



Partners Group

REALIZING POTENTIAL IN PRIVATE MARKETS

Press release

Baar-Zug, Switzerland; 7 September 2021 | *Ad hoc announcement pursuant to Art. 53 Listing Rules (LR)*

Partners Group reports strong H1 2021 financials driven by a significant increase in performance fees

- Strong exit activity resulted in a significant increase in performance fees to CHF 442 million in H1 2021, representing 39% of revenues
- Management fees grew by 21% to CHF 688 million due to sustained AuM growth and higher late management fees
- EBIT increased by 80% in line with revenues, amounting to CHF 702 million; EBIT margin remained stable at 62%
- Profit increased by 101% to CHF 629 million
- 2021 fundraising outlook confirmed: gross client demand of USD 19-22 billion anticipated
- Lisa A. Hook stepped down from the Board of Directors as of 3 September 2021

Summary of key financials H1 2021 (in CHF million)

	<u>H1 2020</u>	<u>H1 2021</u>	
Revenues ¹	623	1,130	+81%
<i>Management fees²</i>	567	688	
<i>Performance fees</i>	56	442	
Personnel expenses	-178	-382	
EBIT	390	702	+80%
EBIT margin	62.7%	62.1%	
Financial result	-24	51	
Taxes	-53	-123	
Profit	313	629	+101%

¹ Revenues include management fees and performance fees.

² Management fees include recurring management fees and other revenues, net, and other operating income.

Message from the Chairman and the CEO

Steffen Meister, Executive Chairman of the Board, Partners Group, comments: *"In the first half of the year, we took advantage of a supportive exit environment to divest a number of mature companies and real assets on behalf of our clients, including some originally scheduled for 2020 but postponed due to the pandemic. These strong realizations are a testimony to our thematic investing approach and the significant value created in these companies and assets over many years. Alongside sustained client demand for our broad range of private markets offerings, this has led to a strong set of H1 financials."*

David Layton, Partner and Chief Executive Officer, adds: *"We continue to focus on companies and assets that benefit from compelling transformative trends, and that we can develop into market leaders through entrepreneurial governance and hands-on value creation. As valuations in private markets are still near record highs, underwriting discipline and scenario testing are hugely critical in this environment. The growth of our business would not have been possible without the hard work and dedication of our colleagues, who have shown strength in adversity. We are extremely grateful for their unwavering efforts and looking ahead, we are confident in the strength of our platform and the potential we have for continued future growth."*

H1 2021 financials

Total revenues increased by 81% to CHF 1,130 million (H1 2020: CHF 623 million), driven by a significant increase in performance fees and sustained management fee growth.

- **Management fees:** management fees increased by 21% amounting to CHF 688 million (H1 2020: CHF 567 million), ahead of average assets under management in CHF, which grew by 12% over the same period. This is due to the timing of fees levied on some new commitments that were raised in 2020 and only contributed their full revenue potential after H1 2020, as well as to higher late management fees from the successful closings of larger traditional programs. Management fees represented 61% of total revenues (H1 2020: 91%).
- **Performance fees:** the solid demand for market-leading companies and real assets and the very favorable environment for exits, combined with a catch-up in exit activity from the previous year, enabled Partners Group to divest a number of mature assets on behalf of its clients. As a result, performance fees substantially increased to CHF 442 million (H1 2020: CHF 56 million), representing 39% of revenues (H1 2020: 9%).

Total operating costs increased by 84% to CHF 428 million (H1 2020: CHF 232 million), in line with revenues. Operating costs were affected by higher personnel expenses and lower other operating expenses.

- Total **personnel expenses** increased by 114% to CHF 382 million (H1 2020: CHF 178 million), mainly attributable to higher performance fee-related personnel expenses, which increased in line with the strong development of overall performance fees. Non-performance fee-related personnel expenses increased in line with management fees and include one-off social security costs on the firm's equity incentive plans as a result of the strong increase in the share price.
- Absent the repeat of certain one-off costs related to Partners Group's response to the COVID-19 pandemic and with business travel still muted, other **operating expenses** decreased by 24% during the period and amounted to CHF 27 million (H1 2020: CHF 35 million). **Depreciation & amortization** remained stable at CHF 19 million (H1 2020: CHF 19 million).

EBIT increased by 80% in line with revenues, amounting to CHF 702 million (H1 2020: CHF 390 million). The **EBIT margin** remained stable at 62.1% (H1 2020: 62.7%).

The **financial result** amounted to CHF 51 million (H1 2020: CHF -24 million) and was driven by the positive (unrealized) valuation adjustments of Partners Group's private markets investments alongside its clients. The firm's transformational investing strategy facilitated growth in these investment programs and resulted in an average return across all stages and asset classes of 10%. Corporate **taxes** amounted to CHF -123 million (H1 2020: CHF -53 million).

In summary, the firm's **profit** increased by 101% and amounted to CHF 629 million (H1 2020: CHF 313 million).

Outlook

Considering the strong results in H1 2021, Partners Group foresees the potential for **performance fees** to represent 40-45% of total revenues for the full-year 2021, assuming market conditions and the exit environment remain unchanged. This also anticipates the potential for some performance fees originally expected in 2022 to be brought forward as a select number of programs and mandates may meet their hurdle rates earlier than anticipated. For the full-year 2022, performance fees are expected to return within the range of 20-30% of total revenues. Over the mid to long term, the firm continues to expect its performance fee potential to grow in line with AuM.

Partners Group also confirms its full-year 2021 guidance on **expected gross client demand** of USD 19 to 22 billion, together with around USD -9.5 billion in tail-down effects from the more mature closed-ended investment programs and redemptions from evergreen programs. Fundraising is expected to be balanced across all program types, from customized mandates and the firm's extensive range of evergreen fund solutions to traditional closed-ended programs.

Changes in the Board of Directors

Lisa A. Hook, an independent member of the Board of Directors of Partners Group Holding AG, has stepped back from the Board with effect from 3 September 2021 for personal reasons. She will remain a senior advisor to Partners Group's Investment Oversight Committee, a Board sub-committee that provides advice and support on the firm's investment and investment process-related activities. Joseph P. Landy, also an independent member of the Board of Directors of Partners Group Holding AG, will take over Ms. Hook's Nomination & Compensation Committee responsibilities ad-interim until the next Annual General Meeting of shareholders in May 2022.

Conference call today

Partners Group's senior management will hold a conference call today at 9:00am CEST. 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 2021 was published today at 7.00am CEST and is available for download at www.partnersgroup.com/financialreports.

Key dates 2022

13 January 2022	Announcement of AuM as of 31 December 2021
22 March 2022	Annual results and Annual Report as of 31 December 2021
29 March 2022	Publication of Corporate Sustainability Report 2021
25 May 2022	Annual General Meeting of shareholders
14 July 2022	Announcement of AuM as of 30 June 2022
30 August 2022	Interim results and Interim Report as of 30 June 2022

About Partners Group

Partners Group is a leading global private markets firm. Since 1996, the firm has invested over USD 150 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 119 billion in assets under management as of 30 June 2021, 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 1,500 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](#).

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