FitchRatings

Tikehau Capital SCA

Ratings

Foreign Currency

Long-Term IDR	BBB-
Short-Term IDR	F3

Sovereign Risk

Long-Term Foreign-Currency IDR	AA

Outlooks

Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Foreign-Currency IDR	Negative

Applicable Criteria

Non-Bank Financial Institutions Rating Criteria (February 2020)

Related Research

Fitch Affirms Tikehau Capital on Changes to Corporate Structure (May 2021)

Fitch Assigns Tikehau's Sustainable Notes Final 'BBB-' Rating (March 2021)

Fitch Ratings 2021 Outlook: Global Investment Managers (November 2020)

Financial Data

Tikehau Capital SCA

(EURm)	30 Jun 21	31 Dec 20
AUM (EURbn)	30.9	28.5
FAUM (EURbn)	24.4	23.2
Management/other recurring fees	122.2	198.6
Pre-tax profit	196.2	-264.8
Investment portfolio	2,878	2,410
Tangible equity (TE)	2,353	2,266
Gross debt/TE (x)	0.6	0.4

Source: Fitch Ratings

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Key Rating Drivers

Contained Leverage, Sound Funding Profile: Tikehau Capital SCA's ratings are underpinned by the firm's good capitalisation and sound and relatively long-dated funding profile. Fitch Ratings views leverage as a relative rating strength and, at end-1H21, the company's gross debt/tangible equity ratio stood at around 0.6x (0.3x net of cash and cash equivalents), which is adequate for its business model. Cash flow leverage has improved with rising assets under management (AuM) but remains weaker than that of higher-rated peers.

Tikehau Capital's funding profile is unsecured with the earliest upcoming maturities in 2023, mitigating near-term refinancing risk. Liquidity is robust, with the company sustaining a significant cash buffer on balance sheet (accumulated through a capital-raising in 2019 and bond issuance) to flexibly fund future growth in its asset management (AM) business.

Growing Alternative Asset Management Franchise: Tikehau Capital has established a well-diversified and strongly growing alternative AM franchise although its record in third-party asset management is more limited than that of many peers. Aside from select acquisitions (most recently Star America in the US in 2020 and Sofidy in 2018), growth remains organic across its four main strategic areas (real assets, private debt, private equity, capital markets).

Structure Changes Improve Governance: In July 2021 Tikehau Capital implemented significant changes to its governance structure, including the elimination of an annual payment of 2% of consolidated shareholders' equity to its general partner. The transaction brought its group structure and in particular its senior partner renumeration model more in line with market practices, reduced organisational complexity and markedly improved its operating cost base.

Concentrated Balance Sheet Exposures: Tikehau Capital's direct balance sheet investments are large and concentrated, leading to considerable earnings volatility as evidenced in 2020. Positively, since 2019 the company has made good progress in reducing direct investments on its balance sheet, approaching its own target for direct investments (25%-35% of portfolio investments), with the corresponding balance to be held in its own funds (64% at end-1H21).

Volatile Earnings: In 2020 the company reported a sizeable EUR265 million pre-tax loss. This was almost entirely because of a EUR287 million realised hedging loss incurred in relation to its macro hedging strategy, implemented at the beginning of the Covid-19 pandemic to cover most of its existing direct listed investments. Net profitability recovered strongly in 1H21.

Strong Fundraising: In 2020 and 1H21 fundraising was strong despite challenges encountered as a result of the pandemic, with Tikehau continuing to effectively leverage existing investor relationships across various regions, a good deal-sourcing pipeline and sound investment policies. The closed-end nature of most of Tikehau Capital's funds continues to support the visibility of future recurring revenues and limits redemption risk.

Rating Sensitivities

Larger Scale; Improved Structural Profitability: The firm materially enhancing the scale of its asset management activities (resulting in a larger proportion of recurring annuity-based revenue and reduced earnings volatility), while maintaining leverage at current (or improved) levels, could support positive rating action.

Higher Leverage; Operational Loss: Tikehau Capital's gross debt/tangible equity ratio approaching 0.8x would be credit negative – in particular if caused by a reduction in tangible equity and if accompanied by a deterioration in Tikehau Capital's strong net leverage ratio. A material operational loss or a sustained weakening in Tikehau Capital's franchise as a result of the departure of key investment or senior staff could also be rating negative.

