

PATRIMONIUM

Real Estate
Private Debt
Infrastructure
Private Equity

PDI Capital Structure Forum - Case Study

London, 21 November 2019

Patrimonium Asset Management AG

PATRIMONIUM: Specialist in Direct Private Market Investments in DACH

At a Glance

2007 Firm inception	> CHF 3bn¹ Assets under mgmt.
> 150 Institutional investors	> 30 FOs & HNWI investors
3 Offices In Switzerland	> 50 Professionals



1) As of 31.12.2019

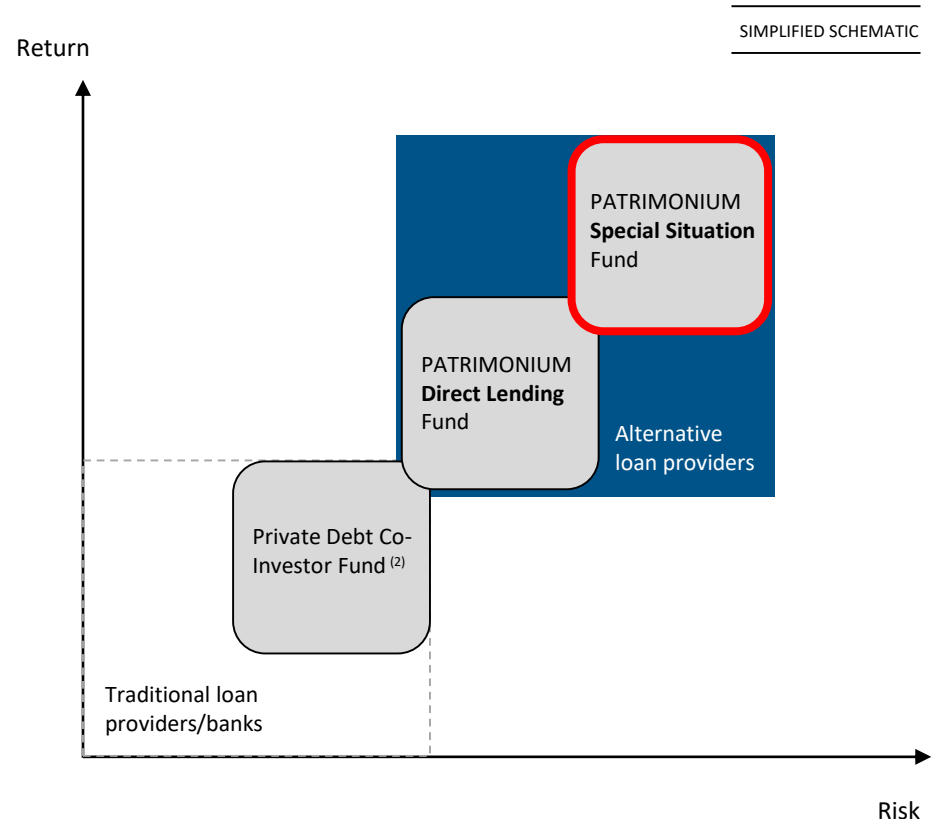
Asset Classes

Private Debt		<ul style="list-style-type: none"> ▪ Direct Lending offering to middle market companies in the DACH region ▪ Approx. 200 transactions since 2006; around € 1.1bn capital invested
Real Estate		<ul style="list-style-type: none"> ▪ Covering residential, commercial and health-care property segment ▪ Active Management – renovation, transformations, heightening, etc.
Infrastructure		<ul style="list-style-type: none"> ▪ Investments in European railcars rented to industrial clients across Europe ▪ Purchasing and renting out of freight railcars to industrial clients in Europe
Private Equity		<ul style="list-style-type: none"> ▪ Focus on selected fragmented and under-digitalized industries in Alpine rim ▪ Management team with significant operational experience

