



Partners Group

REALIZING POTENTIAL IN PRIVATE MARKETS

Press release

Baar-Zug, Switzerland; 11 January 2024 | *Ad hoc announcement pursuant to Art. 53 Listing Rules (LR)*

Partners Group reports AuM of USD 147 billion per end of 2023; increases guidance for gross client demand in 2024

- USD 18 billion gross client commitments received; new firmwide record for number of mandates raised
- USD 13 billion invested and USD 12 billion realized across private markets asset classes despite challenging transaction environment; thematic pipeline remains strong
- 2024 guidance on gross client demand of USD 20 to 25 billion with a tilt towards H2

Partners Group received USD 18 billion in new commitments from its global client base in 2023 (guidance USD 17-22 billion), bringing the firm's total assets under management (AuM)¹ to USD 147 billion as of 31 December 2023 (31 December 2022: USD 135 billion), up 8% year-over-year. The firm committed USD 13 billion² (2022: USD 26 billion) globally to investments across private markets asset classes and generated USD 12 billion (2022: USD 14 billion) in realizations. Partners Group guides for USD 20 to 25 billion in expected client demand for the full-year 2024. The higher end of the range assumes a normalization of the market environment in H2 2024.

David Layton, Partner and Chief Executive Officer, comments: *"The strength of our integrated platform was highlighted again in 2023 by robust client demand for our bespoke solutions. We set a new Partners Group record for the number of mandates raised during the year, which is testament to our ability to craft differentiated and long-term private markets solutions for individual clients. In a challenging year characterized by a decrease in transaction volumes, slower exits, and muted fundraising activity overall, we were pleased to be able to deliver robust AuM growth. While transaction activity was slower to recover than anticipated in the second half, we do see signs of improvement in the market as we enter 2024. In this new private markets paradigm, our transformational investing approach and ability to tailor bespoke solutions for our clients will remain our key growth drivers."*

¹ AuM is an Alternative Performance Metric (APM). A description of the APMs can be found in Partners Group's 2022 Annual Report on pages 32-33, available for download at <http://www.partnersgroup.com/en/shareholders/reports-presentations/>. AUM figures are for Partners Group Holding AG, inclusive of all Partners Group affiliates.

² Respective year includes syndications.

USD 18 billion in new client demand, led by bespoke client solutions

Managing over 300 diverse private markets portfolios in different stages of their lifecycle across all private markets asset classes is Partners Group's key strength and differentiator. Overall, client demand resulted in total new commitments of USD 18 billion (2022: USD 22 billion). In H2 2023, Partners Group's clients committed 27% more versus H1 as the pace of client conversion rates improved but remained slower than usual. For the full-year 2023, the firm generated solid demand across its three principal offering types:

- **Mandates** (USD 8.3 billion raised): Partners Group's differentiated portfolio management capabilities enable the firm to tailor investment content to each individual client's desired risk/return profile and investment level, in order to deliver specific objectives and sustained results throughout market cycles. Mandates raised in 2023 will contribute to the base for future AuM growth. As of 31 December 2023, Partners Group manages 38% of its AuM in mandates (USD 56.5 billion).
- **Evergreens** (USD 4.8 billion raised): these programs allow for a certain amount of liquidity and enable individual investors to access private markets more conveniently. Partners Group has been a leading global provider of evergreen programs for more than 20 years, offering private wealth clients access to private markets. As of 31 December 2023, Partners Group manages 30% of its AuM in evergreen programs (USD 44.1 billion).
- **Traditional closed-ended private market programs** (USD 5.1 billion raised): beside the more bespoke solutions mentioned above, Partners Group continues to offer traditional commingled funds with multiple investors. These are typically limited partnerships with a pre-defined contractual life. In 2023, several new flagship programs were launched towards the end of the year. As of 31 December 2023, Partners Group manages 32% of its AuM in traditional private markets programs (USD 46.3 billion).

During the twelve-month period to 31 December 2023, AuM grew by USD 11.5 billion. Gross client demand stood at USD 18.2 billion before tail-down effects from mature private markets investment programs amounting to USD -8.2 billion, as well as redemptions from evergreen programs amounting to USD -4.5 billion. Foreign exchange effects further affected AuM growth by USD +2.9 billion during the period. A final USD +3.1 billion came from a select number of investment programs that link AuM to NAV development³.

Breakdown of total AuM as of 31 December 2023 (in USD billion):

	<u>2023</u>	<u>2022</u>	<u>Last 5 years</u> <u>CAGR</u> ⁴	<u>Gross client</u> <u>demand</u>
Private equity	75.5	71.2	+ 13 %	7.7
Private debt	29.3	26.8	+ 11 %	4.4
Private infrastructure	25.2	20.8	+ 19 %	3.7
Private real estate	17.0	16.5	+ 4 %	2.4
Total	146.9	135.4	+ 12 %	18.2

³ Partners Group reports fee-paying AuM. Most of the firm's evergreen programs base fees on NAV. The portfolio performance during the period impacts the NAV of these products and this translates to a corresponding change in firm-level AuM. As always, calculations for semi-annual AuM numbers for evergreen programs are based on 31 May NAV valuations. Full-year AuM numbers are based on 30 November NAV valuations.

