

Q4 2023 announcement

Tikehau Capital reaps the benefits of its growth strategy and delivers a strong 2023

Tikehau Capital exceeds its target by reaching €42.8bn of Asset Management AuM at 31 December 2023, a 13% growth year-over-year and a 26% CAGR since 2016¹

Dynamic and selective deployment	Robust realizations momentum	Record level of AM net new money
€5.9bn	€1.9bn	€6.5bn
deployed in 2023	realized in 2023	raised in 2023

- **Record level of net new money at €6.5bn** for 2023, an amount 37% above the 2017-2022 average, reflecting the strength of the Group's asset management platform and the relevance of its investment strategies in the current context.
- Cumulative net new money reaches a total of **€19bn** over the last 3 years and **€35bn** since IPO.
- Tikehau Capital is reaping the benefits of its expansion strategy with:
 - **Complementary asset classes**, serving a variety of evolving client needs and efficiently navigating the current cycle;
 - An increasingly global LP base, driven by many successes recorded in 2023 across Asia, Europe, Middle East and North America, with **international investors² representing 54% of net inflows³**;
 - A pioneer position in the democratization of alternatives, driven by attractive and well-suited offerings across asset classes, with **private investors accounting for 29%** of net inflows in 2023⁴.
- **Sound deployment activity with €5.9bn invested**, leveraging Tikehau Capital's multi-local platform, with a strong focus on asset selectivity, long-term megatrends and downside protection.
- **Sustained realizations at €1.9bn** in 2023, with value-creating exits carried out across asset classes.
- **Solid and compounding balance sheet** with a **€3.9bn** granular and diversified investment portfolio, generating strong alignment of interests and attractive returns.
- Continued progress in expanding the Group's **sustainability-themed and impact platform** across asset classes, a core priority embedded in the firm's DNA.

Tikehau Capital will report earnings for the full year 2023 on 6 March 2024 prior to the opening of the Paris Stock Exchange. The press release will be made available at 6:30am GMT / 7:30am CET and a webcast presentation will take place on the same day at 9:00am GMT / 10:00am CET.

¹ Figures have been rounded for presentation purposes, which in some cases may result in aggregate differences.

² International investors refer to non-French investors.

³ Third-party net new money excluding Sofidy.

⁴ Third-party net new money.



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

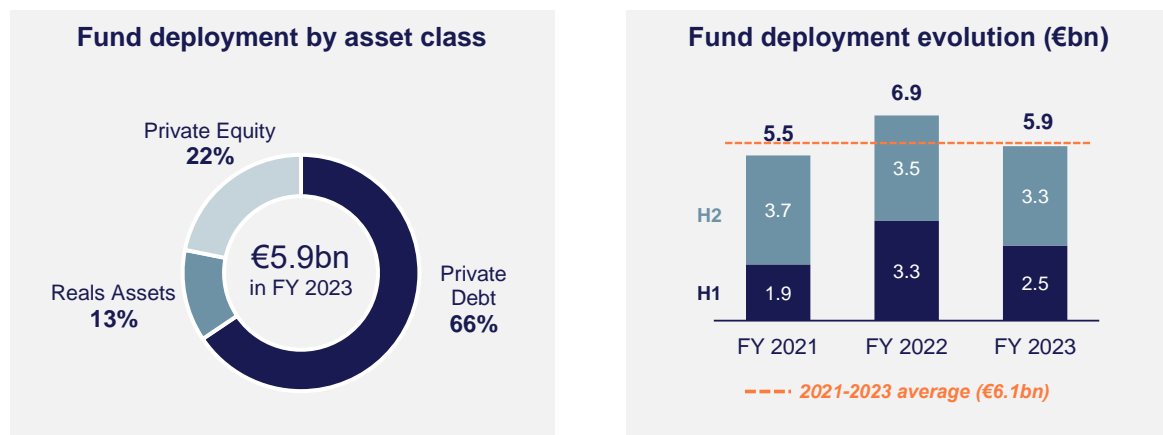
“In 2023, Tikehau Capital remained focused on executing on its long-term growth plan and surpassed its AuM target. Our successful innovative mindset, our commitment to delivering sustainable value to our stakeholders and our growing global franchise contributed to achieving a record-breaking year in fundraising.

