

# H1 2017 results presentation

- **Highlights**
- **Introduction to Tikehau and business model**
- **Business review**
- **Financial review**
- **Recent developments and outlook**
- **Appendices**



## Continued progress on fundraising and capital deployment

- **Total AUM up 11% year-to-date to €11.1bn with €1.3bn of net new money raised during H1 17**
- **Tikehau continues to deliver robust fundraising according to plan, and expects to reach a target of €13bn at 2017 year-end**
- **H1 capital deployment represents €1.3bn at Tikehau funds level and €0.5bn at Tikehau Capital level**
- **Acquisition of credit.fr in June 2017 for €13.8m**
- **Opening of new offices in Spain and Korea: 7 offices in total**



## Strong financial performance driven by the revenue growth and cost control

- **Investment revenues of €121.6m (vs. €35.6m during H1 2016\*)**
- **Asset Management revenues up 39% to €25.1m**
- **Net operating profit of €101.9m (vs. €9.7m during H1 2016\*)**
- **Net profit (Group share) reached €85.9m during H1 2017 (vs. €-5.8m during H1 2016\*)**
- **€1.6bn of shareholders' equity as at 30 June 2017  
(before the €702m rights issue completed in July 2017)**

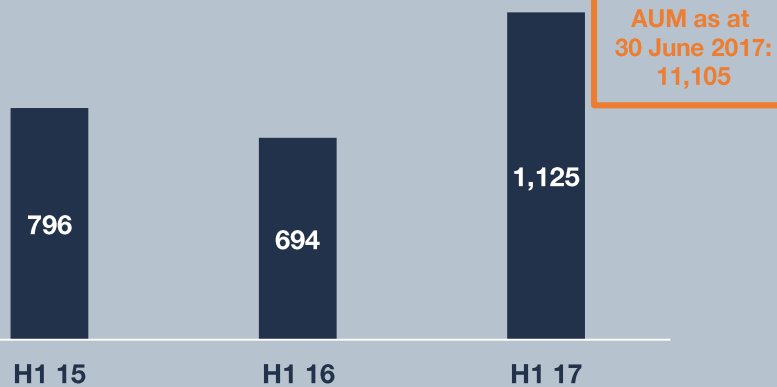
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\* On a pro forma basis

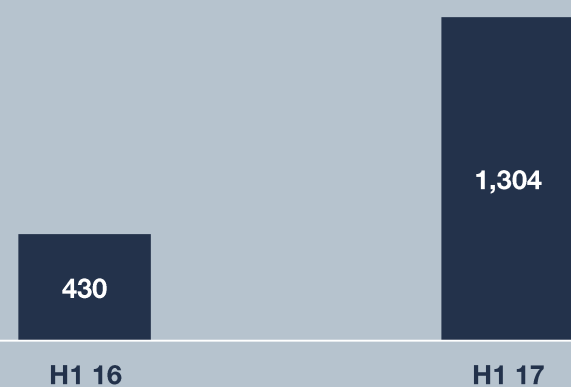
Compared to June 2016 pro forma accounts, €2.0m of revenue, initially recognised as AM activities' revenue has been reclassified as investments' revenue due to its nature (interests on the retention piece invested directly by TCE for regulatory purposes).

