probably still a few years out.

### **CONTINUED EARNINGS GROWTH FOLLOWING STEP-CHANGE IN PRIOR YEAR**

With respect to our EBITDA and net income, we recorded increases of 6.5%, which is the result of higher revenue and offsetting cost increases.

Our operating expenses increased by 22.5% in 2024, driven by an increase in the number of employees, compensation increases and investments into our operating platform. These cost increases are controlled in line with expectation and consistent with the profit guidance we had shared.

It's clear, we've made some significant investments in the team and platform. And while we expect costs to continue to increase, it should be at a lower pace and more measured in 2025.

### **STRONG BALANCE SHEET ALLOWING FOR CAPITAL RETURNS AND GROWTH INVESTMENTS**

Regarding our balance sheet, we retain a strong cash position with no borrowings at the end of 2024.



Our objective is to gradually move towards a more efficient capital structure, and we're going to do that in three ways.

First, we will continue to return capital to shareholders. As you know we run a capital-light and significantly cash-generative business. We will, therefore, continue to distribute a majority of our cash earnings to shareholders. With respect to our dividends per share, we intend to maintain or grow dividends as we move forward. Second, we intend to continue investing in our funds.

Our off-balance sheet commitments amount to about EUR 113 million today, and that's related to both co-invest and carried interest. This amount will be called progressively over the next years. And last but not least, we intend to use the cash to seed new organic investment strategies and initiatives.

This is an important part of our growth journey as we stated on prior occasions, and we've made significant progress in the assessment of those. In addition, we, of course, remain open to opportunistic M&A.

### **SIGNIFICANT CAPITAL DISTRIBUTIONS TO SHAREHOLDERS**

Now moving to the dividends, and to put numbers and distributions to shareholders, we're maintaining the dividend at EUR 0.71 per share in 2024, which represent a 93% payout ratio on the basis of underlying net income or underlying earnings per share. This amount remains subject to shareholder approval at the AGM in June.

In total, we've distributed significant dividends since the IPO, a total of EUR 350 million that was distributed, equivalent to about EUR 1.95 per share, and we remain committed to continue to pay out significant dividends going forward.

### **OUTLOOK**

Now I'll take a moment to talk about the outlook. With respect to the growth, our objective continues to be to grow faster than the private infrastructure market overall.

We look at growth over a fundraising cycle as our growth is not linear. That's what we've delivered over many years in the past, and it's what we expect to continue to deliver in the future. With respect to profitability, we expect underlying EBITDA above EUR 160 million in 2025.

We also expect to see a significant step-up in our earnings capacity by 2027, as the next fundraising cycle should significantly enhance our earnings capacity. So that includes Mid Cap Fund II, Flagship Fund VI and also the next iteration of NextGen.

Lastly, on distribution to shareholders, as mentioned earlier, we maintain our guidance of stable or growing dividend distributions. More specifically, with respect to 2025, we expect

to maintain the dividend stable at around EUR 0.71 per share. This concludes our presentation, and I would now like to open up to Q&A.

## QUESTIONS AND ANSWERS

**Sharath Kumar (Deutsche Bank):** so first question is on deployment and exit activity outlook. During the half year results, you spoke about deploying fund cycles being extended to four years from 3.5 years previously on the Flagship Funds and four plus years for the newer strategy.

So is there any change to the view with recent improvement in deal conditions? And related to that, in the slide you seem more confident about the improvement in exit activity, especially with an expected ramp up over the next two years.

And in this context, how should we think about carried interest expectations for '25-'26? So would Fund III-B be main driver for this? So that would be the first question. The second is on the potential uses of cash in your balance sheet. At nearly EUR 400 million, it is quite significant.

So in terms of M&A, what sort of areas would interest you, say, would adjacent areas like infrastructure, debt financing be of interest to you? So that's the second one. And the last one is on the lockup leases, earlier this year, we saw a placement for around 2.5% of your outstanding shares.

So how should we think about in the context of the lockup release that we had around, say, 25% in the previous year? So are there more to come?

**Alain Rauscher:** Okay. Well thank you very much for your questions. I will take the first one. Quite simply, well we maintained the deployment phase about four years for funds, which is frankly a very synthetic way of saying that we are disciplined.

