

PATRIZIA Annual Report 2022: Solid operating performance, successful transformation and fifth dividend increase in a row

- Preliminary financial results confirmed: Solid operating performance in a volatile and fast-changing market environment
- Successful transformation to global real asset investment manager creates resilient platform with broad and diversified Assets under Management (AUM) across sectors and geographies
- Dividend increase of 3.1% to EUR 0.33 per share, fifth consecutive dividend increase
- Outlook cautiously optimistic: EBITDA expected between EUR 50.0m - 90.0m, AUM expected to grow to between EUR 60.0bn - 65.0bn, recurring management fee growth to continue

Augsburg, 22 March 2023. PATRIZIA, a leading partner for global real assets, today published its FY 2022 Annual Report and confirmed the financial performance of FY 2022 communicated to the market with preliminary results on 27 February 2023.

In the past financial year, geopolitical circumstances and macroeconomic shifts impacted client investment activity. However, due to the increasingly diversified international product offering in real estate and infrastructure and the nature of the company's business model as an asset manager without material own balance sheet exposure, PATRIZIA was able to demonstrate operating resilience in a volatile and fast-changing market environment.

Financial Results

AUM continued to grow both organically and inorganically to a level of EUR 59.1bn (+21.6% y-o-y). 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 the growth driver for total service fee income in FY 2022. Market headwinds led to temporarily subdued client activity in the reporting year, particularly impacting transaction fees (EUR 22.5m, down 56.3% y-o-y) and performance fees (EUR 61.2m, down 25.3% y-o-y). In a weakening market environment, PATRIZIA achieved an EBITDA of EUR 78.9m (-38.8% y-o-y), equivalent to an EBITDA margin of 24.0% (-12.5 PP y-o-y). While EBITDA showed a significant decline y-o-y, the Group's operating cash flow generation demonstrated strong growth during FY 2022 with EUR 120.9m (+312.1% y-o-y).

Delivering on strategic transformation objectives

PATRIZIA continued to successfully pursue its transformation towards becoming the leading partner for global real assets. The company significantly enhanced its real asset investment management capabilities, especially with the strengthening of the infrastructure skill profile.

The acquisition of Whitehelm Capital was a transformational acquisition as the product offering and investment expertise in infrastructure significantly broadened the existing portfolio of investment solutions. This acquisition did not only enrich the investment opportunities for PATRIZIA's clients, but also more than quadrupled the Company's infrastructure engagements to EUR 8.8bn AUM as of year's end and tops up the level of recurring management fees. Moreover, it strengthens PATRIZIA's earnings resilience across market cycles. The company's mid-term strategy remains unchanged and focuses on growing the business and AUM significantly.

The acquisition of ADVANTAGE Investment Partners in Denmark was also successfully completed in December 2022. The Copenhagen-based company that managed EUR 2.2bn AUM as of the end of the year possesses both direct and wholesale distribution channels and effectively complements the product range of PATRIZIA Global Partners, which specialises in multi-manager real estate offerings.

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Both acquisitions extend the product shelf and the platform further beyond Europe, while strengthening the distribution capabilities at the same time.

Furthermore, the reorganisation of operations during FY 2022 targets improvements in the efficiency level and set priorities for future growth.

Fundraising & Investment Activity

PATRIZIA was able to further expand its platform because of the Company's healthy and resilient core business with German roots. Irrespective of the macroeconomic environment, our teams were able to launch and further expand investment strategies in real estate and infrastructure, in line with the four megatrends demographics, urbanisation, digitalisation and decarbonisation, as well as investment strategies with a clear ESG focus. The share of flagship funds grew considerably and totalled nearly half of total AUM at year's end, pursuing the ambition to further grow the share significantly mid-term.

In the Asia-Pacific (APAC) region, which is one of PATRIZIA's growth initiatives, the Company delivered a head start by securing two major mandates. The two products launched, each amounting to an investment volume of up to USD 1bn, offer access to infrastructure in the APAC region and real estate assets in Japan. Additionally, growth will be facilitated through our new regional hub in Singapore.

At the end of the year, available firepower across all funds managed amounted to more than EUR 4.0bn. It can be deployed immediately when market opportunities present themselves.

Dividend and Outlook

PATRIZIA continues to run a resilient business model with strong balance sheet financials and solid cash flow generation. Against this backdrop, Management, together with the Board of Directors, proposes a dividend per share of EUR 0.33 for FY 2022, equivalent to a growth of 3.1% y-o-y and the fifth consecutive increase in dividends.

Despite continuing challenges in the macroeconomic environment, PATRIZIA enters 2023 with cautious optimism. Provided that client and market activity pick up in the second half of 2023, the company expects AUM to continue to grow to between EUR 60.0bn - 65.0bn, and to generate an EBITDA of between EUR 50.0m - 90.0m, equivalent to an EBITDA margin of between 15.6% - 24.3% for FY 2023.

The **Annual Report 2022**, the **FY 2022 Video Statement by Christoph Glaser, CFO**, and further accompanying documents can be found [here](#).

The **Remuneration Report 2022** can be found [here](#).

The **Sustainability Report 2022** can be found [here](#) from 28 March 2023 onwards.

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Results 2022 and Guidance FY 2023

EUR m	2022	2021 ¹	Change	Guidance range 2023	
				min	max
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	-61.4%		
Net operating expenses	-250.1	-224.7	11.3%		
EBITDA	78.9	128.9	-38.8%	50.0	90.0
EBIT	35.6	93.3	-61.9%		
EBT	20.8	87.7	-76.3%		

¹ The previous year's figures were adjusted due to the conversion of the financial performance indicators in the financial year.

	2022	2021	Change	min	max
Assets under Management (EUR bn)	59.1	48.6	21.6%	60.0	65.0
EBITDA margin	24.0%	36.5%	-12.5 PP	15.6%	24.3%

PP = percentage points

	2022	2021	Change
Net profit for the period (EUR m)	7.2	51.8	-86.0%
Earnings per share (EUR)	0.08	0.54	-84.6%
Dividend per share (EUR)	0.33	0.32	3.1%

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 59bn 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

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