

A FORWARD-THINKING PARTNER

We invest responsibly to deliver real value

 PATRIZIA



Results Presentation
3M 2021 | 12 May 2021

PATRIZIA 3M 2021 Financial Results | Video presentation

Let our CFO Karim Bohn guide you through the most important points of our 3M 2021 Financial Results

Access via QR code



Access via weblink

<https://youtu.be/vGdls1YAuo0>

PATRIZIA beyond financials – 3M 2021 milestones

Resilient business model and platform

EUR 1.0 bn of transactions signed in 3M 2021

PATRIZIA has a well filled transaction pipeline



Structural growth market

Client survey confirms long-term structural growth case

More than 70% of our institutional clients plan to expand their real estate allocations over the next 5 years



Sustainability and Transparency

Building communities & sustainable futures

PATRIZIA made additional strategic hires in the field to further shape the industry and create positive impact



Four key messages for 3M 2021

A forward-thinking partner who invests responsibly to deliver real value

1

Good start into the year

Operating income up 7.4% y-o-y driven by continued growth in management fees

2

Rock-solid balance sheet

Net equity ratio of 76.9% and available liquidity of more than EUR 630.0m provide flexibility for further growth

3

Increased profitability

Management fees increased 5.8% y-o-y, at the same time net operating expenses decreased by 1.1% y-o-y

4

Guidance for FY 2021 confirmed

With a well filled pipeline for 2021 we are fully on track to deliver on our FY 2021 guidance

Our balance sheet is stronger than ever

We will continue to invest in our platform, in people and technology to offer our clients best in class products

- Strong balance sheet ratios and capital structure to facilitate further profitable growth
- **Performance fee claim on Dawonia³** of EUR 379.2m⁴ pre-tax provides good visibility on **overall** performance fee income and cash-flow generation over the next years
- **Operating income contribution** from performance fees over next five years depends on client preferences and disposal activity in funds

Strong balance sheet

EUR m	31.03.2021
Total assets	1,979.4
Equity (excl. non-controlling interests)	1,260.0
Equity ratio	63.7%
Cash and cash equivalents	466.3
+ Deposits and securities	+208.8
- Bank loans	-40.0
- Bonded loans	-300.0
= Net cash	327.2
Net equity ratio¹	76.9%

Significant liquidity

EUR m	31.03.2021
Bank balances, cash, deposits and securities	667.2
- Regulatory reserve for asset management companies	-32.4
- Transaction related liabilities and blocked cash	-0.0
- Liquidity in closed-end funds business property companies	-0.0
= Available liquidity²	634.8

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

² In addition 2,668,545 PATRIZIA treasury shares (worth cEUR 58.0m as at 31.03.2021) which could be used as M&A currency (among other things)

³ EUR 4.9bn residential portfolio PATRIZIA manages on behalf of clients

⁴ EUR 309.0m after tax; see also page 13



Financials & Guidance

3M 2021

Highlights

PATRIZIA with solid start into FY 2021 – confirmed guidance implies continued growth

