

STRONGER

FOR CLIENTS AND SHAREHOLDERS

Results Presentation

3M 2020 | 14 May 2020

Stronger for clients and shareholders

Resilient business model with upside through structural growth opportunities

1

**Stable and
reliable partner**

PATRIZIA closely works with all stakeholders to help them manage through the crisis

2

**Rock-solid
financial
position**

Continued generation of stable cash flows, dividend reaffirmed & share buy-back continued

3

**Long-term
structural
growth market**

Lower for even longer interest environment supports PATRIZIA's structural growth case

1. Stable and reliable partner - Covid-19 Update

PATRIZIA works closely with all stakeholders to help them manage through the crisis

Macro view

Economy



- U-shaped recovery expected at different speed within Europe
- Interest rates expected to remain low for even longer

Asset classes



- Residential as safe haven
- Food-anchored retail resilient
- Core in high demand
- Flexible office space demand to rise?
- Non-food retail & hotels with low visibility

Geographies



- Resilient demand for major German, BeNeLux and Nordic cities
- Oversupply risks for CEE office markets, France and Italy

Operational view

Fundraising



- Fundraising activity decreased after 3M 2020 as clients remain cautious on final Covid-19 impact and real estate pricing

Transactions



- PATRIZIA is still active on behalf of clients
- Material recovery of transaction market expected end of 9M 2020 at the earliest

Asset & Fund Management



- PATRIZIA is in close contact with tenants and landlords
- Currently less than 12% of AUM affected by Covid-19

Corporate Finance



- Banks very selective with new business; PATRIZIA's trusted relationship helps
- Financing costs up temporarily

2. Solid financial position

Rock-solid balance sheet and strong cash position make PATRIZIA well prepared for the crisis

- Strong balance sheet ratios and capital structure to facilitate further profitable growth
- Dividend payment of EUR 0.29 for FY 2019 reaffirmed, payment in July 2020 (subject to AGM approval)
- EUR 50.0m share buy-back programme will continue

Strong balance sheet	
EUR m	31.03.2020
Total assets	1,963.9
Equity (excl. non-controlling interests)	1,202.2
Equity ratio	61.2%
Cash and cash equivalents	457.8
+ Deposits and securities	+142.2
- Bank loans (for temporarily warehoused assets)	-93.3
- Bonded loans	-300.0
= Net cash	206.7
Net equity ratio¹	76.5%

Significant liquidity	
EUR m	31.03.2020
Bank balances, cash, deposits and securities	600.0
- Regulatory reserve for asset management companies	-23.4
- Transaction related liabilities and blocked cash	-5.3
- Liquidity in closed-end funds business property companies	-2.5
= Available liquidity	568.7

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

3. Long-term structural growth market

Despite short-term uncertainties, structural growth of real estate investment management could accelerate

Demographic change

Aging population threatens conventional pension systems



Our clients' capital is growing

Lower for longer

Low interest rate environment is here to stay



Increasing allocations to real estate

Consolidation

Clients focus on selected pan-European platforms with broad product offering



Clients reduce number of investment managers



Financials & Guidance

3M 2020

Highlights

Solid start into 2020 – increased AUM and management fees; updated guidance now reflects Covid-19 uncertainties

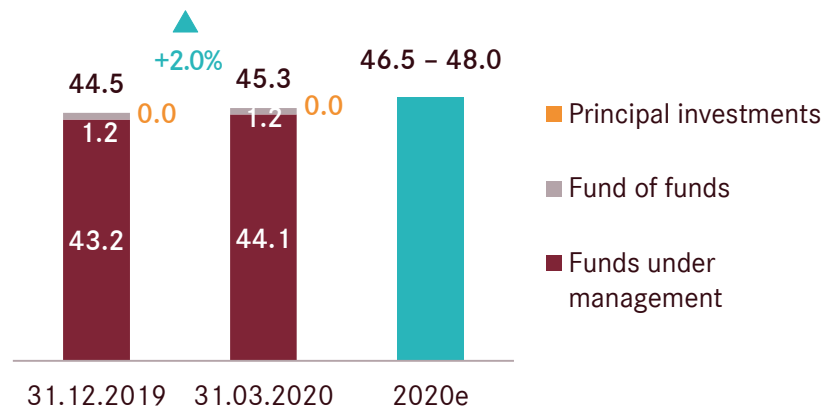
3M 2020

- **Operating income** of EUR 24.7m up 2.9%¹ compared to 3M 2019
- **Assets under management (AUM)** increased to EUR 45.3bn compared to EUR 44.5bn at YE 2019
- **Strong balance sheet:** Dividend payment for FY 2019 of EUR 0.29 reaffirmed – share buy-back programme continues