Just to give something in that perspective, the holding period for the buyout industry of portfolio companies has increased from four years before COVID to about six years now.

So you've seen many people retaining assets for a longer period just because after the Ukraine conflict erupted, interest rates went up, and therefore, many GPs saw that if they could not get the best possible conditions, then they were not going to sell assets rapidly.

So it is a theme of the industry at large, the fact that people are holding assets longer and you can document that very quickly if you need it. So we maintain this target. It is not a goal for us -- it is a result. It's not an ambition. Evidently, if we can deploy faster, we'll be happy to, but we are very prudent people. For the second point, Patrice?

**Patrice Schuetz:** Sharath, with respect to the exit activity, I do think you're going to see an acceleration over the coming one or two years.

We would expect potentially two exits in 2025. And then obviously more, that will be coming in '26. Given that fund III and III-B are in realization mode, I would expect that the most near-term exits are going to be in that fund and that there is a potential for Fund III-B to start to produce carried interest in the near term. And so that's aligned.

With respect to lockup and placements, we have another lockup release in September of 2025, which relates to 25% of the shares held by the partners, and then, the remainder would be released in September of '26. We need to ask the partners about their intentions. It's ultimately going to be their decision on whether they want to monetize more or not. Today we don't know.

**Alain Rauscher:** With respect to strategy initiatives, be it in form of M&A or large organic initiatives. We've been working a lot for several years on those themes. To be quite frank, the conflict has made it very difficult to raise first-time fund in new strategies because clearly, as you understand, there was a scarcity of capital to be deployed.

So it went in priority to proven strategies and proven teams, but we've been working a lot on both M&A, but also putting a big emphasis on organic initiatives for new launches, and we think we will be in a position to give you some announcement pretty shortly.

Our objective is not to keep a lot of cash on our balance sheet. It's really something which we have reserved to fund new vintages and new strategies. And clearly, it is still our intention to use this cash to deploy new strategies. But we will inform you in -- hopefully, in the not-too-distant future.

**Nicholas Herman (Citi):** Just three for me as well please. So firstly, on value creation. Look, great to see your fund valuation start to tick up in the fourth quarter after quite some time of being flat, and that's understandable.

I guess just firstly, 20% portfolio performance is super strong. How much convergence between that underlying performance and value creation do you expect to see this year? How should we frame that?

And I guess on the flip side, I acknowledge that the long-term outlook for infrastructure is strong. But in the near term, we have seen certain sectors in the U.S., in particular, such as renewables continue to sell off this year.

But how could this impact your valuations? And I guess when you're thinking about valuing your companies, how do you weigh these conflicting forces? That's the first one. The next is a bit more straightforward. M&A or cash, rather, I'd say, you said you expect to be in a position to communicate to the market on a new strategy in the near future.

Without getting into too much details around whatever -- on that strategy, but could you at least give us an indication of how much of that EUR 390 million of cash you would expect to utilize to succeed that strategic initiative?

And finally, Patrice, I think you said cost inflation will be more measured this year. Last year, your costs went up by, I think, over 20% versus headcount in the mid-single digits. So what's actually changing here that means that cost inflation will be much more contained from here?

**Patrice Schuetz:** I'll start to go through this. And I'll start with the value creation point that you had mentioned. In principle, we perform a bottom-up valuation of our portfolio companies, and it reflects fundamental valuation.

And so sometimes you do not see a direct one-to-one link between the EBITDA growth you see for an underlying portfolio company and how we actually -- how we value this business. It can come with time lags. And so I wouldn't necessarily link the two directly together.

Of course, over time this portfolio company performance data give you a really good indication as to the health of the portfolio and the growth that we're able to deliver through organic and inorganic growth initiatives, but you don't necessarily see in a particular quarter a one-on-one relationship link.

With respect to the cash and the strategy and the expansion of that, we really can't say more at this point. We've been spending a lot of time to work through different options that we see and assess what we believe is going to produce most value for the company, and we've advanced significantly in those deliberations. And then there will be a right moment to communicate more, and it would be premature today.

With respect to the cost increases, it's a combination of various effects. The first one is we continue to build out the team through new hires. And in 2024 particularly those hires were also at the more senior end of the spectrum. And of course, they can have an over-proportional impact on our cost base.

