

Strong growth in AUM to EUR 59.1bn (+21.6% y-o-y) in FY 2022 demonstrates resilience of PATRIZIA's real asset investment management platform

- FY 2022 preliminary financial results: Real Assets AUM and product offering further diversified with now close to 15% of Assets under Management (AUM) in the infrastructure sector with further strong growth potential and more than 11% of AUM outside of Europe, especially in Asia-Pacific and North America
- EBITDA of EUR 78.9m (-38.8% y-o-y) impacted by market headwinds and reorg expenses but shows continued growth in recurring management fees, further improving quality of earnings
- PATRIZIA proposes to increase dividend per share (DPS) by 3.1% to EUR 0.33, the fifth consecutive increase driven by continued solid cash flow generation
- Strong Group balance sheet and available liquidity of EUR 375.1m as well as strong firepower in PATRIZIA's equity rich funds offer further growth potential once investment opportunities arise
- PATRIZIA remains cautiously optimistic about FY 2023 with an EBITDA guidance of between EUR 50.0m - 90.0m and AUM growth to between EUR 60.0bn - 65.0bn

Augsburg, 27 February 2023. PATRIZIA, a leading partner for global real assets, today published preliminary, unaudited financial results for FY 2022. The company delivered strong growth in assets under management (AUM) in FY 2022 and further diversified its product offering to its domestic and international client base via organic and inorganic growth. Recurring management fees showed continued growth in line with strategy, while transaction fees and performance fees were impacted by market headwinds and temporarily subdued client investment activity.

Assets under Management further diversified into attractive geographies and sectors

Assets under Management increased strongly by EUR 10.5bn or 21.6% y-o-y, from EUR 48.6bn to EUR 59.1bn. Growth was primarily driven by the first-time consolidation of M&A transactions Whitehelm Capital and ADVANTAGE Investment Partners (EUR 6.8bn), net organic growth through investments in real asset products for clients (EUR 2.0bn) and continued positive valuation effects (EUR 1.6bn). PATRIZIA's well diversified AUM also demonstrated resilience during Q4 2022 with a smaller net positive valuation contribution to AUM. Debt levels in the funds managed remained low with an average LTV of 31.0%.

PATRIZIA successfully managed to further diversify AUM by geographies and sectors during 2022, strengthening resilience of the platform and recurring management fee generation. Investments in Asia-Pacific (now 5.0% of AUM), North America (4.6%) and other regions outside of Europe now represent more than 11% of AUM and are testament to the successful global growth and diversification strategy of real asset investment manager PATRIZIA. Subsequently, the share of AUM in Germany fell from 60.0% in 2021 to 52.1%, while AUM exposure to the most attractive European real asset markets remained a key pillar for client investments.

EBITDA impacted by market headwinds and reorganisation with continued growth of recurring fees

Total service fee income came in at EUR 324.7m (-5.2% y-o-y) with recurring management fees (EUR 241.0m, up 15.3% y-o-y) being the largest contributor as well as growth driver for total service fee income in FY 2022. Market headwinds lead to temporarily subdued client activity in the reporting year, particularly impacting transaction fees (EUR 22.5m, down 56.3% y-o-y) and also performance fees (EUR 61.2m, down 25.3% y-o-y). Net sales revenues and co-investment income contributed EUR 4.3m in FY 2022 (down 61.3% y-o-y), the y-o-y decline a reflection of PATRIZIA's successful conversion to an asset light investment management business model over the last years.

Investor Relations Release

Net operating expenses increased to EUR 250.1m (up 11.3% y-o-y). Growth in net operating expenses was driven by the first-time consolidation of M&A transactions as well as reorganisation expenses. In addition, the profitable deconsolidation of a project development temporarily held on the balance sheet had a positive, partially offsetting impact.

EBITDA as a result came in at EUR 78.9m (down 38.8% y-o-y). Adjusted for reorganisation expenses addressing and improving the Group's efficiency in the amount of EUR 10.0m, the EBITDAR came in at EUR 88.9m (down 32.5% y-o-y). Both EBITDAR and EBITDA came in higher than the most recent FY 2022 guidance ranges (EUR 70.0 – 85.0m and EUR 60.0 – 75.0m) due to cost containment and higher than forecasted performance fees in the fourth quarter of FY 2022.