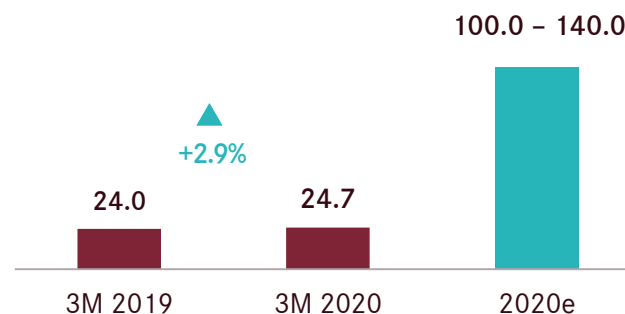
Full-year guidance 2020

- **Operating income guidance** for FY 2020 broadened to EUR 100.0m to 140.0m to reflect uncertain Covid-19 impact on European real estate investment markets throughout FY 2020
- **Broadened guidance for FY 2020** still implies further improved earnings quality and strategic phase out of income from the sale of principal investments
- **Good visibility** for service fee income already for the second quarter 2020 supports new guidance range
- **Organic net AUM growth** of EUR 2.0 – 3.5bn to between EUR 46.5 – 48.0bn

Assets under management² | EUR bn



Operating income | EUR m



¹ All percentage rates in this presentation refer to the comparable period of the previous year, unless stated otherwise

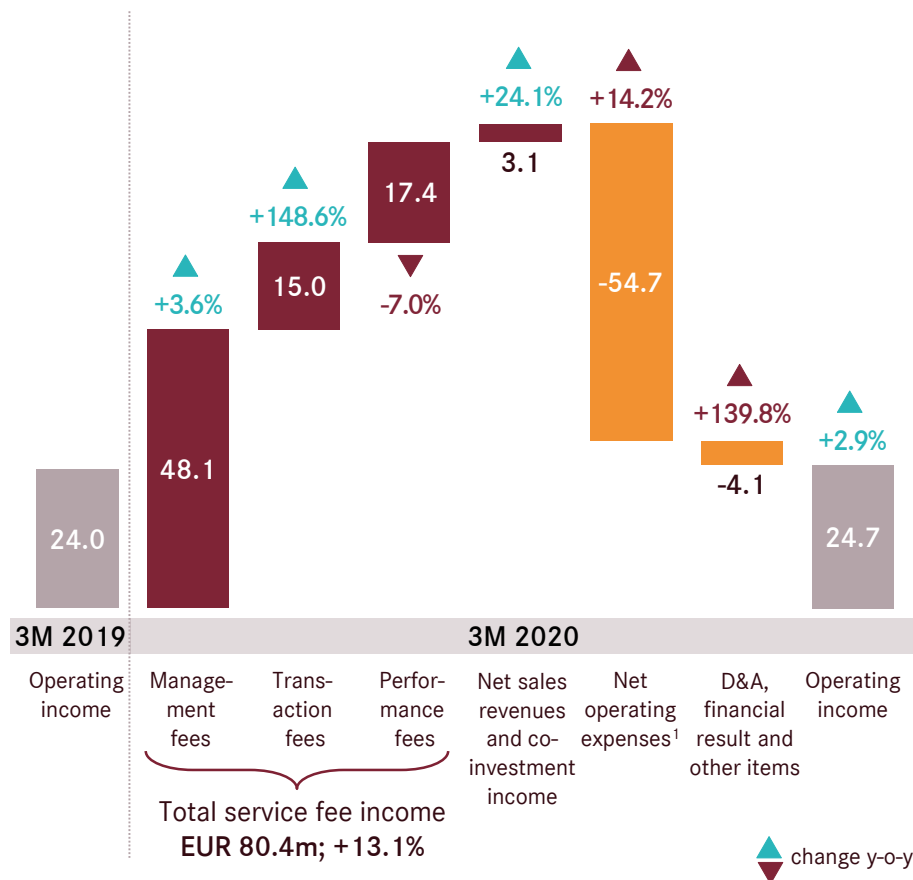
² AUM definition from 3M 2020 onwards reflecting best practice standards like INREV / GIPS

