

Petershill Partners plc (the “Company” or “Petershill Partners”), the diversified, global alternatives investment group focused on private capital strategies, today publishes its Q1 trading update for the quarter ended 31 March 2023

Steady start to the year in an uncertain market backdrop

Performance Update

- Aggregate Partner-firm AuM of US\$290bn, increasing 2% during the quarter and 9% year-over-year.
- Aggregate Fee-paying Partner-firm AuM of US\$195bn, increasing 1% during the quarter and 6% year-over-year.
 - Organic gross fee-eligible AuM raise was US\$6bn for the quarter.
- In the first quarter, Partner Fee Related Earnings were US\$49 million, 2% lower than in Q1 2022 reflecting Net Management and Advisory Fees of US\$82 million, 6% higher than Q1 2022 offset by Partner Fee Related Expenses of US\$33 million, 18% higher than in Q1 2022. Expense growth was driven by Partner-firms executing on their growth strategies ahead of AUM becoming fee-paying.
 - Management fees during Q1 2023 were US\$87 million, 6% higher than in Q1 2022. There were no Transaction and Advisory Fees in Q1 2023 (US\$1 million in Q1 2022), and Offsets in Q1 2023 were US(\$5) million (US(\$6) million, Q1 2022).
- Partner Distributable Earnings in the first quarter were US\$61 million, 21% lower than in Q1 2022 reflecting lower Partner Realised Performance Revenues (PRE) of US\$5 million, (\$17m, Q1 2022) and Partner Realised Investment Income of US\$7 million, (US\$11 million, Q1 2022). The reduction over the same period for the prior year reflects lower realisations given the current market environment.
- We re-iterate our 2023 guidance and expect Partner Fee Related Earnings to increase as we progress through 2023 driven by previously raised AuM becoming fee-paying and additional fee-paying AuM being raised.
- The Company commenced the previously announced US\$50 million share buyback programme on 17 May 2023.

Statement from Ali Raissi-Dehkordy and Robert Hamilton Kelly

“Our Partner-firms continued to experience steady fund-raising activity with US\$6 billion of gross fee eligible assets raised during the quarter, and further fund closings post the quarter end. We remain highly selective and focused on the risk-adjusted outlook for new investments given the uncertain market backdrop, as a result we have made no new investments in 2023. The environment for realisations continues to be challenging which could impact Partner Realised Performance Revenues and Partner Realised Investment Income. As we look forward, our healthy cash generation and strong balance sheet, positions Petershill Partners well to continue to navigate the uncertain market backdrop and take advantage of opportunities that may arise.”

Review of AuM

All AuM figures are based on a three-month lag due to the timing of the financial information received by the Operator from the Partner-firms.

Aggregate Partner-firm AuM

Aggregate Partner-firm AuM grew 2% in the quarter and 9% year-over-year to US\$290bn.

The largest contribution of AuM by a single Partner-firm fund represented 5% of Aggregate Partner-firm AuM, highlighting the diversified nature of the Company.

Aggregate Fee-paying Partner-firm AuM

Aggregate Fee-paying Partner-firm AuM grew 1% in the quarter and 6% year-over-year to US\$195bn.

AuM at the end of the quarter not yet paying fees increased to \$21 billion from \$17bn at the end of the prior quarter, reflecting an additional \$4 billion of gross fee eligible AUM raised yet to become fee paying.

The below table reconciles Aggregate Fee-paying Partner-firm AuM to Aggregate Partner-firm AuM as of 31 March 2023, based on a one-period (3-month) lag:

		Q1
<i>(US\$bn unless otherwise indicated)</i>		2023
Aggregate Fee-paying Partner-firm AuM	(\$bn)	195
AuM not yet paying fees	(\$bn)	21
Fee Exempt AuM	(\$bn)	19
Investment performance	(\$bn)	55
Aggregate Partner-firm AuM	(\$bn)	290

The table below shows the changes in Aggregate Partner-firm AuM and Aggregate Fee-paying Partner-firm AuM for the quarter ended 31 March 2023, based on a one-period (3-month) lag:

		Quarter ended 31 March	
<i>(US\$bn unless otherwise indicated)</i>		AuM	Fee-paying AuM
Aggregate AuM Prior Period	(\$bn)	283	194
Inflows	(\$bn)	9	2
Realisations	(\$bn)	(4)	(3)
Investment performance	(\$bn)	2	2
M&A	(\$bn)	-	-
Aggregate AuM Current Period	(\$bn)	290	195