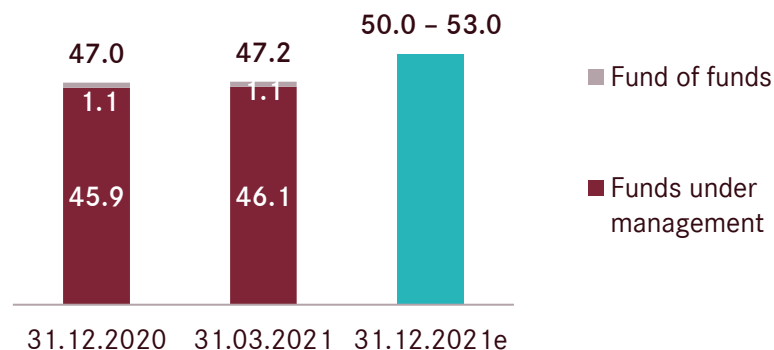
FY 2020

- **Operating income** of EUR 26.5m in 3M 2021, an increase of 7.4% compared to 3M 2020
- **Assets under management (AUM)** increased to EUR 47.2bn compared to EUR 47.0bn at YE 2020 and confirm the resilience of investment strategies and the successful business expansion despite a challenging Covid-19 market environment
- **Rock-solid financial position:** Net equity ratio improved to 76.9% and available liquidity of more than EUR 630.0m
- PATRIZIA signed **transactions** worth EUR 1.0bn for its global clients, an increase of 16.0% y-o-y. At the same time EUR 0.3bn of **equity was raised** for investments in European and Global real asset investment strategies

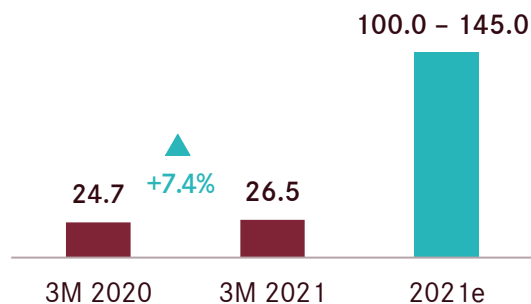
Full-year guidance 2021

- **Operating income** in a range of EUR 100.0m to 145.0m implies further organic growth - up to 24.5% at upper end of guidance
- **Organic AUM growth** of EUR 3.0 – 6.0bn to between EUR 50.0bn – 53.0bn by the end of 2021, i.e. on track for delivering on mid-term growth strategy

Assets under management | EUR bn



Operating income | EUR m



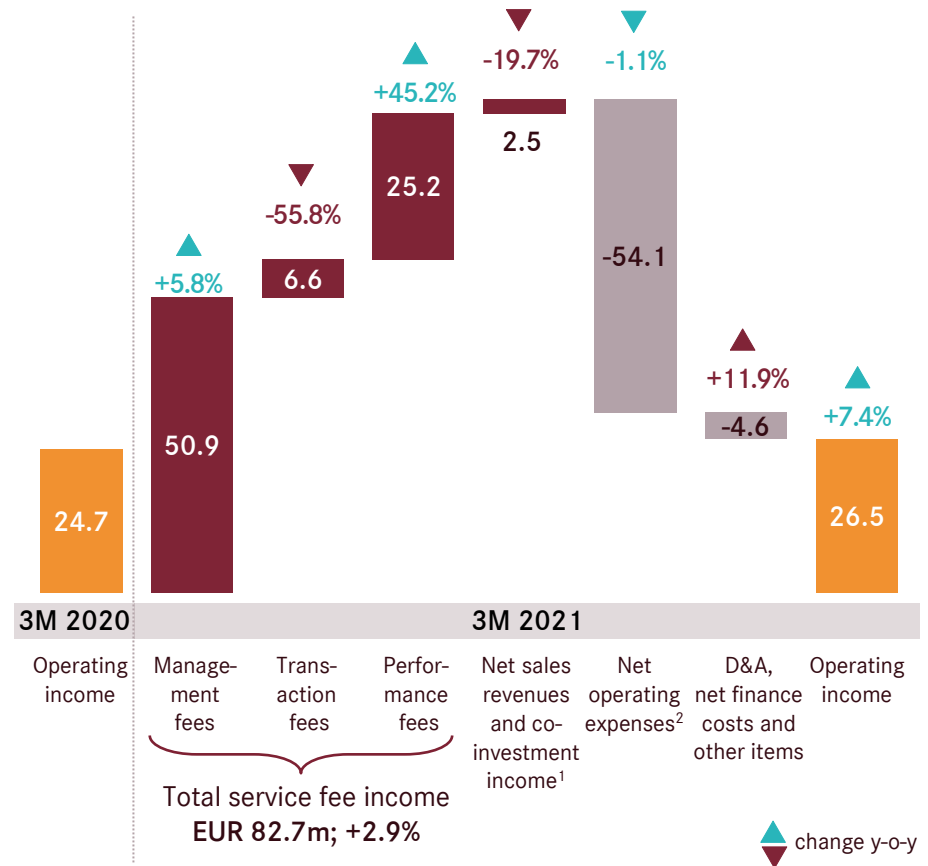
Note: All percentage rates in this presentation refer to the comparable period of the previous year, unless stated otherwise