Operating income

Solid 3M 2020 with total service fee income up 13.1% y-o-y

Composition 3M 2020 | EUR m

- **Total service fee income** up 13.1% to EUR 80.4m (3M 2019: EUR 71.1m) due to:
 - **Management fees** with 3.6% growth due to larger AUM base
 - **Transaction fees** significantly up to EUR 15.0m (+148.6%)
 - **Performance fees** stable on high level at EUR 17.4m (-7.0%) due to strong outperformance generated for our clients
 - **Net sales revenues and co-investment income** of EUR 3.1m:
 - **Principal investments** contributed EUR 2.2m
 - **Co-investments** contributed EUR 0.9m
 - **Net operating expenses¹** up 14.2% to EUR 54.7m mainly due to aperiodic effects, higher ongoing IT expenses, as well as inflation adjustments in personnel costs; cost growth to normalise during the next quarters

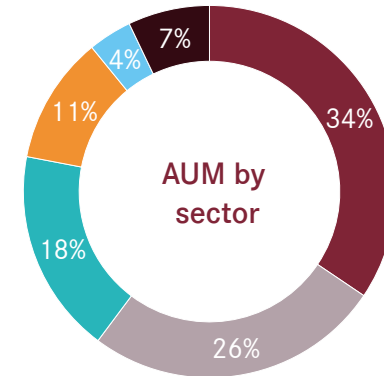


¹ Inter alia netted against other operating income of EUR 2.1m; excluding EUR 1.7m non-capitalisable expenses for investments in future technologies

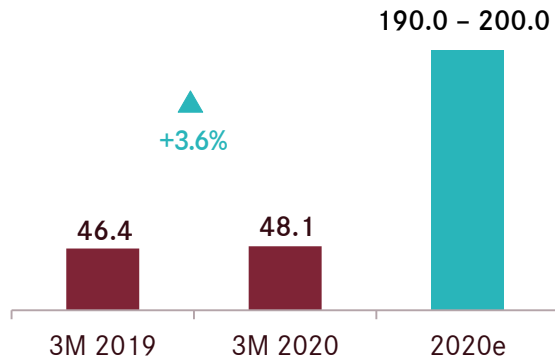
Management fees

Well diversified AUM-base and predictable management fees

- **Management fees** up 3.6% to EUR 48.1m due to growth in assets under management
- Recurring management fees contributed 60.0% to total service fee income
- **Diversified and long-term oriented AUM-base** forms solid basis for predictable cash flows



Management fees | EUR m



Selective transactions since Covid-19 outbreak

PATRIZIA is still active for clients despite the current market environment

11.05.2020

PATRIZIA sells 8,600 sqm office building in Berlin

Disposal is in line with the business plan and realises attractive returns



Share this article: [in](#) [tw](#) [f](#)

- Asset fully let to a range of tenants across a diverse mix of sectors
- PATRIZIA confident of strong office market fundamentals in Berlin

16.04.2020

PATRIZIA buys large office building in Luxembourg city centre

Luxembourg's office market remains resilient due to continued and stable demand



Share this article: [in](#) [tw](#) [f](#)

- Around 5,600 sqm property fully let to Brown Brothers Harriman until 2030
- Purchased on behalf of PATRIZIA's institutional clients
- Increases PATRIZIA's assets under management in Luxembourg to around EUR 800 million

01.04.2020

PATRIZIA sells residential portfolio in the Netherlands on behalf of clients

Sales price of EUR 375 million achieved for over 2,000 residential units



Share this article: [in](#) [tw](#) [f](#)