Debt Rating Classes

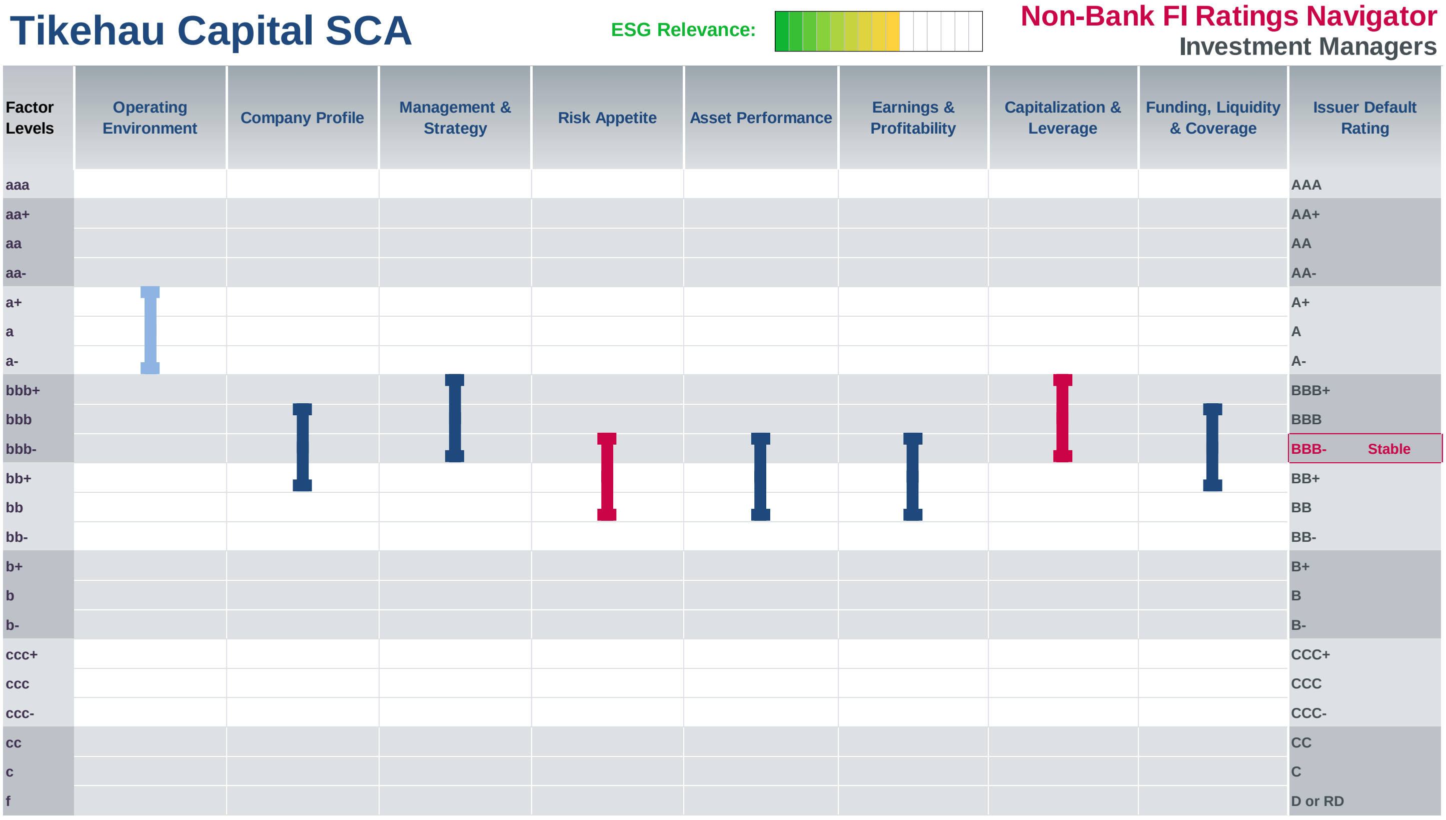
Rating level	Rating
Senior unsecured	BBB-

Source: Fitch Ratings

The rating of Tikehau Capital's senior unsecured debt is equalised with its Long-Term Issuer Default Rating (IDR), reflecting Fitch's expectation of average recovery prospects given Tikehau Capital's largely unsecured funding profile.

