

## Tikehau Capital exceeds target with €28.5bn in assets under management at end-December 2020, driven by €4.2bn in net new money from the asset management business

Tikehau Capital continued its growth trajectory throughout 2020, despite a deteriorated health and macroeconomic backdrop. Driven by its strong corporate culture and entrepreneurial spirit, the Tikehau Capital team remained fully mobilized enabling the Group to continue to produce successful performances, including:

- Group Assets under management (AuM) of **€28.5bn**<sup>1</sup> (+10.5% yoy), well exceeding target of over €27.5bn as communicated in September 2020;
- AuM for the asset management business of **€27.4bn** (+15.7%), driven by **€4.2bn** in net new money in 2020, of which nearly 40% was raised in private equity;
- Continued geographic expansion: AuM managed from North America and Asia exceeding **\$1bn**<sup>2</sup> and **€1.5bn**<sup>3</sup> respectively, upcoming expansion in Germany and appointment of Hassan Karimi as Senior Advisor in the Middle East region;
- Investment portfolio of **€2.4bn**, of which €1.6bn (over 65%) is invested in the funds managed by the Group;
- Credit rating confirmed at **BBB-**, stable outlook, by Fitch Ratings on 22 January 2021;
- ESG: integration of Tikehau Capital into the **SRI Gaïa Index**<sup>4</sup>;
- Outlook: **confirmation of the Group's objectives for 2022** to reach over €35bn in total AuM and generate over €100m in operating profit from asset management<sup>5</sup>.



*Antoine Flamarion and Mathieu Chabran, co-founders of Tikehau Capital, said*

*“Despite the challenging economic conditions that prevailed throughout the whole of 2020, we successfully demonstrated the resilience of our entrepreneurial model and the appeal of our investment strategies. We have used this period to actively innovate, whilst remaining nimble and dynamic in our decision-making process. Our business is currently enjoying very strong momentum and our solid growth trajectory will allow us to soon set ambitious targets for 2025. We believe that the asset management industry has a critical role to play in allocating savings and financing the broader economy. As it continues to innovate and seize attractive opportunities, Tikehau Capital is today well positioned to become one of the dominant players within the industry and embodies a unique entrepreneurial story.”*

<sup>1</sup> The Group's assets under management are not included in the audit process. Figures have been rounded for presentation purposes, which in some cases may result in rounding differences.

<sup>2</sup> Includes AuM managed from the Tikehau Capital's North American operations (New York office and Star America), AuM coming from North American investor-clients in funds managed outside the US, and co-investments made through the Group's direct investment portfolio in North American strategies.

<sup>3</sup> Includes AuM managed from the Tikehau Capital's Asian operations, AuM coming from Asian investor-clients in funds managed outside the region, and IREIT Global.

<sup>4</sup> Developed by the extra-financial ratings agency Gaïa Rating, the Gaïa index identifies the top performing 70 French midcaps in terms of ESG criteria.

<sup>5</sup> Excluding performance fees and carried interests.

In €m	AuM at 31/12/2020		Yoy change		Qoq change	
	Amount (m€)	Weight (%)	In %	In €m	In %	In €m
Private debt	9,342	33%	+8%	+709	+5%	+469
Real assets	10,334	36%	+13%	+1,157	+1%	+130
Capital markets strategies	4,184	15%	+10%	+374	+8%	+322
Private equity	3,491	12%	+73%	+1,476	+17%	+517
<b>Asset Management</b>	<b>27,351</b>	<b>96%</b>	<b>+16%</b>	<b>+3,716</b>	<b>+6%</b>	<b>+1,439</b>
Investment	1,180	4%	(46%)	(993)	(11%)	(153)
<b>Total AuM</b>	<b>28,530</b>	<b>100%</b>	<b>+11%</b>	<b>+2,722</b>	<b>+5%</b>	<b>+1,286</b>

## 1. ASSET MANAGEMENT BUSINESS: NET NEW MONEY LEVEL CLOSE TO HISTORICAL HIGH

Despite a consistently challenging health and economic backdrop throughout 2020, investors continued to show strong interest in the Group's investment strategies. Net new money<sup>6</sup> reached €4.2bn in 2020, a level close to historical high, reflecting investors' confidence in the Group's ability to generate performance.

Private equity emerged as the leading contributor of the Group's net new money in 2020 with €1.6bn raised and recorded a 73.3% growth in AuM, reaching €3.5bn at 31 December 2020.