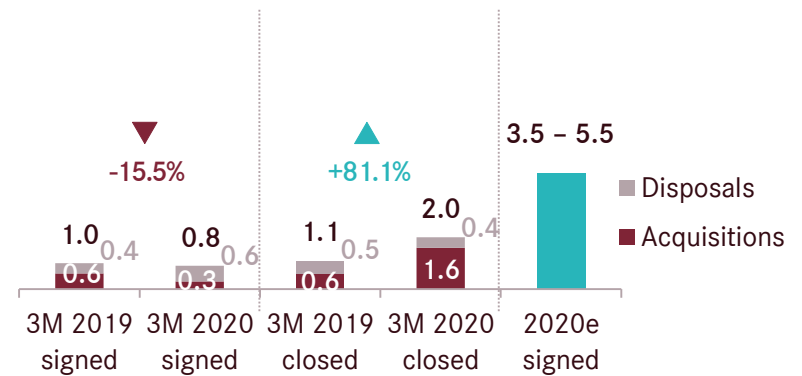
- Properties are located across 29 Dutch cities
- 60% situated in so called Randstad megalopolis in and around Amsterdam and Rotterdam
- PATRIZIA confident of strong residential market fundamentals in Netherlands

Transaction fees

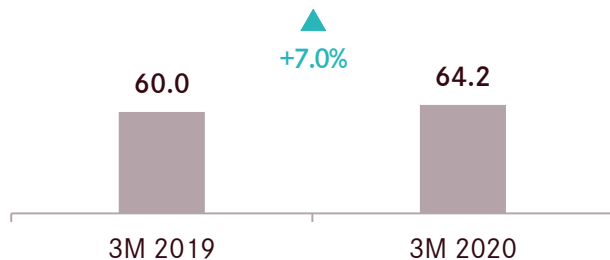
PATRIZIA had a good start into the year and is still active for clients in the current situation

- Ongoing transaction activity for our clients in the beginning of the year drove **transaction fees** to EUR 15.0m in 3M 2020
- Activity in the **real estate markets** dropped significantly right after 3M 2020
- PATRIZIA is still active for clients in the current environment, but a material increase in **transaction activity** is expected by the end of 9M 2020 at the earliest
- To reflect these uncertainties, the **guidance range** has been adjusted to EUR 30.0 – 40.0m for FY 2020

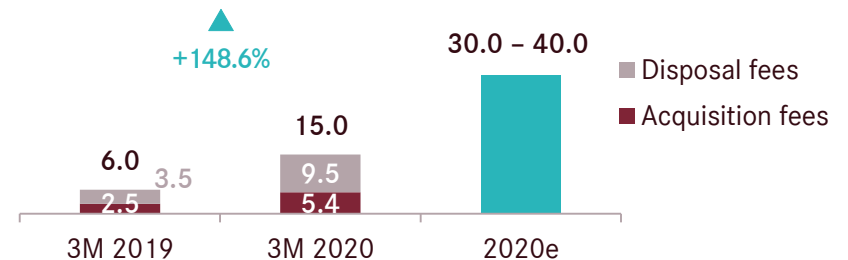
Transaction volume (signed/closed) | EUR bn