Balance Sheet, Liquidity and Firepower

PATRIZIA continues to run a solid balance sheet with a net equity ratio of close to 70.1% and available liquidity of EUR 375.1m. In addition, available firepower in the funds managed adds up to more than EUR 4.0bn. This strong position is a competitive advantage in an uncertain market environment and offers flexibility both for investments for clients but also for strategic investments for PATRIZIA, if and when opportunities arise in the market.

Shareholder Capital Management

PATRIZIA's management together with the Board of Directors will propose a dividend per share for FY 2022 of EUR 0.33 for shareholders to participate in the further growth of the Group. This reflects the fifth consecutive increase in dividend per share, equivalent to 3.1% y-o-y growth. In addition, PATRIZIA in February 2023 concluded its fifth share buy-back activity, which started in January 2022 and invested another EUR 50m in PATRIZIA shares at attractive share price levels.

Outlook for FY 2023

PATRIZIA expects AUM and recurring management fees to continue to grow throughout FY 2023 based on available firepower in the existing real estate and infrastructure funds. However, the still uncertain market environment with regards to geopolitical risks, interest rate levels and client allocation to real assets continue to make an estimate of the timing and magnitude of recovery in client activity – potentially impacting transaction and performance fees – for FY 2023 difficult.

PATRIZIA expects a pick-up in client activity during the second half of FY 2023 and remains cautiously optimistic with an EBITDA guidance of between EUR 50.0m - 90.0m and continued AUM growth to a range of between EUR 60.0bn - 65.0bn.

Wolfgang Egger, Founder and CEO of PATRIZIA SE, comments: “The year 2022 was transformational for PATRIZIA following the acquisitions of Whitehelm Capital and ADVANTAGE Investment Partners. These two acquisitions significantly built out our geographic footprint in Asia-Pacific and North America as well as broadened our product portfolio and sector expertise. We added new asset classes such as digital and social infrastructure, as well as new types of products, including debt and listed securities. And we have much stronger options for organic growth than we did in the past, based on our larger product portfolio and regional reach, for the benefit of all our stakeholders.”

Investor Relations Release

Christoph Glaser, CFO of PATRIZIA SE, adds: “Last year we demonstrated the resilience of PATRIZIA’s asset light investment management platform, while at the same time made clear the areas we need to address - higher independence from market activity related revenues and improved platform and cost efficiency. We completed crucial groundwork in 2022 to address both topics. Firstly, through our reorganisation exercise and, secondly, with the decision to focus on fewer growth initiatives and larger flagship products that will offer our clients a broad range of real asset investment strategies while improving cost efficiency at the same time.”

Preliminary, unaudited Financial Results FY 2022

EUR m	2022	2021 ¹	Change
Management fees	241,0	209,1	15,3%
Transaction fees	22,5	51,4	-56,3%
Performance fees	61,2	81,9	-25,3%
Total service fee income	324,7	342,4	-5,2%
Net sales revenues and co-investment income	4,3	11,2	-61,3%
Net operating expenses	-250,1	-224,7	11,3%
EBITDA	78,9	128,9	-38,8%
EBIT	35,6	93,3	-61,9%
EBT	20,8	87,7	-76,3%

¹ The previous year's figures were restated in line with the new structure in the year under review

EUR bn	2022	2021	Change
Assets under Management	59,1	48,6	21,6%
EBITDA margin	24,0%	36,5%	-12,5 PP

PP = percentage points

EUR bn	2022	2021	Change
Equity raised	2,0	2,6	-24,2%
Transaction volume - signed	6,0	6,8	-10,7%
Transaction volume - closed	6,1	5,9	4,0%

PATRIZIA: A leading partner for global real assets

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 39 years. PATRIZIA manages more than EUR 59 billion in assets and employs over 1,000 professionals at 28 locations worldwide. Through its PATRIZIA Foundation, PATRIZIA is committed to social responsibility. The Foundation has helped around 250,000 children in need worldwide gain access to education and thus, has given them the chance of a better life over the last 24 years. You can find further information at www.patrizia.ag

Contact

Martin Praum
 Head of Investor Relations & Group Reporting
 Phone: +49 69 643505-1114
Investor.relations@patrizia.ag