

LEADING IN PAN-EUROPEAN REAL ESTATE

Results Presentation | 3M 2019 | 16 May 2019

Highlights

3M 2019 – Solid start into FY 2019 with further improved quality of operating income

Assets under management

- AUM virtually stable at EUR 40.9bn
- EUR 0.5bn acquisitions and EUR 0.6bn disposals closed for domestic and international clients during 3M 2019
- AUM by geography
 - Germany: EUR 26.2bn (64%)
 - Outside Germany: EUR 14.7bn (36%)

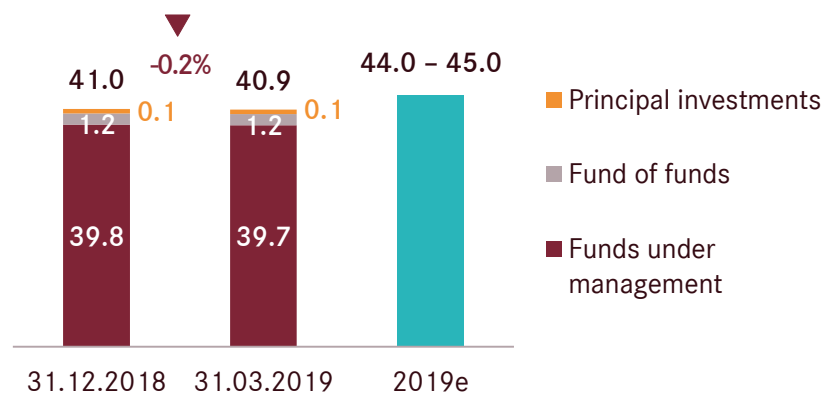
Operating income

- Operating income down 43.9% y-o-y due to extraordinary strong 3M 2018
- 3M 2018 with high positive impact from net sales revenues and co-investment income (especially disposal of phase-out principal investments) of EUR 24.6m vs EUR 2.5m in 3M 2019
- Adjusted for this, operating income is up 18.4% y-o-y with management fees up 24.2% y-o-y and transaction fees up 18.7% y-o-y

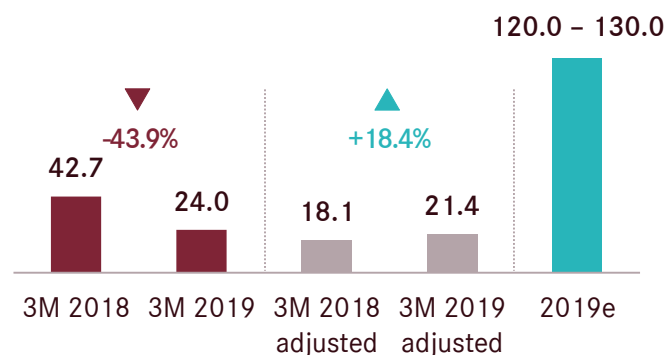
Guidance 2019e confirmed

- Organic net AUM growth of EUR 3.0 – 4.0bn (i.e. 7.0% – 10.0%)
- Total AUM expected between EUR 44.0 – 45.0bn
- Operating income guidance of EUR 120.0 – 130.0m