Overall, the asset management business increased by +15.7% (+€3.7bn) with €27.4bn of AuM, which break down as follows:

2020 (€m)	AuM at 31/12/2019	Net new money	Distri- butions	Market effects	Change in scope	AuM at 31/12/2020	Change (%)	Change (€m)
Private debt	8,634	1,360	(670)	19	-	9,342	+8.2%	+709
Real assets	9,177	906	(213)	(75)	539	10,334	+12.6%	+1,157
Capital markets strategies	3,810	341	(12)	45	-	4,184	+9.8%	+374
Private equity	2,014	1,578	(142)	11	29	3,491	+73.3%	+1,476
<b>Total Asset Management</b>	<b>23,635</b>	<b>4,185</b>	<b>(1,038)</b>	<b>0</b>	<b>568</b>	<b>27,351</b>	<b>+15.7%</b>	<b>+3,716</b>

Tikehau Capital primarily supports mid-sized companies' growth through, in particular, minority stakes acquisitions or financing solutions, and is committed to helping entrepreneurs benefit from its expertise and ecosystem.

In 2020, the Group continued to offer products that meet these objectives, in particular with:

- The launch of the **fifth vintage of Direct Lending fund (TDL V)**, which had AuM of €660m at 31 December 2020;
- The "**pan-European growth equity**" **private equity fund (Tikehau Growth Equity II)**, which was launched in 2018 and whose subscriptions closed in 2020. This fund's AuM amounted to €375m at 31 December 2020 (+30% compared to the previous program).

<sup>6</sup> Total net new money raised from third party investors and Tikehau Capital's balance sheet.

The Group also seeks to bring together the economic players, particularly industry and finance, into a common objective. 2020 highlighted the Group's ability to successfully implement this strategy:

- Following its launch 2018, the **private equity strategy dedicated to “energy transition” (T2)** had an investment capacity of €960m at 31 December 2020 and will close fundraising at the beginning of 2021 beyond the objectives initially planned;
- Tikehau Capital was selected, through its subsidiary **Ace Capital Partners**, to exclusively manage a private equity fund (4<sup>th</sup> vintage of aerospace fund) to support the aerospace industry, following a call for tender organized by the major industrial players Airbus, Safran, Thales and Dassault Aviation, with the support of the French State. An initial closing took place in July 2020 totaling €630m, in which Tikehau Capital committed €230m. New subscriptions, of which €100m was committed by the Crédit Agricole group, led the fund to reach nearly €750m of AuM at 31 December 2020.  
Beyond the aerospace industry, Ace Capital Partners' expertise is focused on strategic industries and technologies, including cybersecurity. Ace Capital Partners manages the largest venture and growth capital fund entirely dedicated to cybersecurity in Europe, with AuM reaching c. €100m at 31 December 2020. In 2020, Ace has acted as the lead investor in the funding of Tehtris (France, €20m), Preligens (France, €20m) and EclecticIQ (The Netherlands, €20m).

With the objective of consistently offering new and diversified products to appeal to a range of investors, and further strengthening its position as a player in financing the real economy, the Group offered:

**(i) New strategies:**

- The Group's 1<sup>st</sup> **private debt secondaries** fund (TPDS) reached \$105m<sup>7</sup> of AuM at 31 December 2020 (subscribed by Tikehau Capital);
- The Group's 1<sup>st</sup> **impact lending fund (TIL)** will provide financing solutions with terms and conditions depending on the underlying companies' ESG performance. This fund had c.€100m of AuM at 31 December 2020;
- The 2<sup>nd</sup> **“special situations” fund (TSO II)**, whose subscriptions will close in early 2021, should exceed AuM target (€535m at the end of 2020);
- The 1<sup>st</sup> **pan-European opportunistic and value-add real estate fund (TREO)** closed subscriptions on 28 February 2020 with €560m of net new money. The fund has already completed several acquisitions and had €755m of AuM at 31 December 2020;
- The acquisition of **Star America Infrastructure Partners**, which had c.\$685m<sup>8</sup> of AuM at the end of 2020, enables the Group to expand in the infrastructure sector in North America.

**(ii) Products available for private clients:**

- In December 2019, the Group launched a fund in partnership with **Fideuram – Intesa Sanpaolo Private Banking** in Italy offering a bespoke, multi-asset solution to private clients seeking diversified exposure to European private markets. This fund has raised more than €400m from 3,000 private investors in Italy;
- The Group's 1<sup>st</sup> European Long-Term Investment Fund (ELTIF<sup>9</sup>), launched in 2020, has been designed for the private clients of **Banca March** in Spain and is dedicated to energy transition

The Group has consolidated its dedicated offering already available to retail investors, including the SCPIs<sup>10</sup> managed by Sofidy (a wholly-owned subsidiary with €6.7bn of AuM at 31 December 2020), the open-ended funds managed by its capital markets strategies team and the crowdfunding activities accessible via digital platforms (Credit.fr and Homunity). Finally, Tikehau Capital has strengthened its two listed REITs, including the successful capital increase of IREIT Global, in Singapore, raising €89m in October 2020 and the ongoing transformation of Selectirente in France.