⁴ CAGR: compound annual growth rate for net assets for the period 31 December 2018 – 31 December 2023.

USD 13 billion invested

Partners Group's transformational investing approach led to USD 13 billion⁵ (2022: USD 26 billion) invested on behalf of the firm's clients into companies and assets that are well positioned in structurally growing areas of the economy. The transaction environment in the second half of the year improved only moderately despite the increased availability of financing. Partners Group placed emphasis on the conversion of its thematic investment pipeline to identify attractive businesses that operate within specific pockets of transformative growth. For example:

- In private equity, Partners Group agreed to acquire ROSEN Group, a global provider of mission-critical inspection services for energy infrastructure assets, in November. ROSEN's core service prevents avoidable incidents, which can have meaningful environmental and financial impacts, and endanger lives, helping customers to optimize throughput and extend the useful life of essential infrastructure assets. Value creation initiatives include expansion into new future energy sources such as hydrogen transportation pipes, adoption of artificial intelligence, and a further build-out of R&D.
- In private infrastructure, Partners Group agreed to invest in Exus, an international renewables asset management and development firm. Exus is set to benefit from thematic trends including rising demand for decarbonization from corporates and strong regulatory support for renewables. Value creation initiatives will include transforming Exus into a builder, owner, and operator of assets, thereby owning the full value creation process. In addition, Partners Group will focus on scaling the origination capacity to over 1 GW per annum.

Partners Group invested 60% of its total global volume into direct assets on behalf of its clients. The remaining 40% of the total investment volume was invested into portfolio assets. These included secondary investments into globally diversified private markets portfolios, select primary commitments to other complementary private markets strategies, and investments into the broadly syndicated loan market.

USD 12 billion realized

Portfolio realizations amounted to USD 12 billion (2022: USD 14 billion). The transaction environment remained challenging throughout the majority of the year, and therefore several exits originally planned for H2 were postponed. A small number of businesses including Civica, a global provider of cloud software solutions, were successfully divested in 2023. Over the six-year holding period, Partners Group transformed Civica into a pure software business, doubling its EBITDA. Another example was the full exit of Borssele, an offshore windfarm in the Netherlands, which the firm sold to several infrastructure asset managers. Partners Group built this asset into a 731.5 MW windfarm from construction through to operation.

Outlook 2024

Partners Group continues to see strong structural tailwinds for the private markets industry and its outlook for long-term, sustainable growth remains in place. In particular, the firm sees two major areas of growth for private markets client demand: tailored mandates and investment solutions for private

⁵ Respective year includes syndications.

wealth investors. In both of these categories, Partners Group has an established leadership position with over 20 years of experience building bespoke solutions.

For the full-year 2024, Partners Group expects to raise between USD 20 to 25 billion in total client demand. The firm bases its guidance on an expected normalization of the investment environment and continued strong interest in its bespoke solutions and flagship offerings. Partners Group's full-year estimates for tail-down effects from more mature closed-ended investment programs and redemptions from evergreen programs remain largely unchanged at USD -11.0 to -13.0 billion.

Sarah Brewer, Partner and Global Co-Head Client Solutions, adds: *"Looking ahead to 2024, we anticipate that bespoke solutions will continue to be the key driver of fundraising as clients are increasingly looking to expand their exposure to private markets via differentiated solutions that meet their specific portfolio needs. Additionally, the mandates raised in and before 2023 are expected to contribute to future AuM growth because mandate clients are typically long-term, strategic relationships that increase their target allocations over time and in line with the rising set of investment opportunities. At the same time, we envisage solid demand for our traditional programs and expect that our evergreen solutions will remain an important contributor of client demand in 2024."*

Conference call today

Partners Group's senior management will hold a conference call today at 6:15pm CET. To register for the call, please click [here](#) or use the contact details at the end of this press release.

Key dates/publications 2024

19 March 2024	Financial Results as of 31 December 2023
22 May 2024	Partners Group Holding AG shareholder AGM 2024
11 July 2024	Announcement of AuM as of 30 June 2024
03 September 2024	Interim Financial Results as of 30 June 2024

About Partners Group

Partners Group is a leading global private markets firm. Since 1996, the firm has invested USD 210 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 147 billion in assets under management as of 31 December 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 [Twitter](#).

Shareholder relations contact

Philip Sauer

Phone: +41 41 784 66 60

Email: philip.sauer@partnersgroup.com

Media relations contact

Jenny Blinch

Phone: +44 207 575 2571

Email: jenny.blinch@partnersgroup.com