But we've also put through cost increases through compensation increases that we deemed appropriate and relevant. And so in combination, this led to a somewhat higher cost increase in 2024. I think as we look towards 2025, you would probably see on a combined basis, those increases be more in the mid-teens.

And that's just our assessment as we look forward. And we have a pretty good grip in how we ramp up those costs. And of course, we also pace them to match the revenue build up and revenue profile that we see.

So if we think it's going to take longer to raise capital, we'll prune back on the cost buildup. And if we feel it can be faster, we let it run a little faster.

**Alain Rauscher:** I would like to add on what you call the cost inflation. I think for us, it's people, it's because we talk essentially about people as related cost. People is our main asset as an investor.

So for us, it's investment in people. And there is always, I would say, a lag between the time at which we hire people and reinforce the setup because we always think of reinforcing set

up at a time when it starts producing in a way. And it's quite normal. We've been always functioning this way.

For us, the management teams, we are interested to fundamentally reinforce our platform to deliver better returns. That's really how we view our business. And this is what our LPs expect from us to do in the first place.

So it's not really cost inflation. For instance, we took the decision to recruit a new senior partner in our New York office, Ryan Shockley.

Okay. You can argue that it will have an impact on costs, but for us it's an investment because we thought that it was useful to reinforce the setup.

**Hubert Lam (Bank of America):** Firstly, we saw a good value development for Fund III-B in the second half of '24. Can you discuss the growth in the portfolio companies here and your outlook for exits? How do you expect the phasing to be for the four exits?

Second question is on your EBITDA guidance for '25 of more than EUR 160 million. This seems conservative versus current consensus. How should we think about this number? Do you see risk to current market expectations? And how much is this number predicated on a successful exit from one of the investments in III-B in '25?

**Patrice Schuetz:** Thank you, Hubert. I'll start with the projections and the guidance of EUR 160 million. We give a guidance that we believe is deliverable. I mean that's the short of it. And I think in this particular case, it's deliverable irrespective of whether we raise or hold a first close on Mid Cap Fund II in 2025 or not.

And it does embed an element of carried interest recognition that we expect related to Fund III-B. And of course, if we deliver on our exit plan, we feel very confident about that number.

And with respect to exits of Fund III-B and the timing and sequence of it, this fund is sort of 2016 vintage. And so as we continue to accelerate the path of exits, you should assume that over the coming years, all of these companies will eventually be exited.

Of course, we have a sequence as to certain companies that we exit earlier and others that we'd exit a bit later, but I would say you'd expect to see two exits in 2025, at least one, potentially two in 2026 and then beyond and then we need to see.

I wouldn't be able to share names today given that we may be in conversations or discussions on some of those assets. And hence, it will be premature to communicate. But in principle, I think you should assume two exits out of this fund in 2025.

**Hubert Lam (Bank of America):** Great. And any colour on the growth in the portfolio companies in III-B. You seem to have a pretty good value creation in second half. Just anything you can share on this.

**Patrice Schuetz:** These portfolio companies have performed well. When you look at the multiple for this fund having crossed -- for Fund III, having crossed essentially the 2x threshold, and we communicated that we expect this fund to deliver above plan, it means there is still embedded room for growth.

But given that we're towards the end of the value creation period, they're not the fastest growing relative to others that are earlier in their growth trajectory and earlier in the investment in the investment cycle of a fund naturally.

**Alain Rauscher:** That being said, if we look with respect to our investments and essentially compare our NAV a year before disposal, we have seen a very significant, I would say, uplift of value realized upon disposals.

But I don't want to replicate that, but it's certainly something we observed, which is massive in our practice and which illustrates our caution.

**Angeliki Bairaktari (JP Morgan):** It's Angeliki Bairaktari from JPMorgan. A couple from me as well please. And with regards to the launch of the next vintages, can you please give us some colour on what are your expectations with regards to the launch, in particular, of Mid Cap Fund II given that Mid Cap Fund I is kind of like 50%, 51% deployed at the moment? Does that mean that realistically we're looking more for a 2026 first close as opposed to 2025? And also, how are you thinking about sort of the first close for Flagship Fund VI?

And NexGen II, sort of what should we have in mind? Is it sort of the 2026 event or 2027 for each one of these two funds? And then with regards to Fund V, how much of the capital that you raised was raised in private wealth channels? And have you considered launching any sort of semi-liquid products? I think in past calls, you've rolled that out, but I would be interested to hear how you're thinking about sort of expanding your presence into the wealth channel.