Private markets represent the majority of AuM. The following table reflects the Aggregate Partner-firm AuM and Aggregate Fee-paying Partner-firm AuM by Asset Class as of 31 March 2023, based on a one-period (3-month) lag:

Asset Class <i>(US\$bn unless otherwise indicated)</i>		AuM	Percentage	Fee-paying AuM	Percentage
Private equity	(\$bn)	180	62%	103	53%
Private credit	(\$bn)	34	12%	29	15%
Private real assets	(\$bn)	48	16%	35	18%
Absolute return	(\$bn)	28	10%	28	14%
Total Current Period	(\$bn)	290	100%	195	100%

2023 Guidance

- \$20 - 25 billion organic fee-eligible AuM raise and realisations of \$5-10 billion in fee-paying AuM
- \$220 - \$250 million full year Partner FRE
- Partner Realised PRE as a percentage of total Partner Revenue: c.20 - 30%; Expected volatility as 2023 market conditions remain uncertain
- Acquisitions: US\$100 – US\$300 million
- 85-90% Company Adjusted EBIT margin

We have removed the guidance 'Partner FRE Margin, Partner FRE Ownership and Partner Blended Net Management Fee Rate to remain broadly stable with 2022' given our \$220 - \$250m full year Partner FRE guidance reflects the combination of these metrics.

Details of investor and analyst conference call

There will be a conference call for investors and analysts at 9.00am BST today to discuss the Q1 2023 Trading Statement, followed by a Q&A session.

All interested parties are invited to participate via telephone or the audio webcast. Please click here to access the [webcast](#).

Conference Call Information:

Domestic: +44(0)330-165-3657
Domestic Freephone 0800 279 6843
International: +1 929-477-0492
International Tollfree 888-596-2629

Conference ID: 1772166

All participants are asked to dial in approximately 10-15 minutes prior to the call, referencing "Petershill Partners" when prompted.

Replay Information:

An archived replay of the call will be available on the webcast link.

Please direct any questions regarding obtaining access to the conference call to Petershill Partners Investor Relations, via e-mail, at PHP-Investor-Enquiries@gs.com

Analyst / Investor enquiries:

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Petershill Partners will provide a Q2 2023 AuM update on 21 July 2023

The conference call will not be open to investors located in the United States or to "U.S. persons" as defined in Regulation S under the US Securities Act of 1933, as amended, (Regulation S) except to "qualified purchasers" as defined in the US Investment Company Act of 1940, as amended (the Investment Company Act). In addition, the conference call will not be open to persons located in or resident of any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction. By attending the conference call, you represent to being (i) (a) outside the United States and not a "U.S. person" as defined in Regulation S or (b) a "qualified purchaser" as defined in the Investment Company Act, and (ii) not located in or resident of any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction.

ABOUT PETERSHILL PARTNERS

Petershill Partners plc (the "Company" or "Petershill Partners") and its Subsidiaries (the "Group") is a diversified, global alternatives investment group focused on private equity and other private capital strategies. Through our economic interests in 25 alternative asset management firms ("Partner-firms"), we provide investors with exposure to the growth and profitability of the alternative asset management industry. The Company completed its initial acquisition of the portfolio of Partner-firms on 28 September 2021 and was admitted to listing and trading on the London Stock Exchange on 1 October 2021 (ticker: PHLL). The Company is operated by Goldman Sachs Asset Management ("Goldman Sachs" or the "Operator") and is governed by a diverse and fully independent Board of Directors (the "Board").

Through our Partner-firms, we have exposure to \$290 billion of total assets under management ("AuM"), comprising a diverse set of more than 200 long-term private equity and other private capital funds where capital is typically locked in over a multi-year horizon. These underlying funds generate recurring management fees and the opportunity for meaningful profit participation over the typical 8+ year lifecycles of such funds. We believe our approach is aligned with the founders and managers of our Partner-firms and, as a result, allows the Company to participate in these income streams in a way that provides high-margin, diversified and stable cash flows for our shareholders.

For more information, visit <https://www.petershillpartners.com>. Information on the website is not incorporated by reference into this press release and is provided merely for convenience.