Assets under management | EUR bn



Operating income | EUR m



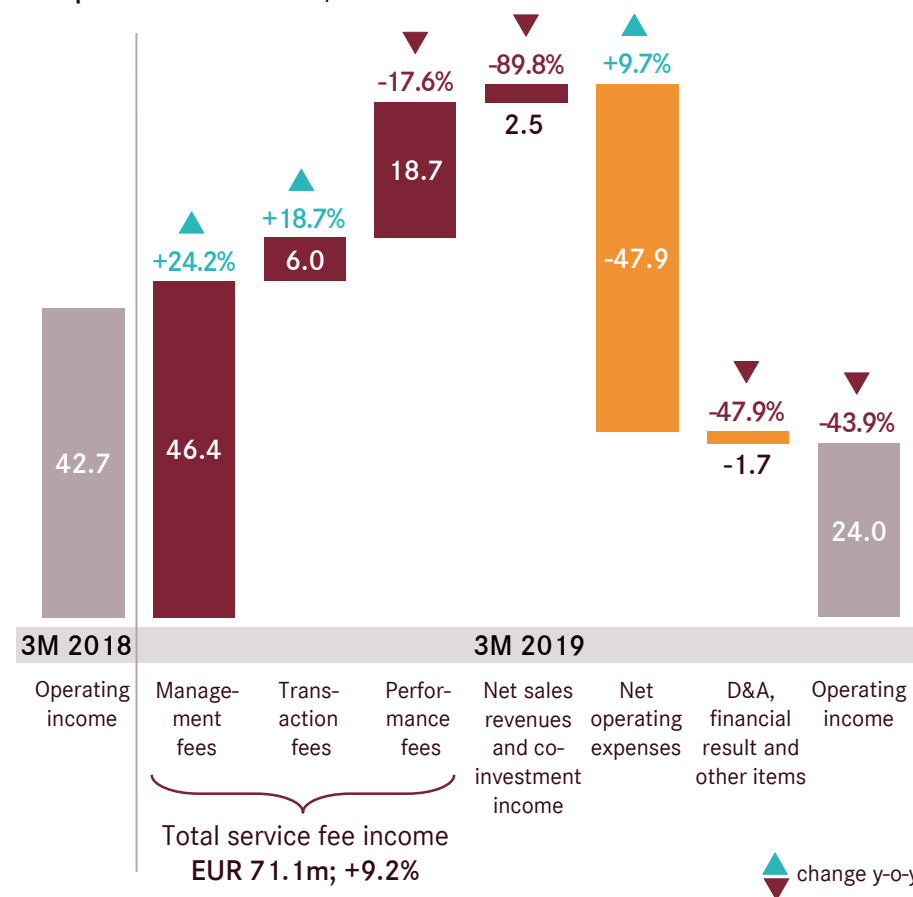
Operating income

Operating income of EUR 24.0m with improved earnings quality

Highlights

- **Total service fee income** up 9.2% to EUR 71.1m (3M 2018: EUR 65.1m) due to:
 - Strong **management fees** (primarily attributable to the consolidation of Rockspring) with growth of 24.2% y-o-y
 - **Transaction fee** growth of 18.7% y-o-y
 - **Performance fees down** 17.6% y-o-y after extraordinary strong 3M 2018, in line with expectations
- **Net sales revenues and co-investment income** of EUR 2.5m down significantly y-o-y especially due to extraordinary high disposal of principal investments in 3M 2018:
 - Strategic reduction of phase-out **principal investments** contributed EUR 1.3m (3M 2018: EUR 14.1m)
 - Development of **co-investments** contributed EUR 1.2m (3M 2018: EUR 10.5m)
- **Net operating expenses** up 9.7% due to the consolidation of Rockspring, well below the growth rate of management fees (+24.2%)