The senior unsecured notes' rating is primarily sensitive to changes in Tikehau Capital's Long-Term IDR. Changes to Fitch's assessment of recovery prospects for senior unsecured debt in default (e.g. the introduction of debt obligations ranking ahead of the senior unsecured debt notes) could also result in the senior unsecured notes rating being notched below the IDR.

Ratings Navigator



Bar Chart Legend

Vertical bars – VR range of Rating Factor
Bar Colors – Influence on final VR

- Higher influence
- Moderate influence
- Lower influence

Bar Arrows – Rating Factor Outlook

⇧ Positive ⇩ Negative
⇳ Evolving ▫ Stable

Navigator Peer Comparison

			Business Profile				Financial Profile			
Name	Sector	IDR/Outlook	Operating Environment	Company Profile	Management and Strategy	Risk Appetite	Asset Quality & Performance / CP Exposure	Earnings and Profitability	Capitalisation and Leverage	Funding, Liquidity and Coverage
Oaktree Capital Group, LLC	IM	A/Stable	aa-■	a■	a■	a■	a■	a-■	a-■	bbb■
Investcorp Holdings B.S.C.	IM	BB/Stable	bbb■	bb■	bbb-■	bb+■	bb■	bb+■	bb+■	bb■
Ares Management Corporation	IM	A-/Stable	aa-■	a-■	a-■	a-■	a■	a-■	a-■	a-■
The Carlyle Group, Inc.	IM	BBB+/Stable	aa-■	a■	bbb+■	a-■	a-■	a-■	bbb■	bbb■
KKR & Co. Inc.	IM	A/Stable	aa-■	a■	a■	a■	a■	a■	a-■	a■
Intermediate Capital Group PLC	Fin Lease Co	BBB/Stable	a■	bbb■	bbb+■	bbb-■	bbb-■	bbb■	bbb-■	bbb-■
Tikehau Capital SCA	IM	BBB-/Stable	a■	bbb-■	bbb■	bb+■	bb+■	bb+■	bbb■	bbb-■
EQT AB (publ)	IM	A-/Stable	aa-■	bbb+■	a-■	a-■	a-■	bbb+▲	a■	a-■
Man Group Plc	IM	BBB+/Stable	a+▼	bbb■	bbb+■	bbb+■	bbb+■	a-■	a■	bbb+■

Influence / Importance: Lower Moderate Higher Outlook: Negative ▼ Stable ■ Positive ▲ Evolving ◆

Key Developments

Changes to Corporate Structure

Changes to Tikehau Capital's corporate and remuneration structure concluded in July 2021 brought its group structure and in particular its senior partner renumeration model more in line with market practices, reduced organisational complexity and markedly improved Tikehau Capital's operating cost base. While the changes did not have an immediate rating impact, it improved the flexibility of Tikehau Capital's cost base.

As part of the transaction, Tikehau Capital General Partner (TCGP), fully owned by Tikehau Capital Advisors SAS (TCA), as the legal entity holding the perpetual right to a 2% payment of opening equity (equivalent to EUR63 million in 2020, excluding VAT) was absorbed by and the right to the economic revenue stream transferred to Tikehau Capital. Fifty-eight full-time employees (FTE; employed by TCA) were transferred to Tikehau Capital as part of a transfer of branch activity, with the company assuming the corresponding staff costs (estimated to be around EUR25 million a year).

The preferred dividend (12.5% of the statutory net result) ultimately accruing to TCA was reduced to 1% of the statutory net result and continues to accrue to TCA (via a newly created entity (Tikehau Capital Commandite). The transfer of these revenue streams to Tikehau Capital (independently valued at around EUR1.15 billion) was funded by Tikehau Capital issuing approximately 39 million additional shares.

As a result of the transaction, Tikehau Capital's operating expense base and cash flow profile should improve by close to EUR45 million (EUR61 million cost improvement due to the 2% management fee elimination partly offset by an increase in operating expenses from the FTE transfer). Pro forma after the cost reduction, Fitch calculates total operating expenses as a percentage of management fee revenues to decrease from 114% to around 94% at end-2020, reducing the company's reliance on more volatile investment management revenue.

