



PRESS RELEASE

Paris, 13 February 2020

Tikehau Capital outperforms its target and reaches €25.8bn in assets under management at end-2019, up 17%

- **With €25.8 billion in assets under management at end-December 2019, Tikehau Capital strengthened its position as a leading European player in the alternative asset management sector.**
- **The many commercial successes achieved during the year reflect the confidence of Tikehau Capital's investor-clients in all of its strategies.**
- **2019 demonstrated the relevance of Tikehau Capital's differentiated model, based on significant shareholders' equity ensuring a strong alignment of interests with its investor-clients.**

With €25.8 billion in assets under management as at 31 December 2019, Tikehau Capital exceeded its target to reach €25 billion in assets under management at year-end and confirms its positioning as a leading European player in the alternative asset management sector.

The strong increase of €3.8 billion (+17%) in assets under management recorded in 2019 primarily reflects record net new money of €4.6 billion for the Group, an amount 24% greater than the amount raised in 2018¹, which was a very strong year. Distributions made over the year amounted to -€1.4 billion (primarily across private debt strategies) and market effects had a positive impact of €0.7 billion².

At the end of December 2019, the Group's assets under management were divided between €23.7 billion for the asset management activities and €2.1 billion for the direct investment activities.

¹ Based on published data. Pro forma from the acquisitions of Sofidy and ACE, the net new money in 2019 was 10% greater than that of 2018.

² The figures shown have been rounded for presentation purposes, which in some cases may result in rounding differences.

Assets under management in asset management activities grew 16% over the year, a result of particularly strong net new money during the second half

As at 31 December 2019, assets under management of Tikehau Capital's asset management activities amounted to €23.7 billion, an increase of €3.3 billion over the year (+16%), including +€1.5bn in the fourth quarter (+7%). This performance is the result of very strong sales momentum on existing funds and the successful launch of new products.

After a very strong year in 2018, particularly marked by the large fundraising of the fourth generation of *Direct Lending* funds, net new money for the asset management activity has been buoyant across all the Group's activities, reaching €4.1 billion. *Private Equity* and Real Estate activities continued to grow, representing approximately 63% of the asset management activities' net new money during the financial year. This contributes to the rebalancing of Tikehau Capital's business mix towards more remunerative strategies in terms of management fees.

Net new money accelerated sharply in the second half of the year, reaching €2.9 billion in the second half, including €1.6 billion in the fourth quarter.

In 2019, Tikehau Capital launched new initiatives to extend its product offer and enlarge its investor client base, in particular with the launch of two funds able to invest across several asset classes:

- In the fourth quarter, the Group launched its **first fund offering a bespoke, multi-asset solution aimed at providing high net worth individuals** with diversified exposure to European private markets. Launched in Italy in partnership with Fideuram – Intesa Sanpaolo Private Banking, the largest Italian private bank, this fund raised approximately €400 million from around 3,000 Italian private investors. This initiative confirms the attractiveness of Tikehau Capital's strategies and positioning, and demonstrates its ability to cater the investment needs of the fast growing private clients base.
- The Group also launched the second generation of its **fund dedicated to special situations**, with an opportunistic and multi-sector approach and which aims to invest across asset classes (including credit, equity and Real Estate), mainly in Europe. This launch took place during the second half of 2019, with already more than €210 million in assets under management as at 31 December 2019, and fundraising that will continue into 2020.

Private debt: €8.6 billion in assets under management as at 31 December 2019

Total assets under management of private debt activities amounted to €8.6 billion at end-December, i.e. a year-on-year growth of more than €300 million (+4%) on a high comparative basis. This growth results primarily from solid net new money of €1.2 billion and also from distributions of -€1.0 billion and positive market effects of around +€140 million.

- During the first quarter of 2019 in particular, the Group finalized the fundraising for its **fourth generation of Direct Lending fund** which reached a record total amount of €2.1 billion, more than three times higher than the previous generation fund, confirming Tikehau Capital's expert know-how and positioning in this sector.
- During summer 2019, the Group announced the completion of its **5th CLO** (Collateralized Loan Obligation) totaling €440 million with a diversified and highly international investor base, proving the strong recognition of the Group's expertise in this activity.
- Through its Credit.fr subsidiary, the Group also acquired **Homunity**, the real estate crowdfunding leader in France. This acquisition enables Tikehau Capital to strengthen its position in the crowdfunding sector, to accelerate its growth and diversify its product offer in the fast-growing crowdlending market.

It should be noted that the €400 million fund raised with private clients of Fideuram – Intesa Sanpaolo Private Banking was recognised in private debt activities at end-2019.

Real Estate: €9.2 billion in assets under management as at 31 December 2019

Assets under management of Tikehau Capital's real estate activity amounted to €9.2 billion at end-December 2019, rising sharply since the beginning of the year (+€1.6 billion, i.e. +21% over the year). In the fourth quarter alone, the increase in assets under management reached +€780 million (+10%).