Composition 3M 2019 | EUR m



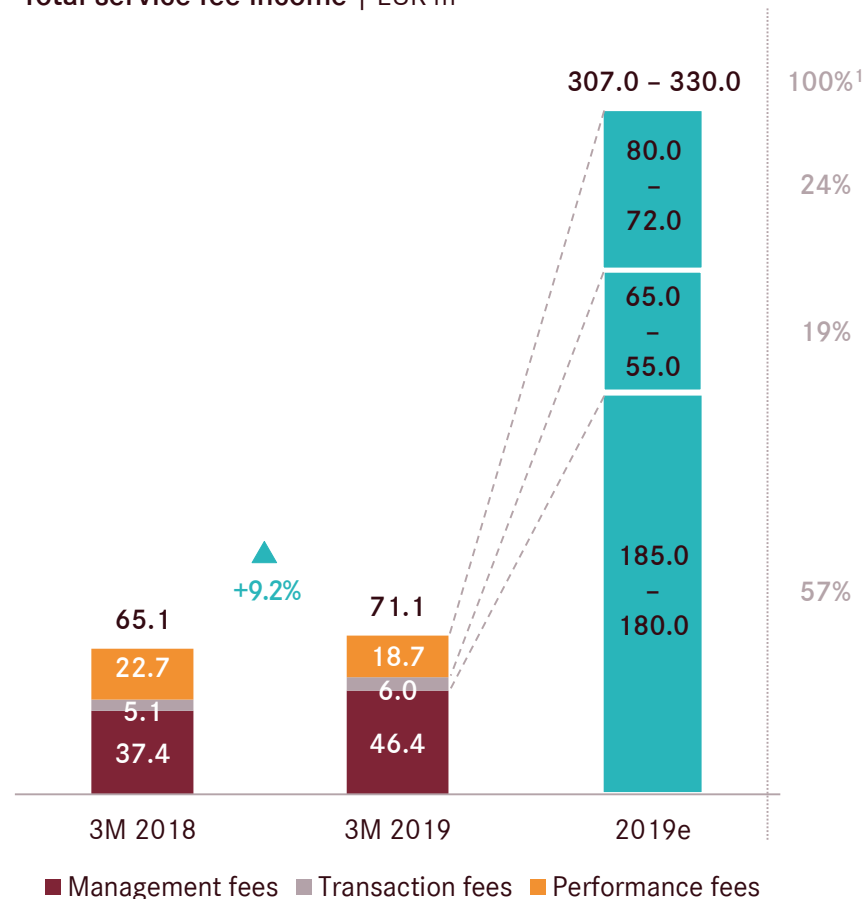
Total service fee income

Stronger pan-European platform drives diversified income streams

Highlights

- **Total service fee income** up 9.2% to EUR 71.1m driven by:
 - Organic growth in assets under management
 - Acquisition of Rockspring
 - Transactions carried out for clients
 - Superior investment performance
- **Management fees** up 24.2% to EUR 46.4m due to:
 - Organic growth in assets under management
 - Additional management fees generated by Rockspring; fees are partly included in revenues (EUR 44.1m) and partly in income from participations (EUR 2.4m)
 - Management fee contribution to total service fee income increased from 57.4% in 3M 2018 to 65.3% in 3M 2019
- **Transaction fees** up 18.7% to EUR 6.0m
 - Acquisition fees: EUR 2.5m vs disposal fees: EUR 3.5m
- **Performance fees** of EUR 18.7m partly included in:
 - Revenues (EUR 0.4m)
 - Income from participations (EUR 18.3m)
- **2019e guidance confirmed**
 - Total service fee income of EUR 307.0m – EUR 330.0m

Total service fee income | EUR m



¹ At mid-point of guidance range

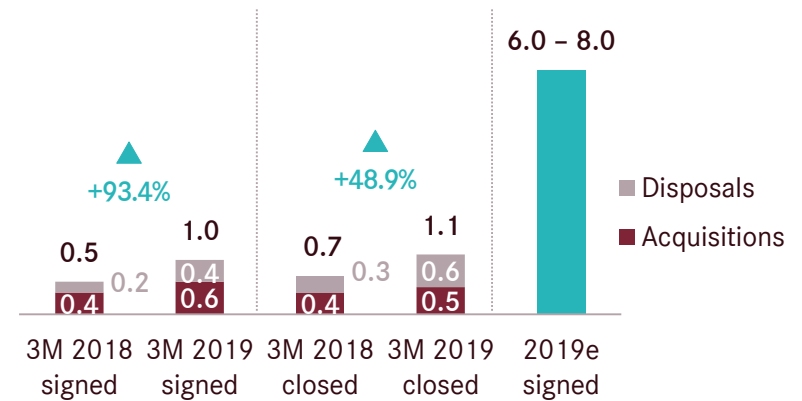
Transaction fees

Growth in signed and closed transaction volume outperformed overall market activity

Highlights

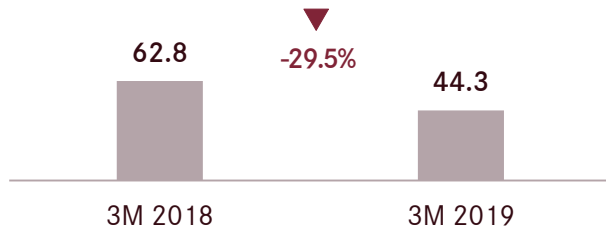
- **Transaction volume (signed)** increased by 93.4% y-o-y to EUR 1.0bn, thereof EUR 0.6bn acquisitions and EUR 0.4bn disposals
- **Transaction volume (closed)** increased by 48.9% y-o-y to EUR 1.1bn, thereof EUR 0.5bn acquisitions and EUR 0.6bn disposals
- Growth in **transaction fees** below growth in signed/closed transaction volume due to deviating transaction fee structures of acquired companies
- 14.6% y-o-y growth in transaction fees expected for 2019 (at mid-point of guidance range)

