



Partners Group

REALIZING POTENTIAL IN PRIVATE MARKETS

Press release

Baar-Zug, Switzerland; 5 September 2023 | *Ad hoc announcement pursuant to Art. 53 Listing Rules (LR)*

Partners Group reports revenue growth of 19% supported by solid performance fee development

- AuM grew 8% year-on-year to USD 142 billion
- Revenues rose by 19% year-on-year to CHF 1'051 million
- Total management fees decreased 3% year-on-year to CHF 786 million due to lower late management fees¹ and foreign exchange effects
- Performance fees increased to CHF 265 million and accounted for 25% of total revenues
- EBIT margin stands at 61.2%; profit up 19% to CHF 551 million, in line with revenues
- Full-year 2023 expected gross client demand of USD 17 to 22 billion reconfirmed

Summary of key financials H1 2023 (in CHF million)

	<u>H1 2023</u>	<u>H1 2022</u>	
AuM ¹ (in USD billion)	141.7	130.6	8%
Revenues ²	1'051	881	19%
<i>Management fees³</i>	<i>786</i>	<i>809</i>	<i>-3%</i>
<i>Performance fees</i>	<i>265</i>	<i>72</i>	<i>270%</i>
Personnel expenses	-339	-247	37%
EBIT	644	570	13%
EBIT margin	61.2%	64.7%	-3.5%-pt
Financial result	17	-20	
Taxes	-110	-85	
Profit	551	464	19%

¹ Assets under management ("AuM") includes assets raised, tail-downs, and other related information.

² Revenues from management fees and other revenues, net, performance fees, net, including other operating income.

³ Management fees and other revenues, net, and other operating income.

¹ Late management fees typically arise when clients join a commingled closed-ended investment program at a later stage of the fundraising period and are required to pay retrospectively for previously delivered management services to this respective program. Any such payments in relation to prior accounting years are called late management fees.

David Layton, Partner and Chief Executive Officer, says: *"Private markets have shown resilient performance across market cycles and our diversified platform continues to deliver value to clients in this recalibrated economy. The positive set of financial results achieved in this environment illustrates the success of our differentiated positioning and we are confident that our growth trajectory will persist as the pace of client commitments normalizes."*

H1 2023 financials

Total revenues increased by 19% to CHF 1'051 million (H1 2022: CHF 881 million) at a revenue margin of 1.67% (H1 2022: 1.44%) on average AuM in CHF. Solid performance fee development was balanced by lower total management fees.

- **Management fees** decreased by 3% to CHF 786 million (H1 2022: CHF 809 million), primarily driven by lower late management fees as the firm did not hold material closings of closed-ended programs during the period. Management fees were further impacted by a continued strengthening of the CHF against the USD and the EUR.
- **Performance fees** amounted to 25% of total revenues (H1 2022: 8%), or CHF 265 million (H1 2022: CHF 72 million) and were diversified across the platform. For example, in private infrastructure, several programs reached their hurdle rates and led to a meaningful contribution during the period. In private equity, the portfolio's strong operational performance resulted in an uplift for the firm's evergreen solutions.

Total operating costs increased by 31% to CHF 407 million (H1 2022: CHF 311 million), mainly driven by higher variable performance fee-related personnel expenses.

- Total **personnel expenses** (83% of total operating costs) increased by 37%. Performance fee-related personnel expenses increased in-line with performance fees to CHF 95 million (H1 2022: CHF 27 million). Non-performance fee-related personnel expenses grew 11%, below average FTE growth of 15% and were positively impacted by foreign exchange changes as well as lower bonus accruals compared to the prior period. The total average number of FTEs stood at 1'877 as of 30 June 2023 (30 June 2022: 1'626 FTEs), up 15% year-on-year.
- **Other operating expenses** increased by 11% during the period and amounted to CHF 48 million (H1 2022: CHF 43 million). This was primarily driven by increased technology investment to support the sustained growth of the firm's platform in the years to come and cost inflation relative to H1 2022. Depreciation & amortization remained stable at CHF 21 million (H1 2022: CHF 20 million).