This very solid organic growth was driven by the strong sales performance of all the Group's funds (Sofidy in particular), which is reflected in record net new money of +€1.6 billion over the financial year.

- With more than €8 billion raised in the French SCPI market, 2019 was a record year for this market segment, driven by growing retail investor appetite for this asset class. As a leading independent player in this growing market, **Sofidy** delivered strong performance with assets under management up nearly 22% year-on-year, reaching more than €6.2 billion at end-December 2019 (versus €5.1 billion as at 31 December 2018). This strong growth was supported by the

SCPIs Immorente³ and Efimmo 1³, and also by the success of the €217 million capital increase of the listed property company Selectirente.

- 2019 was also marked by the continued fundraising of the Group's "**value added**" **discretionary real estate fund**, whose assets under management stood at €570 million at end-December.
- Lastly, the Group also successfully raised around €180 million within a **residential real estate co-investment fund** in France.

Positive market effects within the Group's real estate strategies offset distributions made during the year. In particular, Tikehau Capital announced at end-2019 the disposal, to a Blackstone-managed fund, of a portfolio of 22 industrial assets leased by Elis and owned by a fund managed within Tikehau Capital's asset management activity and which delivered an overall multiple close to two for its investors.

Private equity: €2.0 billion in assets under management as at 31 December 2019

Thanks to the successful launch of its private equity activity for third-party investors at the beginning of 2018, assets under management increased within two years from €100 million (at end-December 2017) to €2.0 billion at end-December 2019.

Assets under management of this activity grew by approximately €770 million (+67%) over 2019 and by more than €140 million (+5%) in the fourth quarter. This growth in assets under management was driven by net new money of €920 million over the year, linked to continued fundraising by the Group's first private equity funds launched in 2018, the growth of ACE Management, in addition to the launch of new funds during 2019.

- In September 2019, the Group successfully launched its **first secondary private equity fund**, with fundraising completed in December, and which was oversubscribed by a diversified base of French and international investors. The assets under management of this fund reached €240 million at end-December, 15% of which remains held by Tikehau Capital's own balance sheet. The commitments made by investor-clients within this secondary fund are supplemented by commitments made by these clients in the generalist growth equity fund launched by Tikehau Capital in 2018 and which reached around 370 million euros of assets under management at end-December 2019.
- The **private equity fund dedicated to energy transition** launched in partnership with Total continued to raise funds in 2019, bringing its assets under management to €510 million at end-December. This fund is intended to support the growth, transformation and expansion, in particular internationally,

³ These funds are offered for sale in France only and cannot be offered for sale to "US persons" within the meaning of US regulations.

of medium-sized European players in energy transition. This is a perfect fit with Tikehau Capital's voluntary ESG policy, which considers equity investment as particularly relevant for an effective and long-term support of companies committed to energy transition.

- 2019 also marked the first closing of the **first French private equity fund mainly dedicated to cybersecurity** (managed by ACE Management), for €80 million.

The assets under management for the second generation of the cross-asset fund dedicated to special situations, which was launched in the course of the second half 2019, are recognized within private equity activities at end-2019.

Capital Markets Strategies: €3.8 billion in assets under management as at 31 December 2019

The Group's activities in fixed income, flexible and equity management, which were previously grouped as "Liquid Strategies" are now included within a business line called "Capital Markets Strategies". The Group thus intends to continue broadening its product line notably by offering its clients new funds exposed to capital markets but without daily liquidity.

At end-December 2019, the assets under management of Capital Markets Strategies stood at €3.8 billion, an increase of more than €570 million (+15%) over the year.

- The **flexible fund**, mainly invested in equity, achieved a record year in net new money, multiplying its assets under management by more than 2.5 during 2019, bringing its assets under management to €1.0 billion at end-December compared with around €400 million a year earlier. This success was mainly driven by subscriptions from private investors, particularly through private bank networks.
- Assets under management for **fixed income funds** were virtually stable over the year at €2.7 billion at end-December 2019. During the fourth quarter, the Group notably expanded its product offering in this asset class by taking over the management of a €90 million specialist fund investing in high-yield bonds of mid-sized U.S. companies. The Group thus strengthened its franchise in North America and integrated within its New York office the two asset managers in charge, each with more than 20 years of experience in this asset class. In addition to operating in this sector in Europe and Asia, Tikehau now has global expertise in high-yield fixed income investment.

Assets under management from the direct investment activities amounted to €2.1 billion at end-December 2019.

Assets under management from the direct investment activities amounted to

€2.1 billion at end-December 2019, an increase of approximately €500 million year-on-year. This change takes into account in particular the increase in consolidated cash and cash equivalents following the Group's €715 million capital increase completed on 25 June 2019 and the successful placement of a €500 million bond issue in the fourth quarter followed by an early redemption of €300 million of bank debt (with a two-year maturity extension).