Transaction volume (signed/closed) | EUR bn

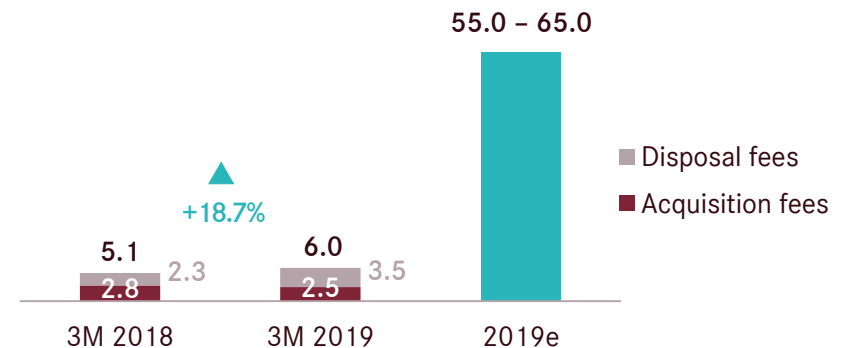


European transaction volume | EUR bn¹

- Lower transaction activity across all sectors



Transaction fees | EUR m



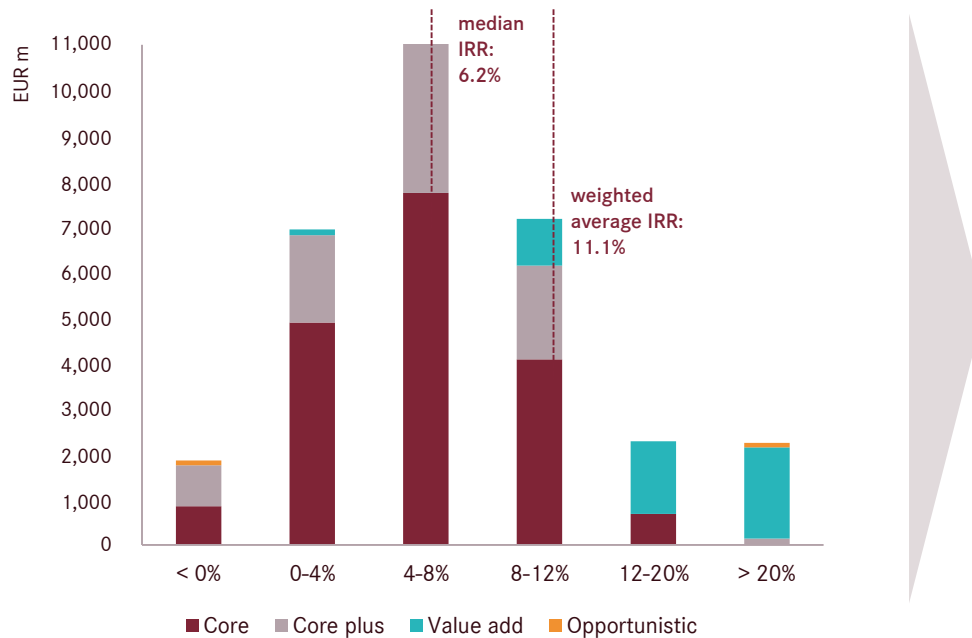
¹ Source: PATRIZIA, RCA all property including: DE, UK, IE, DK, SE, NO, FI, NL, BE, FR, ES, PT, AT, IT, PL, CZ, HU and LX

Performance fees

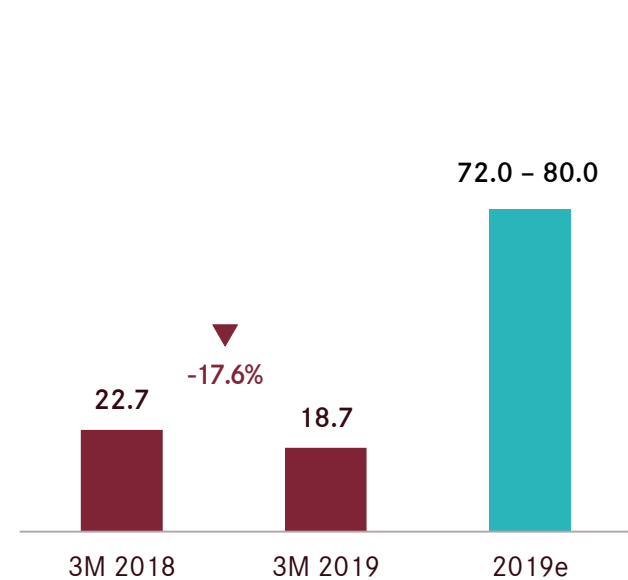
Superior returns for clients translate into attractive performance fees for PATRIZIA

- Performance fees of EUR 18.7m in 3M 2019, down 17.6% y-o-y in line with expectations, emphasise PATRIZIA’s active asset management capabilities and investment track record (weighted average IRR of 11.1%)
- PATRIZIA expects rather “normalised” performance fees for 2019e in a range of between EUR 72.0m and EUR 80.0m after an extraordinary strong volume of EUR 92.5m in FY 2018
- Investment funds generate performance fees upon exceeding pre-determined return hurdles