Operating income

Solid financial results despite challenging market environment

- Solid operating income despite challenging market environment due to continued Covid-19 pandemic
- **Total service fee income** of EUR 82.7m (+2.9%) driven by
 - **Management fees** of EUR 50.9m (+5.8%) prove the stability and resilience of the business model
 - **Transaction fees** of EUR 6.6m (-55.8%); due to continued Covid-19 lock-downs, transaction activity in overall real estate market was significantly down. Acquisition fees nevertheless up y-o-y. PATRIZIA still signed EUR 1.0bn of transactions for its global client base and has a well filled pipeline
 - Strong **Performance fees** of EUR 25.2m (+45.2%) confirm quality of AUM and investment strategies
 - **Net sales revenues and co-investment income** of EUR 2.5m: co-investments contributed EUR 1.2m and principal investments contributed EUR 1.3m
 - **Net operating expenses** of EUR 54.1m (-1.1%): continued cost containment while PATRIZIA continues to invest in further platform growth and technology

Composition 3M 2021 | EUR m



¹ Inter alia netted against other operating income of EUR 0.5m

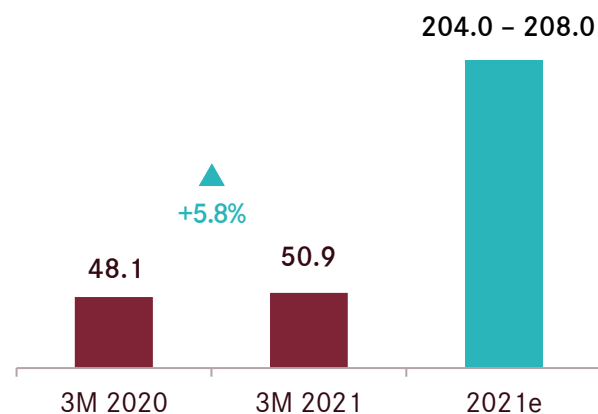
² Excluding EUR 1.7m non-capitalisable expenses for investments into the future

Management fees

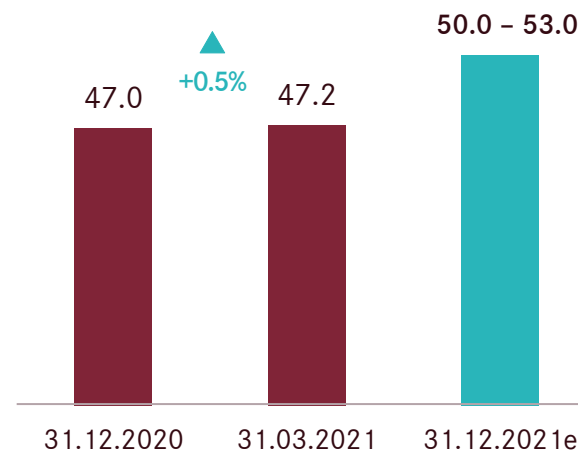
Increased AUM and recurring management fees, despite continued Covid-19 related lock-downs

- **Management fees** of EUR 50.9m (+5.8% y-o-y) prove the stability and resilience of the business model
- **FY 2021 guidance** between EUR 204.0 – 208.0m **confirmed**, i.e. 5.5 - 7.5% growth rate