## Continues to deliver strong growth

### NET INCREASE OF ASSETS UNDER MANAGEMENT (IN €M)

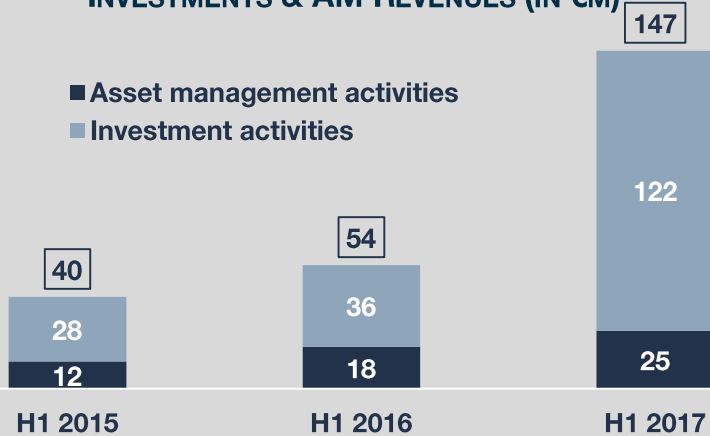


### INVESTMENTS BY TIKEHAU FUNDS (IN €M)

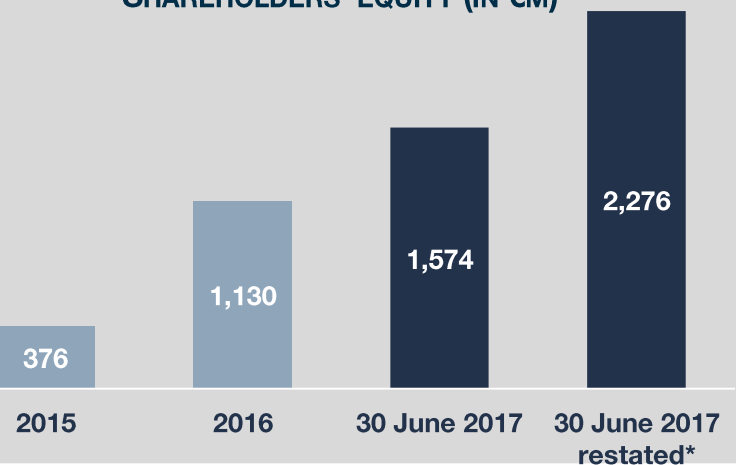


### INVESTMENTS & AM REVENUES (IN €M)

- Asset management activities
- Investment activities



### SHAREHOLDERS' EQUITY (IN €M)

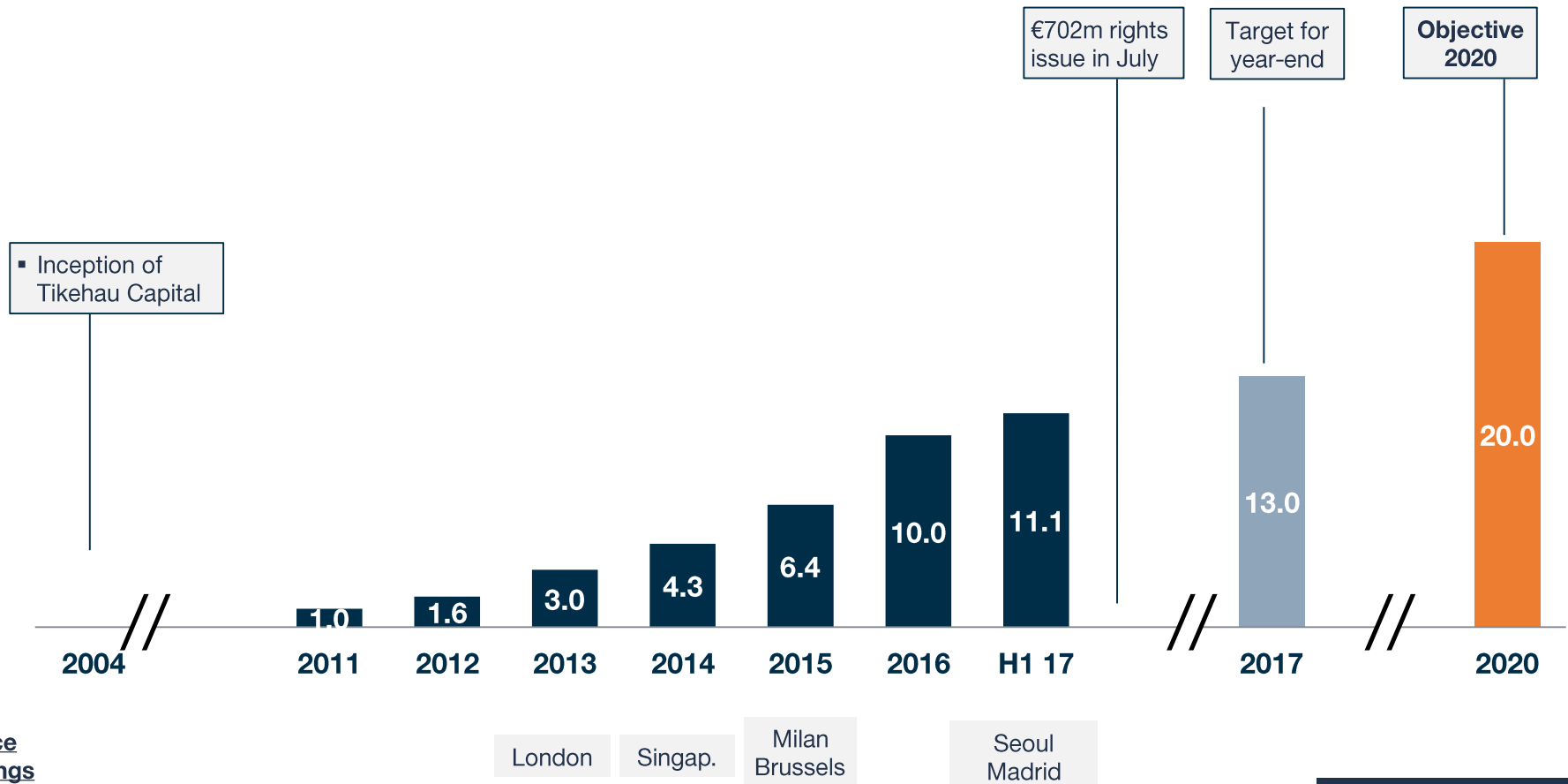


\* Including July capital increase

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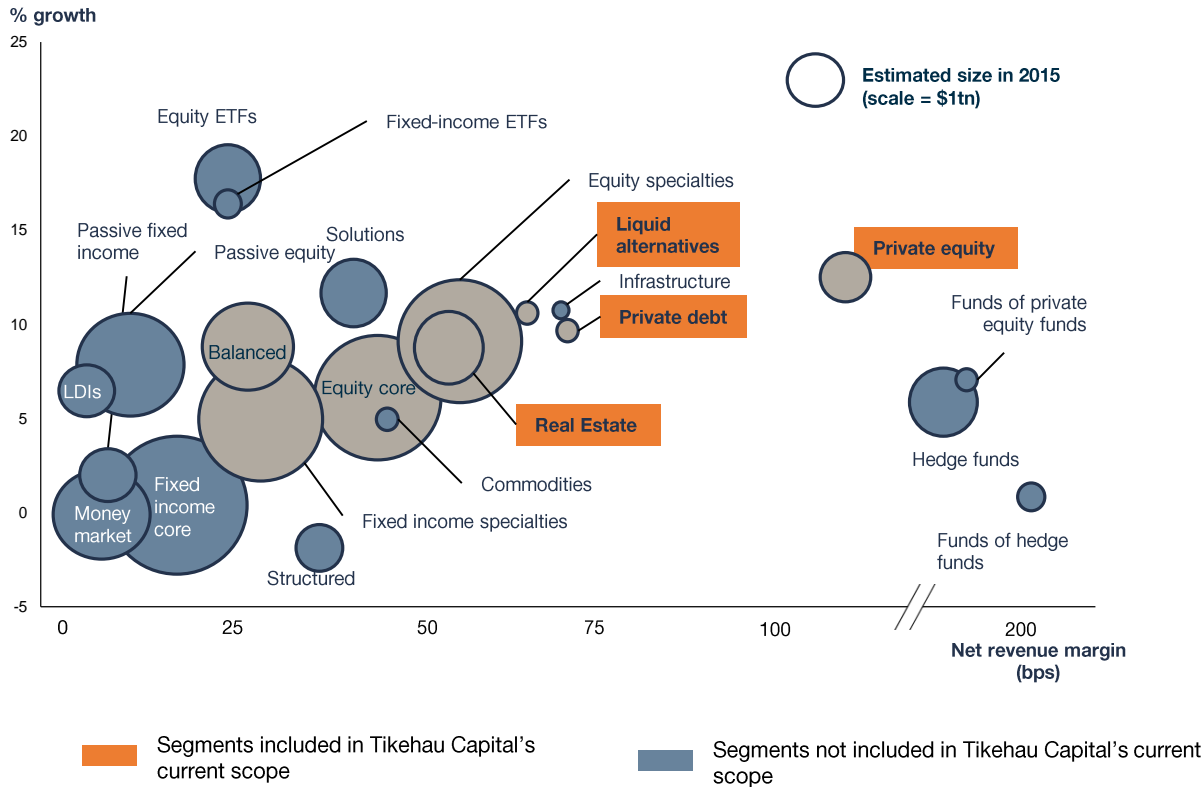
## Deployment and growth capitalising on the foundations built during the last decade

(Asset under Management in €bn)

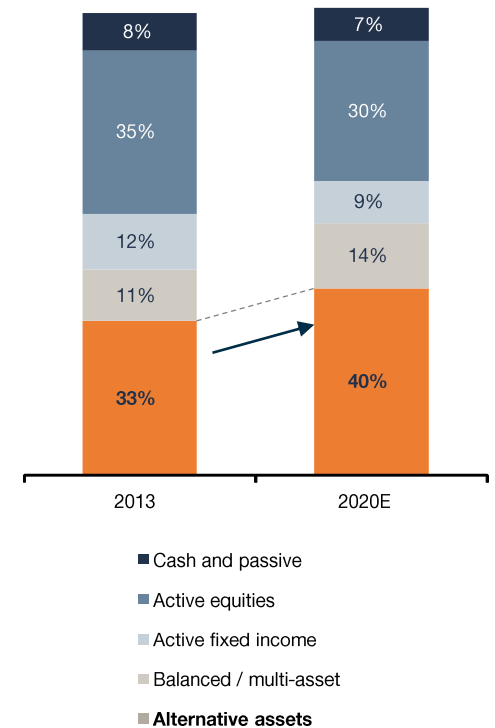


Tikehau is positioned as an alternative asset manager in a fast-growing and profitable market