Distribution of net IRRs by invested equity¹



Performance fees | EUR m

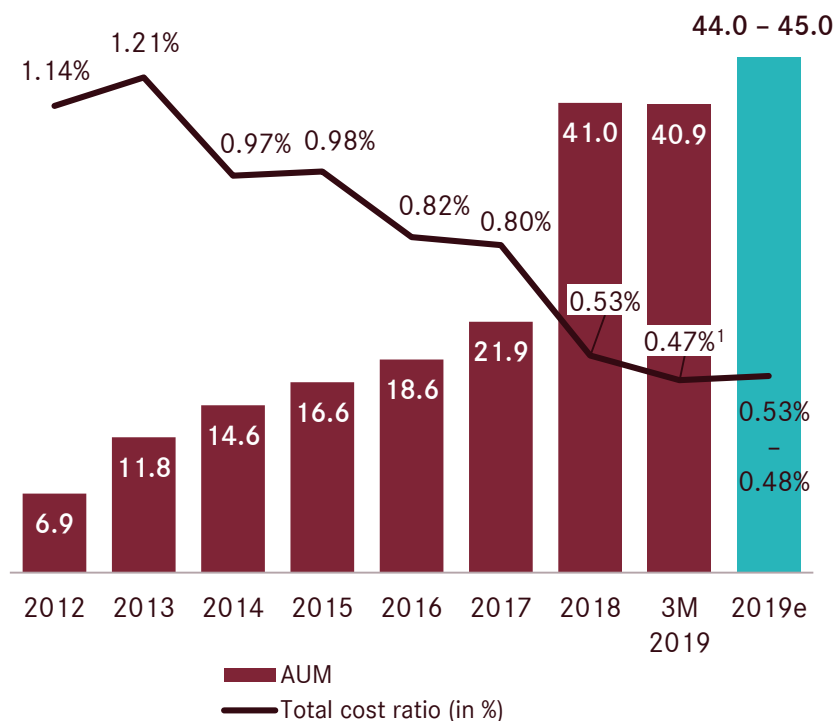


¹ Data as at FY 2018; return distribution includes performance of all institutional investor vehicles with an invested equity exceeding EUR 50m, in total 120 vehicles with a total invested equity of EUR 32.7bn; past performance is not indicative of future results; returns weighted by invested equity; returns are presented including leverage, net of costs, taxes and fees

Profitability and costs

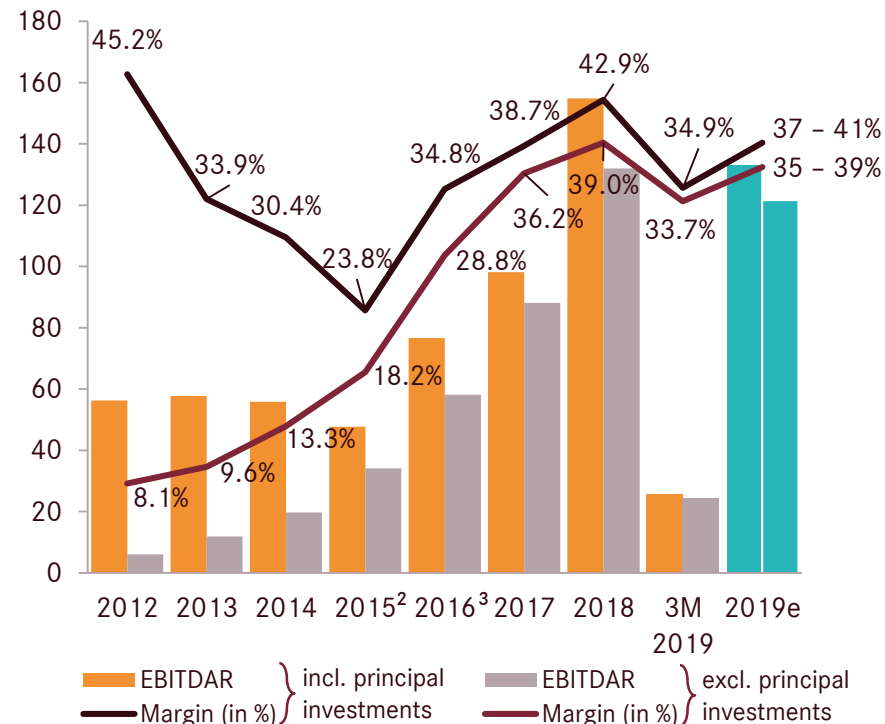
Continued efficiency improvements propel profitability and cost ratios

AUM vs total cost ratio | EUR bn vs %



- **Scalability of operating platform** continuously improves cost ratio
- Total cost ratio = Net operating expenses (incl. staff costs) divided by average AUM

EBITDAR margin (+/- principal investments) | EUR m, LHS vs %



- **Margin transformation** of business model ongoing, i.e. replacement of volatile principal investment income with stable service fee income. Normalised margin expected in FY 2019 after extraordinary strong FY 2018

¹ Annualised value | ² 2015 excluding SÜDEWO exit fee | ³ 2016 excluding Harald profit