Management fees | EUR m



Assets under management | EUR bn

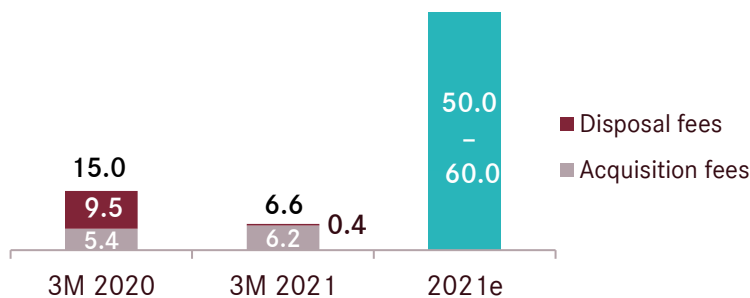


Transaction fees

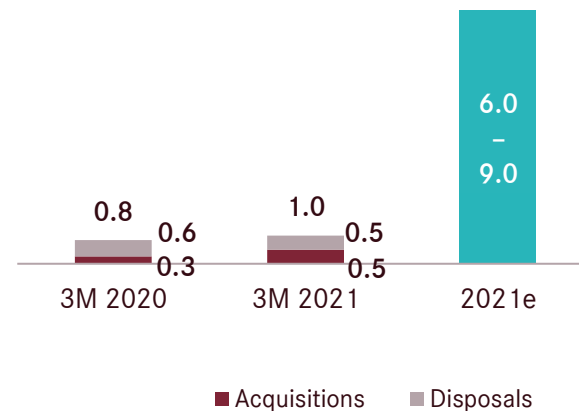
Resilient business model and platform

- During 3M 2021 PATRIZIA signed **transactions** worth EUR 1.0bn for its global clients, an increase of 16.0% y-o-y, i.e. strong outperformance of the European real estate transaction market which is down -32.0% y-o-y¹
- Ongoing transaction activity for PATRIZIA’s global client base results in **transaction fees** of EUR 6.6m in 3M 2021, i.e. -55.8% lower than the extraordinary strong 3M 2020 (which benefited from positive 2019 spill-over effects, it was also the quarter before the Covid-19 pandemic hit the markets)
- **Acquisition fees** in 3M2021 nevertheless stronger (EUR 6.2m) compared to last year’s period (EUR 5.4m)
- Based on transaction pipeline and strong transaction volume in 3M 2021, level of transaction fees expected to increase in the coming quarters
- Well filled **transaction pipeline**
- **FY 2021 guidance** between EUR 50.0 – 60.0m