In Fitch's view, the transaction has a moderately positive impact on Tikehau Capital's management and strategy score, primarily as a result of improved transparency and better alignment of interests between the company's stakeholders.

Hedging Losses Realised

In March and April 2020, Tikehau Capital entered a number of derivative transactions to hedge against further fair value declines in its sizeable portfolio of listed equities (notably DWS and Eurazeo). However, the subsequent recovery in equity markets since 2Q20 has led to material unrealised derivative-related losses. At mid-2021, Tikehau Capital had unwound the derivative position with a material negative financial impact in both 2020 (EUR286.5 million) and 1H21 (EUR71.5 million). While the transaction led to a sizeable net loss for 2020, Tikehau Capital's equity base was sufficiently large to comfortably absorb the loss. The management has since mid-2020 materially reduced its exposure to both DWS and Eurazeo which should reduce any future earnings volatility from listed equities.

Hybrid Rating Approach

Within Fitch's Non-Bank Financial Institutions (NBFI) sub-sectors, Tikehau Capital shares characteristics with finance companies, investment companies and alternative investment managers. Given Tikehau Capital's continued exposure to balance sheet investments, Fitch considers balance sheet-based metrics to be more relevant than cash-flow based metrics in assessing Tikehau Capital's financial and overall risk profile.

Company Summary and Key Qualitative Assessment Factors

Transitioning from Investment Company to Asset Manager

Tikehau Capital is a Paris-listed alternative asset manager principally offering closed-ended funds in private debt, real assets and private equity as well as funds in capital market strategies. AuM has increased materially to EUR30.9 billion at end-June 2021 from EUR3.0 billion in 2013, of which EUR1.5 billion (around 5%) related to its on-balance sheet direct investment activities. AuM within the asset management business remains reasonably well spread across a number of strategies, including real assets (35%; real estate and infrastructure), private debt (32%), capital market strategies (15%) and private equity (13%).

Broad Range of Alternative Strategies

Tikehau Capital's real asset franchise was materially enhanced by the acquisition of France-based Sofidy in late 2018. Sofidy expanded Tikehau Capital's retail client base and gave the company a solid position in the sizeable French real estate investment vehicle market (SCPIs) in addition to its closed-end real estate funds and listed REITs (in both Singapore and France). While Sofidy is largely focused on core and "core+" strategies (targeted gross returns of between 3% and 10%), Tikehau Capital also invests in higher-risk "value-add" and opportunistic strategies with targeted gross returns of up to 20%.

In its private debt business, Tikehau Capital largely focuses on direct lending and to a lesser extent leveraged loans (currently fundraising for CLO VI). Funds, including its current vintage Tikehau Capital Direct Lending V fund (TDL V), primarily invest in small-to-medium-sized companies across a wide range of debt instruments (including mezzanine and preferred equity). While some portfolio companies have been negatively affected by the pandemic, typical portfolio company leverage is below-market average and the equity contribution high, mitigating credit risk.

Tikehau Capital's private equity franchise, while fast-growing, is relatively small. In its core strategy, it typically invests between EUR20 million and EUR300 million alongside management teams or founders who remain majority shareholders. The division also manages the company's legacy listed equity investments and ACE Capital Partners, an asset manager acquired in 2018 which specialises in aerospace and cybersecurity.

Tikehau Capital's capital markets division encompasses a range of open-ended funds and managed accounts. Investments are largely in European and Asian corporate and financial institutions across a broad range of instruments (including high-yield and subordinated debt).

Sizeable Balance Sheet Investments

Compared to peers, Tikehau Capital's exposure to direct investments (i.e. investments outside its funds) is large, amounting to around EUR1.5 billion at end-1H21. Within direct investments, Tikehau Capital's stake in Eurazeo (EUR380 million) is the company's largest exposure with the remainder being relatively well diversified (two unlisted investments exceeded EUR50 million), also helped by the reduction in its stake in Germany-based DWS (to EUR36 million at end-2020 from EUR189 million at end-2019).