Appendix

AuM and FP AuM*

(US\$bn, unless otherwise indicated)							Q1 Q-on-Q	LTM
		Mar-31-2023	Dec-31-2022	Sep-30-2022	Jun-30-2022	Mar-31-2022	(Δ%)	(Δ%)
Aggregate Partner-firm AuM	(\$bn)	290	283	282	266	266	2%	9%
Aggregate Fee-paying Partner-firm AuM	(\$bn)	195	194	189	184	184	1%	6%
Average Aggregate Fee-paying Partner-firm AuM **	(\$bn)	188	178	169	159	153	6%	23%
Aggregate Performance Fee Eligible Partner-firm AuM	(\$bn)	266	259	256	241	241	3%	10%
Average Aggregate Performance Fee Eligible Partner-firm AuM **	(\$bn)	251	236	220	204	187	6%	34%
Additional Metrics								
Partner Private Markets Accrued Carried Interest	(\$m)	600	611	644	700	710	(2%)	(16%)
Investment capital	(\$m)	383	383	398	395	369	0%	4%

*All AuM figures are based on a one-period (3-month) lag due to the timing of the financial information received by the Operator from the Partner-firms.

** Average Aggregate AuM figures represent the twelve month mean and use the start and each quarter end of the reporting period adjusted for acquisitions and dispositions where applicable.

*** Percentage change relative to Dec-31-2022.

Key Operating Metrics – Definitions

This document contains certain key operating metrics that are not defined or recognised under IFRS.

The Operator and the Directors use these key operating metrics to help evaluate trends, assess the performance of the Partner-firms and the Company, analyse and test dividends received from the Partner-firms and inform operating, budgeting and re-investment decisions. The Directors believe that these metrics, which present certain operating and other information in respect of the Partner-firms, provide an enhanced understanding of the underlying portfolios and performance of the Partner-firms and are therefore essential to assessing the investments and performance of the Company.

The key operating metrics described in this section are derived from financial and other information reported to the Operator by the Partner-firms. The Operator, with the assistance of an independent accounting firm, performs due diligence procedures on the information provided by the Partner-firms. It should be noted, however, that these due diligence procedures do not constitute an audit.

In addition, each Partner-firm may account for and define certain financial and other information differently from one another. For example, each Partner-firm may calculate its fee-paying AuM differently, the result of which being that the inputs of the Company's Aggregate FP AuM are not consistently calculated.

Whilst the operating metrics described in this section are similar to those used by other alternative asset managers, there are no generally accepted principles governing their calculation, and the criteria upon which these metrics are based can vary from firm to firm. These metrics, by themselves, do not provide a sufficient basis to compare the Partner-firms' or the Company's performance with that of other companies.

None of Partner Distributable Earnings, Partner FRE, Partner Realised Performance Revenues or Partner Realised Investment Income are measures of or provide any indication of profits available for the purpose of a distribution by the Company within the meaning of section 830 of the Companies Act 2006, or of any Partner-firm in accordance with the equivalent applicable rules.

Aggregate Partner-firm AuM

Aggregate Partner-firm AuM is defined as the sum of (a) the net asset value of the Partner-firms' underlying funds and investment vehicles, and in most cases includes co-investment vehicles, GP commitments and other non-fee paying investment vehicles and (b) uncalled commitments from these entities, as reported by the Partner-firms to the Operator from time to time and aggregated by the Operator without material adjustment. This is an aggregated figure across all Partner-firms and includes Partner-firm AuM outside of the Company's ownership interest in the Partner-firms.

The Operator and the Directors consider Aggregate Partner-firm AuM to be a meaningful measure of the size, scope and composition of the Partner-firms, as well as of their capital raising activities. The Operator uses Aggregate Partner-firm AuM to inform operating, budgeting and re-investment decisions.

Aggregate Fee-paying Partner-firm AuM

Aggregate Fee-paying AuM is defined as the portion of Aggregate Partner-firm AuM for which Partner-firms are entitled to receive management fees, as reported by the Partner-firms to the Operator. The principal difference between Aggregate FP AuM and Aggregate Partner-firm AuM is that Aggregate FP AuM typically excludes co-investment on which Partner-firms generally do not charge fees and, to a lesser extent, fund commitments in Partner-firm funds (i) on which fees are only earned on investment, rather than from the point of commitment and (ii) where capital has been raised but fees have not yet been activated. This may also include legacy assets where fees are no longer being charged.