Transaction fees | EUR m



Transaction volume (signed) | EUR bn



¹ Source: PATRIZIA, RCA All Property

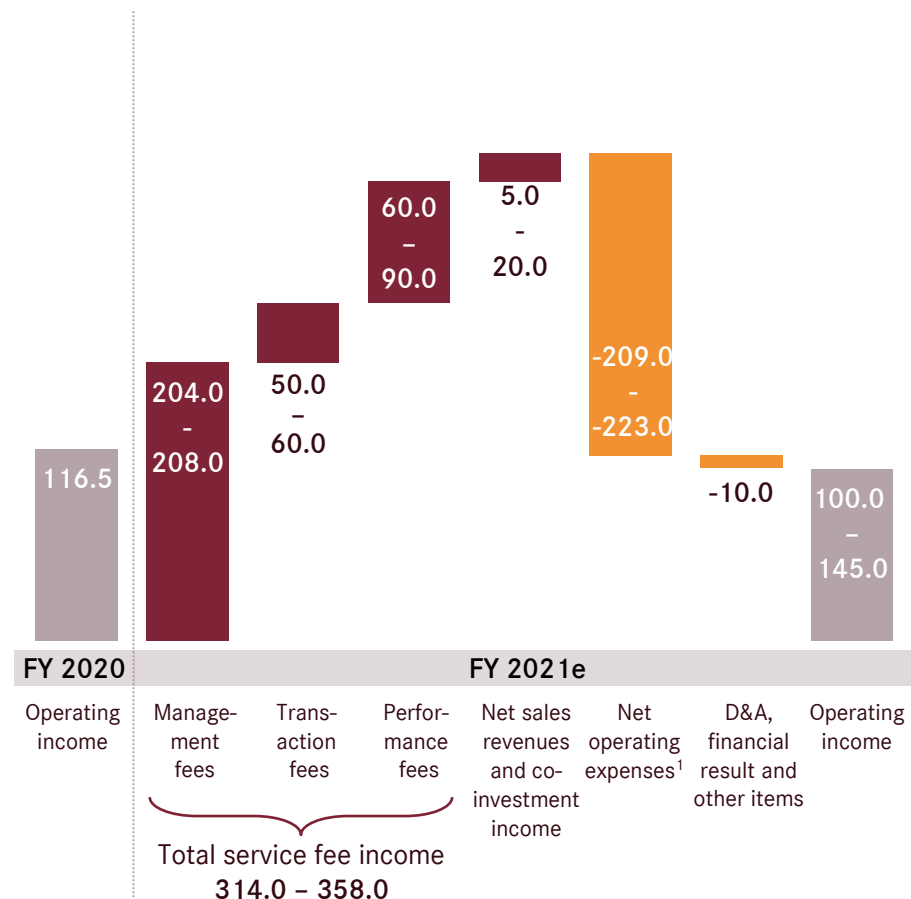
Guidance for FY 2021 confirmed

Profitable growth to continue – FY 2021 Guidance in line with mid-term strategy

Assumptions for FY 2021

- Recurring **management fee** growth of 5.5 - 7.5% expected for FY 2021 driven by further organic AUM growth
- **Performance fees** in a range of EUR 60.0 - 90.0m expected, explaining the wide operating income guidance range; will be specified during the course of the year
- **Operating income guidance** for FY 2021e of EUR 100.0 to 145.0m calls for further organic growth at midpoint of the guidance
- **Transaction volume:** EUR 6.0 - 9.0bn as PATRIZIA has a strong pipeline for 2021
- **Assets under management:** EUR 50.0 - 53.0bn

Income composition FY 2021e | EUR m



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



Appendix

Capital allocation

PATRIZIA's capital allocation as at 31 March 2021

	Assets under Management EUR m	Invested capital (fair value) EUR m	Invested capital (at cost) EUR m	Participations in %
Third-party business	41,153.2	0.0		
Co-Investments	6,078.0	511.8	88.3	
Residential	5,515.8	496.7	76.0	
Dawonia GmbH	4,928.1	163.4 ¹	51.7	5.1
Dawonia performance fee claims		309.0 ¹	0.0	0.1
WohnModul I SICAV-FIS	587.7	24.2	24.2	10.1
Other		0.1	0.1	0.0
Commercial Germany	559.9	11.7	8.6	
Alliance	231.8	5.6 ¹	5.1	5.1
Seneca	159.1	3.6 ¹	1.8	5.1
PATRoffice		0.3 ¹	0.2	6.3
TRIUVA/IVG logistics	169.1	1.1 ¹	0.8	2.1
TRIUVA/IVG commercial		1.2 ¹	0.7	11.0
Commercial International	2.3	3.3	3.7	
Citruz Holding LP (UK)	2.3	0.0 ¹	0.4	10.0
First Street Development LTD (UK)		3.3	3.3	10.0
Principal investments	15.9	21.8		
Other balance sheet items		391.7 ²		
Tied-up investment capital	47,247.1	925.2		
Available liquidity		634.8		
Total investment capital	47,247.1	1,560.0		
of which debt (bonded loans)		300.0		
of which equity PATRIZIA (without non-controlling interests)		1,260.0		

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

Reconciliation of operating income

Reconciliation of operating income

EUR k	3M 2021	3M 2020	Change
EBITDA	31,750	29,625	7.2%
Amortisation of other intangible assets ¹ , software and rights of use, depreciation of property, plant and equipment as well as financial investments	-8,211	-8,787	-6.6%
EBIT	23,539	20,837	13.0%
Finance income/expenses	-950	-1,113	-14.6%
Result from currency translation	-499	566	-188.2%
EBT	22,090	20,291	8.9%
Amortisation of fund management contracts and licenses as well as financial investments	4,018	4,952	-18.9%
Reorganisation result	414	0	/
Non-cash currency effects	-1,691	-2,302	-26.5%
Investments in the future	1,654	1,716	-3.6%
Operating income	26,485	24,656	7.4%

