



PRESS RELEASE

Tikehau Capital anchors its sustainable position in the alternative asset management market

- ✓ *Capital Markets Day dedicated to the Group's plans*
- ✓ *Potential capital increase before the end of Q3 2019*
- ✓ *Assets under management reached €22.4bn as of the end of March 2019*

Paris, 14 May 2019 – Tikehau Capital, the alternative asset management and investment group, is holding tomorrow a Capital Markets Day in London to highlight its strategy and plans, on which occasion it is publishing its assets under management as of March 31, 2019, amounting to €22.4 billion, up +2% compared to assets under management as of December 31, 2018.

- **Tikehau Capital's Capital Markets Day**

During this event, geared towards financial analysts and institutional investors, the Group will showcase the key elements of its strategy to establish a robust position in the fast-growing alternative asset management market in Europe.

A solid organic growth outlook for Tikehau Capital expected to reinforce its position as one of the leading European players in alternative asset management

Antoine Flamarion and Mathieu Chabran, co-founders of Tikehau Capital, along with several members of the management team representing the Group's various businesses, will highlight the key assets of Tikehau Capital that will enable it to continue its growth momentum in the growing alternative asset management sector. In particular, they will provide details with respect to the following strengths:

- Recognized expertise and a strong track record in the **Private Debt** sector, making Tikehau Capital a benchmark player in that market;
- Strong ambitions in **Private Equity**, demonstrated in particular by the launch of its two funds in 2018 and the anticipated contributions of ACE Management;
- Acceleration of its **Real Estate** business supported by its acquisition of Sofidy and the launch of new funds by the Group; and
- A scalable and well-performing **Liquid Strategies** business;

The growth of these business lines is based on the asset management platform built by the Group for several years. This multilocal platform is a key asset, allowing Tikehau Capital to position its teams as close as possible to its clients and prospects, as well as to the best investment opportunities for its funds.

Supported by these strengths, the Group reaffirms its 2022 financial targets (excluding potential acquisitions):

- **to reach over €35 billion of assets under management**, i.e. a more than 60% increase compared to €22.0 billion of assets under management at the end of 2018; and
- **to generate over €100 million net operating profit from asset management**, i.e. over five times the amount recorded in 2018 for this business¹.

In addition to these objectives, which reflect its strong organic asset management growth ambitions, the Group aims to improve the predictability of its investment activities' operating profit, while maintaining the flexibility to seize external growth opportunities.

Over the coming years, Tikehau Capital seeks to increase and accelerate the investments carried out through its balance sheet within its own funds, which the Group prioritizes in its capital deployment strategy.

A value creating capital allocation strategy that provides access to private markets

This differentiating strategy, which is at the heart of Tikehau Capital's DNA, benefits the Group via:

1. boosting growth in its asset management business through a clear alignment of its interests with those of its investor clients and;

¹ Excluding any contribution from carried interests

2. improving the visibility of its revenue generation by increasing the proportion of investment portfolio revenues that are contributed by the performance of its own funds.

The Group targets that the rate of return generated by its investments within its own funds could potentially reach approximately 10% to 15% on a run-rate basis, and that this rate of return could be achieved on an annual basis as early as 2022.

As a result, Tikehau Capital has positioned itself as the benchmark listed asset manager capable of providing its shareholders with a differentiating combined investment approach in the alternative asset management sector. This approach brings together revenues from its own asset management business (management fees and performance fees) and the returns from its own funds, in which the Group increasingly invests through its own balance sheet.

A consolidating asset management market offering opportunities for the Group

Tikehau Capital aims to have the flexibility to seize accretive and value creating external growth opportunities that will allow it to accelerate the development of its asset management platform. The Group plans to continually monitor external growth opportunities in order to expand into new geographies, continue to rebalance its business mix towards real estate and private equity and expand its product and services offering to other alternative asset classes.

Over the last few years, the Group has shown that it can seize value-creating opportunities in order to strengthen its positioning and continue to rebalance its business mix, notably through the acquisitions of Sofidy in the real estate market and ACE Management in the private equity market, both of which were completed in 2018.

In this context, and in order to finance the next phase of its growth, **Tikehau Capital is contemplating, subject to market conditions, launching a capital increase for a minimum amount of €700 million, at a minimum price of €22 per share.** This potential capital increase, which would be open to both new and existing investors, could be launched before the end of the third quarter of 2019. Tikehau Capital Advisors and the Group's management have confirmed that, if such a transaction is launched, they intend to invest at least €400 million, subject to obtaining from the French financial markets authority (the *Autorité des Marchés Financiers*, or "AMF") an exemption from the obligation to launch a mandatory tender offer. In the event that the capital increase is launched, its terms and the manner of its implementation would be communicated at a later stage in a prospectus subject to an AMF visa.

- **Assets under Management at end-March 2019**

As of March 31, 2019, Tikehau Capital assets under management amounted to €22.4 billion, up +€0.4 billion in the first quarter of 2019, a comparable increase to the one recorded in Q1 2018. They comprise €20.8 billion for the Group's asset management business and €1.6 billion for its investment business.

Asset management activity

Tikehau Capital's asset management business accounted to €20.8 billion of assets under management as of March 31, 2019, up +€0.4 billion in the first quarter of 2019. This change was due to a net inflow of +€0.6 billion, less distributions of -€0.3 billion, plus positive market and scope effects of +€0.1 billion.

Private debt: €8.3 billion in assets under management as of March 31 2019

Assets under management for the Group's private debt business as of March 31, 2019, stood at €8.3 billion, stable compared to December 31, 2018 and up +36% year-on-year.