## Expected evolution of AM segments between 2015 and 2020



## Alternative AM: 40% of global AM revenues in 2020 vs. 33% in 2013

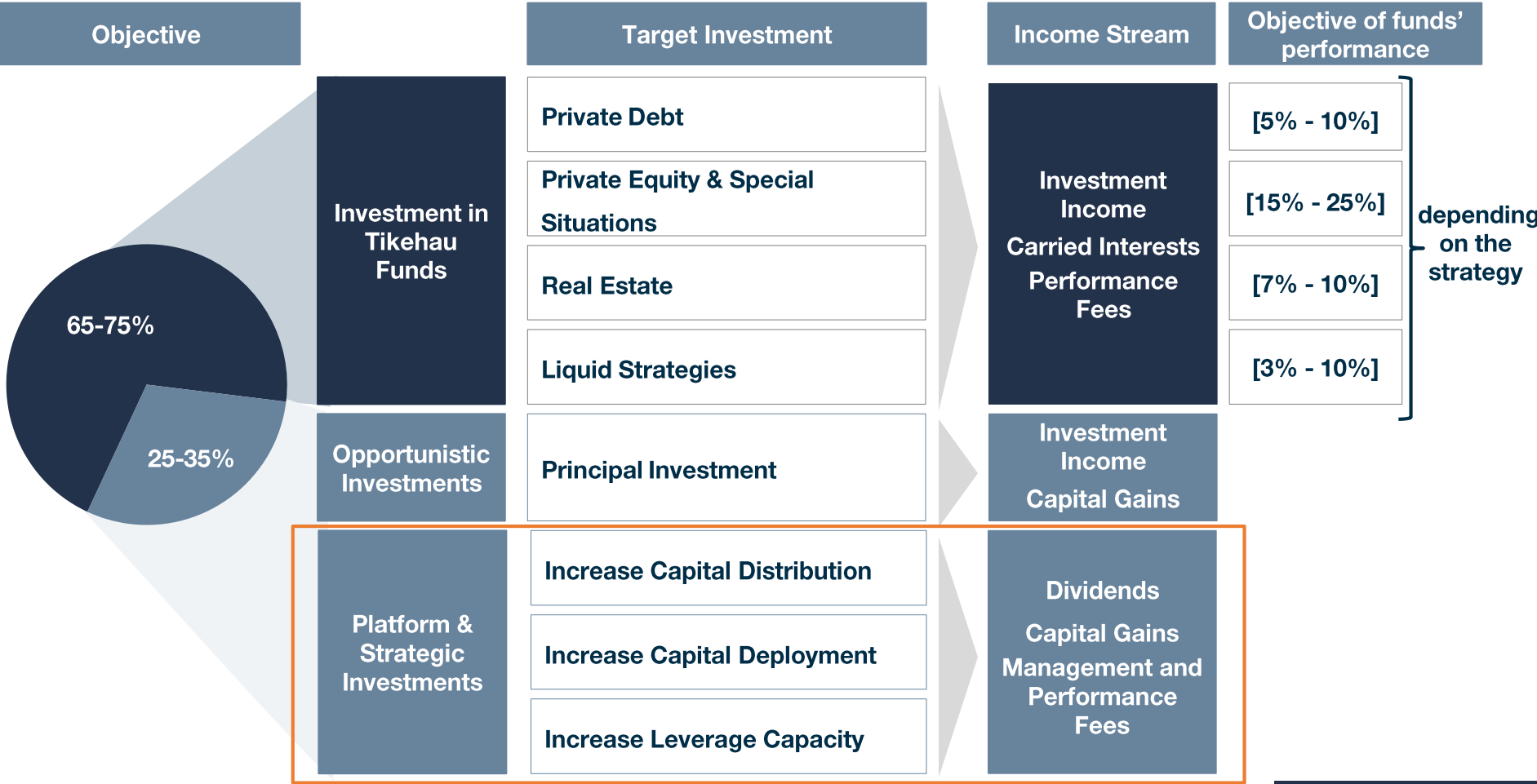




# Indicative target balance sheet breakdown



Expectation of balance sheet allocation of assets on a medium to long term basis

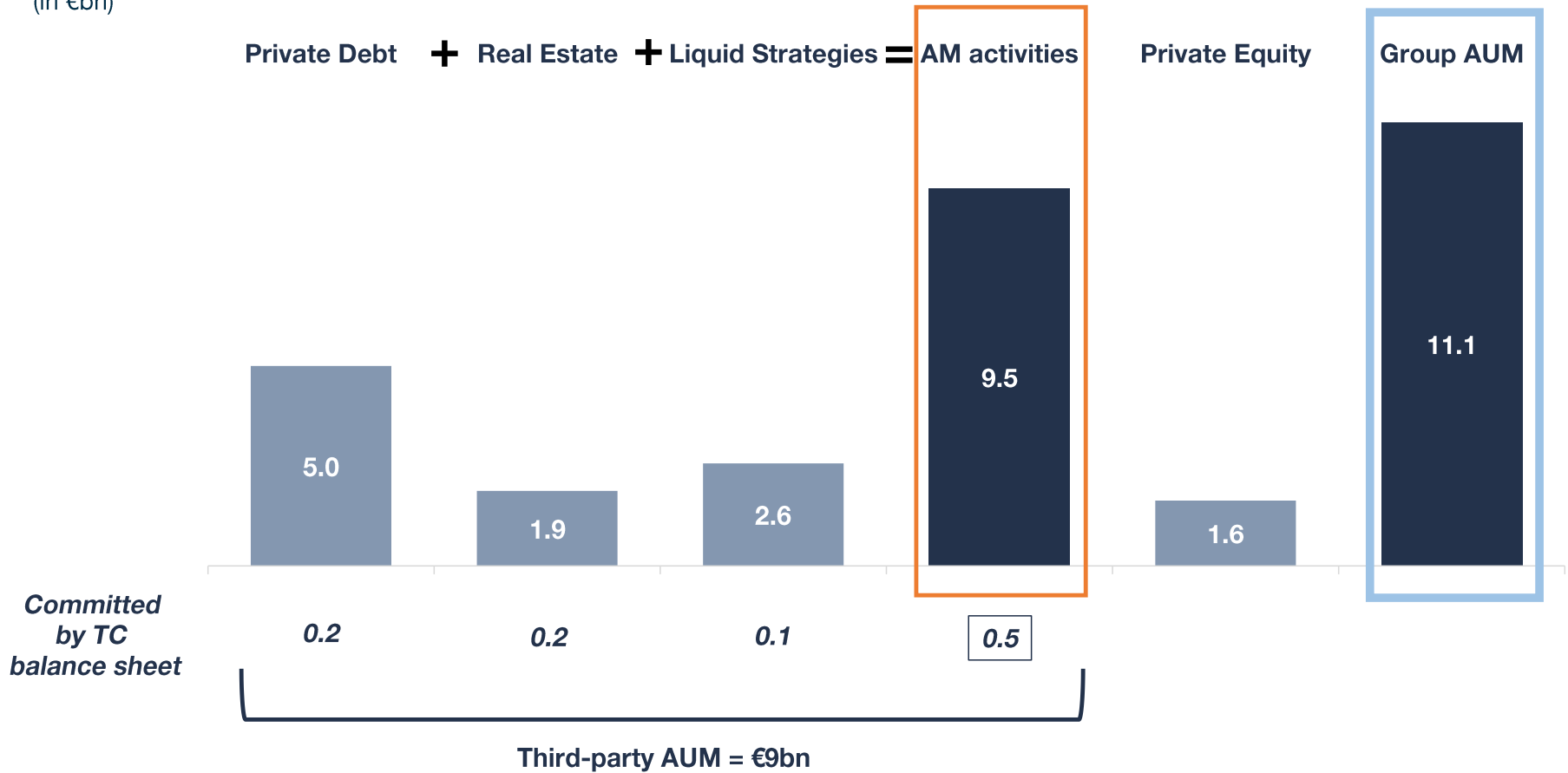


External growth

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With €11.1bn of AUM as at 30 June 2017, Tikehau's activities are organised around 4 business lines

(in €bn)



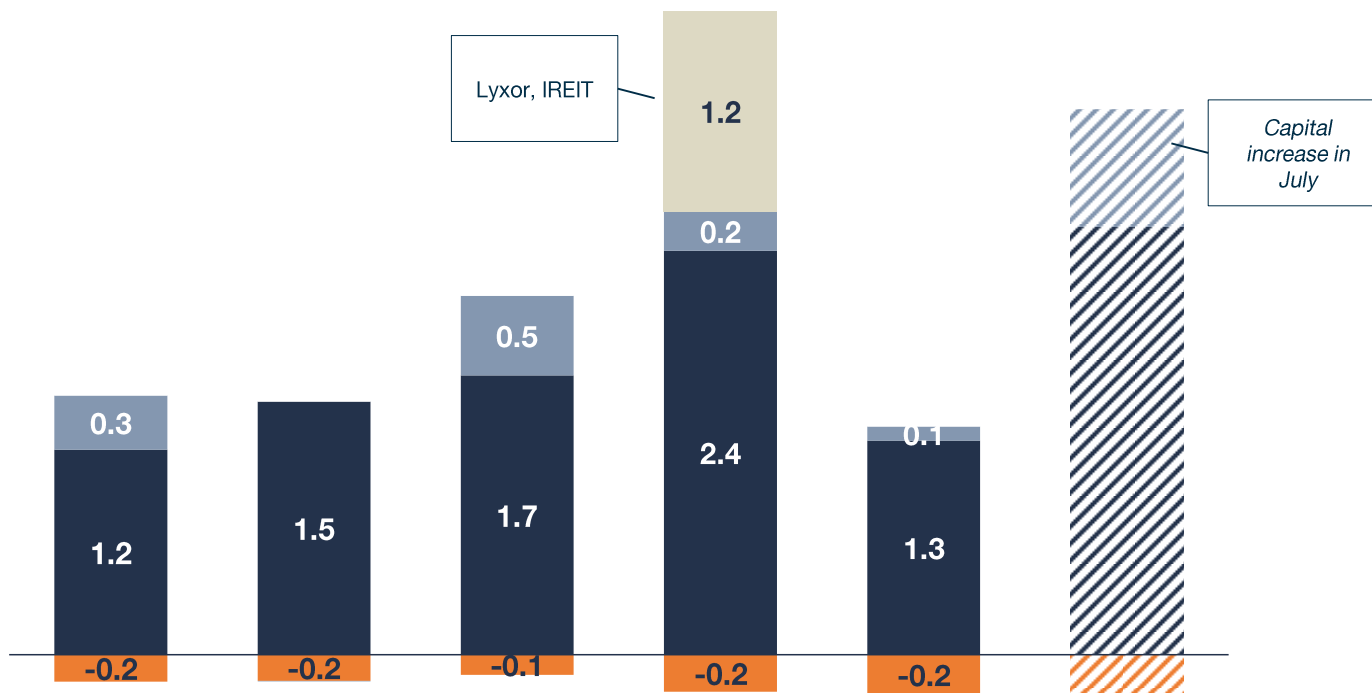
\* Of which €0.2bn of AUM managed by Duke Street



## Strong fundraising performance over H1 17

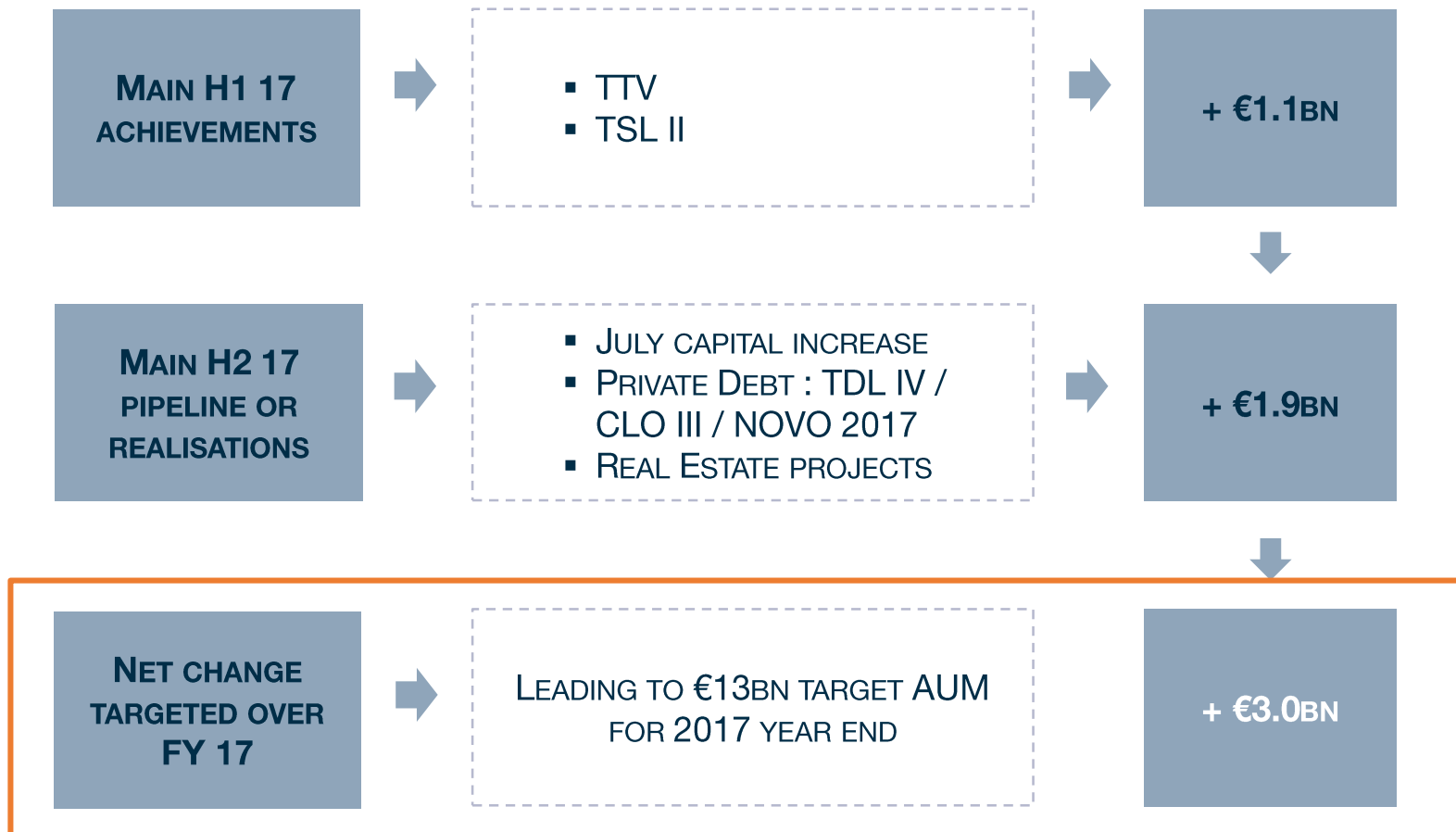
(in €bn)