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

Consolidated income statement

EUR k	3M 2021	3M 2020
Revenues	58,835	66,586
Changes in inventories	1,717	-1,545
Other operating income	526	2,057
Total operating performance	61,079	67,099
Cost of materials	-516	-702
Cost of purchased services	-5,051	-5,115
Staff costs	-34,417	-34,101
Other operating expenses	-14,594	-17,322
Impairment result for trade receivables and contract assets	177	-38
Result from participations	25,133	19,805
Earnings from companies accounted for using the equity method	353	0
EBITDAR	32,164	29,625
Reorganisation income	1	0
Reorganisation expenses	-415	0
EBITDA	31,750	29,625
Amortisation of other intangible assets, software and rights of use, depreciation of property, plant and equipment as well as financial investments	-8,211	-8,787
Earnings before interest and taxes (EBIT)	23,539	20,837
Financial income	531	554
Financial expenses	-1,480	-1,667
Result from currency translation	-499	566
Earnings before taxes (EBT)	22,090	20,291
Income taxes	-7,263	-9,028
Net profit for the period	14,827	11,263

Consolidated balance sheet | Assets

Assets

EUR k	31.03.2021	31.12.2020
A. Non-current assets		
Goodwill	215,563	212,353
Other intangible assets	103,152	106,137
Software	15,823	16,603
Rights of use	37,647	25,906
Investment property	1,838	1,838
Equipment	8,020	7,305
Associated companies accounted using the equity method	32,743	32,357
Participations	576,424	574,561
Non-current borrowings and other loans	35,334	34,927
Deferred taxes	26,661	21,031
Total non-current assets	1,053,205	1,033,018
B. Current Assets		
Inventories	19,940	14,647
Securities	20,557	11
Current tax assets	26,075	26,554
Current receivables and other current assets	393,297	392,399
Cash and cash equivalents	466,339	495,454
Total current assets	926,208	929,065
Total assets	1,979,413	1,962,083

Consolidated balance sheet | Equity and liabilities

Equity and liabilities

EUR k	31.03.2021	31.12.2020
A. Equity		
Share capital	89,683	89,683
Capital reserves	129,751	129,751
Retained earnings		
Legal reserves	505	505
Currency translation difference	382	-7,944
Remeasurements of defined benefit plans according to IAS 19	-5,457	-5,457
Revaluation reserve according to IFRS 9	130,335	130,196
Consolidated unappropriated profit	914,826	900,507
Non-controlling interests	32,643	32,265
Total equity	1,292,668	1,269,505
B. Liabilities		
NON-CURRENT LIABILITIES		
Deferred tax liabilities	120,071	115,484
Retirement benefit obligations	29,396	29,579
Bonded loans	234,000	234,000
Non-current liabilities	17,785	22,340
Leasing liabilities	29,089	17,811
Total non-current liabilities	430,341	419,214
CURRENT LIABILITIES		
Short-term bank loans	39,950	43,200
Short-term bonded loans	66,000	66,000
Other provisions	9,123	9,109
Current liabilities	92,077	105,858
Short-term leasing liabilities	8,838	8,387
Tax liabilities	40,415	40,809
Total current liabilities	256,404	273,363
Total equity and liabilities	1,979,413	1,962,083

Financial calendar

2021

May 12 ➤ Quarterly Statement for the first quarter of 2021

August 5 ➤ Interim Report for the first half of 2021

October 14 ➤ Annual General Meeting, virtual

November 11 ➤ Quarterly Statement for the first nine months of 2021

Invitations and dial-in numbers are provided in advance.

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

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11 May 2021, PATRIZIA AG