

Paris, 19 March 2020

2019 results

Strong growth in Tikehau Capital's activity and results across its business areas

- **Assets under management of €25.8 billion¹ at end-31 December 2019, up by 17% compared to 31 December 2018**
- **Particularly strong balance sheet, with €3.1bn of shareholders' equity, limited debt, and €1.3bn of available cash at end-December 2019**
- **Operating profit from asset management activities of €58.5 million, a threefold increase against end-2018 on a reported basis, and a 48% increase at constant scope**
- **Net result - Group share of €178.7 million, up by €286.1 million compared to net income reported at end-2018**
- **Proposed dividend: €0.50 per share**
- **Confirmation of 2022 organic guidance to reach more than €35bn in assets under management for the Group and generate more than €100 million in operating profit from asset management activities**

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

“2019 was a year of strong growth for Tikehau Capital, both in terms of activity and profitability. It demonstrated the relevance of Tikehau Capital’s alternative asset management platform, which has been developed carefully and methodically for almost 16 years, and its ability to generate high levels of performance. Tikehau Capital has been built upon a robust and distinctive corporate culture characterized by a strong alignment of interests between its

¹Data relating to assets under management have not been audited.

management, shareholders and investor clients. As such, the Group's investment policy demonstrates prudence, discipline and selectivity, as it has for many years.

Today, with a solid balance sheet and a significant cash position, the Group has the resources to contend with the crisis currently facing the global economy. In the new environment imposed by the emergence of Covid-19, our first priority is to protect our employees and partners, and we have put in place all of the necessary measures to ensure that our business continues in an optimal manner. We also intend to fully play our part as an active investor and provide full support for the companies in which we have invested. Lastly, this period of uncertainty may produce investment opportunities which the Group will always scrutinise with the highest degree of selectivity."

2019 financial year consolidated results

Tikehau Capital's Supervisory Board met on 18 March 2019 and reviewed the consolidated financial statements² for the year ending 31 December 2019.

At 31 December 2019, Tikehau Capital's **assets under management** amounted to €25.8 billion, an increase of €3.8 billion or +17% year-on-year. This strong growth reflects record total net new money of €4.6 billion for the Group, a level 24% higher than in 2018³, which was also a year of very dynamic growth, and representing a high comparable. Distributions made over the year amounted to -€1.3billion (primarily across private debt strategies) and market effects had a positive impact of €0.7 billion⁴. At the end of December 2019, the Group's assets under management were divided across €23.6billion for the asset management activity and €2.2billion for the direct investment activities.

Operating profit from the asset management activity was positive, at €58.5 million compared to €20 million on a reported basis for the 2018 financial year (or €39.5 million at constant scope). **Operating income from the investment activity** was strongly positive at €199.6 million compared to a reported loss of €113.1 million in 2018 (or -€108.5 million at constant scope).

Accordingly, **the net result - Group share** for 2019 grew very sharply to €178.7 million.

The asset management activity reported operating income increased by 48% in 2019

Tikehau Capital's asset management activity achieved record levels of performance in 2019, both in terms of activity and profitability.

As at 31 December 2019, **assets under management of Tikehau Capital's asset management** activity amounted to €23.6billion, an increase of €3.3 billion over the year (+16%), including an increase of +€1.5bn in the fourth quarter (+7%). 2019 saw a particularly

² An audit of the financial statements is currently being finalised by the statutory auditors.

³ 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.

⁴ The figures shown have been rounded for presentation purposes, which in some cases may result in rounding differences.

solid inflow of net new money, amounting to €4.1 billion, generated by the very strong sales momentum of existing funds and the successful launch of new products.

Throughout 2019, the Group continued **the internationalisation of its client base**, and the proportion of foreign investors contributing to the Group's total assets under management grew by +4 percentage points year-on-year to stand at 32% at the end of December 2019.

Of the €23.6 billion of assets in the asset management scope at the end of 2019, **fee-paying assets under management** stood at €19.9 billion (i.e. 84%), up +23%. This growth is the result of the significant fundraising within private equity and capital market strategies, together with the deployment of private debt and real estate funds for which management fees are based on invested capital. Future fee-paying assets under management stood at €2.6 billion and represent significant revenue growth potential for the Group. Lastly, non-fee-paying assets under management, consisting mainly of the market and leverage within some funds, amounted to €1.1 billion at the end of December.

In 2019, Tikehau Capital **deployed a total of €3.6 billion in its closed-end funds**, an increase of +35% compared to 2018, at constant scope. The Group continued its policy of disciplined and selective investment, based on an in-depth assessment of the financial, environmental, social and governance criteria of each investment opportunity.