	FY13	FY14	FY15	FY16	H1 17	FY17 Target
Total AUM	3.0	4.3	6.4	10.0	11.1	13.0
Net Δ vs. N-1	1.4	1.4	2.0	3.6	1.1	3.0



# Target €13bn of AUM by the end of 2017

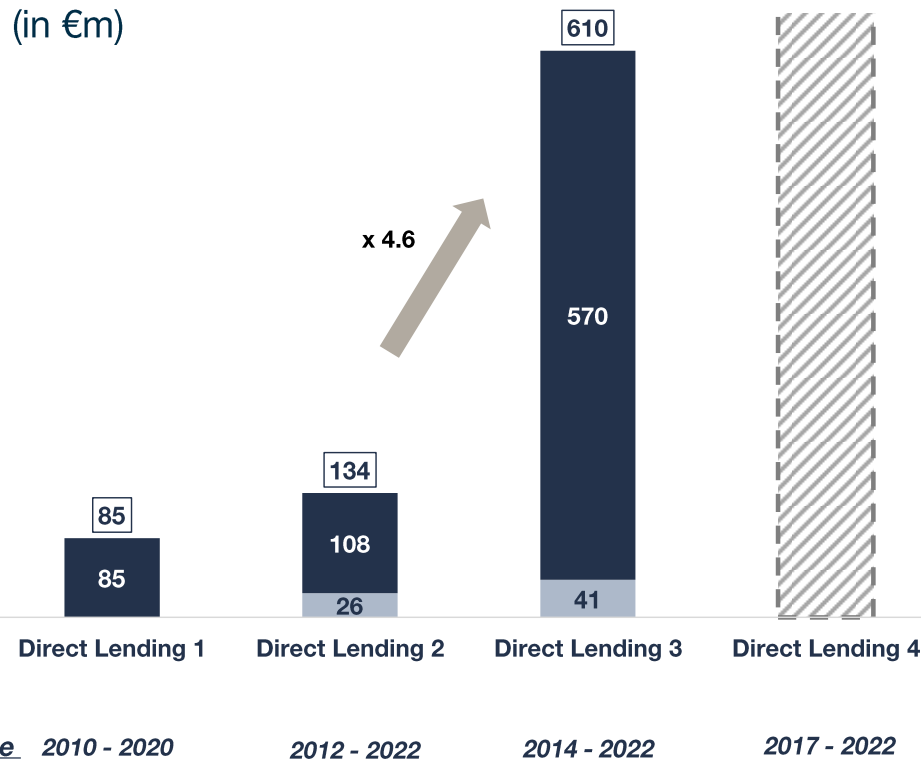
**Objective of €3bn AUM net increase over the year leading to €13bn by the end of 2017**



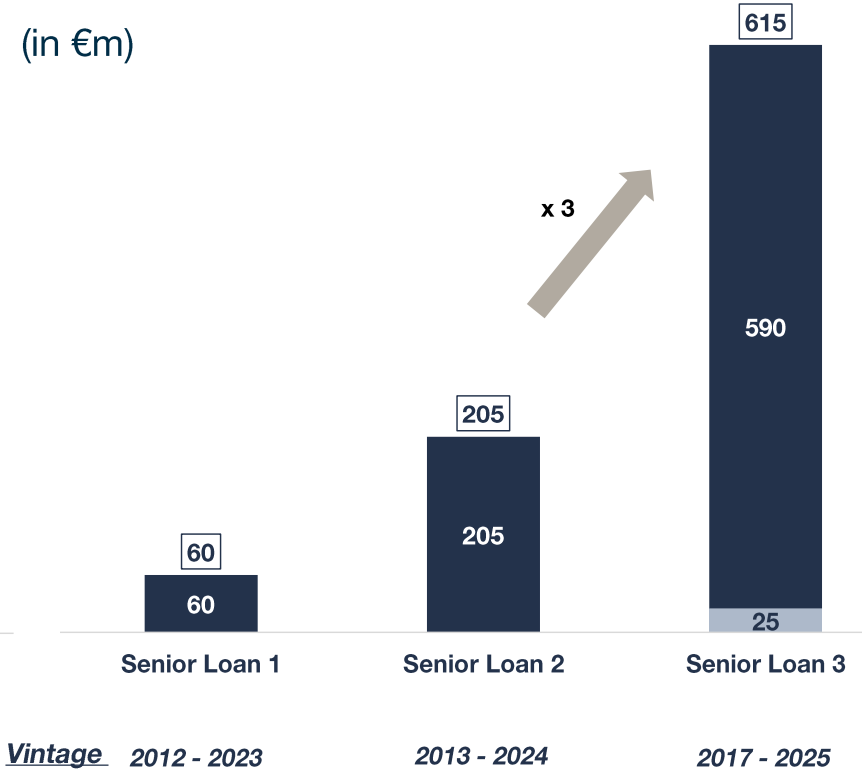


## Example of successful strategy roll-out

### Direct Lending strategy



### Senior loans strategy



■ Committed by Tikehau Capital    ■ Third parties

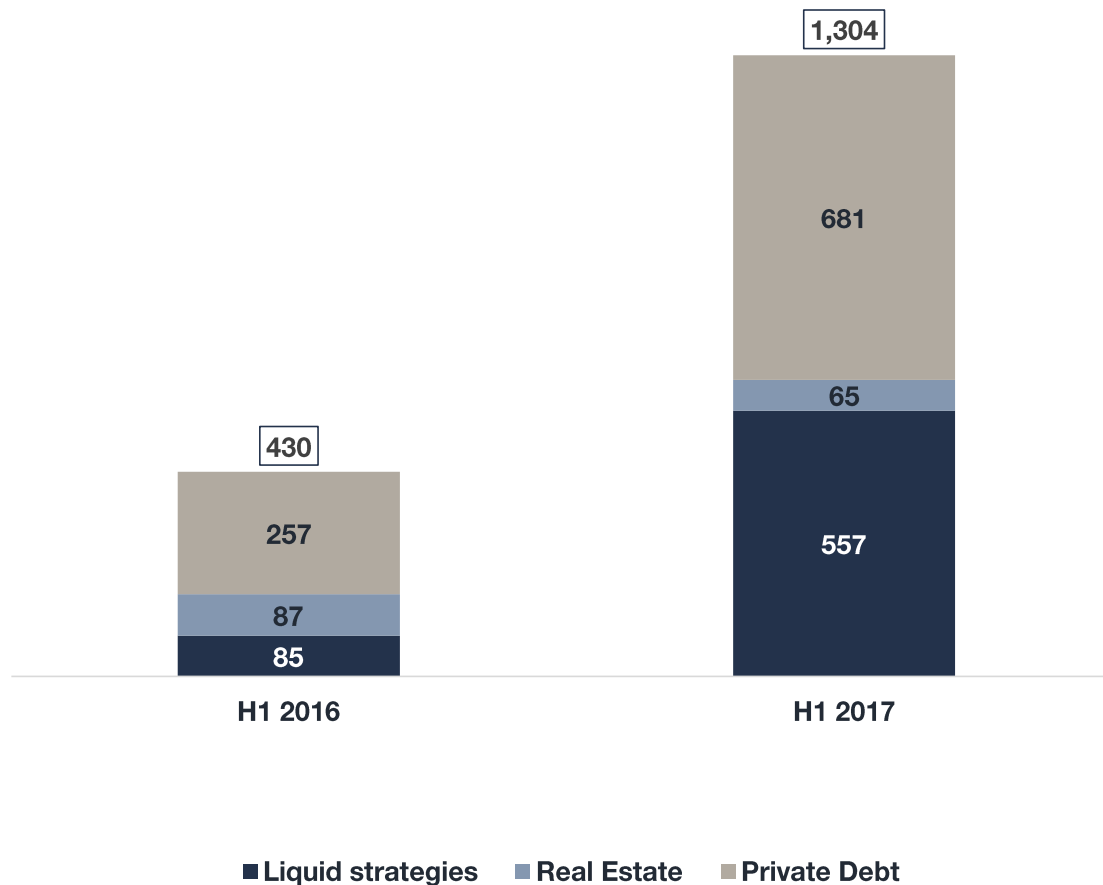
■ Committed by Tikehau Capital    ■ Third parties