The Operator and the Directors consider Aggregate Fee-paying AuM to be a meaningful measure of the Partner-firms' capital base upon which they earn management fees and use the measure in assessing the management fee related performance of the Partner-firms and to inform operating, budgeting and re-investment decisions.

Aggregate Performance Fee Eligible Partner-firm AuM

The amount of Aggregate Partner-firm AuM that is eligible for carried interest.

Partner Net Management and Advisory Fees

Partner Net Management and Advisory Fees is defined as the Company's aggregate proportionate share of the Partner-firms' net management fees (as reported by the Partner-firms to the Operator), including monitoring and advisory fees, payable by the Partner-firms' funds to their respective Partner-firms for the provision of investment management and advisory services.

The Operator and the Directors consider Partner Net Management and Advisory Fees to be a meaningful measure of the management fee-related performance of the Partner-firms, and the Operator uses this metric to analyse and test income received from the Partner-firms and to inform operating, budgeting and re-investment decisions.

Partner Fee Related Earnings (FRE)

Partner FRE is defined as Partner Net Management and Advisory Fees, less the Partner-firms' operating expenses and fixed and bonus compensation (but not performance fee-related expenses) allocable to the Company's share of Partner Net Management and Advisory Fees, as reported by the Partner-firms to the Operator, and subject to applicable contractual margin protections in respect of certain Partner-firms.

The Operator and the Directors consider Partner FRE to be a meaningful measure of the management fee-related earnings of the Partner-firms and key performance indicator of the Company's income from investments in management companies derived from management fee income. The Operator uses this metric to analyse and test dividends received from the Partner-firms, as well as to inform operating, budgeting and re-investment decisions.

Partner Realised Performance Revenues

Partner Realised Performance Revenues is defined as the Company's aggregate proportionate share of the Partner-firms' realised carried interest allocations and incentive fees payable by the Partner-firms' funds to their respective Partner-firms, less any realised performance fee-related expenses of the Partner-firms allocable to the Company's share of performance fee-related revenues, as reported by the Partner-firms to the Operator.

The Company's share of the Partner-firms' performance fee-related earnings will be lower than its share of the Partner-firms' management fee-related earnings because the Company's ownership stake in the Partner-firms' performance fee-related earnings is lower than its ownership stake in the Partner-firms' management fee-related earnings.

The Operator and the Directors consider Partner Realised Performance Revenues to be a meaningful measure of the performance fee-related earnings of the Partner-firms and key performance indicator of the Company's income from investments in management companies derived from performance fee income. The Operator uses this metric to analyse and test dividends received from the Partner-firms, as well as to inform operating, budgeting and re-investment decisions.

Partner Realised Investment Income

Partner Realised Investment Income is defined as the Company's aggregate proportionate share of Partner-firm earnings resulting from the realised gains and losses or any distributed income from the investments held on Partner-firms' balance sheets, as reported by the Partner-firms to the Operator. Partner Realised Investment Income is also realised by the Company through a limited number of direct stakes in certain Partner-firms' funds. Realised Investment Income includes income that has been realised but not yet paid, as well as amounts that are realised and either fully or partially reinvested.

The Company's share of the Partner-firms' investment and balance sheet income will be lower than its share of the Partner-firms' management fee-related earnings because the Company's ownership stake in the Partner-firms' investment and balance sheet income is lower than its ownership stake in the Partner-firms' management fee-related earnings.

The Operator and the Directors consider Partner Realised Investment Income to be a meaningful measure of the investment performance of certain assets held by the Partner-firms and key performance indicator of the Company's income from investments in management companies derived from investment income. The Operator uses this metric to analyse and test dividends received from the Partner-firms, as well as to inform operating, budgeting and re-investment decisions.

Partner Distributable Earnings and Partner Distributable Earnings Margin

Partner Distributable Earnings is defined as the sum of Partner FRE, Partner Realised Performance Revenues and Partner Realised Investment Income. Partner Distributable Earnings Margin is defined as Partner Distributable Earnings divided by the sum of Partner Net Management and Advisory Fees, Partner Realised Performance Revenues and Partner Realised Investment Income.

The Operator and the Directors consider Partner Distributable Earnings and Partner Distributable Earnings Margin to be meaningful measures of the overall performance of the Partner-firms and key performance indicators of the Company's total income from investments in management companies. The Operator uses this metric to analyse and test dividends received from the Partner-firms, as well as to inform operating, budgeting and re-investment decisions. These measures reflect any contractual margin protections or revenue share interests that the Company may have with the Partner-firms, which means that the Partner Distributable Earnings Margin may differ from the margins achieved by other shareholders or partners of the Partner-firms.

