



PRESS RELEASE

Paris, 21 September 2017

Sharp increase in net income in the first half of 2017

- Net income, Group share: €85.9 million driven by the profitability of the asset management activities and income from investment activities
- Assets under management: €11.1 billion as at 30.06.2017, an increase of 11% compared with 31.12.2016
- Further international development
- The goal by the end of 2017 is €13 billion in assets under management, in keeping with the target of €20 billion between now and the end of 2020

First half results: sharp increase in net income

Tikehau Capital's Supervisory Board met today in order to review Tikehau Capital's simplified consolidated first-half financial statements for the period ended 30 June 2017.¹

First-half 2017 net income, Group share, amounted to €85.9 million (compared with a loss of €5.8 million in the first half of 2016 on a *pro forma* basis).

This result reflects **the increase in the income from asset management activities which amounted to €25.1 million, up 39%** compared with the first half of 2016 (€18.1 million on a *pro forma* basis) and the **sound performance of the investment activities, where income amounted to €121.6 million** (compared with €35.6 million for the first half of 2016 on a *pro forma* basis).

¹ The audit processes carried out in relation to the IFRS financial statements by the Statutory Auditors are in progress. The *pro forma* data set out in this release has not been the subject of an audit.

Asset management

The **significant increase in income from asset management activities (39%)** reflects both the increase in the Group's assets under management and the increase in assets under management that generate management fees. Some funds only generate management fees once the amounts committed by investor clients have been invested. Accordingly, the Group's management fees gradually increase as the amounts committed by its investor clients are progressively invested. This increase in income from asset management activities occurred against a backdrop of tightly controlled costs: **net income from asset management activities amounted to €2.9 million compared with a loss of €0.8 million in the first half of 2016** (on a *pro forma* basis).

Investment

Income from investment activities amounted to €99 million in the first half, which marked a sharp increase compared with the first half of 2016 (€10.5 million on a *pro forma* basis) due to revenues from assets amounting to €23 million and positive changes in fair value amounting to €98.6 million. These changes mainly correspond to a €57.1 million revaluation of the listed securities held in the portfolio (including Assystem, Eurazeo and SES-imagotag. This portfolio is currently the subject of exclusive negotiations with a view to divestment), as well as to the revaluation of the shares in Salvepar, upon its inclusion in Tikehau Capital's consolidation scope, for an amount of €32.4 million (revaluation of the percentage of Salvepar's IFRS equity capital compared with a stock market valuation in the financial statements for the year ended 31 December 2016).

Balance sheet data

The Group reported a gross cash position of €120.2 million on a consolidated basis as at 30 June 2017 compared with €129.8 million as at 31 December 2016.

The first half of the 2017 financial year was also characterised by the completion of the reorganisation operations launched by Tikehau Capital during the 2016 financial year, and which resulted in the listing of the Company on the stock market on 7 March 2017. **Tikehau Capital carried out three capital increases for a total amount of €351 million during the first half;** two of those increases were undertaken on a cash basis for a total amount of €200 million, while one increase for €151 million formed part of the settlement of the tender offer for Salvepar.

11.3% increase in assets under management

Tikehau Capital's assets under management amounted to €11.1 billion as at 30 June 2017, i.e., an increase of 11.3% over the first half. This €1.1 billion increase in assets under management results from a net inflow of €1.3 billion compared with market and distribution effects of -€0.2 billion.²

² The assets under management published by the Company as at 31 December 2016 were established on a *pro forma* basis (including events such as the capital increases, which occurred at the beginning of the first quarter of 2017).

Tikehau Capital's assets under management break down as follows as at 30 June 2017:

- **Private Debt: €5.0 billion, i.e., 45% of the Group's assets under management, and an increase of 2.6%**
- **Real Estate: €1.9 billion, i.e., 17% of the Group's assets under management, and an increase of 6.8%**
- **Private Equity: €1.6 billion, i.e., 15% of the Group's assets under management, and an increase of 15.2%**
- **Liquid Strategies: €2.6 billion, i.e., 23% of the Group's assets under management, and an increase of 34.7%**

The assets under management as at 30 June 2017 do not take into account the fund-raising rounds that were launched during the first half and were completed after the half-year close on 30 June, or are expected to be finalised between now and the end of the 2017 financial year. See below the outlook for the second half.