Case Study: Project Sun

Risk Return Profile & Transaction

PATRIMONIUM Investment Universe⁽¹⁾



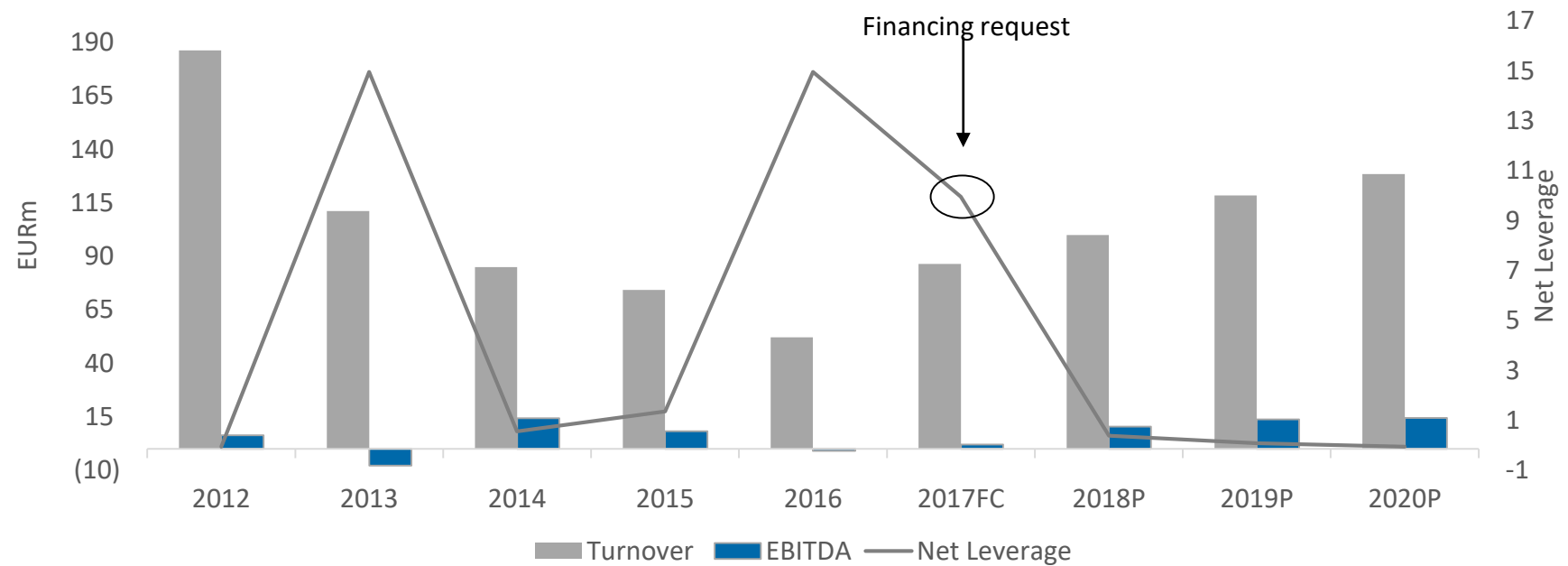
Transaction

Source	Debt advisor
Sponsor	Sponsorless
Instrument	Senior secured bonds
Investment	EUR 30m
Expected IRR	12-14%
Use of proceeds	Refinancing / restructuring
Expected term	3y
Collateral coverage⁽³⁾	200% (market value); 118% (liquidation value)
Collateral	<ul style="list-style-type: none"> • First lien land charge • Pledge of movable fixed assets • Pledge of inventories • Pledge of receivables • Corporate guarantees

(1) Schematic Patrimonium Asset Management AG
 (2) Private Debt Co-Investor Fund I – in cooperation with Credit Suisse
 (3) Pledged assets over outstanding nominal

