



Partners Group
Passion for Private Markets

Zugerstrasse 57
6341 Baar-Zug
Switzerland
Phone: +41 41 784 60 00
Fax: +41 41 784 60 01

Press release

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Partners Group announces record results for the financial year 2013 and proposes its highest-ever dividend of CHF 7.25 per share

- USD 7.7 billion invested in compelling opportunities across the entire private markets spectrum in 2013
- Private markets client demand of EUR 5.1 billion in 2013; expected range of EUR 4.5-6.5 billion in client demand for 2014
- Revenues at record level of CHF 492 million (2012: CHF 455 million); recurring revenue margin remained stable at 1.12% (2012: 1.13%)
- EBITDA reached a record CHF 300 million (2012: CHF 282 million); EBITDA margin stable at 61% (2012: 62%) in line with ~60% target
- Adjusted net profit climbed 10% to CHF 292 million (2012: CHF 265 million) driven by a financial result of CHF 31 million (2012: CHF 18 million) derived from strong value creation in underlying portfolios
- The board of directors will propose a dividend of CHF 7.25 per share (2013: CHF 6.25) to shareholders on 15 May 2014

2013 was an excellent year for Partners Group in all regards: the firm invested USD 7.7 billion while it saw private markets client demand reach a new high of EUR 5.1 billion. Assets under management (AuM) stood at EUR 31.6 billion as of 31 December 2013 while the team size has further grown to over 700 professionals. Based on these successful developments, the firm generated revenues of CHF 492 million and EBITDA of CHF 300 million and proposes a dividend of CHF 7.25 per share to be paid to its shareholders.

In 2013, average AuM in CHF increased by 13% (2012: 16%). Recurring revenues (84% of all revenues during the period) stemming from management

fees increased accordingly, rising 12% to CHF 413 million (2012: CHF 370 million). Non-recurring revenues (16% of all revenues during the period) stemming from performance fees and late management fees & other non-recurring income remained broadly stable and amounted to CHF 79 million (2012: CHF 85 million). As a result, total revenues increased to CHF 492 million (2012: CHF 455 million), rising 8% and establishing a new record.

Partners Group's non-recurring revenues stem either from (i) performance fees or (ii) late management fees & other non-recurring income: (i) performance fees amounted to CHF 39 million (2012: CHF 43 million) and were in line with the firm's expectations while representing 8% of the firm's total revenues. Partners Group was able to successfully exit a number of private markets assets on behalf of its clients and generate substantial value. With the increasing maturity of many client portfolios, performance fees should show a disproportionate ramp-up. In the short term, Partners Group expects performance fees to range to up to 10% of total revenues while this number is expected to increase to up to 20% of total revenues in the medium term alongside a rising asset base; (ii) late management fees & other non-recurring income amounted to CHF 40 million in 2013 (2012: CHF 42 million) and demonstrated a stable development.

Partners Group's recurring revenue margin remained stable in the period at 1.12% (2012: 1.13%). Due to lower non-recurring fees in 2013, the overall revenue margin decreased slightly, amounting to 1.33% (2012: 1.39%). Over the past ten years, the revenue margin has remained very stable (ten-year average: 1.29%), varying mostly due to performance fee fluctuations in any given year. Overall, the firm continues to expect a stable revenue margin.

Furthermore and despite the increasing complexity of the business such as the implementation of additional regulatory requirements, the firm's cost discipline resulted in a stable EBITDA margin of 61% (2012: 62%). EBITDA amounted to a record CHF 300 million in 2013 (2012: CHF 282 million) and followed the strong total revenue development.

Partners Group's net financial result in 2013 significantly increased to CHF 31 million (2012: CHF 18 million), mainly due to strong value creation in underlying portfolios through which Partners Group's own balance sheet commitments to these same programs (typically 1% of program size invested alongside clients) contributed net gains of CHF 29 million (2012: CHF 17 million). The adjusted net profit increased by 10% in 2013, standing at CHF 292 million (2012: CHF 265 million).

Based on the further solid development of its business activities in all areas and a solid operating result, Partners Group's board of directors intends to propose a record dividend of CHF 7.25 per share (2013: CHF 6.25 per share) to shareholders at the annual general meeting on 15 May 2014, representing a

dividend increase of 16%. The total proposed payout corresponds to a 66% payout ratio of the adjusted net profit and represents a dividend yield of 3.0% based on the share price of CHF 237.90 on 31 December 2013.

