



PRESS RELEASE

- **Tikehau Capital has entered into exclusive negotiations to acquire Sofidy, a real estate asset management company managing €4.8 bn¹**
- **Projected tender offer on Selectirente securities**

Paris, 20 September 2018 – Tikehau Capital, the alternative asset management and investment group, accelerates its development in real estate by entering into exclusive negotiations with a view to acquiring Sofidy, a major player in real estate asset management in France.

This proposed acquisition would allow Tikehau Capital not only to become one of the leading independent French players in real estate asset management, but also to increase its assets under management by over 30%², enabling it to achieve its target of €20bn in assets under management by the end of 2018 initially announced for 2020.

A unique opportunity to strengthen its presence in the promising real estate asset management market³ and thus balance the Group's business mix

This acquisition project is fully aligned with Tikehau Capital's strategy to broaden its fund offering in order to balance its business mix. It enables the Group to reach out to new investor categories and extend its know-how in the field of real estate investment solutions thanks to the strong complementarities between the two companies.

Established in 1987 by Christian Flamarion⁴, Sofidy is a leading asset manager in the real estate management sector in France and Europe, involved in the creation and development of investment and savings products particularly focused on retail and office real estate. A leading independent player in the SCPI (real estate investment

¹ As at 30 June 2018

² On the basis of total amount of assets under management of €14.8 bn as at end June 2018 for Tikehau Capital

³ As at end June 2018, the French SCPI market represented a total of €53 bn in outstandings, including 92% (€49 bn) invested in retail real estate. In 2017, the net inflows in the SCPI retail real estate sector recorded growth of 15% to reach €6.1 bn.

⁴ M. Christian Flamarion is the father of M. Antoine Flamarion, co-founder of Tikehau Capital.

trust) market with €4.8bn under management, Sofidy manages a portfolio of over 4,100 real estate assets on behalf of over 45,000 individual investors and a large number of institutional investors.

Strong operational complementarity rooted in a common independent entrepreneurial culture

This planned tie-up flows from the operational complementarity between the two groups, supported by common values of independence and excellence, which will allow their different know-how and expertise to be given free rein.

This complementarity is demonstrated firstly in the client base profile: institutional investors on the one hand and private investors on the other. The complementarity is also clear in terms of product range: on the one hand Real Estate Collective Investment Schemes (OPCI) for professional investors; and Real Estate Investment Companies (SCPI), real estate UCITS and OPCI for private investors, on the other.

For Mathieu Chabran, co-founder of Tikehau Capital: *"Tikehau Capital is pleased to be able to seize the unique opportunity of acquiring Sofidy. We have high ambitions to grow in the real estate sector, and we are delighted to not only broaden our expertise in this area, but above all to welcome Sofidy and its teams alongside us."*

For Jean-Marc Peter, CEO of Sofidy: *"We are moving closer to a Group with strong growth, and with which we have numerous shared values, foremost among them being independence and performance at the service of our investors. We are convinced that this proposed operation will strengthen Sofidy over the long term and will benefit all our clients and partners."*

A significant increase in assets under management generating growth and profitability

By consolidating €4.8bn⁵ in additional real estate assets under management, the proposed acquisition of Sofidy will enable Tikehau Capital to almost triple its assets under management in this sector (which amounted to €2.6bn at the end of June 2018).

In addition to the strong operational complementarities, this acquisition will immediately generate growth and profitability for Tikehau Capital. With net revenue corresponding on average to around 100 basis points of assets under management, and an operating margin of around 40% of net revenues in 2017, the acquisition of Sofidy will have an immediate positive impact on the average fee rate and operating margin of Tikehau Capital's asset management activities.

Following this proposed transaction, Tikehau Capital should hold over 90% of Sofidy's capital. The valuation for 100% of the shares in Sofidy amounts to €220m, corresponding to an estimated enterprise value of c. €120m (or below 7x EBITDA),

⁵ As at 30 June 2018

plus c. €100m in available cash and financial assets. The transaction will mostly consist in a sale in cash and - for a marginal portion - in a contribution in kind in consideration for new Tikehau Capital shares. Tikehau Capital will finance the operation from its own resources and will communicate at a later date on the definitive terms of the operation.

Development process of the transaction

The transaction is subject to an information-consultation with the unique staff representative body of Sofidy.

The signature of an exclusive agreement has been authorised by the Supervisory Board of the Company as regulated agreement. For the purpose of this transaction, the Supervisory Board designated an *ad hoc* committee composed of independent members. Its assignment is to supervise the works of an independent expert (Finexsi) and to submit a fairness opinion on the terms of the acquisition. M. Antoine Flamarion will abstain from taking any measure related to this transaction for the account of Tikehau Capital.

Tikehau Capital is advised by Rothschild & Cie.

Once signed, the completion of the transaction will be subject to approval from the French Financial Markets Authority (*Autorité des marchés financiers*) as well as the competent competition authorities. Its completion is planned for Q4 2018.

Projected tender offer on Selectirente securities

After the definitive completion of the Sofidy acquisition, Tikehau Capital intends to launch a tender offer for the acquisition of the securities in Selectirente. The offer price is under discussion and will be subject to a fairness opinion from an independent expert. The terms and conditions of the tender offer will be communicated to the market once they have been set.

About Tikehau Capital

Tikehau Capital is an asset management and investment group, which manages €14.8 billion of assets (as at 30 June 2018), with shareholders' equity of €2.3 billion (as at 30 June 2018). The Group invests in various asset classes (private debt, real estate, private equity and liquid strategies), including through its asset management subsidiary Tikehau IM, on behalf of institutional and private investors. Controlled by its managers, alongside leading institutional partners, Tikehau Capital employs 230 staff (as at 30 June 2018) in its Paris, London, Brussels, Madrid, Milan, New York, Seoul and Singapore offices.

Tikehau Capital is listed on the regulated market of Euronext Paris, Compartment A (ISIN code: FR0013230612; Ticker: TKO.FP)

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