European transaction volume | EUR bn¹



Transaction fees | EUR m

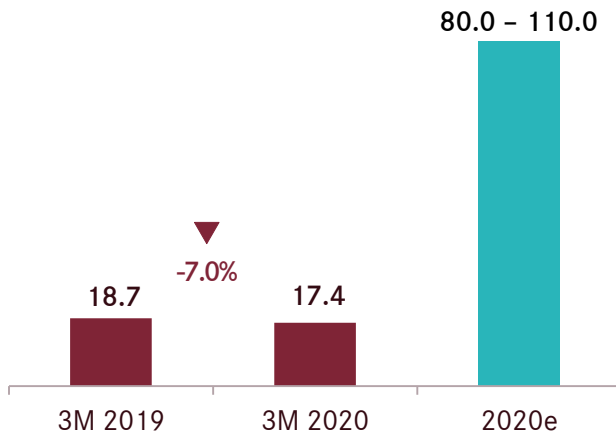


¹ Source: PATRIZIA, RCA All Property

Performance fees

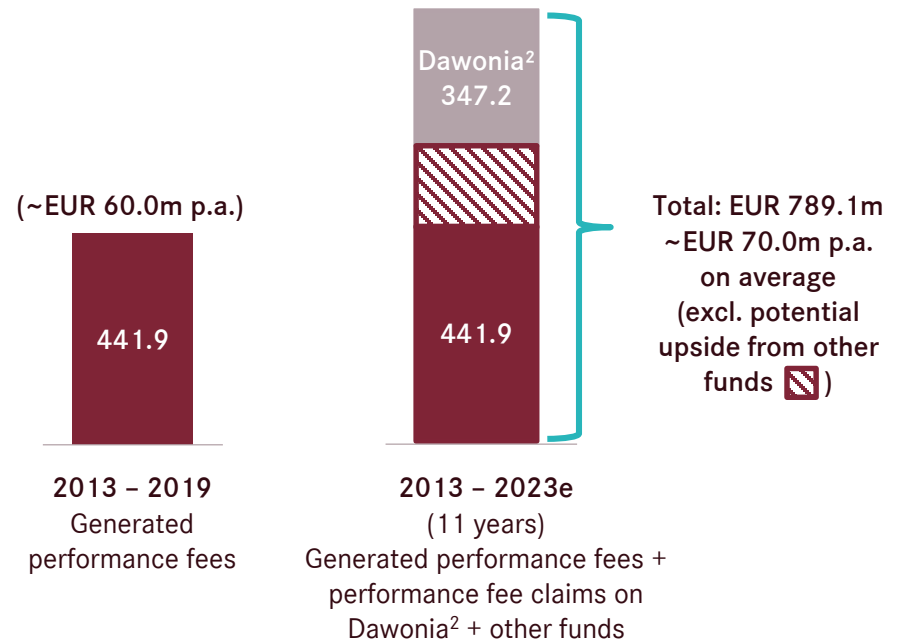
Superior returns for clients translate into attractive performance fees

Performance fees | EUR m



- **Performance fees** of EUR 17.4m in 3M 2020 as stable contributor to overall financial results and only slightly below last year's levels
- Due to the uncertainties of the final Covid-19 impact on the European real estate markets, PATRIZIA broadens **performance fee guidance** for FY 2020 to EUR 80.0 - 110.0m

Performance fee pool¹ | EUR m



¹ Based on revenues/pre-tax (EUR m) | ² EUR 4.7bn residential portfolio PATRIZIA manages on behalf of clients