Based on the current client demand pipeline and a strong start into the year 2014, the firm reconfirms its expectation that client demand of EUR 4.5-6.5 billion will be seen for the full year 2014. However, gross AuM growth is likely to be tempered by two factors: firstly, a combined tail-down effect of approximately EUR -1.5 billion across mature Partners Group products, and secondly, potential redemptions of EUR 0 to -1.0 billion from liquid and semi-liquid activities (2013: EUR -0.6 billion).

Alfred Gantner, Co-Founder and Executive Chairman, comments: "We are very pleased with the successful investment year 2013, in which we deployed a record amount of capital of USD 7.7 billion in opportunities across the entire private markets spectrum. We have focused on further building out our industry value creation teams, who offer our portfolio companies the benefits of their global sector expertise while creating value through active board representation. Furthermore, we provided 61 loans to high quality assets while being named European Senior Lender of the Year 2013 in the Private Debt Investor awards. Our private real estate practice continued to focus on building or redeveloping properties around the globe while being recognized for the second consecutive year as Global Multi-Manager of the Year 2013 in the Global PERE Awards. At the same time, our growing private infrastructure practice is financing and constructing numerous renewable energy projects around the world with a current capacity exceeding 800 GWh, while also being involved in several core public private partnerships, for example in the urban transportation sector. Overall, the ripe exit environment has allowed us to generate the record amount of USD 5.4 billion in underlying portfolio distributions in 2013."

André Frei, Partner and Co-Chief Executive Officer, adds: "With pension plans around the world expected to further shift their asset allocations to include more private markets investments in their hunt for yield, a select few leaders will gain share of a steadily growing market which is currently being shaped by further consolidation. In this industry, which provides only limited operational leverage, we believe a highly dedicated and specialized investment platform across private markets is the key to sustained value creation. We have consciously dedicated substantial resources to building out our investment platform so that we can select from an even larger and increasing set of investment opportunities. We are convinced that further growth will continue to contribute to our ability to generate attractive returns for our clients. We have set the goal for the years to come to achieve an average investment capacity of USD 10 billion per year throughout the cycle. This requires a team of over 1'000 professionals to provide clients with prime access to the most attractive opportunities around the globe, which will establish us among the clear global leaders."

Partners Group's senior management will hold a press conference to discuss the annual results today at 10am CET/9am GMT at the firm's London office, Heron Tower, 110 Bishopsgate. Dial-in details for the conference can be obtained using the contact details below.

The annual report 2013 was published today at 7am CET/6am GMT and is available for download at www.partnersgroup.com/financialreports.

Key figures

(in CHF m)	<u>2012</u> ¹	<u>2013</u>
Revenues ²	455	492
<i>Recurring revenues</i>	<i>370</i>	<i>413</i>
EBITDA	282	300
<i>Financial result</i>	<i>18</i>	<i>31</i>
IFRS net profit	257	317
Adjusted net profit ³	265	292

¹ Restated to reflect the application of revised standard IAS 19

² Revenues from management and advisory services, net, including other operating income and share of results of associates

³ Adjusted for certain non-cash items relating to our capital-protected product Pearl

Key dates 2014

15 May 2014	Annual general meeting
17 July 2014	Announcement of AuM as of 30 June 2014
9 September 2014	Interim results & interim report as of 30 June 2014

About Partners Group

Partners Group is a global private markets investment management firm with over EUR 30 billion in investment programs under management in private equity, private real estate, private infrastructure and private debt. The firm manages a broad range of customized portfolios for an international clientele of institutional investors. Partners Group is headquartered in Zug, Switzerland and has offices in San Francisco, New York, São Paulo, London, Guernsey, Paris, Luxembourg, Milan, Munich, Dubai, Singapore, Shanghai, Seoul, Tokyo and Sydney. The firm employs over 700 people, is listed on the SIX Swiss Exchange (symbol: PGHN) with a market capitalization of over CHF 6 billion and a major ownership by its partners and employees.

Investor relations contact

Philip Sauer

Phone: +41 41 784 66 60

E-mail: philip.sauer@partnersgroup.com

Media relations contact

Alexander von Wolffradt

Phone: +41 41 784 66 45

E-mail: alexander.wolffradt@partnersgroup.com

www.partnersgroup.com