

Growth in assets under management and superior investment performance drive strong set of results

## **PATRIZIA with strong H1 2019 performance – guidance for FY2019 confirmed**

- ♦ EUR 3bn transactions completed for domestic and international clients in H1 2019
- ♦ Solid growth in management fees by 19.7% y-o-y to EUR 97.1m
- ♦ Total service fee income of EUR 174.2m, up 28.2% y-o-y
- ♦ Operating income of EUR 79.0m even exceeded very strong H1 2018 by 8.9%
- ♦ Full-year guidance of EUR 120.0 – 130.0m operating income confirmed

**Augsburg, 7 August 2019.** PATRIZIA AG, the global partner for pan-European real estate investment, announces strong H1 2019 performance driven by increased assets under management and superior investment performance for its domestic and international clients.

Commenting on the results, PATRIZIA CFO Karim Bohn said: “PATRIZIA continues to deliver outstanding investment performance to its domestic and international clients which is reflected in strong performance fees and an overall strong set of H1 2019 results. At the same time recurring management fees showed solid y-o-y growth and cost growth remained well below growth in total service fee income. The quality of our earnings has improved further, especially bearing in mind that H1 2018 results were significantly impacted by the disposal of phase-out principal investments. The 8.9% y-o-y growth in operating income hence confirms the improved profitability of PATRIZIA’s platform.”

As at 30 June 2019, PATRIZIA’s assets under management increased to EUR 41.6bn compared to EUR 41.0bn at 31 December 2018. The Group executed EUR 3.0bn transactions in European real estate for its domestic and international clients during the January-June 2019 period.

Operating income for the first six months of 2019 was up 8.9% y-o-y to EUR 79.0m (H1 2018: EUR 72.5m), driven by solid y-o-y growth in management fees and performance fees. Both more than offset the positive impact from the disposal of phase-out principal investments and income from co-investments that positively impacted the comparable period 2018.

PATRIZIA confirms its guidance for operating income of between EUR 120.0 – 130.0m for the financial year 2019. Bohn adds: “The strong set of H1 results is fully in line with our budget. While we expect the majority of our targeted FY 2019 transaction volume to be signed in the second half of 2019, the majority of budgeted performance fees was generated already in H1 2019. We hence confirm our targets for growth in assets under management and operating income for FY 2019.”

PATRIZIA recorded growth in recurring management fees of 19.7% y-o-y to EUR 97.1m (H1 2018: EUR 81.1m) and growth of 75.2% y-o-y in performance fees to EUR 64.9m (H1 2018: EUR 37.1m). Transaction fees were recorded at EUR 12.1m compared to EUR 17.5m in H1 2018 (down 30.7% y-o-y) due to lower overall transaction activity in the European market. PATRIZIA expects an increased transaction activity in H2 2019 with a solid pipeline under negotiation for its clients. Overall total service fee income, combining the three positions above, grew 28.2% y-o-y from EUR 135.8m in H1 2018 to EUR 174.2m in H1 2019.

### **PATRIZIA AG:**

PATRIZIA AG has been active as an investment manager in the real estate market across Europe for more than 35 years. PATRIZIA’s activities include the acquisition, management, repositioning and sale of residential and commercial real estate through its own licensed investment platforms. As a global partner for pan-European real estate investment, PATRIZIA operates as a respected business

## Press release

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partner of large institutional investors and retail investors in all major European countries. PATRIZIA manages more than EUR 40 billion of real estate assets, primarily as an investment manager for insurance companies, pension fund institutions, sovereign funds, savings and cooperative banks and as co-investor. For further information, please visit: [www.patrizia.ag](http://www.patrizia.ag)

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