As our entrepreneurial journey approaches its 20th-anniversary milestone in 2024, we take pride in consistently delivering on our commitments. The enduring confidence from our clients not only underscores the relevance of our product range but also reflects the long-term relationships we have forged along the way, further fuelling our ambition to innovate and set new standards. We extend our heartfelt gratitude to all teams for their hard work and unwavering dedication.”

“Our successful innovative mindset, our commitment to delivering sustainable value to our stakeholders and our growing global franchise contributed to achieving a record-breaking year in fundraising.”

SELECTIVE DEPLOYMENT DRIVEN BY PRIVATE DEBT

Building on its multi-local platform and its solid deal sourcing capabilities, Tikehau Capital's closed-end funds deployed **€5.9bn** in 2023, with an acceleration in the second half of the year. Capital deployment reached **€1.7bn** in Q4 2023, a stable level compared to Q3 2023. Discipline remained a core focus for the investment teams in a market which has not yet stabilized.

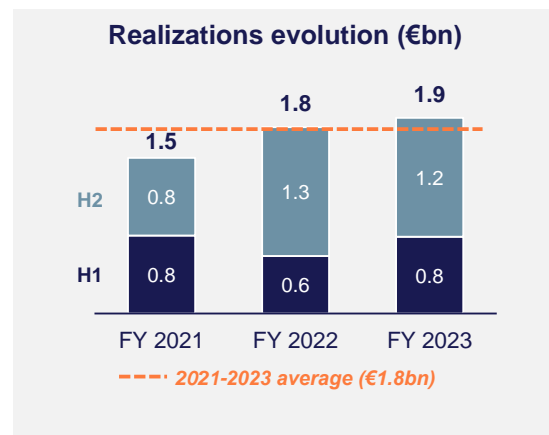
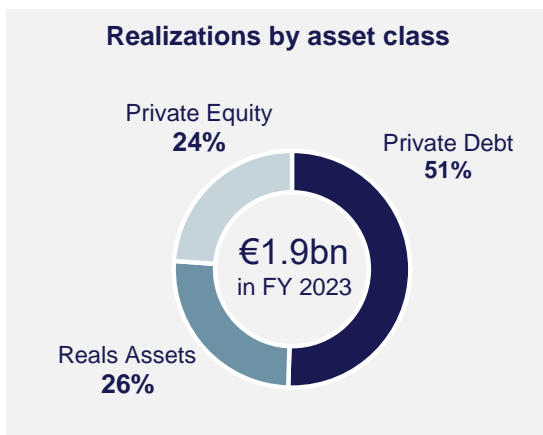


- Private Debt** accounted for 66% of total deployment, driven by the firm's European and US CLO platform, as well as its flagship Direct Lending and Secondaries strategies. In a context of liquidity drying up, Tikehau Capital's Direct Lending strategies have benefited from an active deal flow, attributed to the firm's pioneer positioning, and established track record coupled with the scarcity experienced in other sources of mid-market financing. Capital deployment remained highly selective and was carried out without compromising documentation to preserve the credit quality of portfolios. Additionally, the firm continued to structure financing solutions to facilitate bolt-on acquisitions for existing portfolio companies. In Private Debt Secondaries, the firm is well positioned to seize attractive investment opportunities, capitalizing on its early mover positioning in a context marked by active portfolio management and LPs seeking liquidity.
- Private Equity** accounted for 22% of total deployment, driven by thematic investments across long-term growth trends such as decarbonization, regenerative agriculture, cybersecurity and aerospace.
- The firm's **special opportunities strategy** recorded a solid deployment momentum over the year, navigating a diverse range of situations and transactions, including acquisition and growth capex financing and refinancing. Beside the high level of activity, the strategy remained particularly selective with portfolio construction focusing on defensive sectors benefiting from secular trends (business services, data centers, aerospace and prime real estate). Most transactions in the portfolio also present a high degree of downside protection, illustrated by the nature of instruments and the transaction structures.
- Capital deployment across the firm's **Real Assets** strategies accounted for 13% of total deployment and was spread across the firm's European sale and leaseback practice, its European Value-Add strategy as well as granular investments for Sofidy and IREIT, the firm's Singapore-listed REIT. Tikehau Capital has adopted a cautious and focused approach in capital deployment in Real Assets, while capitalizing on attractive investment opportunities arising from a dislocated market.