Solid financial position

Ample cash position to drive further growth and strategic development

- Strong balance sheet ratios and capital structure to facilitate further profitable growth
- Total available liquidity amounts to EUR 489.2m as at 31.03.2019:
 - | for M&A's in the investment management area (only if added value is generated for our clients)
 - | for digitalisation/technology investments
 - | for selective investments in co-investment structures
- Increase in shareholder value and high degree of financial discipline remain priorities

Strong balance sheet

EUR m	31.03.2019
Total assets	1,796.6
Equity (excl. minorities)	1,163.6
Equity ratio	64.8%
Cash and cash equivalents	328.9
+ Deposits and securities	+193.0
- Bonded loans	-300.0
= Net cash	+221.9
Net equity ratio¹	77.8%

Significant liquidity

EUR m	31.03.2019
Bank balances, cash, deposits and securities	521.9
- Regulatory reserve for asset management companies	-26.3
- TRIUVA transaction liabilities	-6.4
- Liquidity in private funds business property companies	-0.1
= Available liquidity	489.2

¹ Net equity ratio: Equity (excl. non-controlling interests) divided by total net assets (total assets less liabilities covered by cash in hand)

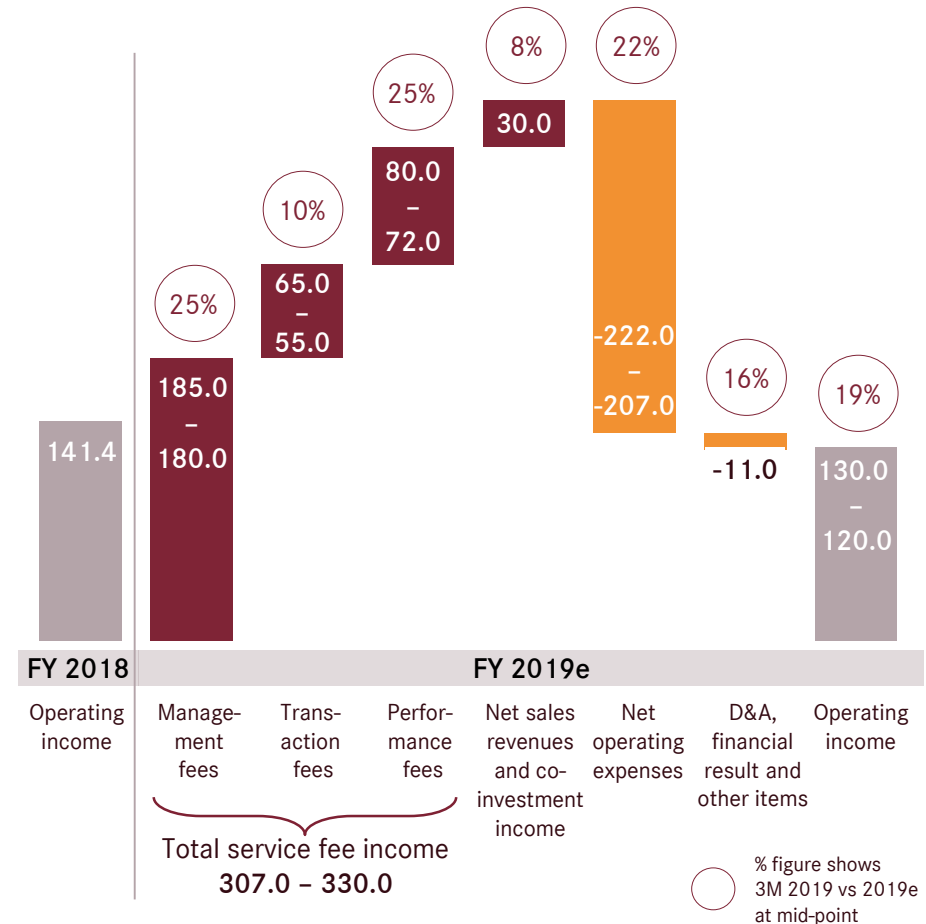
Guidance 2019e

Full-year operating income guidance of between EUR 120.0m and EUR 130.0m confirmed

Assumptions 2019e

- **Total service fee income:**
 - **Management fees:** EUR 180.0 – 185.0m based on increased assets under management however assuming closing of majority of acquisitions rather in H2 2019
 - **Transactions fees:** EUR 55.0 – 65.0m
 - **Performance fees:** EUR 72.0 – 80.0m
- **Net sales revenues and co-investment income:** EUR 30.0m
- **Net operating expenses:** EUR 207.0 – 222.0m
- **Annual cost efficiencies** from the integration of SPI, TRIUVA and Rockspring of ~EUR 22.0m which, all else being equal, should show a full effect from the 2019 business year onwards. Net operating expenses guidance for 2019 includes full four quarters impact of Rockspring (compared to three in 2018), annual inflationary cost base increase and investments in growth projects - mostly offset by cost synergies.
- **Transaction volume:** EUR 6.0 – 8.0bn
- **Assets under management:** EUR 44.0 – 45.0bn