Fundraising for this activity totaled +€0.3 billion for the quarter, driven by the direct lending business. During the first quarter, the Group announced the completion of fundraising for the fourth generation of the Tikehau Direct Lending ("TDL") fund, with TDL IV as its flagship fund, reaching a record amount of €2.1 billion, more than three times the previous vintage.

Fundraising during the first quarter were offset by distributions for an equivalent amount (-€0.3 billion), particularly in the direct lending and leverage loans businesses.

Real estate: €7.7 billion in assets under management as of March 31, 2019

Tikehau Capital's assets under management for the real estate business amounted to €7.7 billion as of March 31, 2019, an increase of +€0.1 billion in the first quarter of 2019. This growth was driven by the increase in assets under management for Sofidy as well as several investor commitments in the Group discretionary real estate fund launched in 2018.

Private equity: €1.4 billion in assets under management as of March 31, 2019

Tikehau Capital's private equity business continued to grow during the first quarter of 2019, with an increase of +€0.2 billion in its assets under management compared to December 31, 2018 (+16%). This increase was driven in particular by the continued fundraising for the energy transition fund launched with Total in 2018.

Liquid strategies: €3.4 billion in assets under management as of March 31, 2019

As of March 31, 2019, the assets under management for the liquid strategies business amounted to €3.4 billion, up +€0.1 billion since December 31, 2018 (+3%). The growth during the quarter was mainly driven by the robust 2018 performance of fixed-income as well as flexible funds.

Investment activity

Assets under management for the Investment business remained stable at €1.6 billion as of March 31, 2019.

This level takes into account the positive fair value revaluations of several listed investments, offset in particular by outflows resulting from the completion of the Selectirente acquisition during the first quarter of 2019.

Breakdown of assets under management as of March 31, 2019

	Assets under management as at 31/03/2019		Change compared to 31/12/2018		Change compared to 31/03/2018	
	Amounts (€ billion)	Weight (%)	As %	In € billion	As a %	In € billion
Private debt	8.3	37%	=	=	+36%	+2.2
Real estate*	7.7	34%	+1%	+0.1	x3.5	+5.5
Liquid strategies	3.4	15%	+3%	+0.1	+3%	+0.1
Private Equity (a)	1.4	6%	+17%	+0.2	x2.3	+0.8
Asset management activity	20.8	93%	+2%	+0.4	+72%	+8.7
Investment activity** (b)	1.6	7%	=	=	-20%	-0.4
Total assets under management	22.4	100%	+2%	+0.4	+58%	+8.2
<i>Total Private Equity (a+b)</i>	<i>3.0</i>	<i>13%</i>	<i>+7%</i>	<i>+0.2</i>	<i>+15%</i>	<i>+0.4</i>

* Including the Sofidy and ACE Management acquisitions

** For own account, rounded up for 31 March 2019

Agenda

22 May 2019 – General Shareholders' Meeting, Paris

30 July 2019 – H1 2019 Assets under Management

19 September 2019 – Publication of the 2019 half-year results

IMPORTANT NOTICE

A presentation relating to the Capital Markets Day described in this press release (the "Presentation") has been prepared and will be made available on the Group's website. Neither the Presentation nor this press release, nor the information contained therein or herein, constitute an offer to sell or purchase, or the solicitation of an offer to sell or purchase, securities of Tikehau Capital in France, Europe or the United States or in any other jurisdiction. Tikehau Capital shares may not be sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"). Tikehau Capital does not intend to register in the United States any portion of the potential capital increase mentioned in this press release or to conduct a public offering of its shares in the United States. Any offer or sale of the shares of Tikehau Capital in the United States may be made only to qualified institutional buyers, as defined in Rule 144A under the U.S. Securities Act, that are also qualified purchasers, as defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended.

No communication or information relating to the potential capital increase may be distributed to the public in any jurisdiction in which registration or approval is required. Prior to the potential decision to launch such capital increase, no action has been or will be undertaken in any jurisdiction where such steps would be required. Tikehau Capital assumes no responsibility for any violation of applicable laws or regulations by any person. The distribution of this press release and access to the Presentation in certain jurisdictions may be restricted by law.

Forward-looking statements

This press release contains forward-looking statements about the Group and its subsidiaries. These statements include financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future operations, products and services, and statements regarding future performance. Although the Group believes that the expectations reflected in such forward-looking statements are reasonable, investors and holders of the Group's securities are cautioned that forward-looking information and statements, in particular those with respect to the Group's objectives or targets, are subject to various risks, whether known or unknown, uncertainties and other factors, which may be beyond the control of the Group and which may result in significant differences between actual results and those expressed or implied by such forward-looking statements. These risks and uncertainties include those discussed or identified in filings with the Autorité des Marchés Financiers ("AMF") made or to be made by the Group. The Group undertakes no obligation to publicly update its forward-looking statements, whether as a result of new information, future events, or otherwise. Any information relating to past performance contained herein is not a guarantee of future performance.

About Tikehau Capital:

Tikehau Capital is an asset management and investment group with €22.4 bn of assets under management and shareholders' equity of €2.3 bn (as at 31 December 2018). The Group invests in various asset classes (private debt, real estate, private equity and liquid strategies), including through its asset management subsidiaries, on behalf of institutional and private investors. Controlled by its managers, alongside leading institutional partners, Tikehau Capital employs more than 440 staff (as at 31 December 2018) in its Paris, London, Brussels, Madrid, Milan, New York, Seoul, Singapore and Tokyo offices.

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

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