- At 31 December 2023, Tikehau Capital had **€6.9bn of dry powder⁵** (+13% compared to 31 December 2022), allowing the funds managed by the firm to capture attractive investment opportunities. Dry powder was mainly located within the firm's Private Debt strategies, amounting to €2.7bn and representing 39% of the total.

ROBUST LEVEL OF VALUE-CREATING EXITS

Realizations within Tikehau Capital's closed-end funds amounted to **€1.9bn** in 2023 (of which €0.4bn in the fourth quarter), a 5% growth year-over-year, driven by a higher level of realizations in the second half of the year. Realizations were driven by Private Debt (51% of total exits) followed by Real Assets (26%) and Private Equity (24%).



- Within Private Debt, more than 75% of 2023 realizations were carried out by the firm's **Direct Lending and Corporate Lending strategies**, corresponding to financing repayments. The fourth quarter was notably marked by the repayment of c.€90m unitranche financing to **Neopotek**, an independent Italian chain of over 130 retail pharmacies, to support this company in its buy-and-build strategy. This transaction generated a gross exit multiple of 1.2x and a gross IRR of 13%.
- Realizations in **Real Assets** were mainly driven by ongoing asset disposals from the firm's European Real Estate vehicles and US infrastructure funds. 2023 was mainly marked by the first exit of the Group's European value-add strategy with the disposal of **two boutique hotels located in Paris**. The transaction generated a gross exit multiple of 2.4x, exceeding target. In addition, the Group continued to dispose units from a **granular residential portfolio of assets** located in Portugal and successfully conducted a refinancing process for this portfolio.
- Private Equity** accounted for 24% of realizations in 2023, driven by value-creating exits crystallizing solid realized performance supporting future fundraising. This performance is a testament to the firm's relevant positioning across secular megatrends. In 2023, Tikehau Capital notably successfully carried out two value-creating exits with the disposal by the firm's private equity secondary fund of its stake in **Total Eren** to TotalEnergies⁶ and the disposal by the firm's growth equity fund of its stake in the Italian company **Ecopol** to SK Capital, generating gross exit multiples of 2.0x and 3.1x respectively.

⁵ Amounts available for investment at the level of the funds managed by the Group.

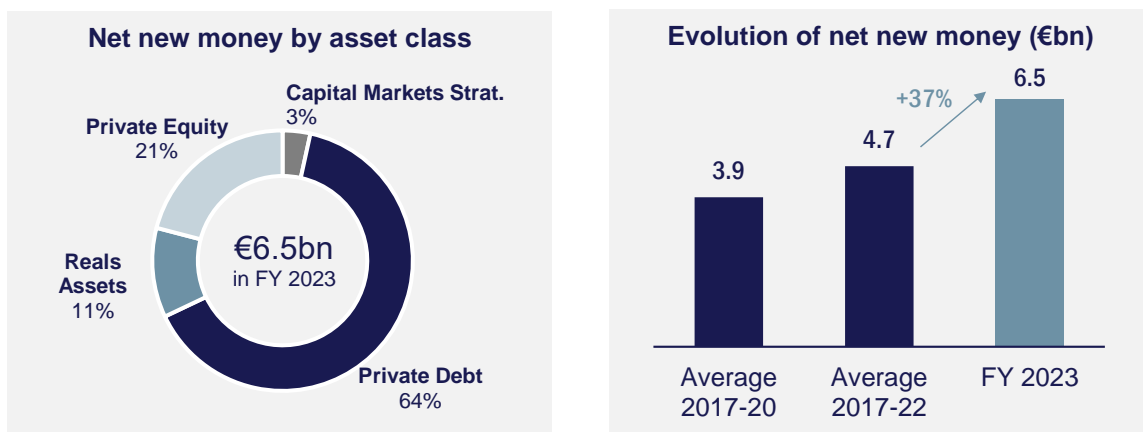
⁶ Please refer to press release dated 25 July 2023.