Tikehau Capital reached several symbolic milestones as part of its asset management activities during the first half of 2017, reflecting the Group's sound commercial momentum, which was bolstered by its recent listing on the stock market.

- Private Debt – Tikehau Senior Loan II (TSL II), the Group's main senior debt (*leveraged loans*) fund achieved a final closing amounting to €615 million at the end of April.
- Liquid Strategies – Liquid strategies drove the growth in the Group's assets in the first half. Specifically, Tikehau Taux Variables (TTV), Tikehau Capital's main fixed income fund reached the threshold of €1 billion in assets under management in February. TTV's assets under management amounted to €1.35 billion as at 30 June 2017, i.e., an increase of approximately 53% over the first half.
- Real Estate – Tikehau Capital announced in early June that it had purchased a shopping centre in Turin ("Area12") via a fund. This transaction was undertaken at a cost of €65 million.

In June 2017, Tikehau also finalised the purchase of 96% of Credit.fr, the French specialist in crowd-funding for smaller businesses (VSEs) and SMEs. This acquisition enables Tikehau Capital, a leading player in the corporate private debt market in France, to consolidate and expand its lending platform, and extend its corporate financing solutions to include VSEs and SMEs.

Tikehau Capital's teams also continued to roll-out the existing strategies via the launch of new funds in the private debt and real estate business areas, which will contribute to the sustained growth of the Group's assets under management. (See below the outlook for the second half.)

Lastly, to support its international development, the Group continued to broaden its geographic footprint by opening a branch office in Madrid, Spain, and a representative office in Seoul, Korea, in the first half.

Investment activities in the first half of 2017

Tikehau Capital continued the active turnover of its portfolio of investments held on the balance sheet in the first half of 2017. **Total investments came to €555.7 million, while disposals amounted to €98.2 million.**

Investments

The main investments completed by the Company as part of its investment activities during the first half of 2017 were as follows:

- Oodrive – At the end of March, Tikehau Capital announced its role as lead manager in a deal securing funding of up to €65m for the European leader in sensitive-data management solutions Oodrive, to accelerate the Oodrive's growth. The deal raised a total of €25m in investments in Oodrive, including €16m on the Company's balance sheet.
- Claranet – In May, the Company entered into an agreement to acquire a minority shareholding in Claranet alongside the current shareholders. Claranet is an independent leader in integrated hosting, networks and communications managed-services based in London and operating in seven European countries and Brazil. Tikehau Capital invested £75m in ordinary and preference shares alongside the current shareholders.
- Eurazeo – In May, Tikehau Capital announced the acquisition of a 7.6% stake in the listed investment company Eurazeo, at a total cost price of €329.8 million.
- The Group has also invested €37.7 million of its balance sheet in its asset management strategies.

Divestments

The main divestments during the period were as follows:

- E.CF – In early April, Tikehau Capital sold its shareholding in Ecotel Chomette Favor (E.CF) to Naxicap Partners. The Company generated a gross capital gain of €18.2 million on the disposal of this investment (including the coupons received during the investment period), i.e., a gross multiple of 2.8 times the amount invested.
- Asten Santé – At the beginning of May, the Company and the other shareholders of Asten Santé announced that exclusive negotiations were underway with Groupe La Poste for the sale of a majority shareholding in Asten Santé, which is one of the leaders in homecare services on the French market. In April 2014 and April 2016, Tikehau Capital had invested a total of approximately €28.5m for a 21% capital shareholding in Asten Santé. The disposal, which was finalised on 6 June 2017, will enable the Company to realise a capital gain of around €16 million, i.e., a gross multiple of 1.6x the amount invested.