Partner Revenues

Partner Revenues is defined as the sum of Partner Net Management and Advisory Fees, Partner Realised Performance Revenues and Partner Realised Investment Income.

The Operator and the Directors consider Partner Revenues to be a meaningful measure of the overall performance of the Partner-firms. The Operator uses this metric to inform operating, budgeting and re-investment decisions.

Partner Private Markets Accrued Carried Interest

Partner Private Markets Accrued Carried Interest is defined as the Company's proportionate share of the Partner-firms' balance sheet accrued carry (as reported by the Partner-firms to the Operator) and represents the Company's proportionate share of the accumulated balance of unrealised profits from the Partner-firms' funds.

The Operator and the Directors consider Partner Accrued Carried Interest to be a meaningful measure of the performance of the private markets Partner-firms and potential future private markets Partner Realised Performance Revenues. Absolute return performance fees are not accrued and are instead realised annually. The Operator uses Partner Accrued Carried Interest to assess future expected carried interest payments and inform operating, budgeting and re-investment decisions. This key operating metric reflects data reported to the Operator on a three-month lag.

Investment Capital

Investment Capital is defined as the Company's proportionate share of the reported value of the balance sheet investments from the Partner-firms. The Operator and the Directors consider Investment Capital to be a meaningful measure of the performance of the Partner-firms' balance sheet investments and potential future Partner Realised Investment Income. The Operator therefore uses Investment Capital to assess future expected Partner Realised Investment Income and inform operating, budgeting, and re-investment decisions.

AuM and associated data

The data presented in this document for the following key operating metrics reflects AuM data reported to the Operator on a three-month lag. This three-month data lag is due to the timing of the financial information received by the Operator from the Partner-firms, which generally require at least 90 days following each period end to present final financial information to the Operator. The key operating metrics reflected on a three-month lag are:

- Aggregate Partner-firm AuM
- Aggregate FP Partner-firm AuM
- Average Aggregate FP Partner-firm AuM
- Aggregate Performance Fee Eligible Partner-firm AuM
- Average Aggregate Performance Fee Eligible Partner-firm AuM
- Partner Private Markets Accrued Carried Interest
- Investment Capital

In respect of Investment Capital, the data may be adjusted for any known valuation impacts following the reporting date of the information received from the Partner-firms.

This announcement has been prepared solely to provide additional information to shareholders and meets the relevant requirements of the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority. The announcement should not be relied on by any other party or for any other purpose.

These written materials are not an offer of securities for sale in the United States. Securities may not be offered or sold in the United States absent registration under the US Securities Act of 1933, as amended, or an exemption therefrom. The issuer has not and does not intend to register any securities under the US Securities Act of 1933, as amended, and does not intend to offer any securities to the public in the United States. Any securities of Petershill Partners plc referred to herein have not been and will not be registered under the US Investment Company Act of 1940, as amended, and may not be offered or sold in the United States or to "U.S. persons" (as defined in Regulation S under the US Securities Act of 1933, as amended) other than to "qualified purchasers" as defined in the US Investment Company Act of 1940, as amended. No money, securities or other consideration from any person inside the United States is being solicited and, if sent in response to the information contained in these written materials, will not be accepted.

FORWARD-LOOKING STATEMENTS

This press release may contain forward-looking statements that involve substantial risks and uncertainties. You can identify these statements by the use of forward-looking terminology such as "may," "will," "should," "expect," "anticipate," "project," "target," "estimate," "intend," "continue," or "believe" or the negatives thereof or other variations thereon or comparable terminology. You should read statements that contain these words carefully because they discuss our plans, strategies, prospects and expectations concerning the business, operating results, financial condition and other similar matters. These statements represent the Company's belief regarding future events that, by their nature, are uncertain and outside of the Company's control. There are likely to be events in the future, however, that we are not able to predict accurately or control. Any forward-looking statement made by us in this press release is based upon information known to the Company on the date of this press release and speaks only as of such date. Accordingly, no assurance can be given that any particular expectation will be met and readers are cautioned not to place undue reliance on forward looking statements. Additionally, forward looking statements regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Other than in accordance with its legal or regulatory obligations (including under the UK Listing Rules and the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority), the Company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.