RECORD LEVEL OF NET NEW MONEY, REACHING €6.5BN IN 2023

In 2023, Tikehau Capital recorded an unprecedented level of client demand in an environment marked by continued uncertainty. This success reflects the firm’s robust commercial activity, driven by its multi-local and diversified platform. The firm’s capacity to offer a wide range of investment strategies, each addressing the needs of its investor-clients, has played a pivotal role in successfully accommodating allocation shifts across asset classes and fostering sustained growth.

Tikehau Capital attracted **record levels of gross and net inflows** for its Asset Management business reaching **€8.8bn of gross new money**, representing a 17% growth compared to the average 2020-22 level and **€6.5bn of net new money** (of which €1.8bn in the fourth quarter), a **37% growth** compared to the average 2017-22 level.

This level of client demand was mainly driven by the firm’s **“Yield” strategies**. These strategies are principally characterized by floating-rate instruments, which offer largely predictable, inflation-hedged regular returns.



A relevant asset class mix and product positioning

Net new money in 2023 was driven by the following successes:

- Solid development for the firm’s **“Yield” strategies** across fund types and expertise driven by:
 - The launch of Tikehau Capital’s **sixth vintage of Direct Lending strategy**. Capitalizing on a leadership position in Europe and a solid track-record, the firm’s Direct Lending strategy has attracted c. €1bn of commitments since the closing of the predecessor vintage,
 - The launch of the firm’s **second vintage of Private Debt Secondaries strategy**, attracting over \$200m of commitments at 31 December 2023, capitalizing on the robust returns delivered by the first vintage,
 - The continued solid momentum for the firm’s **CLO business**, which reached €6.3bn of AuM at 31 December 2023 (up 40% year-over-year),

- Third-party commitments for the firm's **strategic adjacencies** with the launch of a **Real Estate Credit strategy**, in partnership with Altarea⁷, building on Tikehau Capital's long-standing expertise across real estate and private credit. AuM reached c. €200m at 31 December 2023 for this strategy,
- Increasing demand within Capital Markets Strategies for the firm's **fixed income and dated funds**, which benefit from robust performance. These funds drive the firm's outreach to private investors who are attracted to the level of visibility and returns they provide. In particular, following the launch in November 2023 of **Tikehau 2029**, a new 2029 fixed maturity product composed of Investment Grade issuers⁸, the firm's dated funds expertise exceeded the €1bn AuM mark at 31 December 2023.
- Additional commitments for the firm's "**Value-Add**" **strategies**, which are positioned on megatrends and themes poised for sustainable growth, were driven by:
 - The launch of the **second vintage of Private Equity Decarbonization strategy**, which attracted over €600m of commitments at 31 December 2023;
 - The launch of the **fourth vintage of Private Equity Cybersecurity strategy**, with already more than €200m of secured commitments⁹;
 - Continued inflows for the **third vintage of Special Opportunities strategy**, benefitting from a good level of additional commitments from investors exposed to the previous vintage as well as a broader investor base;
 - Additional inflows for its impact platform through its **Private Equity Regenerative Agriculture strategy**, launched in partnership with AXA Climate and Unilever, bringing AuM to over €400m at 31 December 2023.