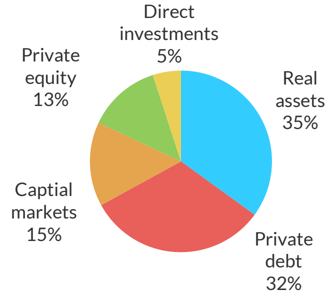
Eurazeo is a France-based alternative asset manager (AuM of EUR25.6 billion at end-1H21), largely as majority-investor in SMEs. Tikehau Capital's management aims to maintain the share of fund co-investments in relation to its total investment portfolio at between 65% to 75% (64% at end-1H21) which suggests that direct investments will remain material in the medium term, ultimately constraining rating upside.

Receding Key Person Risk

While Tikehau Capital's founders (Antoine Flamarion and Mathieu Chabran) remain major shareholders and senior partners, the company's listing in 2017 and an expansion of the company's senior management team since then has in our view reduced key person risk. Governance is also supported by Tikehau Capital's sizeable supervisory board (10 members, all non-executive and five of which considered independent) and a number of board committees (including a governance and sustainability committee with responsibility for remuneration, entirely composed of independent supervisory board members).

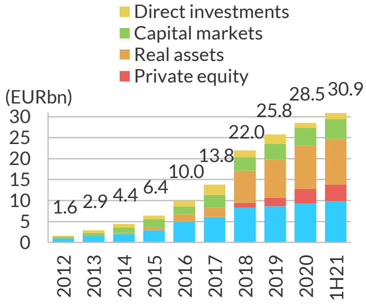
AuM Breakdown

(EUR30.9bn; end-1H21)



Source: Fitch Ratings, Tikehau Capital

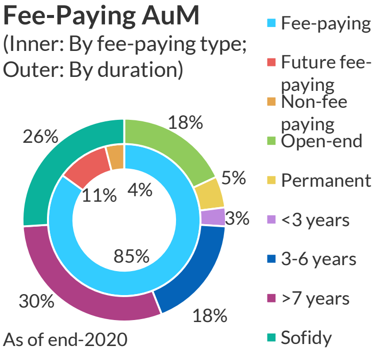
AuM Growth



Source: Fitch Ratings, Tikehau Capital

Fee-Paying AuM

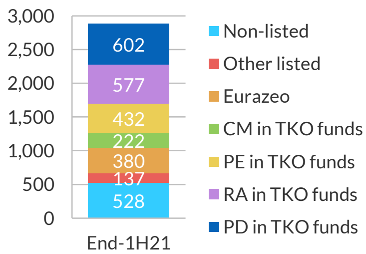
(Inner: By fee-paying type; Outer: By duration)



As of end-2020
Source: Fitch Ratings, Tikehau

Investment Portfolio

(EUR2,878 million; end-1H21)



Source: Fitch Ratings, Tikehau Capital

Key Financial Metrics – Latest Developments

Continued Sound Fundraising

While capital deployment was slowed down by the pandemic (deployment in 1H20 accounted for only 31% of 2020 full-year deployment compared to more than 40% for the first six months in 2017-2019), fundraising remained strong throughout (averaging around 17% annually of beginning period AuM). This was supported by live funds in all of Tikehau Capital's asset classes. Reflecting market opportunities caused by the pandemic, capital deployment recovered strongly in 1H21 (65% of 2020 full-year deployment), in particular in private debt funds and real asset funds.

At end-1H21, Tikehau Capital's dry powder in all its closed-end funds amounted to EUR6.4 billion. The management has increasingly diversified Tikehau Capital's client base away from its home market (including expansion in North America) but France (65% at end-1H21, down from 79% in 2016) continues to account for the bulk of clients. Diversification by client type is good with management aiming to increase its retail and private banking client base, also via joint-ventures.

In April 2021 Tikehau Capital announced that it had sponsored and invested EUR25 million in to a special purpose acquisition company (SPAC, Pegasus Europe) with a further EUR50 million forward purchase agreement.

Continued Reliance on Investment Gains

Tikehau Capital's recurring fee income has grown strongly since 2017 but the company remains reliant on gains related to its investment portfolio (in particular gains on sale but also dividend and interest income).

Positively, the changes to the company's corporate structure announced in May 2021 will improve Tikehau Capital's cost structure. We expect recurring fees from the company's asset management business to at least cover consolidated operating expenses (both asset management and investment company costs), supported by the recent corporate structure changes, increasing performance fees and scale effects in Tikehau Capital's asset management business line. Tikehau Capital's fee-earning EBITDA margin has improved (to around 35% in 2020 and 37% in 1H21) but remains weaker than the corresponding ratios of higher-rated peers.