<sup>7</sup> Representing €86m.

<sup>8</sup> Representing €559m.

<sup>9</sup> European Long-Term Investment Fund.

<sup>10</sup> Real estate investment vehicles.

## 2. INVESTMENT PORTFOLIO: THE OBJECTIVE OF ALIGNMENT OF INTERESTS HAS BEEN EXCEEDED

Tikehau Capital has continued to invest significantly in its own strategies and has reinforced its alignment of interests with those of its investor-clients with €667m of commitments made to its own funds or strategies in 2020 (including in (i) funds: 4<sup>th</sup> vintage in Private Equity aerospace, 5<sup>th</sup> vintage in Direct Lending, Impact lending, Private Debt secondary, and (ii) in the capital increase of IREIT Global).

The Group's investment portfolio came in at €2.4bn at 31 December 2020 (€2.3bn at end 2019), of which €1.6bn invested in the funds and strategies managed by the Group, representing 65.8% of the portfolio (vs. 61.0% in 2019).

In addition to the €1.6bn already invested in the asset management funds and strategies, Tikehau Capital has €1.0bn of additional commitments, which will be drawn as the funds deploy their capital. At 31 December 2020, Tikehau Capital had committed a total of €2.6bn (drawn and undrawn) to its asset management strategies.

The Group is therefore ahead on its objective for 2022 to grow the proportion of its own strategies within its investment portfolio from 65% to 75%.

The hedging strategy implemented by the Group in 2020 as part of its risk management policy remains in place at this point in time.

In 2021, Tikehau Capital intends to continue to use its balance sheet, a differentiating asset and enabler of growth, to launch new families of products and/or specific vehicles while maintaining its strategy of aligning its interests with those of its investor-clients.

## CALENDAR

18 March 2021	<ul style="list-style-type: none"><li>• 2020 Annual results</li></ul>
19 May 2021	<ul style="list-style-type: none"><li>• Assets under management at end-March 2021</li><li>• Annual Shareholders' Meeting</li></ul>
29 July 2021	<ul style="list-style-type: none"><li>• Assets under management at end-June 2021</li></ul>
16 September 2021	<ul style="list-style-type: none"><li>• 2021 First half results</li></ul>
10 November 2021	<ul style="list-style-type: none"><li>• Assets under management at end-September 2021</li></ul>



## ABOUT TIKEHAU CAPITAL

Tikehau Capital is a global alternative asset management group with €28.5 billion of assets under management (as of 31 December 2020). Tikehau Capital has developed a wide range of expertise across four asset classes (private debt, real assets, private equity and capital markets strategies) as well as multi-asset and special opportunities strategies.

Tikehau Capital is a founder-led team with a differentiated business model, a strong balance sheet, proprietary global deal flow and a track record of backing high quality companies and executives.

Deeply rooted in the real economy, Tikehau Capital provides bespoke and innovative alternative financing solutions to companies it invests in and seeks to create long-term value for its investors, while generating positive impacts on society. Leveraging its strong equity base (€2.8 billion of shareholders' equity as of 30 June 2020), the firm invests its own capital alongside its investor-clients within each of its strategies.

Controlled by its managers alongside leading institutional partners, Tikehau Capital is guided by a strong entrepreneurial spirit and DNA, shared by its 570 employees (as of 30 June 2020) across its 11 offices in Europe, Asia and North America.

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

For more information, please visit [www.tikehaucapital.com](http://www.tikehaucapital.com)



## PRESS CONTACTS

Tikehau Capital: Valérie Sueur – +33 1 40 06 39 30

France – Image 7: Florence Coupry & Juliette Mouraret – +33 1 53 70 74 70

UK – Prosek Partners: Henrietta Dehn – +44 (0)20 8323 0475

USA – Prosek Partners: Trevor Gibbons – +1 646 818 9238

[press@tikehaucapital.com](mailto:press@tikehaucapital.com)



## SHAREHOLDER AND INVESTOR CONTACT:

Louis Igonet – +33 1 40 06 11 11

[shareholders@tikehaucapital.com](mailto:shareholders@tikehaucapital.com)



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