Acceleration in client base internationalization

- Tikehau Capital recorded major progress in the **globalization of its franchise**, strengthening existing global relationships and forging new connections in key areas of growth, particularly Asia and the Middle East. International investors¹⁰ accounted for **54%** of net inflows in 2023 and **39%** (i.e, €16.9bn) of Asset Management AuM at 31 December 2023.
- On 18 December 2023, Tikehau Capital announced having entered into advanced discussion with **Nikko Asset Management**¹¹, one of Asia's largest asset managers, with a view to form a business and capital alliance. The contemplated strategic partnership would involve both firms entering into distribution agreements in Japan and elsewhere in Asia, as well as establishing a joint venture dedicated to Asian private markets investment strategies. Within this partnership, Nikko Asset Management would also acquire an equity stake in Tikehau Capital.

Additional progress in democratizing private markets

- Tikehau Capital benefitted from continued robust momentum for its **Private Debt unit-linked products** launched with MACSF, Société Générale Assurances and Suravenir, which attracted c.€1bn since inception and approximately €450m for the year 2023.

⁷ Please refer to press release dated 1 June 2023.

⁸ Issuers belonging to the "Investment Grade" category at the date of the investment. Please refer to press release dated 23 November 2023.

⁹ Please refer to press release dated 25 October 2023.

¹⁰ International investors refer to non-French investors.

¹¹ Please refer to press release dated 18 December 2023.

- Since its inception, **Opale Capital**, an innovative digital platform allowing private investors to access private markets investment products, has raised over €80m offering a wide range of alternative strategies, including private equity, secondaries and opportunistic credit.
- With the objective to further address private investors' demand to access private markets, Tikehau Capital launched in Q4 2023 a **Private Equity fund of funds** providing private wealth investors and high-net worth individuals with the opportunity to invest in the firm's Private Equity strategies and the firm's ecosystem. This new initiative aims for €400m of total commitments.
- Across asset classes and leveraging on the innovative initiatives the firm launched over the past few years, Tikehau Capital raised a total of **€1.6bn** from private investors since 1 January 2023, representing **29% of third-party net new money** during the year.

At 31 December 2023, Tikehau Capital's Asset Management AuM reached **€42.8bn**, representing a 13% year-over-year growth. Including the Investment Activity AuM, total AuM reached €43.2bn, a 11% year-over-year growth.

ROBUST BALANCE SHEET COMPOUNDING FUTURE GROWTH

In 2023, Tikehau Capital continued to use its flexible and compounding balance sheet to support the expansion of its Asset Management activity while ensuring alignment of interests with its shareholders and LPs. In particular, amid a more challenging environment, initial commitments from the firm's balance sheet allowed Tikehau Capital to:

- Launch **strategic adjacencies** (Real Estate Credit) and **new initiatives** (Private Equity fund of funds);
- Launch **new vintages of more established and scaling strategies** (such as Direct Lending, Cybersecurity, Decarbonization, Credit Secondaries and CLOs).

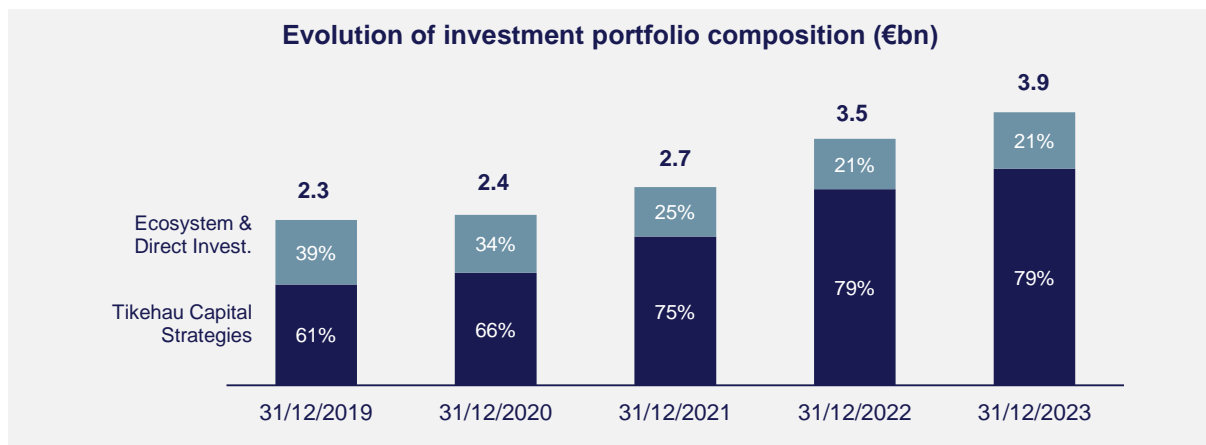
In addition, the firm's balance sheet played a facilitating role in executing milestone transactions, particularly within the credit secondaries space, leading to the **successful onboarding of its second Chinese LP for an investment totalling approximately c.\$100m in 2023**.