And lastly, with regards to the fourth strategy or the fourth potential sort of funds that you could launch, and we did mention that you hired a senior partner in your North America business.

Should we read anything to it with regards to the fact that this partner comes from BlackRock/GIP, which I think is more focused in core infrastructure? Are you considering potentially launching a core infra strategy?

**Alain Rauscher:** Thank you, Angeliki. Essentially, you want to have a complete and accurate timetable, right, for the new fundraise. If you have it, we welcome you to send it to us because it will make our lives much easier.

No. I mean jokes apart, clearly, Mid Cap Fund II, given the capital deployed to date, we expect to launch a second vintage, typically sometime at the end of this year, I would say, Patrice, or beginning of next year.

It takes clearly some time to deploy capital, and we want to do it in a very prudent manner. Concerning NextGen, I think NextGen will basically follow suit. And NextGen, Patrice, maybe you want to be more precise on timetable.

**Patrice Schuetz:** No. I think it's okay, but it's still early to say for NextGen and Fund VI because we're still early in the deployment when you look at sort of the percentage committed, at least for the flagship fund series. And that is expected at some point in '26. And if I had to guess today, I would probably guess rather the second half of '26, but to be seen.

**Alain Rauscher:** Yes, and for Fund VI, I mean we have deployed about 40% of capital to date on Fund V, so we clearly need to make more investments, so it's really your call to assess how long it's going to take to deploy another, say, 40% of that fund.

So I cannot really commit to any date, but it's not something that will happen in the next three months by no means. Concerning the new access to capital, like private wealth, you can say where we stand, Patrice.

**Patrice Schuetz:** Yes. I mean for Flagship Fund V, we probably raised somewhat over 5% through different private wealth channels, and it includes a series of feeder funds, direct relationships and another wealth channel.

So it's a material amount, but there's also a significant amount of work that goes into raising that capital sort of relative to the work that goes into raising large commitments from institutional investors, but it's somewhat above 5%.

I think, as we look forward, we will continue to penetrate that channel, and we want to continue to grow in that channel.

It can be through feeder funds, but it could also be through alternative fund structures that you're seeing some of our peers raise. It could be an evergreen at some point or something like that. It's definitely a deliberation.

**Alain Rauscher:** Now concerning the recruitment of Ryan Shockley, a senior partner in our New York office, I mean clearly, Ryan comes with a wealth of experience in various aspects of their various segments of the infrastructure investing including core investments.

But frankly, he essentially comes because he's a great -- he's a fantastic guy. And it just comes to reinforce really our setup. Now evidently, core is one of the strategies that we are examining and monitoring. But again, it's a bit too premature to make any kind of announcement.

**Gregory Simpson (BNP Paribas):** I joined the call a little bit late, so apologies if you've already covered, but I've got three if that's okay. Firstly, you gave some colour on fundraising for Fund V with North America and Asia.

Could you provide some colour on your relations in the Middle East since I think that's where there are some larger LPs putting quite a lot of money to work in infra? So that's the first question.

Secondly, can I ask if the change in administration in the U.S. is changing the outlook for some of your existing assets and appetite to deploy in the region and just where you've got some clean energy solar assets in the U.S.?

And then thirdly, can you talk a bit about CityFibre, how where there has been a few headlines around the capital structure and the debt of that business? I'm basically, wondering how -- what proportion of Fund III that makes roughly? And is it an asset that's on plan or not?

**Alain Rauscher:** Thank you, Greg, for your questions. Well clearly, Middle East has become an extremely important region over time. And we raised for Fund V about EUR 0.8 billion there, so about 8% of money coming from the Middle East. So I think it answers your question.

Change of U.S. administration on our portfolio, well first of all, we are not directly impacted in the sense that, for instance, the tariffs, which are being imposed, do not affect at all the businesses we are involved in.

I would say that the possible areas where we could be impacted are in renewables because as you have understood, it's certainly not the preferred area of the energy space of the new President.

This being said, we think that most of these activities will remain unaffected. Clearly, for some reason, there is a vague opposition of the new President on wind, which is very small in our activity in the States, especially offshore wind, and we have no offshore wind whatsoever.