The Group also actively rotated its investment portfolio through the disposal of several listed and unlisted stakes during the second half of 2019. As such, the Group:

- contributed six stakes, previously held directly on the Tikehau Capital balance sheet, to the **secondary private equity fund** launched by the Group;
- disposed of around 4.45% of the share capital of **Eurazeo** for total proceeds of €224.3 million;
- disposed of shares held in **HDL Development**, the controlling holding company of Assystem Group, for a multiple of 2.5 times the initial investment, i.e. an IRR of 18% on this investment;
- contributed shares held in **Latécoère** to the tender offer for this Group;
- sold to a group of investors its stake in **JustCo**, the leading supplier of high-end flexible workspaces in Asia, achieving a multiple of 8 times the initial investment.

In line with its strategy, these transactions enabled the Group to crystallize the value creation embedded in its past investments, further rebalance its portfolio towards investments in its own funds and achieve a very solid financial position with a strong cash surplus at end-December 2019.

Conclusion

With €25.8 billion of assets under management at end-December, 2019 was a **year of strong growth** for Tikehau Capital, which confirms its position as a key player in the alternative asset management sector in Europe.

The **Group's sales momentum was robust across all its strategies**, with a growing contribution from private equity and real estate activities, as expected. Tikehau Capital also continued to innovate in order to broaden its range of funds and to diversify its investor client types, particularly towards private investors seeking access to alternative assets.

The success recorded by the Group in 2019 demonstrates the **relevance of its differentiating model** which is based on substantial shareholder's equity, which fosters the growth of its asset management activity, while ensuring strong alignment of interests between management, shareholders and investor-clients.

Tikehau Capital thus confirms its 2022 targets to achieve more than €35 billion in assets under management for the Group and to generate more than €100 million in operating income from its asset management activity.

Calendar

19 March 2020 – 2019 Annual Results

- Publication of press release at 7:15 am (Paris time)
- Information meeting at 9:00 am (Paris time), with live broadcast on the Group's website (www.tikehaucapital.com)

14 May 2020 – Assets under management at end-March 2020

19 May 2020 – General Meeting of Shareholders

30 July 2020 – Assets under management at end-June 2020

17 September 2020 – 2020 half-year results

5 November 2020 – Assets under management at end-September 2020

Breakdown of assets under management as at 31 December 2019⁴

	Assets under management as at 31/12/2019		Change compared to 31/12/2018		Change compared to 30/09/2019	
	Amounts (€ bn)	Weight (%)	In %	In € bn	In %	In € bn
Private debt	8.6	33%	+4%	+0.3	+1%	+0.1
Real Estate	9.2	36%	+21%	+1.6	+10%	+0.8
Capital Markets Strategies	3.8	15%	+15%	+0.5	+9%	+0.3
Private Equity (a)	2.0	8%	+67%	+0.8	+5%	+0.1
Asset management activities	23.7	92%	+16%	+3.3	+7%	+1.5
Investment activities* (b)	2.1	8%	+31%	+0.5	=	=
Total assets under management	25.8	100%	+17%	+3.8	+6%	+1.5
Total Private Equity (a+b)	4.1	16%	+46%	+1.3	+2%	+0.1

* For its own account.

⁴ The figures shown are the Group's best estimates for end-December 2019 and may change slightly. They have been rounded for presentation purposes, which in some cases may result in rounding differences.

Detail of assets under management growth for asset management activities⁵

Financial Year 2019 (€ bn)	Net new money	Distributions	Market effects ⁶	Growth in assets under management
Private debt	+1.2	(1.0)	+0.1	+0.3
Real Estate	+1.6	(0.2)	+0.2	+1.6
Capital Markets Strategies	+0.3	-	+0.2	+0.5
Private Equity	+0.9	(0.1)	-	+0.8
Total asset management	+4.1	(1.3)	+0.5	+3.3

Q4 2019 (€ bn)	Net new money	Distributions	Market effects ⁷	Growth in assets under management
Private debt	+0.4	(0.3)	-	+0.1
Real Estate	+0.8	(0.2)	+0.2	+0.8
Capital Markets Strategies	+0.2	-	+0.1	+0.3
Private Equity	+0.2	-	(0.1)	+0.1
Total asset management	+1.6	(0.4)	+0.2	+1.5

About Tikehau Capital:

Tikehau Capital is an asset management and investment group with €25.8 billion of assets under management (as at 31 December 2019) and shareholders' equity of €3.1 billion (as at 30 June 2019). The Group invests in various asset classes (private debt, real estate, private equity, capital markets 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 500 staff (as at 30 September 2019) in its Paris, London, Amsterdam, Brussels, Luxemburg, 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).

www.tikehaucapital.com

Press contacts:

Tikehau Capital: Julien Sanson – +33 1 40 06 18 40
 France - Image 7: Florence Coupry – +33 1 53 70 74 70
 UK - Finsbury: Arnaud Salla & Charles O'Brien – +44 207 251 3801
press@tikehaucapital.com

Shareholders and Investors contact:

Louis Igonet – +33 1 40 06 11 11
shareholders@tikehaucapital.com

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⁶ Including insignificant scope effects.

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