Revenues from the asset management activity increased by +39% in 2019 at constant scope, to stand at €174.8 million compared to €125.8 million in 2018. This growth reflects a sharp increase in the Group's management fees over the 2019 financial year (+36%, reaching €166.3 million) linked to the growth of fee-paying assets under management, as well as €8.5 million of revenue related to the performance of the Group's funds, particularly following the sale of a real estate portfolio to Blackstone, and the good performance achieved by several fixed income funds within the Capital Markets Strategies business line.

In 2019, the Group continued to invest in its asset management platform, a key asset for its continued growth in France and internationally. As a result, the operating expenses of the asset management activity increased by +30% over the financial year, growing at a slower rate than its revenues, reflecting this investment. Additionally, operating profit from the asset management activity was €58.5 million, an increase of +48% year-on-year at constant scope (a multiple of 3x on a reported basis). **The operating margin rate for this activity** was 33.5% in 2019, i.e. an increase of +2.1 percentage points at comparable scope and +6.9 percentage points on a reported basis.

Final closing of the "value added" strategy real estate fund

On 28 February 2020, the Group completed the final close of its "value added" European real estate fund with a final fundraising exercise raising €560 million⁵. The Group also signed a co-investment mandate with an institutional investor, taking Tikehau Capital's capacity to invest in its "value added" investment strategy to €650 million, regardless of potential additional leverage.

⁵ This final fundraising exercise takes the fund's assets under management to €726 million at the closing date.

The fund's remit is to invest in all asset classes in the European market, leveraging Tikehau Capital's platform. It has already made seven investments, including six investments during the 2019 financial year. The fund was launched in June 2018 with initial commitments coming, in particular, from Tikehau Capital and from a leading Singaporean group as an anchor investor. It is implementing an investment strategy on the European market based on three major pillars: commercial real estate, hotels and the repositioning of assets their usage.

Investment activity operating profit was €199.6 million in 2019

Tikehau Capital's investment activity performed solidly in 2019, a year in which the Group was actively rotating its portfolio.

As such, the Group disposed of **several listed and unlisted holdings** during the year: for example, the sale of stakes in SpieBatignolles (at 2.3x initial investment), HDL-Développement (at 2.5x initial investment) and JustCo (8.3x initial investment). 2019 was also notable for the sale of around 4.45% of the share capital of Eurazeo for a total of €224.3 million, and the contribution of shares held in Latécoère to the tender offer for this Group.

During the 2019 financial year, **investment activity revenues** accordingly increased significantly, reporting an increase of €309.5 million at constant scope to €277.8 million.

- Changes in fair value were strongly positive in the amount of €188.8 million in 2019, driven by the proceeds from the portfolio rotation as well as favourable changes in the valuations of listed stakes held in the portfolio;
- Additionally, revenues from dividends, coupons and distributions stood at €89.0 million, an increase of +21% over the financial year.

After taking account of operating expenses of -€78 million, and the share of the net income of equity affiliates in the amount of -€0.2 million, the investment activity recorded an **operating profit** of €199.6 million in the 2019 financial year, compared with an operating loss of -€108.5 million in 2018 (at constant scope), which was particularly affected by unfavourable market effects impacting the stakes held in Eurazeo and DWS.

A particularly robust financial structure based on €3.1 billion of shareholder's equity

Tikehau Capital's financial position was particularly robust at the end of 2019, benefitting from substantial shareholder equity, a surplus cash position and low financial gearing. The Group's balance sheet was further strengthened in 2019, allowing the Group to keep investing sustainably in its own funds, and to seize external growth opportunities in the alternative asset management sector, in accordance with its strategy.

At 31 December 2019, the Group's shareholder's equity was €3.1 billion compared to €2.3 billion at the end of 2018. As a reminder, the Group completed a capital increase to the amount of €715 million on 25 June 2019. This capital increase, the most significant in Tikehau Capital's history, and also the most significant conducted in France in 2019, enables the Group to consolidate its position across the buoyant alternative asset management market.

The Company's **investment portfolio** stood at €2.3 billion at end-31 December 2019, compared to €2.1 billion a year earlier. Within Tikehau Capital's investment portfolio on a consolidated basis, **the Group's investments in its own strategies stood at €1.4 billion at 31 December 2019** (i.e. 61% of the portfolio), an increase of +57% over the financial year. Investment in Tikehau Capital's own funds will increase in coming years, in-line with the Group's strategy and the launch of new funds. The Group confirmed its target of increasing the proportion of its own strategies within its investment portfolio to between 65-75% by 2022.

At 31 December 2019, the Group had a gross cash position of €1,307 million on a consolidated basis compared to €463 million at 31 December 2018. This change includes the proceeds from the €715m capital increase completed in June 2019 and the income from the €500 million bond issue carried out during the fourth quarter, followed by an early redemption of €300 million of bank debt (with a two year maturity extension). **Financial debt amounted to €997 million** at the end of 2019, compared to €796 million a year earlier, with 32% gearing (compared with 35% at 31 December 2018).