Secondly, we think that there is such a demand of energy in America, especially to deal with new data centres accommodating, in particular, AI and big data at large, that every source of energy will be welcome. And we see many utilities these days trying to -- and also hyper-scalers trying to essentially buy whatever -- secure whatever type of energy they can. So we don't think it will be a major impact.

Another thing of importance concerning renewable energy is that IRA focused under the previous administration on, I would say, red states, typically Republican states, particularly Florida and Texas, and evidently, people tend to take a very pragmatic view there that they have now some energy reinforced, and they just want to keep it going.

So we don't anticipate major, I would say, pushback in this respect. Concerning CityFibre, well CityFibre is a very impressive investment we have made.

It has grown enormously since we invested in it with our friends from Goldman Sachs. And as you have seen in the press, we signed a landmark contract with Sky to essentially connect up to 8 million households in Great Britain. So it is an amazing platform, very, very large platform and growing, and we are currently finalizing the funding of its next phase of extension.



**Ludmilla Binet:** We received a couple of questions on the platform, so I'm going to read them to you. The first one comes from Bruce Hamilton from Morgan Stanley. And the question was on the outlook for deal activity on both the investment and exit sides in 2025 in light of the recent geopolitical changes, tariffs and other macro uncertainty.

I think on exit, we answered that already, but perhaps a few words on the deployment side perhaps. Bruce also had a question on fundraising for Fund V and how much was coming from wealth.

So that was just answered by Patrice. And last question from him was any update on previous plans, which considered launching other geographical fund products and new fund innovation. So those were the three questions.

**Alain Rauscher:** Can you repeat the question?

**Ludmilla Binet:** First one was investment, the outlook. Second one was wealth, which we just answered. So that would leave us with the third question, which is on innovation, new products, new geography.

**Alain Rauscher:** Okay. The first one is concerning Mid Cap fund. I think our bet is that we probably will make, say, another two, three investments in this fund this year. So we can be down the three of them to say this side of the year or the other side of the year for the last one.

But clearly, this is our intention concerning Mid Cap fund. To be quite frank, the same applies more or less to our Fund V. And concerning NexGen, roughly the same kind of numbers of deals, which are expected.

So we are -- we come from a year or two years, which have been extremely slow of deploying capital, of deploying in our industry, essentially because M&A was very slowed down for the reasons we mentioned earlier. And I think now we are seeing a much faster pace.

So this is really our objective to deploy to make this kind of deals. Concerning innovation, well I think we touched on that already.

So clearly, we expect to be able to announce some initiatives in the not-too-distant future, but we clearly are working a lot on it. And again, the reason why we didn't go to make any announcement before it because the market conditions were bad, especially fundraising market conditions where we're not favourable, and we're prepared to focus on delivering on Fund V.

**Ludmilla Binet:** I also have received a written question from Javier de la Cruz from Bestinver, who is asking about the valuation of renewable energy companies that we have in the portfolio with Fund V renewable energy. Basically, he looks at listed renewable peers, and he sees valuations that have decreased and wanted to know our methodology.

**Alain Rauscher:** Yes. It is very complicated if you compare private markets and public markets valuations. You took, for instance, if I just wanted to quote an example, one listed company called Neoen has just been acquired, and it went at absolutely stellar multiples, way above the ones that we value our own private companies in our portfolio, and how our peers do.

So frankly, I think it has to be country specific, has to do really with the growth profile of the companies one by one. And to be fair, I think that there are some markets that are difficult for stock markets to appreciate and value properly. It is super difficult to value, for instance, a developer of renewable energy, who's going to make some sales of assets that at a faster or slower pace.

So it's super difficult to factor that in evaluation. And that's why probably there is a sort of -- in my view, but maybe I'm wrong, but I think there is a pretty inefficient way to value renewable energy assets in the stock market. And we see that repeatedly, really.

But again, when one company, which is listed, like Neoen, goes private, the multiples are stellar and way above the ones we have. So I'm not very worried about that.

**Ludmilla Binet:** And another question was on the use of cash, and share buybacks. Do we consider that attractive and potentially more attractive than M&A?

**Alain Rauscher:** Yes. Well clearly, we are interested with capital, and frankly, we want to value this capital and invested in the most value-creating way that we can think of. That's the first answer.