Sound Balance Sheet Leverage

Following a EUR500 million senior unsecured bond issuance in March 2021, Tikehau Capital's end-1H21 gross debt/tangible equity ratio stood at around 0.6x (0.4x at end-2020), before a July 2021 EUR200 million debt repayment as part of the corporate structure changes. While this is at the upper 'bb' range of Fitch's investment companies benchmark, our assessment of the company's leverage is also supported by materially lower net leverage, its increasing recurring earnings base and Fitch's expecation that Tikehau Capital's currently high gross debt/EBITDA ratio (our key ratio for investment managers with lower balance sheet utilsation) will improve in the medium term.

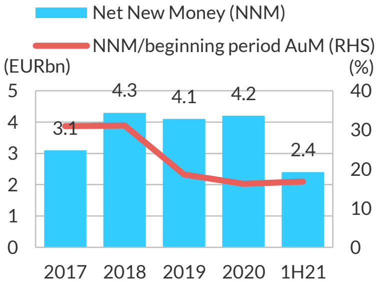
Tikehau Capital pursues a flexible dividend policy but, given the management's leverage appetite, we expect balance sheet leverage to remain comfortably below 0.5x in the medium term.

Long-Dated Funding Profile; Solid Liquidity

Since 2017 Tikehau Capital has issued EUR1.3 billion in senior unsecured debt, EUR300 million in 2017, EUR500 million in 2019 and an inaugural EUR500 million eight-year sustainable bond (with a coupon of 1.625%) in March 2021. As a result, the company's funding profile is long-dated with a first maturity (EUR300 million) in 2023. A EUR200 million bank loan maturing in 2024 was repaid in July 2021.

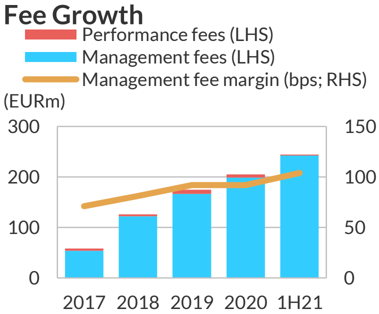
Liquidity is supported by a EUR700 million undrawn revolving credit facility (with the maturity extended to 2026 in 1H21) and a material amount of unrestricted cash (EUR937 million at end-1H21). While contingent liabilities (largely relating to uncalled commitments by funds) are sizeable (around EUR1.2 billion at end-1H21), given the staggered nature of any capital calls we view Tikehau Capital's available liquidity as adequate.

Resilient Fundraising



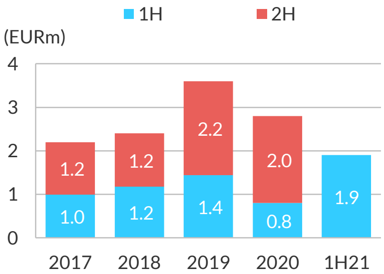
Source: Fitch Ratings, Tikehau Capital, 1H21 NNM/beginning AuM annualised

Fee Growth



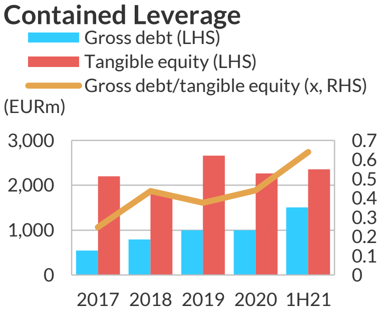
Source: Fitch Ratings, Tikehau Capital; 1H21 annualised

Capital Deployment



Source: Fitch Ratings, Tikehau

Contained Leverage



Source: Fitch Ratings, Tikehau

Environmental, Social and Governance Considerations

FitchRatings **Tikehau Capital SCA**

Non-Bank FI Ratings Navigator
Investment Managers

Credit-Relevant ESG Derivation

Tikehau Capital SCA has 6 ESG potential rating drivers

- Tikehau Capital SCA has exposure to fair lending practices; pricing transparency; repossession/foreclosure/collection practices; consumer data protection; legal/regulatory fines stemming from any of the above but this has very low impact on the rating.
- Tikehau Capital SCA has exposure to shift in social or consumer preferences as a result of an institution's social positions, or social and/or political disapproval of core activities but this has very low impact on the rating.
- Governance is minimally relevant to the rating and is not currently a driver.