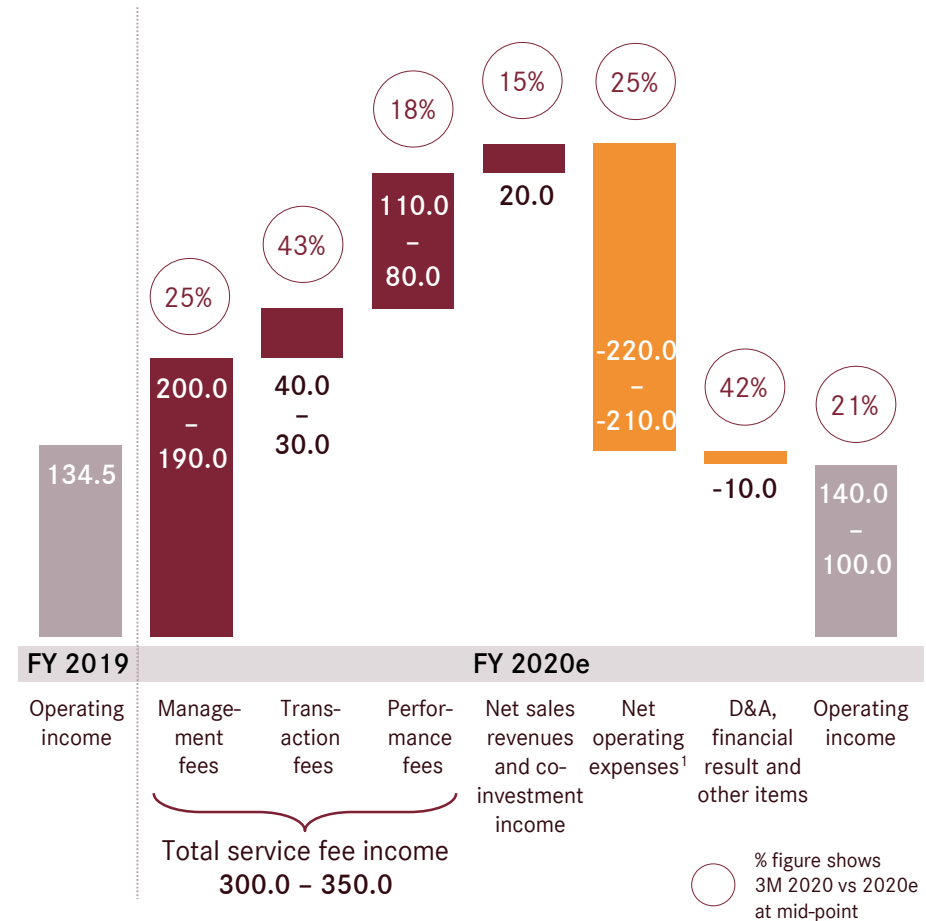
Guidance 2020e

Guidance for 2020e implies further improved earnings profile

Updated Assumptions 2020e

- **Operating income guidance** for FY 2020 broadened to EUR 100.0m to 140.0m to reflect uncertain Covid-19 impact on European real estate investment markets throughout FY 2020
- **Total service fee income:** EUR 300.0 – 350.0m
 - **Management fees:** EUR 190.0 – 200.0m based on increased assets under management
 - **Transactions fees:** EUR 30.0 – 40.0m
 - **Performance fees:** EUR 80.0 – 110.0m
- **Net sales revenues and co-investment income:** EUR 20.0m (increased due to higher visibility on co-investment income)
- **Net operating expenses¹:** EUR 210.0 – 220.0m
- **Transaction volume:** EUR 3.5 – 5.5bn
- **Assets under management:** EUR 46.5 – 48.0bn

Income composition FY 2020e | EUR m





Appendix

Capital allocation

As at 31.03.2020	Assets under management EUR m	Invested capital (fair value) EUR m	Invested capital (at cost) EUR m	Participations in %
Third-party business	38,906.8	0.0		
Co-Investments	6,395.4	489.2	103.7	
Residential	5,590.2	469.8	86.4	
Dawonia GmbH	4,649.0	152.0 ¹	51.7	5.1
Dawonia performance fee claims		283.0 ¹	0.0	0.1
WohnModul I SICAV-FIS	941.2	34.7	34.7	10.1
Other		0.1 ¹	0.1	0.0
Commercial Germany	802.9	17.0	14.4	
Alliance	204.2	5.6 ¹	5.2	5.1
Seneca	159.1	6.0 ¹	4.9	5.1
PATRoffice		0.5 ¹	0.2	6.3
TRIUVA/IVG logistics	439.7	4.0 ¹	3.4	2.1
TRIUVA/IVG commercial		0.8 ¹	0.7	11.0
Commercial International	2.3	2.4	2.8	
Citruz Holding LP (UK)	2.3	0.0 ¹	0.4	10.0
First Street Development LTD (UK)		2.4	2.4	10.0
Principal investments	45.5	21.2		
Other balance sheet items		423.1²		
Tied-up investment capital	45,347.7	933.5		
Available liquidity		568.7		
Total investment capital	45,347.7	1,502.2		
of which debt (bonded loans)		300.0		
of which equity PATRIZIA (excl. non-controlling interests)		1,202.2		

¹ Net of deferred taxes from valuation according to IFRS 9 | ² Including goodwill and fund management contracts

Reconciliation of operating income

EUR k	3M 2020	3M 2019	Change
EBITDA	29,625	26,067	13.6%
Amortisation of other intangible assets ¹ , software and rights of use, depreciation of property, plant and equipment	-8,787	-11,586	-24.2%
EBIT	20,837	14,481	43.9%
Finance income/expenses	-1,113	-1,036	7.4%
Result from currency translation	566	428	32.3%
EBT	20,291	13,873	46.3%
Amortisation of other intangible assets ¹	4,952	7,815	-36.6%
Realised changes in value of investment property (net)	0	1,078	-100.0%
Reorganisation result	0	1,804	-100.0%
Expenses/income from unrealised currency translation	-2,302	-616	273.7%
Investments in the future	1,716	0	0.0%
Operating income	24,656	23,954	2.9%

