

PATRIZIA reports strong H1 2020 results and confirms its FY 2020 guidance

- Operating income for H1 2020 of EUR 74.1m confirming resilience of business model
- Total service fee income at EUR 171.0m virtually unchanged to last year, driven by continued business activity from PATRIZIA's global client base
- Assets under management increased by 2.3% to EUR 45.5bn compared to year-end 2019
- New equity entrusted to PATRIZIA up 30.8% y-o-y to EUR 0.6bn

Augsburg, 5 August 2020. PATRIZIA AG, a leading partner for global real assets, recorded an operating income of EUR 74.1m in H1 2020. This compares to EUR 79.0m operating income in the same period last year, when performance fees had an extraordinarily positive impact on bottom line results. Total service fee income – which combines management, transaction and performance fees – stood at EUR 171.0m in H1 2020, virtually unchanged to EUR 174.2m in H1 2019.

At the same time, clients entrusted PATRIZIA with new equity of EUR 0.6bn, an increase of 30.8% y-o-y. Assets under management (AUM) continued to grow to EUR 45.5bn, an increase of 2.3% compared to year-end 2019.

Wolfgang Egger, CEO of PATRIZIA AG, said: “The Covid-19 pandemic led to lower overall investment and transaction activity in the real assets markets. However, PATRIZIA managed these exceptional circumstances well and has once again proved to be a stable and reliable business partner. Throughout the second quarter of 2020 PATRIZIA was able to successfully close on several high quality property acquisitions and disposals for its institutional, (semi-)professional and private investors and we are confident that we will emerge even stronger from this crisis.”

Management fees stood at EUR 96.1m in H1 2020, slightly below the EUR 97.1m reported in the comparable period last year, which was however positively impacted by aperiodic effects of EUR 3.9m. Like for like management fees grew positively y-o-y by 3.1%. Transaction fees increased 67.0% y-o-y, from EUR 12.1m to EUR 20.3m, driven by continued activity for PATRIZIA's global clients. Performance fees of EUR 54.6m in H1 2020 remained a stable contributor to the overall financial results, although below last year's extraordinarily high levels of EUR 64.9m in H1 2019. The above-average investment performance achieved for clients is expected to generate further performance fees during the second half of 2020.

Karim Bohn, CFO of PATRIZIA AG, said: “PATRIZIA is successfully weathering the Covid-19 pandemic thanks to its resilient business model, rock-solid balance sheet and strong cash position. Our H1 2020 financial results are a solid base from which to achieve our guidance range of EUR 100.0m – 140.0m for FY 2020. The market fundamentals for our business model remain healthy, such as the long-term interest rate environment and increasing capital allocations to real assets by pension funds and insurance companies over the next years.”

Investor Relations release

in EUR m	H1	H1	% y-o-y	Guidance range 2020	
	2019	2020		min	max
Management fees	97.1	96.1	-1.0%	190.0	200.0
Transaction fees	12.1	20.3	67.0%	30.0	40.0
Performance fees	64.9	54.6	-15.9%	80.0	110.0
Total service fee income	174.2	171.0	-1.8%	300.0	350.0
Net sales revenues and co-investment income	9.8	13.7	40.1%	20.0	20.0
Net operating expenses ¹⁾	-99.5	-104.2	4.7%	-210.0	-220.0
D&A, financial result and other items	-5.5	-6.4	17.9%	-10.0	-10.0
Operating income	79.0	74.1	-6.2%	100.0	140.0

¹ From 2020 onwards excluding non-capitalisable expenses for investments in the future

in EUR bn	31.12.	30.06.	% y-t-d	Guidance range 2020	
	2019	2020		min	max
Assets under management	44.5	45.5	2.3%	46.5	48.0

in EUR bn	H1	H1	% y-o-y	Guidance range 2020	
	2019	2020		min	max
Equity raised	0.5	0.6	30.8%		
Transaction volume - signed	1.8	1.6	-12.1%	3.5	5.5
Transaction volume - closed	3.0	3.7	23.8%		

PATRIZIA: A leading partner for global real assets

As a company with operations around the world, PATRIZIA has been offering investment opportunities in real estate and infrastructure assets for institutional, semi-professional and private investors for 36 years. PATRIZIA manages more than EUR 45 billion in assets and employs over 800 professionals at 24 locations worldwide. Through its PATRIZIA Children Foundation, PATRIZIA is committed to social responsibility. The Foundation has helped over 220,000 children in need worldwide over the last 20 years. You can find further information at www.patrizia.ag

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