EBIT amounted to CHF 644 million (H1 2022: CHF 570 million) at an **EBIT margin** of 61.2% (H1 2022: 64.7%), a decrease of 3.5%-points, of which approximately 2%-points were driven exclusively by foreign exchange effects. **Net finance income and expenses** amounted to CHF 17 million (H1 2022: CHF -20 million), slightly offset by negative foreign exchange effects, hedging,

and other costs. **Corporate income taxes** totaled CHF 110 million (H1 2022: CHF 85 million) at a tax rate of 16.6% (H1 2022: 15.5%), in line with the expected tax rate of 14% to 17%. For 2024 onwards, Partners Group expects the overall corporate income tax rate to increase to around 18% to 19% assuming the OECD BEPS Pillar II initiative will be implemented in 2024. In summary, the firm's profit increased 19%, broadly in line with revenues to CHF 551 million (H1 2022: CHF 464 million).

Outlook

Partners Group confirms its full-year 2023 guidance on **expected gross client demand** of USD 17 to 22 billion, together with USD -10.5 to -12.5 billion in tail-down effects stemming from the more mature closed-ended investment programs and redemptions from evergreen programs. The firm expects client demand to be diversified across its traditional programs and bespoke client solutions and anticipates stronger fundraising in the second half of the year, supported by an observed normalization of the pace of client conversions. Partners Group further expects **performance fees** for the full-year 2023 to be within its mid- to long-term guidance of 20% to 30% of total revenues. The firm's guidance is based on the resilient operational strength across its portfolio and the strong divestment pipeline which has been built as a result of its value creation efforts. The firm will continue to target a ~60% **EBIT margin** on new business as it builds out its resources in preparation for the future growth of the firm.

Roberto Cagnati, Partner, Chief Risk Officer and Head Portfolio Solutions, at Partners Group concludes: *"Within our bespoke solutions, mandates continue to be a leading contributor to our growth, as clients increasingly seek customized and dynamic solutions for their private markets investment requirements. Evergreens, an area in which we are pioneers, also continue to gain momentum and we look forward to launching a number of innovative evergreen solutions in different asset classes within the next twelve months."*

Conference call today & publication of Interim Report 2023

Partners Group's senior management will hold a conference call today at 9:00am BST at the Rosewood London. To register for the call, please click [here](#) or use the contact details at the end of this press release.

The Interim Report as of 30 June 2023 will be published on 14 September at 7:00am CET and will be available for download at www.partnersgroup.com/en/shareholders/reports-presentations.

Key dates 2023 and 2024

14 September 2023	7:00am CET	Interim Financial Report as of 30 June 2023
11 January 2024	6:15pm CET	Announcement of AuM as of 31 December 2023
19 March 2024	9:00am CET	Annual Financial Results and Report as of 31 December 2023
22 May 2024	4:30pm CET	PGHN shareholder AGM 2024

11 July 2024	6:15pm CET	Announcement of AuM as of 30 June 2024
03 September 2024	10:00am CET	Interim Financial Results and Report as of 30 June 2024

About Partners Group

Partners Group is a leading global private markets firm. Since 1996, the firm has invested USD 200 billion in private equity, private real estate, private debt, and private infrastructure on behalf of its clients globally. Partners Group seeks to generate strong returns through capitalizing on thematic growth trends and transforming attractive businesses and assets into market leaders. The firm is a committed, responsible investor and aims to create sustainable returns with lasting, positive impact for all its stakeholders. With USD 142 billion in assets under management as of 30 June 2023, Partners Group provides an innovative range of bespoke client solutions to institutional investors, sovereign wealth funds, family offices and private individuals globally. The firm employs more than 1'900 diverse professionals across 20 offices worldwide and has regional headquarters in Baar-Zug, Switzerland; Denver, USA; and Singapore. It has been listed on the SIX Swiss Exchange since 2006 (symbol: PGHN). For more information, please visit www.partnersgroup.com or follow us on [LinkedIn](#) or [Instagram](#).

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