

KGAL celebrates its 50th anniversary in 2018 following a record year €2.8 billion of new business in 2017

- c. €1.5 billion in equity placed with institutional investors in 2017
- Assets under Management increased 5.6% to €22.7 billion
- KGAL will invest in new markets and business segments in 2018 with “New Frontiers”
- Digital Online platform to be launched by mid-2018

Grünwald, Germany 08.03.2018 – The KGAL Group has enjoyed an outstanding fiscal year. In 2017, the independent investment and asset management company achieved a new business volume of c. €2.8 billion. This represents an increase of 47% on the previous year (2016: €1.9 billion). The assets under management increased from €21.5 billion in 2016 to €22.7 billion in the 2017 fiscal year (growth of 5.6%).

“We are starting our anniversary year with a record result,” emphasises Gert Waltenbauer, CEO of KGAL GmbH & Co. KG. Founded in 1968, today the KGAL Group is one of the leading independent European real asset investment and asset management companies. “We are in an excellent position for 2018 and the next 50 years ahead.” At €1.5 billion, 66% more investor equity was placed than in the previous year (2016: €0.9 billion). Waltenbauer adds: “We continue to achieve consistent growth.”

The KGAL Group will expand its core business this year and take steps to further globalise its activities, through the creation of new institutional investment products across its three assets classes: the real estate, infrastructure and aviation asset classes. In the real estate field, institutional investors will be given the opportunity to subscribe to investments that harness the key developing trends in the sector and allow clients the ability to be more opportunistic in their asset allocation. In the infrastructure asset class, KGAL is expanding its range of activities in the renewable energy generation segment to investments in the general energy sector.

KGAL New Frontiers: investments in new markets and products

New regions and investment topics are the focus of the newly established KGAL New Frontiers GmbH & Co. KG. The rationale of KGAL New Frontiers is to source, assess and analyse high-interest real asset investments across new markets & sectors and, provided that the test phase is successful, enable them to become available for institutional investors. The company’s initial activities include investment in an Eastern European hydroelectric plant operator and a joint venture with a Scandinavian state energy provider.



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KGAL goes digital: online platform for retail sales

The KGAL Group is developing an online platform and investment products with an in-house fintech team. Gert Waltenbauer: “Tangible assets are still attractive for private clients. However, apart from a limited number of traditional closed funds, this area offers few investment opportunities.” Bearing in mind that private clients will increasingly purchase financial products via the internet in the future, this niche is ripe for exploitation. Market testing of the platform is scheduled to take place in mid-2018.

Real estate: value-added management offers more opportunities for growth

The managed investment volume in the real estate asset class remains unchanged at c.€6.9 billion, despite planned divestitures in legacy business. The expansion of mandates with equity commitments of more than €1.0 billion was a contributing factor here, with successful transactions for several office and retail properties having been concluded. The transaction volume in four European markets was over €1.5 billion in the 2017 fiscal year. With the foundation of the new strategic value-added management business unit in July 2017, KGAL has been working consistently on expanding its value product chain.

Infrastructure: first close of ESPF 4 with equity of €255 million

In 2017, the KGAL Group announced the first close on its ESPF 4 fund at €255 million. Four major European institutional investors committed to this total and, in doing so, supported the continuing global expansion of KGAL’s renewable business. ESPF 4 is a SICAV-SIF vehicle based in Luxembourg and pursues a core plus investment strategy for renewable energy. The second close is expected in Q2 2018 with three more national and international investors.

Aviation: expertise wins multiple awards

The aviation asset class recorded a managed investment volume of more than €2 billion for the 2017 fiscal year (2016: €1.3 billion). The new business volume was €1.3 billion in the same period (2016: €1.0 billion). This represents an increase of 30% on the previous year. The KGAL Group won two awards last year for its market position, set-up and placement within the aviation asset class: the GTF (Global Transport Finance) Award 2017 and the Scope Alternative Investment Award 2018, both in the “Transportation” category.

The KGAL Group is a leading, independent asset and investment manager with an investment volume of €22.7 billion. Its investments focus on long-term capital investments for institutional investors in the real estate, infrastructure and aviation asset classes. The Group, founded 50 years ago, operates across Europe and has its registered office in Grünwald near Munich. Around 340 employees help achieve stable yields on a sustainable basis, taking into account aspects of revenue and risk (As at 31/12/2017).



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