			Overall ESG Scale
key driver	0	issues	5
driver	0	issues	4
potential driver	6	issues	3
not a rating driver	2	issues	2
	6	issues	1

Environmental (E)

General Issues	E Score	Sector-Specific Issues	Reference	E Scale
GHG Emissions & Air Quality	1	Regulatory risks, emissions fines or compliance costs related to owned equipment, which could impact asset demand, profitability, etc.	Operating Environment	5
Energy Management	1	Investments in or ownership of assets with below-average energy/fuel efficiency which could impact future valuation of these assets	Risk Appetite	4
Water & Wastewater Management	1	n.a.	n.a.	3
Waste & Hazardous Materials Management; Ecological Impacts	1	n.a.	n.a.	2
Exposure to Environmental Impacts	2	Impact of extreme weather events on assets and/or operations and corresponding risk appetite & management; catastrophe risk; credit concentrations	Company Profile; Asset Performance	1

Social (S)

General Issues	S Score	Sector-Specific Issues	Reference	S Scale
Human Rights, Community Relations, Access & Affordability	1	n.a.	n.a.	5
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Fair lending practices; pricing transparency; repossession/foreclosure/collection practices; consumer data protection; legal/regulatory fines stemming from any of the above	Operating Environment; Risk Appetite; Asset Performance	4
Labor Relations & Practices	2	Impact of labor negotiations, including board/employee compensation and composition	Company Profile; Management & Strategy; Earnings & Profitability; Capitalization & Leverage; Funding, Liquidity & Coverage	3
Employee Wellbeing	1	n.a.	n.a.	2
Exposure to Social Impacts	3	Shift in social or consumer preferences as a result of an institution's social positions, or social and/or political disapproval of core activities	Company Profile; Earnings & Profitability	1

Governance (G)

General Issues	G Score	Sector-Specific Issues	Reference	G Scale
Management Strategy	3	Operational implementation of strategy	Management & Strategy	5
Governance Structure	3	Board independence and effectiveness; ownership concentration; protection of creditor/stakeholder rights; legal /compliance risks; business continuity; key person risk; related party transactions	Management & Strategy	4
Group Structure	3	Organizational structure; appropriateness relative to business model; opacity; intra-group dynamics; ownership	Company Profile	3
Financial Transparency	3	Quality and timing of financial reporting and auditing processes	Management & Strategy	2
				1

How to Read This Page
ESG scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant and green (1) is least relevant.

The Environmental (E), Social (S) and Governance (G) tables break out the individual components of the scale. The right-hand box shows the aggregate E, S, or G score. General Issues are relevant across all markets with Sector-Specific Issues unique to a particular industry group. Scores are assigned to each sector-specific issue. These scores signify the credit-relevance of the sector-specific issues to the issuing entity's overall credit rating. The Reference box highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis.

The Credit-Relevant ESG Derivation table shows the overall ESG score. This score signifies the credit relevance of combined E, S and G issues to the entity's credit rating. The three columns to the left of the overall ESG score summarize the issuing entity's sub-component ESG scores. The box on the far left identifies some of the main ESG issues that are drivers or potential drivers of the issuing entity's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the score.

Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the United Nations Principles for Responsible Investing (PRI) and the Sustainability Accounting Standards Board (SASB).

Sector references in the scale definitions below refer to Sector as displayed in the Sector Details box on page 1 of the navigator.

CREDIT-RELEVANT ESG SCALE

How relevant are E, S and G issues to the overall credit rating?

5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to "higher" relative importance within Navigator.
4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to "moderate" relative importance within Navigator.
3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to "lower" relative importance within Navigator.
2	Irrelevant to the entity rating but relevant to the sector.
1	Irrelevant to the entity rating and irrelevant to the sector.

Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of ‘3’. This means ESG issues are credit neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. For more information on Fitch’s ESG Relevance Scores, visit www.fitchratings.com/esg.