In addition, SES-imagotag announced its planned combination with the Chinese BOE Technology Group in mid-June. Against this backdrop, SES-imagotag's main shareholders, including the Company, which has a 14% interest in SES-imagotag, entered into exclusive negotiations with the purchaser on 16 June 2017, with a view to disposing of their aggregate interest or 55% in the

company at a price of €30 per share. Subject to the completion of the conditions precedent, this disposal will enable the Company to generate income of around €6 million (on a consolidated basis in accordance with IFRS) for the 2017 financial year. The gross multiple realised on this investment by the Company is estimated at 2.7x.

Post-balance sheet event: capital increase in July 2017

The Company continued to strengthen its shareholders' equity in the 2nd half. It performed a capital increase in an amount of around €702 million (including the issue premium) on 23 July 2017, following the full exercise of the extension clause decided by the General Partner, which resulted in the issuance of 31,903,367 new shares. This capital increase was carried out at a price of €22 per share with preferential subscription rights and subscribed to in full by cash contribution.

The purpose of this capital increase was to finance the Company's next development stage, as announced at the time of the stock-market listing, and to drive its growth, with a view to achieving €20 billion in assets under management in 2020.

This capital increase has also enabled the Company to diversify its shareholder base, and to increase its visibility on the capital markets.

Outlook for H2 2017

Based on the fund-raising rounds undertaken since the beginning of the 2nd half, and on the transactions that are in the process of being finalised between now and the end of the 2017 financial year, the Group aims to achieve €13 billion in assets under management by the end of the financial year, *i.e.*, a 30% increase in assets under management over the financial year as a whole (assuming that the assets under management in the liquid strategies remain stable).

Specifically, where the debt securitisation activities are concerned, Tikehau Capital Europe launched the build-up of the asset portfolio (warehousing stage) of its 3rd CLO (Collateralised Loan Obligation) during the first half. The transaction was launched on 19 September for a final amount of €435 million. This 3rd CLO will enable Tikehau Capital to exceed €1 billion in assets managed as part of its CLO business activities.

The Group intends to focus on the following areas for improvement in the short and medium term:

- Seeking operational performance:
 - Promoting the Tikehau Capital brand across all strategies
 - Continuing to improve the profitability of the asset management activities
 - Optimising the allocation of capital
- Organic growth
 - Continuing the fund-raising momentum
 - Expanding the client base, the product range, and the geographic footprint
 - Transposing the Group's expertise and track record in private equity to dedicated funds managed on behalf of clients

- External growth
 - Performing selective external growth transactions or hiring external teams, in France and abroad.

Key data for the first half of 2017

Financial information for the first half ended 30 June 2017 (according to IFRS):

In millions of euros	First half of 2017 (6 months)	First half of 2016 (6 months <i>pro forma</i>)
<i>Income from management companies</i>	25.1	18.1
<i>Operating and other expenses</i>	(22.2)	(18.9)
Net income from asset management activities	2.9	(0.8)
<i>Portfolio income</i>	121.6	35.6
<i>Operating and other expenses</i>	(22.6)	(25.1)
Net income from investment activities	99.0	10.5
Net income from investment and asset management activities	101.9	9.7
Net income (Group share)	85.9	(5.8)

In millions of euros	30 June 2017	31 December 2016
Shareholders' equity (Group share)	1,574.5	1,129.7
Gross cash	120.2	129.8
Gross debt	343.7	119.2

Change in assets under management:

In millions of euros (Non-audited data)	First half of 2017	2016 financial year
Assets under management	11,105	9,979
Net change over the period	1,125	3,627

About Tikehau Capital:

Tikehau Capital is an asset management and investment Group which manages approximately €11.1bn of assets, with shareholders' equity of €2.3bn. 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 170 staff in its Paris, Milan, Brussels, London, Milan, Seoul and Singapore offices.

Tikehau Capital is listed on Euronext Paris, compartment A (ISIN code: FR0013230612; Ticker: TKO.FP)

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