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# Investments by funds managed by Tikehau AM activities

Strong momentum on investments

(in €m)



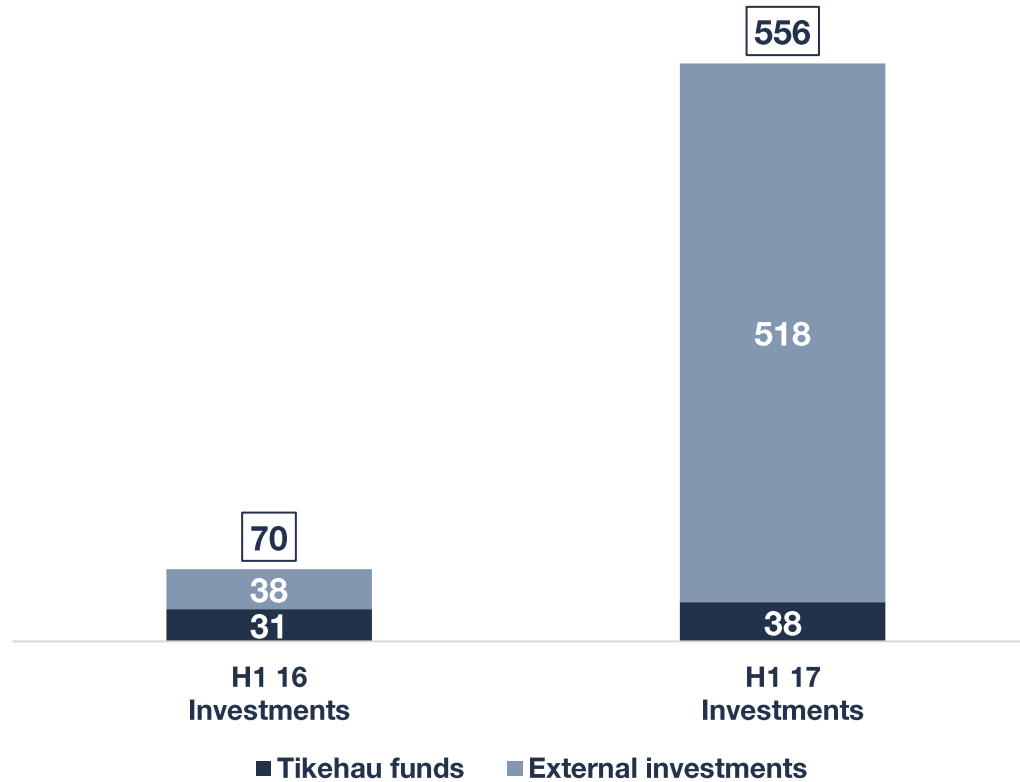
- Tikehau contributed €0.7bn to financing companies during H1 2017 (131 companies in portfolio)



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## Active first half-year in terms of net investments

(in €m)



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**claranet**

- **£75m investment in May** alongside existing shareholders
- Claranet is a leading independent managed services provider with headquarters in London and operating in seven European countries and Brazil

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eurazeo

- **€330m** invested in Eurazeo over H1 17
- 7.72% of the share capital and 6.7% of the voting rights
- Average share price amounts to c. €59.3 (stock price:€72.23 as of 18 Sep. 17)
- Tikehau Capital received €6.4m in dividends during H1

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 **Fairstone**

- **\$14m commitment in April 2017** in Fairstone Financial alongside PE fund JC Flowers IV
- Fairstone (f.k.a. Citifinancial Canada) is the leading Canadian provider of non-bank and branch-based consumer finance products

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**oodrive**

- €25m initial investment in May (with an additional potential €16m to fund acquisitions)
- Oodrive is a leading French based SaaS pure player providing highly secured sets of cloud solutions to large companies

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- Sale to Naxicap Partners in April 2017
- 2.8x MOIC (after fees and costs) and 21.1% IRR
- €10m original investment in June 2011

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- Sale to La Poste Silver in May 2017
- 1.6x MOIC (after fees and costs) and 23% IRR
- €28.5m original investments in April 2014 and April 2016

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- Entered into exclusive discussions with BOE Technology in June
- SES-Imagotag is a leader in the use of digital technology in retail stores
- The proposed price represents a 2.7x multiple over the investment period
- Closing expected from December

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## Strong performance during H1 17

	(in €m)	H1 17	H1 16 <sup>(1)</sup> (proforma)	Δ
<b>ASSET MANAGEMENT ACTIVITIES</b>	AM companies' revenues	25.1	18.1	7.1
	Operating costs <sup>(2)</sup>	-22.2	-18.9	-3.3
	<b>Net operating profit</b>	<b>2.9</b>	<b>-0.8</b>	<b>3.7</b>
<b>INVESTMENT ACTIVITIES</b>	Revenues from investments (including PE)	121.6	35.6	86.0
	Derivatives instruments	0.0	-17.7	17.7
	Operating costs <sup>(2) (3)</sup>	-22.6	-7.7	-14.9
	Net result with associates	0.0	0.3	-0.3
	<b>Net operating profit</b>	<b>99.0</b>	<b>10.5</b>	<b>88.5</b>
<b>GROUP</b>	Financial interest	-9.7	-8.8	-0.9
	Tax	-5.8	-6.4	0.6
	Minority interests	-0.6	-0.4	
	<b>Net profit - Group share</b>	<b>85.9</b>	<b>-5.8</b>	<b>91.9</b>

- **Improving performance of Asset Management activities (growth in revenues and cost control)**
- **Robust Investment activities' operating profit**

<sup>(1)</sup> Compared to June 2016 pro forma accounts, €2.0m of revenue, initially recognised as AM activities' revenue has been reclassified as portfolio revenues due to its nature (interest received on the retention piece invested directly by TCE for regulatory purposes).

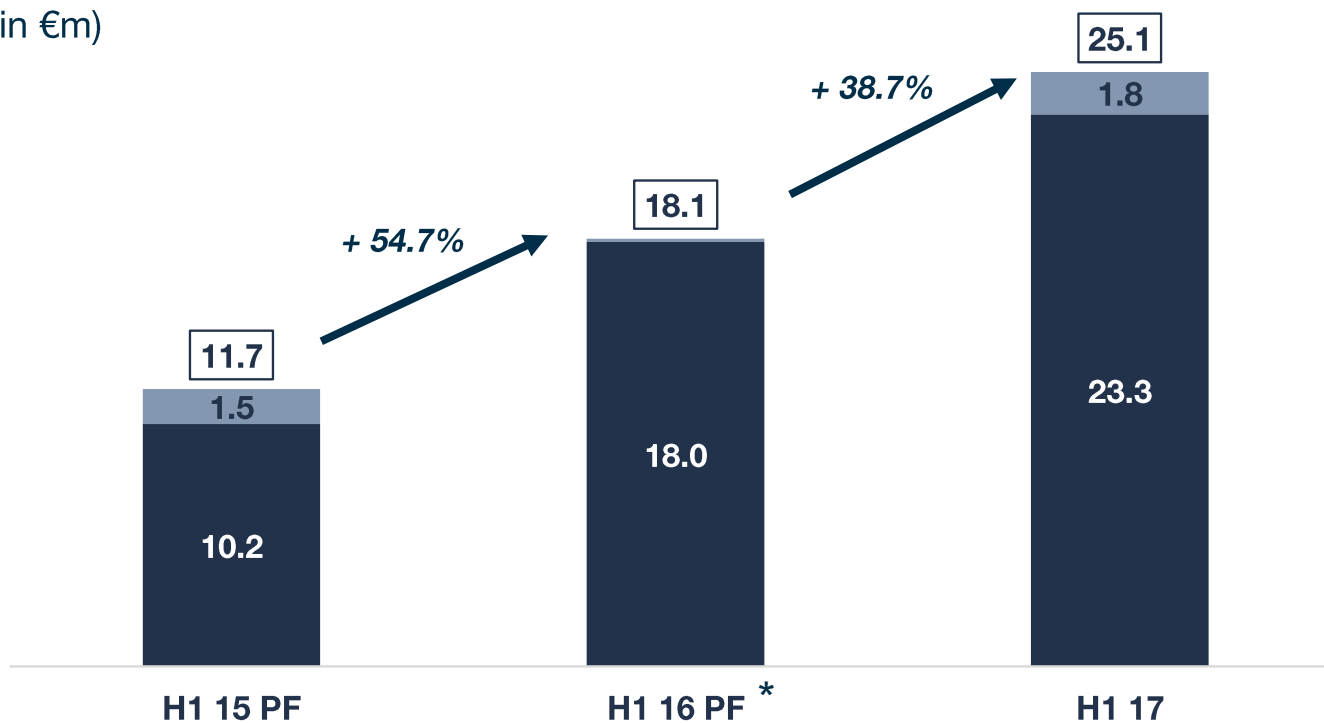
<sup>(2)</sup> Total operating costs in H1 17 amount to €44.8m.