In July 2023, Tikehau Capital announced a strategic partnership with **Whistler Capital Partners**, a Nashville-based private equity firm specializing in growth buyouts within the healthcare industry and related tech-enabled services in North America. In January 2024, Whistler Capital Partners successfully completed the first investment of its latest strategy by investing in an innovative veterinary and multi-service pet care platform focused on modernizing the pet healthcare experience.



At 31 December 2023, Tikehau Capital's **balance sheet investment portfolio reached €3.9bn**, compared to €3.5bn at 31 December 2022. This variation resulted from:

- **€0.9bn of investments**, of which €0.8bn were into the firm's asset management strategies (mainly CLOs, Credit Secondaries, Private Equity and Special Opportunities) and co-investments alongside its strategies;
- **€(0.6)bn of exits**, including returns of capital driven by the firm's Growth Equity, Secondaries strategies and CLOs;
- **Fair value changes were essentially neutral**, notably driven by solid performance for the firm's Private Equity strategies being offset by market effects linked to its listed REITs.



At 31 December 2023, the firm's investment portfolio broke down as follows:

- The firm's investment portfolio is primarily comprised of investments in the Asset Management strategies developed and managed by the firm for **€3.1bn** (79% of total portfolio¹²), generating a high alignment of interests with its investor-clients. At 31 December 2023, Tikehau Capital's investment portfolio is c. 65% exposed to its own "Yield" strategies, allowing the firm to benefit from increased risk-adjusted returns in the current rising rate environment.
- 21% of the portfolio or **€0.9bn**, is invested in ecosystem and direct investments, notably direct private equity investments, co-investments or investments in third-party funds, complementary to the Group's asset management strategies. These investments aim at generating strong returns for the firm while serving its asset management franchise globally.

Tikehau Capital's investment portfolio benefits from a **high level of diversification and granularity** with more than 300 investments spread across several industry sectors and geographies, thus complementing the firm's asset management activity exposure. On top of generating continued alignment of interests with investor-clients, the firm's investment portfolio also allows the firm to foster opportunities and long-term relationships with partners.

¹² Includes investments in funds managed by Tikehau Capital, co-investments alongside Tikehau Capital asset management strategies and SPAC sponsoring.

REINFORCED COMMITMENT TOWARD SUSTAINABILITY AND IMPACT INVESTING

- Following its commitment set in 2021 to support the goal of achieving net zero greenhouse gas emissions by 2050 or sooner, in line with global efforts to limit global warming to 1.5°C, Tikehau Capital finalized its **Net Zero Asset Manager** targets in March 2023. The firm has made an initial commitment to manage close to 40% of its AuM in line with this net zero goal. For **Real Estate** assets, the Group aims at improving energy and carbon intensity, with a focus on its assets in France. With regards to **Private Equity, Private Debt and Capital Markets Strategies**, the commitment involves financing companies that are setting decarbonization commitments and making progress towards their low-carbon transition. The proportion of AuM to be managed in line with net zero is intended to increase over time as new funds are launched with net zero strategies.
- In addition, Tikehau Capital has been actively developing dedicated sustainability-themed and impact strategies to finance companies contributing to address key structural issues such as decarbonization, nature & biodiversity, cyber security and resilience. At 31 December 2023, the AuM for Tikehau Capital's **sustainability-themed and impact platform dedicated to investments in companies amounted to €4.3bn, of which €3.0bn was specifically allocated to climate and biodiversity** to enable transition at scale. This puts Tikehau Capital on track to reach its target of exceeding €5bn by 2025. Additionally, over the past two years, the firm's real estate investment and ESG teams collaborated closely to launch and fortify a platform, amounting to **€7.4bn in funds earmarked for sustainable cities**.
- In September 2023, Tikehau Capital successfully priced a **new sustainable bond issue for €300m** maturing in March 2030¹³. This issue of senior unsecured sustainable bond is associated with a fixed annual coupon of 6.625%. The issuance of this second sustainable bond reinforces the position of Tikehau Capital as a pioneer in sustainability. The net proceeds of this issuance are used to carry out investments as part of Tikehau Capital's sustainable bond framework. At 31 December 2023, **78% of the firm's debt** is linked to sustainability criteria.