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

Consolidated income statement

EUR k	3M 2020	3M 2019	Change %
Revenues	66,586	57,742	15,3%
Income from the sale of investment property	0	231	-100,0%
Changes in inventories	-1,545	-5,047	-69,4%
Other operating income	2,057	1,919	7,2%
Total operating performance	67,099	54,845	22,3%
Cost of materials	-702	-729	-3,7%
Cost of purchased services	-5,115	-3,263	56,7%
Staff costs	-34,101	-31,439	8,5%
Other operating expenses	-17,322	-13,377	29,5%
Impairment losses for trade receivables and contract assets	-38	0	-100,0%
Income from participations	19,805	21,834	-9,3%
EBITDAR	29,625	27,871	6,3%
Reorganisation expenses	0	-1,804	-100,0%
EBITDA	29,625	26,067	13,6%
Amortisation of other intangible assets ¹ , software and rights of use, depreciation of property, plant and equipment	-8,787	-11,586	-24,2%
Earnings before interest and taxes (EBIT)	20,837	14,481	43,9%
Financial income	554	413	34,2%
Financial expenses	-1,667	-1,449	15,0%
Result from currency translation	566	428	32,3%
Earnings before taxes (EBT)	20,291	13,873	46,3%
Income taxes	-9,028	-1,672	439,8%
Net profit for the period	11,263	12,201	-7,7%

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

Consolidated balance sheet | Assets

EUR k	31.03.2020	31.12.2019
A. Non-current assets		
Goodwill	207,853	210,292
Other intangible assets	125,727	131,895
Software	11,157	10,326
Rights of use	24,107	24,988
Investment property	1,835	1,835
Equipment	5,810	6,056
Associated companies accounted for using the equity method	46,701	69,035
Participations	526,551	525,716
Non-current borrowings and other loans	28,447	28,276
Deferred taxes	20,086	17,305
Total non-current assets	998,274	1,025,724
B. Current assets		
Inventories	111,035	113,208
Securities	1,011	1,011
Current tax assets	17,393	17,318
Current receivables and other current assets	378,397	380,735
Cash and cash equivalents	457,770	449,084
Total current assets	965,605	961,356
Total assets	1,963,879	1,987,080

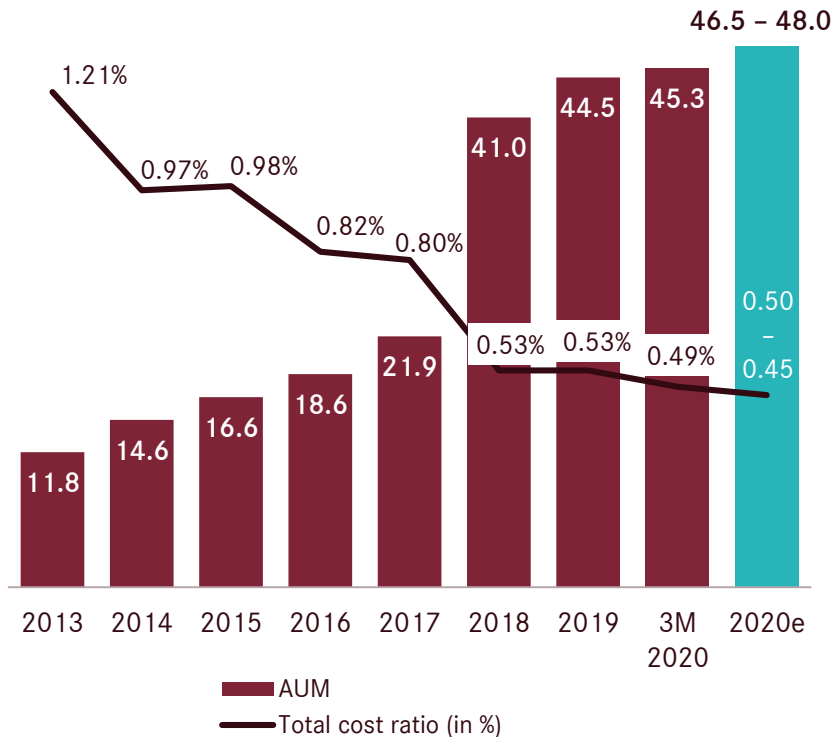
Consolidated balance sheet | Equity and liabilities