<sup>(3)</sup> Including the remuneration to the General Partner.

# AM activities' revenues by fee type

## Increase of management fees following the growth of AUM

(in €m)



Management fees & others
  Performance fees & carried interest

\* Compared to June 2016 pro forma accounts, €2.0m of revenue, initially recognised as AM activities' revenue has been reclassified as portfolio revenue due to its nature (interests received on the retention piece invested directly by TCE for regulatory purposes).

# Structure of AM revenues



The growth of fundraising in Private strategies ensures embedded recurrent revenues on a long term horizon, fully impacted once the fund is invested (period of 1 to 3 years in average)

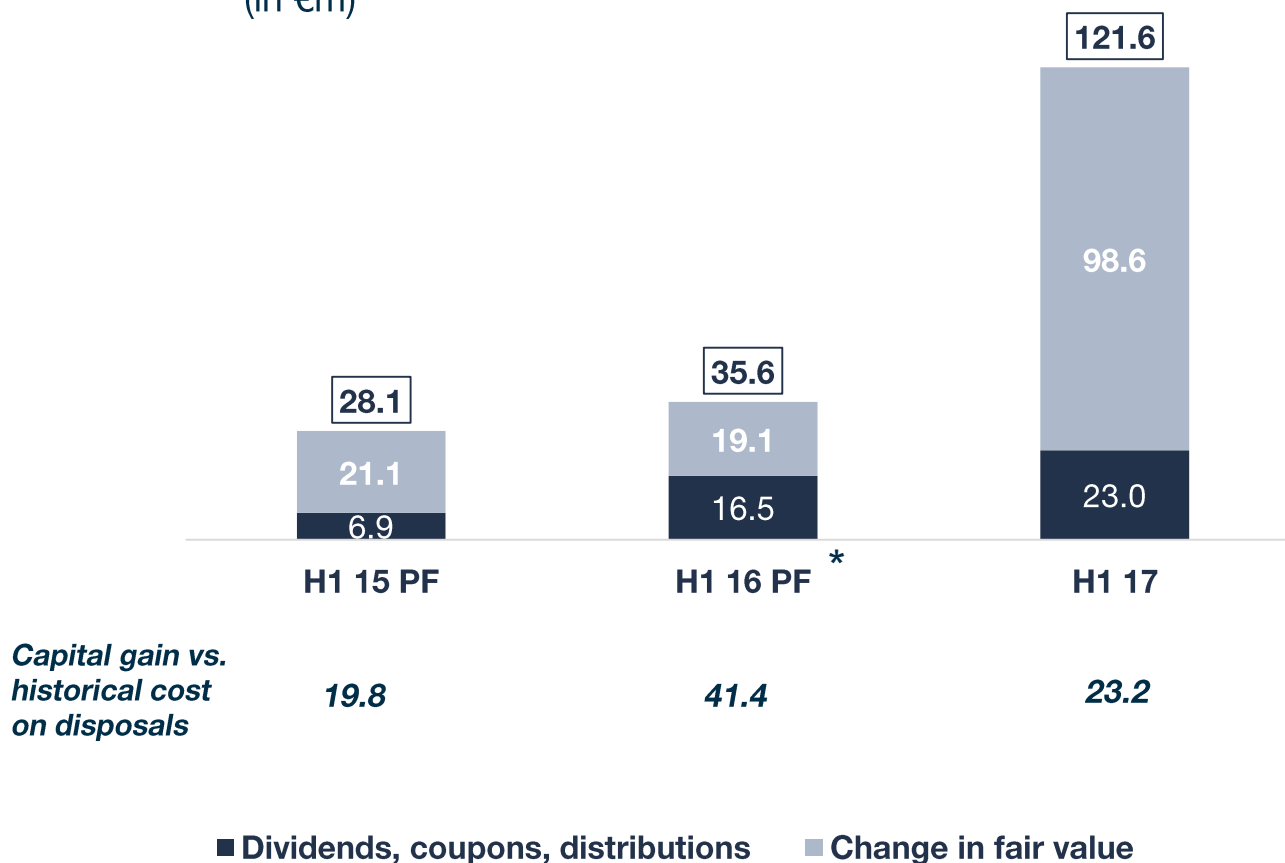
	MANAGEMENT FEES	PERFORMANCE FEES	CARRIED INTEREST
LIQUID STRATEGIES	COMMITTED CAPITAL	YES	-
PRIVATE DEBT	INVESTED CAPITAL	-	SOME DIRECT LENDING, SENIOR LOANS AND CLOs
PRIVATE EQUITY	COMMITTED CAPITAL	-	YES
REAL ESTATE	COMMITTED CAPITAL	-	YES
FEE PROFILE	RECURRENT GROWING DURING THE INVESTMENT PHASE OF FUNDS	NON RECURRENT DEPENDING ON THE PERFORMANCE OF FUNDS	NON RECURRENT MATURITY OF FUNDS





## Strong performance of Tikehau Capital investments over the period

(in €m)



\* Compared to June 2016 pro forma accounts, €2.0m of revenue, initially recognised as AM activities' revenue has been reclassified as portfolio revenue due to its nature (interests on the retention piece invested directly by TCE for regulatory purposes).

## Equity reinforced and low level of financial debt

(in €m)	H1 17	FY16	Δ
Investment portfolio	1,510	803	707
Cash & cash equivalent	120	130	-10
Other current & non current assets	365	354	11
<b>Total assets</b>	<b>1,995</b>	<b>1,287</b>	<b>709</b>
Shareholders equity - Group share	1,574	1,130	445
Minority interests	19	3	16
Financial debt	344	119	224
Other current & non current liabilities	58	35	23
<b>Total liabilities</b>	<b>1,995</b>	<b>1,287</b>	<b>709</b>
Gearing	22%	11%	
LTV*	12%	-1%	
Undrawn committed facilities	177.8	100.0	

Note: Before €702m capital increase in July 2017

\* LTV = (Financial Debt – Cash) / (Total assets – Cash). Post July capital increase, LTV = -41%

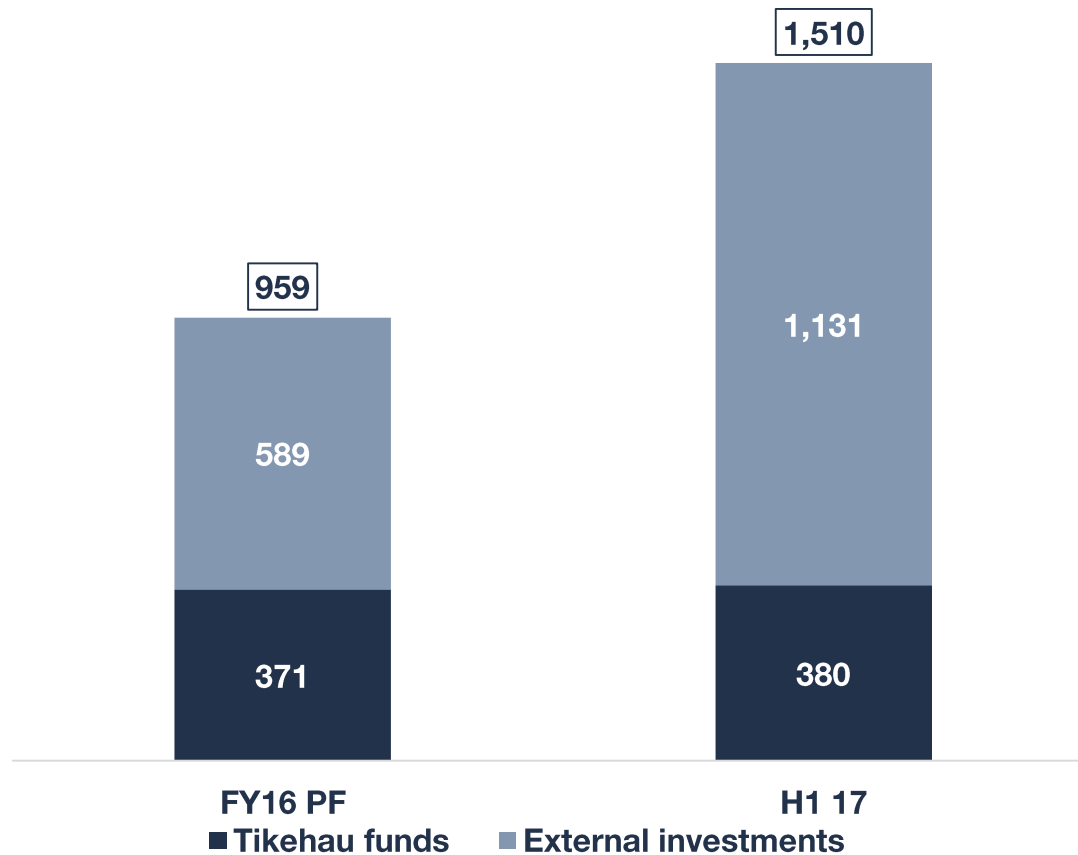


## Diversification of balance sheet investments

(in €m)