CALENDAR

6 March 2024	FY 2023 results (before market open) <i>Management presentation to be held in-person in London (and webcast)</i>
23 April 2024	Q1 2024 announcement (after market close)
6 May 2024	Annual General Meeting
30 July 2024	2024 half-year results (after market close) <i>Management presentation to be held via audiocast</i>
22 October 2024	Q3 2024 announcement (after market close)

¹³ Please refer to press release dated 8 September 2023.



ABOUT TIKEHAU CAPITAL

Tikehau Capital is a global alternative asset management group with €43.2 billion of assets under management (at 31 December 2023).

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 (€3.1 billion of shareholders' equity at 30 June 2023), 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 758 employees (at 31 December 2023) across its 15 offices in Europe, Middle East, 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.



PRESS CONTACTS:

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

UK – Prosek Partners: Philip Walters – +44 (0) 7773 331 589

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

press@tikehaucapital.com



SHAREHOLDER AND INVESTOR CONTACTS:

Louis Igonet – +33 1 40 06 11 11

Théodora Xu – +33 1 40 06 18 56

shareholders@tikehaucapital.com



DISCLAIMER

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

APPENDIX

Key operating metrics

In €m, AM perimeter	2019	2020	2021	2022	2023
Capital deployment	3,639	2,773	5,545	6,886	5,858
Realizations	n.a	1,352	1,531	1,832	1,926
Net new money (NNM)	4,074	4,185	6,365	6,390	6,498

AuM evolution

	AuM at 31-12-2023		YoY change		QoQ change	
	Amount (€m)	Weight (%)	In %	In €m	In %	In €m
Private Debt	18,193	42%	+23%	+3,400	+6%	+1,000
Real Assets	13,464	31%	(2%)	(275)	(3%)	(461)
Capital Markets Strategies	4,649	11%	+12%	+503	+5%	+220
Private Equity	6,508	15%	+26%	+1,346	+10%	+616
Asset Management	42,814	99%	+13%	+4,974	+3%	+1,375
Investment activity	342	1%	(64%)	(612)	(34%)	(176)
Total AuM	43,156	100%	+11%	+4,362	+3%	+1,198

YoY evolution, in €m	AuM at 31-12-2022	Net new money	Distributions	Market effects	Change in scope	AuM at 31-12-2023
Private Debt	14,793	+4,191	(878)	+87	-	18,193
Real Assets	13,739	+723	(544)	(453)	-	13,464
Capital Markets Strategies	4,146	+224	(7)	+317	(32)	4,649
Private Equity	5,162	+1,361	(453)	+438	-	6,508
Total Asset Management	37,841	+6,498	(1,882)	+389	(32)	42,814

Q4 2023, in €m	AuM at 30-09-2023	Net new money	Distributions	Market effects	Change in scope	AuM at 31-12-2023
Private Debt	17,193	+1,155	(131)	(24)	-	18,193
Real Assets	13,925	(46)	(141)	(274)	-	13,464
Capital Markets Strategies	4,429	+71	(1)	+150	-	4,649
Private Equity	5,892	+603	(141)	+153	-	6,508
Total Asset Management	41,439	+1,783	(413)	+5	-	42,814