EUR k	31.03.2020	31.12.2019
A. Equity		
Share capital	90,635	91,060
Capital reserves	147,561	155,222
Retained earnings		
Legal reserves	505	505
Currency translation difference	-12,384	-4,818
Remeasurements of defined benefit plans according to IAS 19	-3,459	-3,459
Revaluation reserve according to IFRS 9	79,710	78,721
Consolidated unappropriated profit	899,636	889,160
Non-controlling interests	30,731	30,359
Total equity	1,232,934	1,236,750
B. Liabilities		
NON-CURRENT LIABILITIES		
Deferred tax liabilities	112,543	112,178
Retirement benefit obligations	27,385	27,564
Bonded loans	300,000	300,000
Non-current liabilities	21,370	25,094
Leasing liabilities	15,583	15,841
Total non-current liabilities	476,880	480,677
CURRENT LIABILITIES		
Short-term bank loans	93,264	93,194
Other provisions	8,265	9,254
Current liabilities	101,646	101,186
Short-term leasing liabilities	8,721	9,328
Tax liabilities	42,169	56,692
Total current liabilities	254,065	269,653
Total equity and liabilities	1,963,879	1,987,080

Profitability and costs

Continued efficiency improvements propel profitability and cost ratios

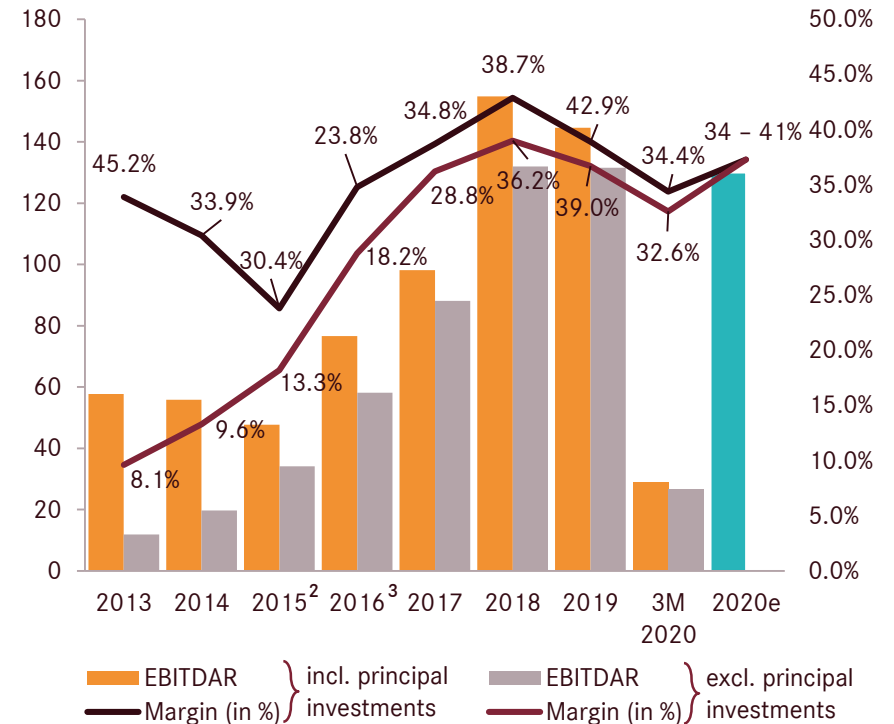
AUM vs total cost ratio | EUR bn vs %



- Total cost ratio = Net operating expenses (incl. staff costs) divided by average AUM

¹ EBITDAR values slightly adjusted compared to IFRS P&L in order to enable better operational like-for-like comparison | ² 2015 excluding SÜDEWO exit fee | ³ 2016 excluding Harald profit

EBITDAR margin (+/- principal investments) | EUR m, LHS vs %¹



- **Margin transformation** of business model completed, i.e. from volatile principal investment to stable service fee income
- Dip in 3M 2020 mainly due to aperiodic effects; FY 2020 should be normalised again

Financial calendar

2020

July 1 ➤ **Annual General Meeting 2020 (virtual AGM)**

August 6 ➤ **Interim Report for the first half of 2020**

November 12 ➤ **Quarterly Statement for the first nine months of 2020**

Invitations and dial-in numbers are provided in advance.

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

Contact



KARIM BOHN
Member of the
Management Board | CFO

PATRIZIA AG
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 WALZ
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 AG or any of its affiliates. Whilst prepared in good faith, the information contained in this document does not purport to be comprehensive. PATRIZIA 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 AG and the general economic and regulatory environment and other factors to which PATRIZIA AG is exposed to. 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 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.

14 May 2020, PATRIZIA AG