Income composition FY 2019e | EUR m



PATRIZIA | Investment Highlights

1

Leading listed European real estate investment firm

2

Broad institutional client base and strong fundraising momentum – globally

3

High quality services across the entire property value chain

4

Excellent track record in sought after European property investment market

5

Growing AUM provide growing and sustainable contractual fee income

6

Attractive earnings potential through performance fees and return on equity

7

Strong balance sheet and significant liquidity offer further opportunities



Appendix

Capital allocation

31.03.2019	Assets under Management EUR m	Invested capital (fair value) EUR m	Invested capital (at cost) EUR m	Participations in %
Third-party business	34,250.8			
Co-investments	6,584.1	504.7	160.9	
Residential	5,524.0	476.5	139.7	
Dawonia GmbH	4,281.5	139.9 ¹	52.2	5.1
Dawonia performance fee claims	-	248.7 ¹	0.0	0.1
WohnModul I SICAV-FIS	1,242.5	66.4	66.4	10.1
Harald	-	21.5 ¹	21.1	5.1
Other	-	0.1	0.1	0.0
Commercial Germany	1,057.9	26.1	19.2	
Alliance	194.6	5.3 ¹	5.4	5.1
Seneca	191.7	5.9 ¹	4.9	5.1
PATRoffice	2.9	1.6 ¹	1.1	6.3
sono west	48.5	8.8	3.5	28.3
TRIUVA/IVG logistics	383.3	3.8 ¹	3.6	2.1
TRIUVA/IVG commercial	236.9	0.7 ¹	0.7	11.0
Commercial international	2.2	2.0	1.9	
Citruz Holdings LP (UK)	2.2	0.6 ¹	0.5	10.0
First Street Development LTD (UK)	-	1.4	1.4	10.0
Principal investments	79.6	74.5		
Other balance sheet items	-	395.3²		
Tied-up investment capital	40,914.5	974.4		
Available liquidity	-	489.2		
Total investment capital	40,914.5	1,463.6		
Of which debt (bonded loans)	-	300.0		
Of which PATRIZIA equity (without minorities)	-	1,163.6		

¹ Net of deferred taxes from valuation according to IFRS 9 | ² Including goodwill and fund management contracts (included in other intangible assets)

Reconciliation of operating income

EUR k	3M 2019	3M 2018	Change
EBITDA	26,067	45,959	-43.3%
Amortisation of other intangible assets ¹ and software, rights of use, depreciation of property, plant and equipment	-11,586	-2,183	430.7%
EBIT	14,481	43,776	-66.9%
Financial income/expenses	-1,036	-1,315	-21.2%
Result from currency translation	428	838	-48.9%
EBT	13,873	43,299	-68.0%
Amortisation of fund management contracts ¹	7,815	900	768.3%
Realised changes in value of investment property (net)	1,078	-68	-1,685.3%
Reorganisation expenses	1,804	57	3,064.9%
Expenses/income from unrealised currency translation	-616	-1,474	-58.2%
OPERATING INCOME	23,954	42,714	-43.9%

¹ In particular fund management contracts transferred as part of the recent acquisitions

Consolidated Income Statement

EUR k	3M 2019	3M 2018	Change
Revenues	57,742	81,876	-29.5%
Income from the sale of investment property	231	306	-24.5%
Changes in inventories	-5,047	-15,421	-67.3%
Other operating income	1,919	1,372	39.9%
Total operating performance	54,845	68,133	-19.5%
Cost of materials	-729	-1,817	-59.9%
Cost of purchased services	-3,263	-2,520	29.5%
Staff costs	-31,439	-26,636	18.0%
Other operating expenses	-13,377	-16,328	-18.1%
Income from participations	21,834	15,723	38.9%
Earnings from companies accounted for using the equity method	0	9,461	-100.0%
EBITDAR	27,871	46,016	-39.4%
Reorganisation expenses	-1,804	-57	3,064.9%
EBITDA	26,067	45,959	-43.3%
Amortisation of other intangible assets ¹ and software, rights of use, depreciation of property, plant and equipment	-11,586	-2,183	430.7%
Earnings before interest and taxes (EBIT)	14,481	43,776	-66.9%
Financial income	413	259	59.5%
Financial expenses	-1,449	-1,574	-7.9%
Result from currency translation	428	838	-48.9%
Earnings before taxes (EBT)	13,873	43,299	-68.0%
Income taxes	-1,672	-10,231	-83.7%
NET PROFIT FOR THE PERIOD	12,201	33,068	-63.1%