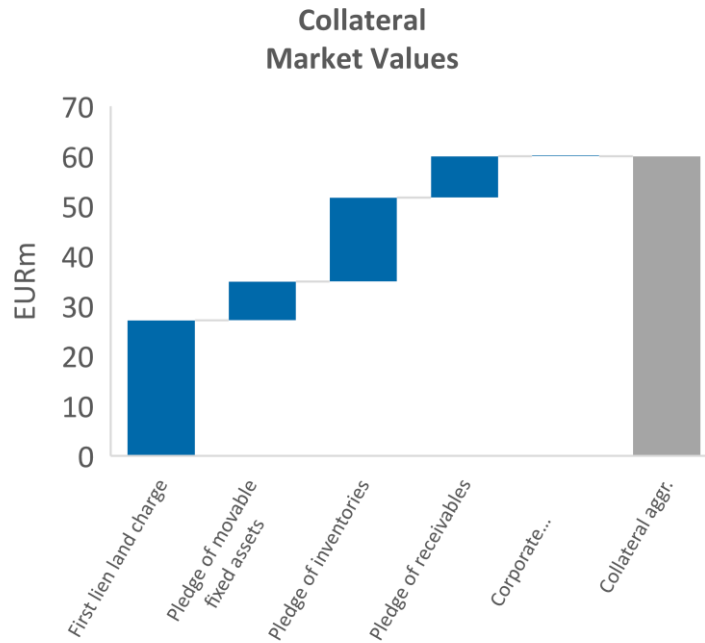
Case Study: Project Sun

Decreasing turnover and volatile profitability since 2012

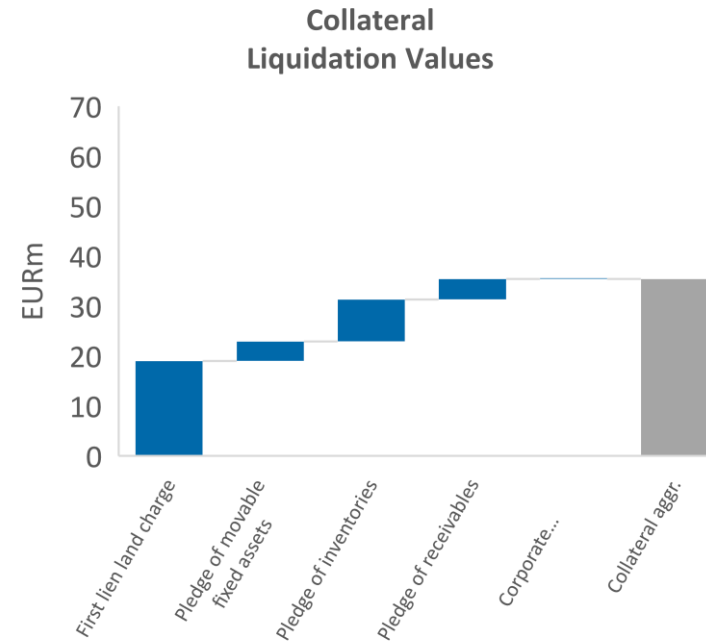


Case Study: Project Sun

Available asset base to secure loan amount



Collateral Coverage: 200%



Collateral Coverage: 118%



Case Study: Project Sun

Pros and cons

	<u>Pro</u>	<u>Con</u>
Business Model	<ul style="list-style-type: none"> High-quality products leading to an outstanding market reputation and market leading position 	<ul style="list-style-type: none"> Competitive landscape with pressure on margins from Asian competitors Short lifecycle of products due to fast developing technology
Shareholder & Management	<ul style="list-style-type: none"> Highly committed shareholding management with sound technology and market knowledge Management supported by external turnaround experts 	<ul style="list-style-type: none"> Weak controlling and finance department Understaffed sales organisation
Financing Structure	<ul style="list-style-type: none"> Simplification of financing structure by being the sole lender 	<ul style="list-style-type: none"> Weak credit metrics due to volatile business model
Downside Protection & Exit	<ul style="list-style-type: none"> Strong (hard-assets) collateral package consisting of all assets of the company Collateral Coverage c. 200% (market value) and c. 118% (liquidation value) 	<ul style="list-style-type: none"> Negative impact on return due to exit by time consuming insolvency proceedings

Disclaimer

About Patrimonium

Patrimonium Asset Management AG is a FINMA-regulated Swiss manager of collective investments with outstanding expertise in private debt, real estate, infrastructure and private equity. Today, Patrimonium and its affiliates have around CHF 3 billion in assets under management for a large number of institutional as well as private investors in Switzerland and abroad. The company employs more than 50 people at its offices in Crissier/Lausanne, Zurich, and Baar.

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The paying agent in Switzerland is Banque Cantonale de Genève, Quai de l'Île 17, 1208 Geneva.

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