

FEATURED CASE STUDY

EQT PARTNERS

INVESTMENT:

ANTICIMEX

Global pest control company offering a sustainable, digitally- enabled SMART solution.



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INVESTMENT STRATEGY	EQT FUTURE	INVESTMENT TYPE	BUYOUT
SECTOR	PEST CONTROL SERVICES	OWNERSHIP STAKE	CONTROL
INVESTMENT DATE	NOVEMBER 2021	IMPACT VALUE CREATION MODALITY	TRANSFORMATION (PRIMARY), GROWTH
GEOGRAPHY	GLOBAL		

INVESTOR & COMPANY OVERVIEW

EQT Future is EQT's lighthouse impact strategy with the goal to transform industries and drive impact outcomes at scale. EQT Future seeks to generate impact through two pathways:

1. identifying and incentivizing a pivot from the existing market offering towards products and services with a measurable positive impact; and/or
2. scaling existing impactful products and services for greater reach and depth of impact.

Established in 1934, ANTICIMEX is a leader in the global pest control industry. It introduced its sensor-based SMART solution in 2014 to effectively combat pest infestations and mitigate their adverse effects on food contamination, disease spread, and economic losses. In an effort to reshape practices in the pest control sector, characterized by chemical usage and environmental impacts, Anticimex's SMART is an innovative, toxin-free approach to pest control, improving health and environmental outcomes. At the same time, Anticimex's strong market position offers an opportunity

to demonstrate market leadership and transform the industry by eliminating the use of toxins, preserving biodiversity.

INVESTMENT THESIS




For EQT, Anticimex's SMART solution represented an opportunity to both pivot into and then scale an impactful business line. By supporting the effective roll-out of the SMART product, EQT endeavors to shift consumer behavior towards more sustainable solutions and accelerate the transformation of the pest control industry using activities in EQT's toolkit including impact diligence to build the case, then in ownership establishing impact-aligned incentives, progressing towards rigorous impact measurement, and supporting enhancements to operational sustainability.

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FINANCIAL MATERIALITY OF IMPACT

EQT Future aims to transform industries by pivoting businesses towards greener and more impactful products, emphasizing aligning impact and commercial viability to create impact collinearity before expansion, demonstrating both TRANSFORMATION and GROWTH modalities:

IMPACT VALUE CREATION MODALITY	VALUE CREATION ACTIVITY	FINANCIAL VALUE DRIVER	VISIBILITY OF FMI
 <p>TRANSFORMATION</p>	<p>Strengthening the company's role as a sustainability leader helped shift market expectations, as well as facilitate the transition of the pest control industry</p>	<ul style="list-style-type: none"> • Revenue growth obtained through addressing customer preference for emphasizing sustainability 	<p>The increase in customer demand as a result of Anticimex's sustainable market leadership and positioning may not have been fully realized without a highly impact-focused investor.</p>
 <p>GROWTH</p>  <p>TRANSFORMATION</p>	<p>Implementing an annual bonus incentive scheme to transition the company's revenue mix towards Anticimex's sustainable, and higher margin, SMART business line and execute /accelerate the strategic shift</p>	<ul style="list-style-type: none"> • Revenue growth driven by incentivizing SMART sales, which also improves margins in addition to customer satisfaction due to it being a higher quality service 	<p>EQT Future was able to identify the potential for, and execute, the growth of the higher quality, sustainable business with its impact-driven foresight and deep understanding of market dynamics..</p>

VALUE CREATION

SUSTAINABLE LEADERSHIP

EQT Future's commitment to transforming markets is supporting Anticimex's journey to becoming a leader in the sustainable pest control industry. To achieve this position, EQT encouraged the company to elevate its sustainability efforts. Initiatives included expanding the sustainability team, which now features a Chief Biology Officer – a position designed to offer expert guidance for the company's ambition to form a nature-positive strategy, market leadership, and innovative methods for impact measurement. This strategic investment in sustainability professionals has empowered Anticimex to develop a robust evidence-base that conveys the tangible benefits of SMART solutions to customers, expanding its market share and pricing power while scaling its impact.

VALUE CREATION

INCENTIVES TO TRANSITION

A part of the EQT Future strategy is to pivot companies towards impact and then scale. EQT played a pivotal role in driving the adoption of the biocide-free SMART solution by introducing financial incentives, including annual bonuses for management, board members, and branch manager staff tied to the quantity SMART sales, to steer the company towards a more sustainable product mix. To date, more than 460,000 SMART devices have been installed worldwide, far exceeding the 25% growth rate EQT anticipated in its underwritten impact case.

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LESSONS LEARNED

- **Market demonstration effect:** EQT understood Anticimex's potential to create demand and influence the broader industry by encouraging the adoption of biocide-free solutions. Anticimex's market leadership as a top four player generates a substantial positive demonstration effect based on the commercial and sustainability achievements of its new product. The impact of this influence is tangible, as several of Anticimex's competitors are already emulating its approach by introducing similar biocide-free products.
- **The importance of incentives:** Prior to EQT Future's ownership, the EQT flagship fund owned the business and played a proactive role in advancing SMART technology, harnessing the expertise of their in-house team of around 30 technology and digital professionals known as EQT Digital to develop the biocide-free solutions. EQT Future successfully built upon the prior initiatives of the broader EQT platform by integrating impact and operational sustainability across businesses through financial incentives, expert advice, and rigorous measurement. EQT Future orchestrates the transformation of companies into impact-oriented entities poised to scale.
- **Leveraging the power of the broader platform:** Bringing the company into EQT Future allowed EQT to double-down on the impact opportunity by incentivizing and actively driving the company's focus on the impact outcomes and market demonstration potential. To achieve this alignment, EQT Future established company-level impact KPIs related to the core impact thesis for each investment and worked with management to set incentives to support their achievement.