# entities : 166

# entities : 135



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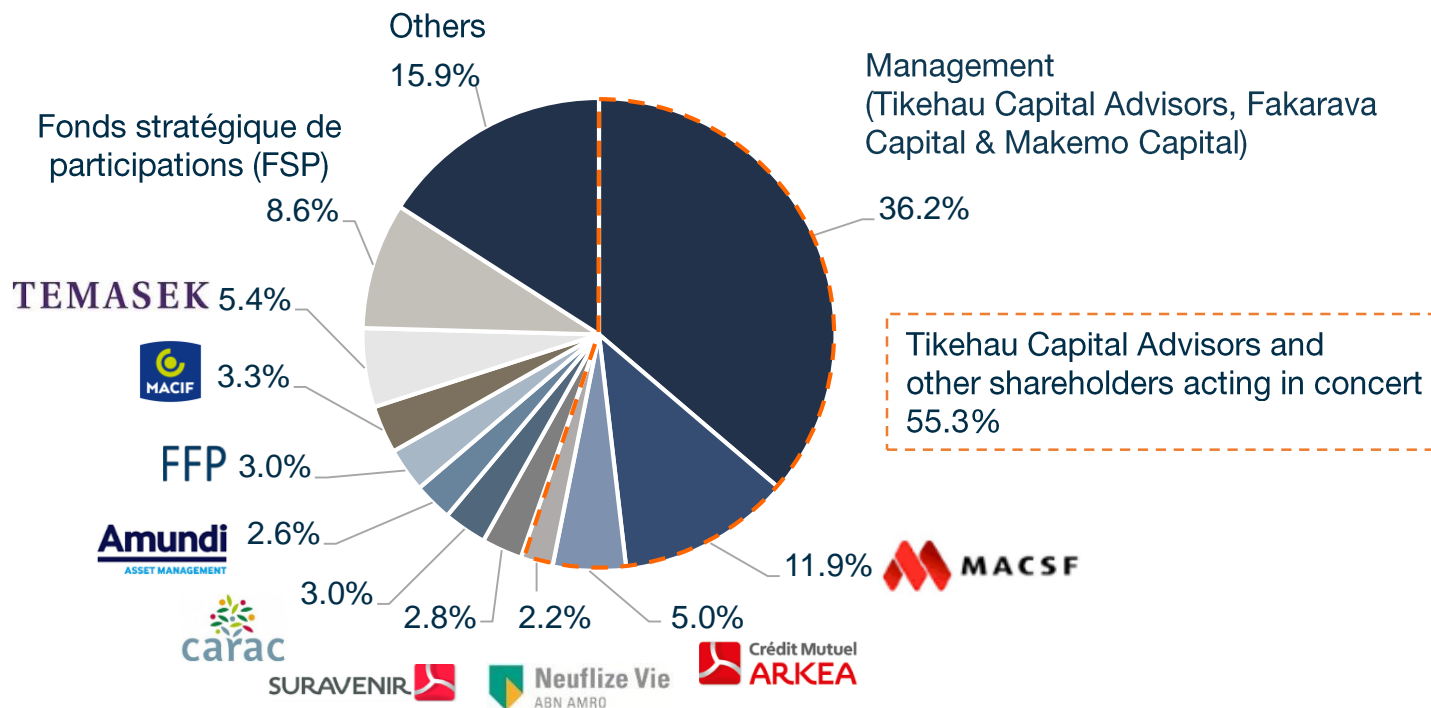
# Main developments since 1 July 2017

## €702m rights issue

<p><b>SIZE</b></p>	<ul style="list-style-type: none"> <li>▪ c.€702m (€500m minimum size announced, c.€610m base deal, c.€92m extension clause fully exercised and 118.4% subscription rate)</li> <li>▪ c.45% of outstanding shares pre-capital increase</li> </ul>
<p><b>ISSUE PRICE</b></p>	<ul style="list-style-type: none"> <li>▪ €22 per share, discount to TERP: 4.5%</li> </ul>
<p><b>EXECUTION FORMAT</b></p>	<ul style="list-style-type: none"> <li>▪ Pre-emptive capital increase with extension clause</li> <li>▪ c.€555m subscription commitments received ahead of launch from core shareholders and institutional investors</li> </ul>
<p><b>USE OF PROCEEDS</b></p>	<ul style="list-style-type: none"> <li>▪ Pursue organic growth of existing and new strategies</li> <li>▪ Accelerate opportunities in M&amp;A across existing and new strategies and geographies</li> </ul>
<p><b>ADVISORS</b></p>	<ul style="list-style-type: none"> <li>▪ BNP Paribas, Citigroup, Natixis and Morgan Stanley</li> </ul>
<p><b>ORNANES</b></p>	<ul style="list-style-type: none"> <li>▪ €75m Convertible Bonds (ORNANES) issued as part of the IPO process repurchased at par before launch of the rights issue</li> </ul>

# Main developments since 1 July 2017

## Shareholders as at 31 August 2017



## **Improvement of operating performance**

- Promote the Tikehau brand across all strategies and sectors
- Focus on the profitability of AM activities
- Ensure greater capital efficiency

## **Organic growth**

- Continue our dynamic fundraising
- Expand client base, product range and geographical footprint
- Roll out the private equity expertise and track-record in dedicated Private Equity funds

## **External growth**

- Pursue selective M&A opportunities and team hires

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	<b>YTD 30/06/2017</b>	<b>Q2 2017</b>	<b>2016</b>	<b>12 months</b>	<b>3 years</b>	<b>since inception</b>
	performance	performance	performance	performance	performance	performance
<b>TTV (part P)</b>	+0.86%	+0.5%	+1.1%	+1.7%	+3.2%	+21.4%
<b>TTV (part A)</b>	+1.12%	+0.6%	+1.6%	+2.2%	+4.80%	+26.3%
<b>TC+ (part A)</b>	+2.33%	+1.1%	+1.8%	+4.7%	+7.2%	+32.8%
<b>TCT</b>	+0.50%	+0.2%	+1.1%	+1.1%	+3.3%	+4.8%
<b>TSF (part A)</b>	+6.04%	+3.1%	+2.7%	+11.4%	+12.0%	+58.4%
<b>TEEC (part A)</b>	+0.97%	+0.4%	+1.9%	+2.4%	+4.4%	+14.6%
<b>TK 22 (part C)</b>	+6.53%	+2.9%	+4.8%	+11.5%	+11.9%	+40.2%
<b>TGC (part P)</b>	+2.98%	+1.8%	+2.8%	+5.7%	N/A	+5.9%
	<b>YTD 30/06/2017</b>	<b>Q2 2017</b>	<b>2016</b>	<b>12 months</b>	<b>3 years</b>	<b>since inception</b>
	performance	performance	performance	performance	performance	performance
<b>Inca (part P)</b>	+2.93%	+1.1%	-0.2%	+2.94%	+10.3%	+20.7%
<b>TGV (part P)</b>	+8.38%	+3.6%	+3.7%	+17.50%	N/A	+16.9%
<b>Inca (part E)</b>	+3.50%	+1.3%	+1.0%	+4.08%	+14.8%	+33.4%
<b>TC+ (part I)</b>	+2.61%	+1.3%	+2.2%	+5.29%	+8.6%	+21.3%
<b>Inca part I</b>	+3.07%	+1.1%	+0.1%	+3.23%	+11.1%	+11.8%

## New platform to address different typology of clients

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### BACKGROUND & COMPANY OVERVIEW

- Credit.fr is the #2 alternative small business crowd lending platform in France and was founded two years ago
- The Company has an excellent track record in France in terms of default rate

### TRANSACTION & RETURNS

- Acquisition of 96% of the existing share capital, the remainder being held by the Management and some employees

### KEY HISTORICAL FIGURES (IN €M)

- 202 loans granted overall for an average loan of €60k
- Cumulated loans of €12.3m
- 12k registered lenders

### INVESTMENT RATIONALE

- Participate in the Fintech Revolution with a business that we understand
- Bring tech DNA to Tikehau
- Industrial synergies with Tikehau