On 30 January 2019, Tikehau Capital announced that it had obtained its inaugural credit rating from the Fitch Ratings agency. Together with a stable outlook, this **Investment Grade rating (BBB-)** confirms Tikehau Capital's solid financial profile and recognises the appropriateness of its model and financial structure. Fitch Ratings confirmed its rating on 27 January 2020.

Dividend

A dividend payout of €0.50 per share for the 2019 financial year will be submitted to the General (Shareholders') Meeting (compared with a dividend of €0.25 per share for 2018).

The ex-dividend date will be 22 May 2020 with payment from 26 May 2020.

Share buyback programme

Tikehau Capital is announcing its decision to assign to an investment services provider a mandate to buy back shares as part of its share buyback programme authorised by the Annual Ordinary General Meeting of 22 May 2019. Shares bought back will be cancelled and/or used to cover Tikehau Capital's free and performance share plans.

This mandate, which was signed today, is for €75 million and must be carried out within the limits set by the seventh resolution adopted by the General Shareholders' Meeting of 22 May 2019 (or any resolution that might replace it during the term of the mandate). Under the mandate, repurchases may be made up to 30 July 2020 at the latest.

The previous mandate announced on 19 September 2019 and extended on 27 December 2019 to the present time has ended. Thus far, 683,848 shares have been repurchased under this mandate.

The description of the share buyback programme (set out in paragraph 8.3.4 of Tikehau Capital's Registration Document as registered by the Autorité des marchés financiers (the French financial markets authority) on 18 April 2019 under number R. 19-008), and the text of

the aforementioned seventh resolution (which appears in paragraph 9.4 of the aforementioned Registration Document), are available on the Company's website in the Regulatory Information section (<https://www.tikehaucapital.com/fr/shareholders/regulatory-information>).

Outlook

After very strong levels of performance in 2019, the Group begins the 2020 financial year with many advantages:

- A **very solid financial position**, which, at the end of December 2019, was founded on substantial shareholder's equity in the amount of €3.1 billion, and available cash of more than €1.3 billion alongside €500 million of undrawn credit facilities;
- A high level of **alignment of interests between** the Group and its clients, which has historically led the Group to adopt a prudent investment policy for its funds;
- A **diversified** investment portfolio, with a high degree of granularity and exposure to complementary asset classes;
- **Dry powder** of €5.2 billion within the funds managed by the Group, enabling investment opportunities provided by market dislocations to be seized upon;
- **Experienced and committed teams**, which are the backbone of the asset management platform constructed by the Group in 11 countries;
- A low **level of financial debt** with gearing of 32% and an average debt maturity of 5.6 years (vs 4.1 years at end-2018).

During the third quarter of 2019, Tikehau Capital also established a team to carry out asset management activities across several asset classes. This "**Tactical Strategies**" team is led by Maxime Laurent-Bellue, who has 13 years of experience in the Group. The team is responsible for managing funds dedicated to special operations and situations (the second generation of which is currently being raised) and bespoke multi-asset solutions for private clients, such as the partnership entered into with Fideuram - Intesa Sanpaolo Private Banking, the largest private bank in Italy, which enabled around €400 million to be raised from almost 3,000 private Italian investors during the fourth quarter of 2019.

The Group is therefore well positioned to address cyclical shocks and, in particular, current uncertainties about the COVID-19 epidemic whose consequences are presently difficult to assess with accuracy.

- Tikehau Capital first took all necessary measures to ensure the protection of its employees and the continuity of its activity.
- As a leading player in the financing of corporates in France and Europe, Tikehau Capital has also taken the necessary steps to ensure the continuous monitoring of, and support for, the companies in which it has invested directly or through its funds. It is nonetheless still too early to determine the impact that the current situation could

have on their activity and results and, therefore, on the performance of the funds through which these investments have been made.

- In terms of fundraising, recent developments in the financial markets could lead to investor-clients adopting a wait-and-see approach and this could lead to calendar shift in the fundraising process for some funds. However, the first two months of 2020 have not pointed to any particular slowdown in comparison with the Group's expectations.

The cyclical uncertainties do not call into question the structurally positive tailwinds that support the alternative asset management sector. Tikehau Capital will continue its development in this growth sector and plans to launch new initiatives in 2020, including in particular:

- The launch of the fifth generation of its **Direct Lending** fund, after the commercial success achieved by the fourth generation of funds which raised a total of €2.1 billion;
- The launch of a **private debt secondary** fund in a market that is currently immature and in which the Group can take advantage of its recognised expertise in private debt;
- The launch of a **private debt impact fund**, in line with the Group's convictions in the area of climate change, which aims to finance companies developing projects that contribute to the emergence of a low-carbon economy.