¹ In particular fund management contracts transferred as part of the recent acquisitions

Consolidated Balance Sheet | Assets

EUR k	31.03.2019	31.12.2018
A. Non-current assets		
Goodwill	203,675	201,109
Other intangible assets ¹	160,932	166,562
Software	10,694	11,396
Rights of use	13,807	0
Investment property	5,469	8,308
Equipment	5,867	5,890
Participations in companies accounted for using the equity method	71,614	76,141
Participations	500,208	499,241
Non-current borrowings and other loans	27,528	27,513
Deferred taxes	10,273	6,102
Total non-current assets	1,010,067	1,002,262
B. Current assets		
Inventories	69,001	71,534
Securities	3,011	3,011
Current tax assets	15,983	15,585
Current receivables and other current assets	369,564	355,456
Cash and cash equivalents	328,947	330,598
Total current assets	786,506	776,184
TOTAL ASSETS	1,796,573	1,778,446

¹ In particular fund management contracts transferred as part of the recent acquisitions

Consolidated Balance Sheet | Equity and liabilities

EUR k	31.03.2019	31.12.2018
A. Equity		
Share capital	91,060	91,060
Capital reserves	155,222	155,222
Retained earnings		
Legal reserves	505	505
Currency translation difference	-7,435	-15,605
Revaluation reserve according to IFRS 9	49,631	49,503
Consolidated unappropriated profit	874,622	862,421
Non-controlling interests	10,466	10,682
Total equity	1,174,071	1,153,788
B. Liabilities		
NON-CURRENT LIABILITIES		
Deferred tax liabilities	112,231	110,387
Retirement benefit obligations	21,675	21,724
Bonded loans	300,000	300,000
Non-current liabilities	14,922	16,836
Leasing liabilities	13,637	0
Total non-current liabilities	462,465	448,947
CURRENT LIABILITIES		
Other provisions	19,627	23,530
Current liabilities	94,562	99,963
Tax liabilities	45,848	52,218
Total current liabilities	160,037	175,711
TOTAL EQUITY AND LIABILITIES	1,796,573	1,778,446

Financial Calendar

2019

May 16 ➤ Quarterly Statement for the first three months of 2019

May 22 ➤ Annual General Meeting, Augsburg

August 7 ➤ Interim Report for the first half of 2019

November 14 ➤ Quarterly Statement for the first nine months of 2019

Invitations and dial-in numbers are provided in advance.

For further information, please visit: www.patrizia.ag.

Contact



KARIM BOHN
Member of the Board | CFO

PATRIZIA Immobilien AG
PATRIZIA Bürohaus
Fuggerstrasse 26
86150 Augsburg
Germany



MARTIN PRAUM
Senior Managing Director
Head of Investor Relations

T +49 821 50910-402
F +49 821 50910-399
M +49 151 19685445
investor.relations@patrizia.ag



LAURA WANZL
Senior Associate | Investor Relations

T +49 821 50910-347
F +49 821 50910-399
M +49 151 41411174
investor.relations@patrizia.ag



MAXIMILIAN GERBER
Associate | Investor Relations

T +49 821 50910-351
F +49 821 50910-399
M +49 151 24506188
investor.relations@patrizia.ag

Disclaimer

The information contained herein is directed only at professional clients and intended solely for use by the recipient. No part of this document or the information herein may be distributed, copied or reproduced in any manner, in whole or in part, without our prior written consent. This document is for information and illustrative purposes only. It does not constitute advice, a recommendation or a solicitation of an offer to buy or sell shares or other interests, financial instruments or the underlying assets, nor does this document contain any commitment by PATRIZIA Immobilien AG or any of its affiliates. Whilst prepared in good faith, the information contained in this document does not purport to be comprehensive. PATRIZIA Immobilien AG and its affiliates provide no warranty or guarantee in relation to the information provided herein and accept no liability for any loss or damage of any kind whatsoever relating to this material. The information herein is subject to change without notice.

This document contains specific forward-looking statements that relate in particular to the business development of PATRIZIA Immobilien AG and the general economic and regulatory environment and other factors to which PATRIZIA Immobilien AG is exposed. These forward-looking statements are based on current estimates and assumptions by the Company made in good faith, and are subject to various risks and uncertainties that could render a forward-looking estimate or statement inaccurate or cause actual results to differ from the results currently expected. PATRIZIA Immobilien AG does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of this publication. Due to commercial rounding of figures and percentages small deviations may occur.