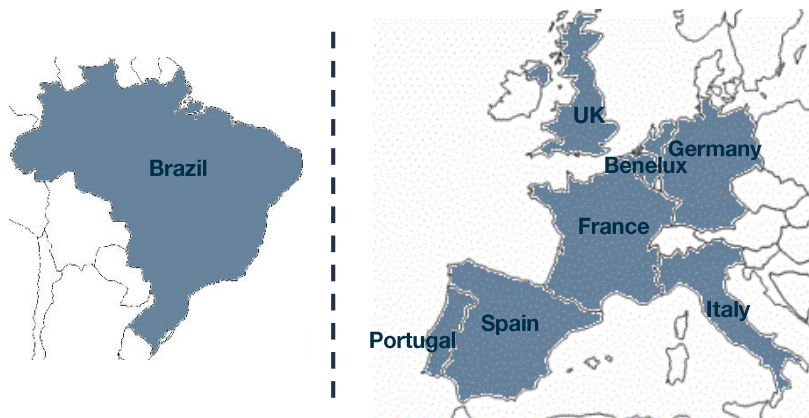
### Company overview

- Claranet is a London based IT services specialist offering outsourcing solutions for IT infrastructure and application management to mid-sized companies across Western Europe
- Founded in 1996, Claranet has evolved from a pioneering ISP (Internet Service Provider) into one of the leading independent MSPs (Managed Services Provider) in Europe
- The company has annualised revenues of c. £220 million in 2017, over 6,000 customers, more than 1,300 employees, and an international footprint in two continents with 8 local offices

### Investment thesis

- Tikehau Capital invested £75 million in equity and preferred equity alongside existing shareholders
- **Core market growing at c.15% p.a.:** increased complexity of IT infrastructure and application management will drive strong growth over the next 5 years
- **Pan-European platform** with scale, skills and track record for rapid expansion in a fragmented market
- **Strong competitive advantages:** a technical expertise, prime partnerships with suppliers and a multi-local footprint
- **Attractive business model** with high visibility on future revenue thanks to 1 to 5-year contracts and low historical churn
- **Strong management team** with a proven track record of organic / external development

### A European company with presence in Brazil



### Main clients



## Company overview

- Oodrive (the “**Company**”) is a leading French-based SaaS pure player providing highly secured sets of cloud solutions
- The Company develops and offers 3 complimentary highly secured cloud solutions:
  - File sharing, synchronisation and collaboration
  - Backup and archiving solutions
  - Digital trust solution
- The Company is led by its 3 founders
- Founded in 2000, Oodrive employs c. 300 people including c. 100 people in R&D

## Broad client portfolio

- Oodrive has developed long-term relationships with a large and well diversified customer base, which is mainly composed of blue-chip corporations and SMEs including c.80% of the CAC 40



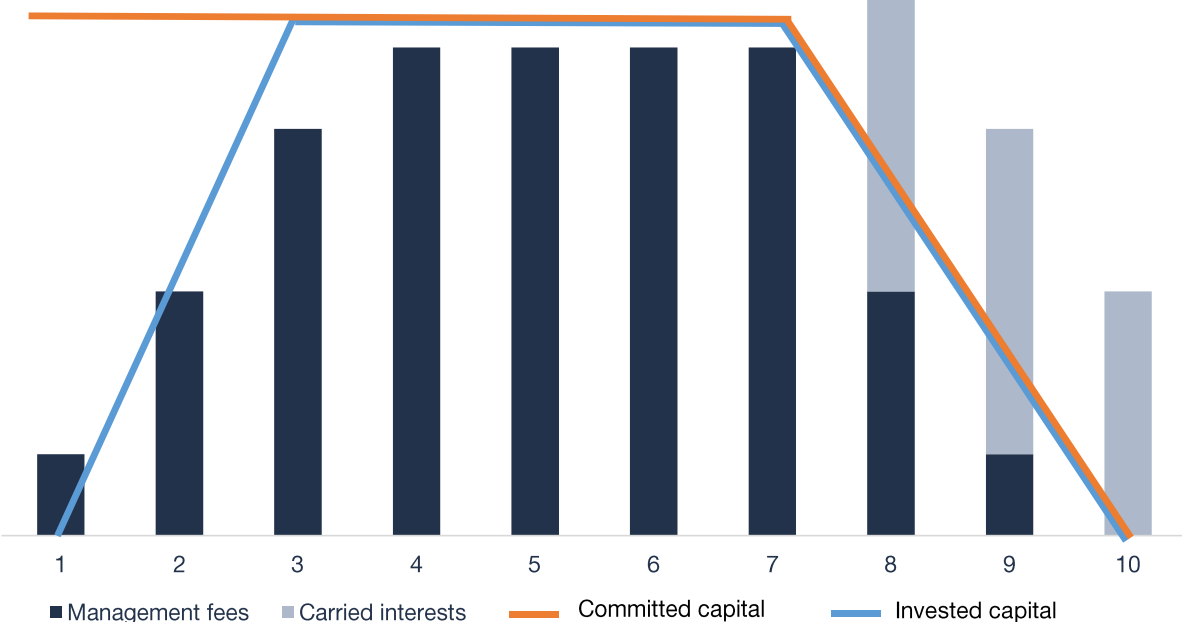
## Investment rationale

- European leader on an emerging marketplace, driven by ever more collaboration internally and externally
- Increasingly stringent French and European regulations, relating to personal and corporate data protection, have increased the needs among professionals for solutions which enable them to comply with these new obligations
- Oodrive has a wide and solid client base with sticky products which generate recurring revenue
- Oodrive is a natural player to consolidate the European market through focused acquisitions in Europe

## Transaction terms

- Transaction closed in May 2017
- Tikehau (Tikehau Capital and funds managed by Tikehau IM) invested €25m - Nextstage and MI3 co-invested for €15m
- Tikehau is represented at the Supervisory Board of the Company

## Example of fee profile for Private Debt funds



### Structure of fund

- 6-10 year total fund life
- Funds are invested over 2-3 year investment period
- 2 year fundraising cycle

### Profile of fees

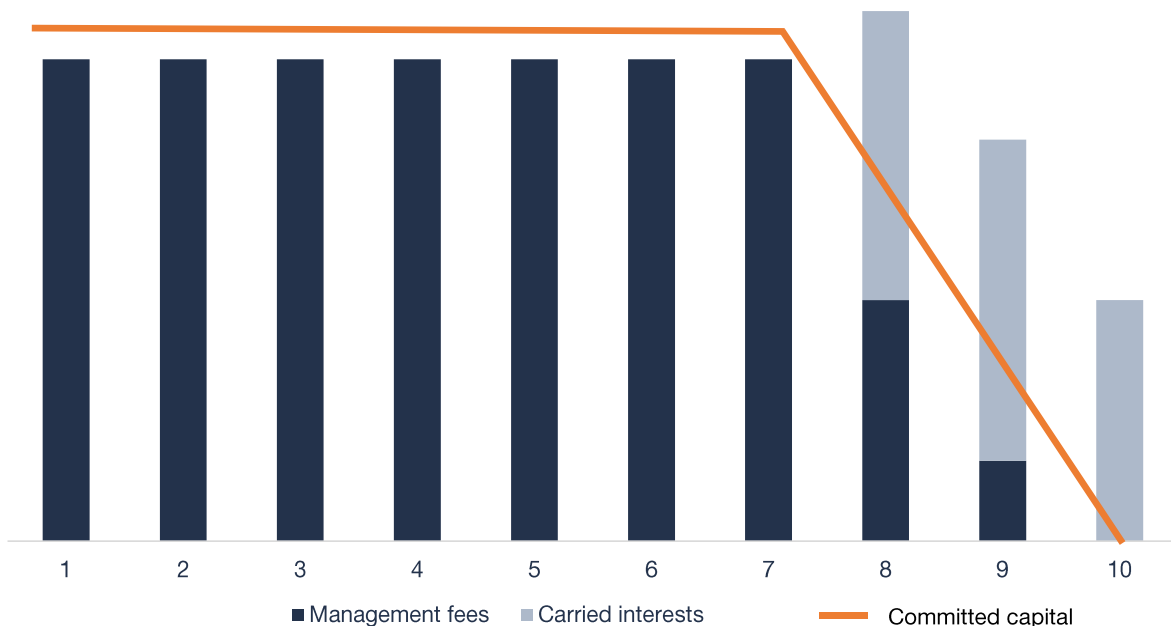
- Management fees are calculated on invested capital until the end of the investment period and Net Asset Value of the fund afterwards
- Embedded revenues of income stream over total fund life (10 to 12 years)
- Carried interests: Recognised at the maturity of funds. Amount levied is usually between 10% and 20% above the IRR level set (hurdle being between 5% and 8%)

### Normalised total average fees

[0.5% - 1.5%]



## Example of fee profile for Real Estate funds



### Structure of fund

- 10 year total fund life
- Real Estate funds (OPCIs) are invested immediately whilst other RE funds are invested over 2-3 year investment period

### Profile of fees

- Management fees are calculated on commitments
- Embedded revenues of income stream over total fund life (10 to 12 years)
- Carried interests: Recognised at the maturity of funds. Amount levied is usually between 10% and 20% above the IRR level set (hurdle being between 5% and 8%)

### Normalised total average fees

[0.5% - 2%]

**17 NOVEMBER 2017**

- Q3 AUM announcement

**22 MARCH 2018**

- 2017 Annual Results

**17 MAY 2018**

- Q1 AUM announcement

**25 MAY 2018**

- AGM

**20 SEPTEMBER 2018**

- H1 18 Results

**15 NOVEMBER 2018**

- Q3 AUM announcement