Income Statement

	30 Jun 21 Interim (6 months) (EURm) Unaudited	31 Dec 20 Year end (EURm) Audited - unqualified	31 Dec 19 Year end (EURm) Audited - unqualified	31 Dec 18 Year end (EURm) Audited - unqualified
Asset management fees	122.2	204.8	174.8	75.2
Investment portfolio – change in fair value	180.0	-12.3	188.8	-109.6
Other income (incl. dividends)	72.2	95.7	88.8	71.1
Total revenue	374.4	288.2	452.4	36.7
Base compensation	-54.7	-92.2	-135.4	-102.9
Interest expense	-11.0	-35.7	-34.5	-23.9
Other operating expenses	66.1	-139.0	-64.1	-32.5
Total expenses	-131.8	-266.9	-234.0	-159.3
Non-recurring revenue (expense)	-71.9	-286.5	-	-
Income (loss) attributable to NCI	0.2	0.5	0.6	-
Pre-tax profit	172.6	-265.2	218.4	-122.6
Tax	-19.8	58.6	-39.7	15.2
Net income	152.6	-206.6	178.7	-107.4

Source: Fitch Ratings, Fitch Solutions, Tikehau Capital SCA

Balance Sheet

	30 Jun 21 Interim (6 months) (EURm)	31 Dec 20 Year end (EURm)	31 Dec 19 Year end (EURm)	31 Dec 18 Year end (EURm)
Cash & equivalents	869.0	671.1	1,175.4	436.3
Cash management financial assets	68.3	76.2	131.8	26.9
Investments	2,878.5	2,515.1	2,344.6	2,083.3
Other receivables	109.0	89.7	124.6	101.4
Fixed assets	39.0	41.9	46.2	15.0
Goodwill	417.9	422.5	371.1	436.8
Intangibles	115.8	115.7	117.7	16.3
Deferred tax assets	87.1	82.6	25.9	28.4
Other assets	47.4	3.7	3.9	2.3
Total assets	4,632.0	4,018.5	4,341.2	3,146.7
Accounts payable and accrued expenses	33.2	46.6	34.7	16.7
Accrued compensation and benefits	49.2	45.0	39.4	25.1
Derivative liabilities, at fair value	0.0	0.5	12.9	5.4
Debt obligations	1,506.0	998.5	997.2	795.9
Deferred tax liability, net	71.9	54.7	60.4	6.1
Other liabilities	66.9	69.5	51.0	22.4
Total liabilities	1,727,2	1,214.8	1,195.6	871.6
Share capital	2,103.7	1,634.3	1,640.1	1,241.7
Accumulated other comprehensive income (loss)	794.7	1,162.7	1,498.8	1,032.6
Noncontrolling interests in company	6.4	6.7	6.7	.8
Total equity	2,904.7	2,803.7	3,145.6	2,275.1
Total liabilities and equity	4,632.0	4,018.5	4,341.2	3,146.7

Source: Fitch Ratings, Fitch Solutions, Tikehau Capital SCA

Summary Analytics

(%)	30 Jun 20 Interim (6 months)	31 Dec 20 Year end	31 Dec 19 Year end	31 Dec 18 Year end
Earnings and profitability				
Adjusted (F)EBITDA margin (NOPAM* margin)	37.3	37.3	33.5	31.4
Management fees/total asset management revenue	99	97	95	97
Pre-tax income/average assets	9.1	-6.3	2.5	-3.4
Pre-tax income/average equity	13.8	-8.9	8.1	-5.1
Asset performance				
Net client flows as a % of beginning AUM balance	20	16	19	31
AUM growth rate	23	10	17	59
TTM management fees/average AUM (bps)	104	92	92	81
Capitalization and leverage				
Gross debt/tangible equtiy (x)	0.6	0.4	0.4	0.4
Net debt/tangible equity (x)	0.3	0.1	-0.1	-0.1
Gross debt/NOPAM (x)	16.5	13.1	17.0	7.6
Net debt/(F)/NOPAM (x)	7.0	3.3	-5.3	-4.1
Funding and liquidity				
Unsecured debt/total debt	100	100	100	100
NOPAM/interest expense	5.0	2.6	2.7	2.3
(Cash + liquid assets)/total assets (%)	19	19	30	15

Source: Fitch Ratings, Fitch Solutions, Tikehau Capital SCA. *net operating profit from asset management

The ratings above were solicited and assigned or maintained at the request of the rated entity/issuer or a related third party. Any exceptions follow below.