And the second answer is that we have a float, which is about 15% of our capital. And to embark into a share buyback, it may have a positive impact on the share price, but it would further reduce the float, and we don't think with such a float it's a viable option.

**Ludmilla Binet:** And I think we have a last question coming from the audience. I think Nicholas from Citi had the last question on the call.

**Nicholas Herman (Citi):** Just a couple of follow-ups, if that's okay, please. One on capital management and one on exits. Just on capital management, you said that you intend to maintain your dividend. Just curious like conceptually, what is the kind of the policy now? Is it just going to be progressive from here?

Or is it -- or could you consider even linking it to FRE, I guess, in the context that you will soon start to recognize carry, but I appreciate that might not be cash carry at least.

So just interested in kind of your thoughts around capital management and shareholder returns. And the second one was -- I think you said that Fund IV -- the first one for exit will be -- could be in 2026.

I guess that's going to be year seven or eight of that fund. Is there any reason to think that Fund V could be a similar profile? Or would you expect exits a lot earlier than that? I appreciate that's a bit of a crystal ball, but just your current thoughts on that at this stage.

**Patrice Schuetz:** Nicholas, I'll start with the dividend and the capital management question. We've essentially paid out almost 100% of our cash earnings as a dividend. And it's obvious that at some point, in order to continue to co-invest into our funds from our balance sheet and to fund the carry investments, we will, at some point, need to retain some of our earnings for growth.

Today we don't because we still have a very substantial cash position that we want to reduce as we move towards a more efficient capital structure. And so what you're going to see over the next two to three years is a significant ramp up in the earnings profile when the next fundraising cycle is going to flow through the P&L.

And probably you're going to see dividends grow at a somewhat lower pace than that because we're going to have to at some point when cash is deployed, rebalance the payout ratio.

But I expect that absolute payouts will continue to be stable or increase in that context. And so as you look towards '25, potentially '26, where earnings are not going to fully reflect that new fundraising cycle, we expect to be at the very least stable on the dividends.

I can take the question on Fund IV exits in 2026 and then Fund V. I think the exit path for Fund IV is normal, as you would expect it to be for our funds.

Our average hold period tends to be maybe a year or so longer than an average private equity hold period. And given that you've seen an environment where for 12, 18 months, there was essentially almost no exit in the market, so it's maybe a hold period that's in average a little bit longer than what you've seen on prior funds, but it's very consistent with the profile that you would expect and also consistent with where you see the market.

As it relates to Fund V, it's too early to tell. We're still in deployment mode for this fund. We probably have another five -- four to five investments to go for Flagship Fund V, and so, it's too early to talk about the right moment to start realizing those investments.

**Alain Rauscher:** But even concerning Fund IV, we may end up doing one disposal actually this year. It is highly possible. But again, we will see which ones and when to maximize basically returns.

**Ludmilla Binet:** I will read the final question that came through the chat. The person is asking if there has been a shift from LPs from real estate to infrastructure. Or more globally, is there a change in the source of LP capital? Have you noticed any trend?

**Alain Rauscher:** Well personally, I'm not sure I have noticed any such transfer from real estate to -- which is noticeable by the way, to infrastructure. And infrastructure really is a sort of -- is sort of an asset class, which is completely independent.

If you remember 15, 20 years back, it was largely invested through -- either through pockets of real estate money or in some cases from private equity money, and there's a diversification from that on both.

But to be quite frank, today, now you have established infrastructure teams in most, if not all, major LPs worldwide. And so it's a matter of internal allocation that they have, but we don't see this trend.

We don't observe such a trend ourselves. Now evidently, if you look at the fundraising market for real estate trends these days, it is certainly not very buoyant although some are doing fine, so we should not draw any large conclusion.

**Ludmilla Binet:** I think this was the last question. So Alain, we hand over to you to conclude the call.

**Alain Rauscher:** Well just very briefly. Thank you all. And I think 2024 was a very important year. We believe that next year is going to be a transition year where investment is going to be our absolute priority.

Be reassured that there will be no cost inflation, but investment in people -- continued investment in people in a controlled manner, and we will prepare for the next investment fundraising cycle in a very, not aggressive, but with very ambitious manner as we always have had. So thank you all.