The schedule for launching these growth initiatives will depend on how the European and global economic situation develops.

The Group thus confirms its two major 2022 targets (excluding potential acquisitions): to achieve more than €35 billion in assets under management by the Group and to generate more than €100 million in operating income from its asset management activity.

Calendar

- **14 May 2020 – Assets under management at end-March 2020**
- **19 May 2020 – Annual General (Shareholders') Meeting**
- **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 2019**

2019 Key figures

Assets under management

In € billion	Assets under management at 31/12/2019		Change compared to 31/12/2018	
	Amounts (€ bn)	Weight (%)	In %	In € bn
Privatedebt	8.6	33%	+4%	+0.3
Real Estate	9.2	36%	+21%	+1.6
Liquidstrategies	3.8	15%	+15%	+0.5
<i>PrivateEquity(a)</i>	2.0	8%	+67%	+0.8
Asset management activities	23.7	92%	+16%	+3.3
Investment activities* (b)	2.1	8%	+31%	+0.5
Total assets under management	25.8	100%	+17%	+3.8
<i>Total Private Equity (a+b)</i>	4.1	16%	+46%	+1.3

* Balance sheet investments.

In € billion	Assets under management at 31/12/2019	Change compared to 31/12/2018	
	Amounts (€ bn)	In %	In € bn
Asset management activities	23.6	+16%	+3.2
<i>Of fee-paying assets under management</i>	19.9	+23%	+3.7
<i>Of which future fee-paying assets under management</i>	2.6	-13%	(0.4)
<i>Of which non-fee-paying assets under management</i>	1.1	-8%	(0.1)

	2019	2018 proforma ⁶	Change
Weighted average fee rate	92 bps	81 bps	+11 bps

⁶ Including contributions from Sofidy and ACE Management on a full-year basis. On a reported basis, the commission rate increases from 69 bps in 2018 to 92 bps in 2019, an increase of 23 bps.

Simplified Balance Sheet

In € million at 31/12/2019	Balance sheet items	
	2019	2018
Investment portfolio	2,335	2,083
Cash and financial treasury assets	1 307	463
Other current and non-current assets	699	600
Total assets	4,341	3,147
Shareholders' equity - Group share	3,139	2,274
Minority interests	7	1
Financial debts	997	796
Other current and non-current liabilities	198	76
Total liabilities	4,341	3,147
<i>Gearing</i> ⁷	32%	35%
LTV ⁸	-15%	13%
Undrawn credit facilities	500	580

Simplified income statement

In € million at 31/12/2019	2019	2018 proforma ⁹	
Asset management activities	Revenues from Asset Management activities	174.8	125.8
	Operating expenses and others	(116.3)	(86.3)
	Revenue from asset management activities	58.5	39.5
Investment activities	Revenues from the investment activities	277.8	(31.7)
	Operating expenses and others	(78.0)	(78.1)
	Net results from associates & non-recurring items	(0.2)	1.3
	Revenue from investment activities	199.6	(108.5)
Group	Financial interests	(33.3)	(23.7)
	Non-recurring payments based on free shares ¹⁰	(5.8)	(5.7)
	Tax	(39.7)	8.1
	Minority interests	(0.6)	-
	Net result - Group share	178.7	(90.3)

⁷ *Gearing* = Total financial debt/Shareholder's equity - Group share.

⁸ LTV = (Financial debt – Cash & financial treasury assets) / (Total assets – Cash & financial treasury assets).

⁹ Including full-year contributions from Sofidy and ACE Management

¹⁰ Non-recurring payments based on free shares mainly refer to the costs of the plan to award free shares (IFRS 2) of 1 December 2017, including social charges, put in place following the stock market flotation.

About Tikehau Capital

Tikehau Capital is an asset management and investment group with €25.8 billion of assets under management and shareholder equity of €3.1 billion (as at 31 December 2019). The Group invests in various asset classes (private debt, real estate, private equity and 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 530 staff (at 31 December 2019) in its Paris, London, Amsterdam, Brussels, Luxembourg, 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)

Press contacts:

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

DISCLAIMER:

This document is not an offer of securities for sale or investment advisory services. This document contains general information only and is not intended to represent general or specific investment advice. Past performance is not a reliable indicator of future results and targets are not guaranteed.

Certain statements and forecasted data are based on current expectations, current market and economic conditions, estimates, projections, opinions and beliefs of Tikehau Capital and/or its affiliates. Due to various risks and uncertainties, actual results may differ materially from those reflected or contemplated in such forward-looking statements or in any of the case studies or forecasts. All references to Tikehau Capital's advisory activities in the U.S. or with respect to U.S. persons relates to Tikehau Capital North America.