

PATRIZIA 3M 2024 financial results show continued AUM resilience while impact of muted market environment on EBITDA remains – encouraging growth of equity raised

- Signed transactions up 22.6% y-o-y with equity raised showing encouraging y-o-y growth, albeit on low absolute levels
- AUM at EUR 56.7bn (FY 2023: EUR 57.3bn) impacted by modest valuation pressure
- Total service fee income of EUR 72.5m (3M 2023: EUR 83.7m) reflective of continued low overall investment and transaction market activity
- EBITDA of EUR 17.3m (3M 2023: EUR 27.2m), primarily driven by the recognition of annual carry payments during the first quarter, on track to achieve full year guidance of EUR 30.0m - 60.0m
- Annual General Meeting on 12 June 2024 to decide on dividend per share of EUR 0.34 for FY 2023, payable on 17 June 2024

Augsburg, 14 May 2024. PATRIZIA today published its 3M 2024 financial results. The first three months of the year continued to be characterised by a challenging market environment for investments in real assets. Nevertheless, transaction activity on behalf of PATRIZIA's clients as well as capital raised improved compared to the first three months 2023, while AUM continued to demonstrate resilience with only a modest decline of 2.4% y-o-y.

Market environment and financial results

Investment and transaction markets for real estate and infrastructure remained subdued in the first three months of 2024, driven by the continued price finding process of market participants. Sustained high uncertainty resulting from volatility in interest rate expectations and raised geopolitical tensions impacted the European transaction markets in the first three months of 2024.

Nevertheless, due to its strong platform PATRIZIA was able to sign transactions in the amount of EUR 323.9m (3M 2023: EUR 264.2m; +22.6%) on behalf of clients, with the majority of acquisitions in the infrastructure sector and the majority of disposals in commercial real estate. At the same time, PATRIZIA was able to raise new equity of EUR 311.0m (3M 2023: EUR 22.9m; +>100.0%) from clients for future investments in real assets.

PATRIZIA's diverse AUM continued to prove resilient with AUM slightly down by 2.4% to EUR 56.7bn (3M 2023: EUR 58.1bn) mainly driven by market valuation pressure.

Total service fee income decreased by 13.3% to EUR 72.5m (3M 2023: EUR 83.7m). This was attributable to lower management fees of EUR 57.7m, which declined on the previous year (3M 2023: EUR 62.2m; -7.2%) due to lower management fees from servicing project developments for clients. On a like-for-like basis, management fees showed stability compared to last year. Transaction fees came in at EUR 0.2m (3M 2023: EUR 1.1m; -85.3%) as transactions carried out in the first quarter of the year had no or limited transaction fee elements attached. Performance fees came in at EUR 14.6m (3M 2023: EUR 20.4m; -28.3%), driven by annual carry payments recognised in the first three months of 2024.

Net sales revenues and co-investment income came in virtually unchanged at EUR 1.6m (3M 2023: EUR 1.7m; -5.1%).

Operating expenses increased by 1.7% to EUR -62.5m (3M 2023: EUR -61.5m). The increase is mainly due to trailing reorganisation expenses in connection with the cost-cutting programme initiated in the

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previous financial year. The increase in staff costs due to inflation-related salary adjustments was offset by savings in other operating expenses.

Other income rose by 73.1% to EUR 5.7m (3M 2023: EUR 3.3m) mainly due to the reversal of liabilities recognised in profit or loss and the positive impact from the deconsolidation of temporarily warehoused assets.

As a result, EBITDA decreased to EUR 17.3m (3M 2023: EUR 27.5m; -36.3%) and the EBITDA margin decreased to 23.4% (3M 2023: 31.8%; -8.5pp), both primarily caused by the market-driven decrease in total service fee income.

Statements by CEO and CFO

Asoka Wöhrmann, CEO of PATRIZIA SE comments: “Despite the challenging market environment, we are starting to see the early signs of a stabilisation. Mid-market infrastructure remains a highly attractive sector for deploying capital, while on the real estate side we continue to have strong conviction for value-add strategies, particularly in the residential, logistics and alternatives sectors, which plays to our strengths. We continue to successfully diversify our global real assets platform and offer investment strategies that leverage the major transition themes of our time – Digitalisation, Urbanisation 2.0, Energy transition and modern Living (DUEL).”

Christoph Glaser, CFO of PATRIZIA SE adds: “Available firepower of EUR 3.4bn in our funds enables us to take chances for our clients when they arise. Furthermore, our strong balance sheet, with a net equity ratio of about 70% and sufficient liquidity of more than EUR 300m, allows us to invest or co-invest when favourable opportunities emerge.”

Annual General Meeting, dividend payment and outlook

PATRIZIA's 2024 Annual General Meeting will be held virtually on 12 June 2024. The Board of Directors is proposing a dividend per share of EUR 0.34 for FY 2023, equivalent to a growth of 3.0% y-o-y and the sixth consecutive increase in dividends. PATRIZIA shares are expected to trade ex-dividend on 13 June 2024 and the dividend is expected to be paid on 17 June 2024.

PATRIZIA confirms its financial guidance for FY 2024 with AUM in a range between EUR 54.0bn - 60.0bn and an EBITDA of between EUR 30.0m - 60.0m, equivalent to an EBITDA margin of between 11.0% - 19.2% for FY 2024. The guidance assumes that client investment activity will pick up only throughout the course of FY 2024, assuming a normalisation of the interest rate environment and increased activity in the transaction markets once potential buyers and sellers agree on new price levels following the change in the interest rate environment.

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Results 3M 2024 and Guidance FY 2024

EUR m	3M 2024	3M 2023	Change	Guidance range 2024	
				min	max
Management fees	57.7	62.2	-7.2%		
Transaction fees	0.2	1.1	-85.3%		
Performance fees	14.6	20.4	-28.3%		
Total service fee income	72.5	83.7	-13.3%		
Net sales revenues and co-investment income	1.6	1.7	-5.1%		
Operating expenses	-62.5	-61.5	1.7%		
Other income	5.7	3.3	73.1%		
EBITDA	17.3	27.2	-36.3%	30.0	60.0
EBIT	10.6	20.1	-47.3%		
EBT	10.9	20.6	-47.2%		

EUR bn	3M 2024	3M 2023	Change	min		max	
Assets under Management	56.7	58.1	-2.4%			54.0	60.0
EBITDA margin	23.4%	31.8%	-8.5 PP			11.0%	19.2%

PP = percentage points

EUR bn	3M 2024	3M 2023	Change
Equity raised	0.3	0.0	1,255.5%
Transaction volume - signed	0.3	0.3	22.6%
Transaction volume - closed	0.6	0.5	16.4%

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 40 years. PATRIZIA manages approx. EUR 57bn in assets and employs around 1,000 professionals at 28 locations worldwide. PATRIZIA has been making an impact since 1984 by helping children in need, since 1992 in close collaboration with Bunter Kreis ("colourful circle") in Germany for aftercare of children with severe diseases and since 1999 through its support for the PATRIZIA Foundation. The PATRIZIA Foundation has given more than 600,000 children and young people worldwide access to education, healthcare, and a safe home to get the chance to live a better self-determined life over the last 25 years. You can find further information at www.patrizia.ag and www.patrizia.foundation/en.

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