



PRESS RELEASE

€24.3 billion of asset under management for Tikehau Capital at 30 September 2019, up by 11% over 9 months

Paris, 28 November 2019 – Tikehau Capital's assets under management amounted to €24.3 billion as at 30 September 2019, an increase of €2.3 billion (+11%) since the start of the year and €3.1 billion (+14%) over 12 months (including Sofidy and ACE Management¹).

At 30 September 2019, Tikehau Capital's assets under management amounted to €24.3 billion, divided between €22.2 billion for asset management and €2.1 billion for investment activities².

The momentum from Private Equity and Real Estate was still particularly strong within the asset management activity

As at 30 September 2019, Tikehau Capital's assets under management stood at €22.2 billion, up €1.8 billion over the first nine months of 2019 (+9%), of which €1.0 billion in the third quarter (+5%).

The sharp increase in assets under management in the third quarter of 2019 is primarily a reflection of particularly dynamic net inflows of €1.3 billion, an amount higher than the net new money of €1.2 billion in the first half of 2019, bringing net inflow over the first nine months to €2.5 billion.

After a year 2018 marked in particular by significant fundraising by the Group's fourth generation of Direct Lending funds, the growth of assets under management in 2019 is linked to the continuing ramp up of private equity and real estate strategies, which represented more than 60% of the asset management activities' net new money in both the third quarter and the first nine months of the year. Tikehau Capital continues to successfully rebalance its business mix towards higher management fee-

¹ As a reminder, the Group's assets under management published as of 30 September 2018 amounted to €15.9 billion, divided between €14.4 billion for asset management activities and €1.5 billion for investment activities. Pro forma the acquisitions of Sofidy and ACE Management, the assets under management at 30 September 2018 amounted to €21.2 billion, divided between €19.7 billion for asset management activities and €1.5 billion for investment activities.

² Figures provided have been rounded for presentation purposes, which could in certain cases create some rounding differences.

generating strategies.

Distributions during the third quarter amounted to -€0.3 billion (-€0.9 billion over nine months), mainly due to private debt strategies, whilst market effects were positive at +€0.1 billion (+€0.3 billion over nine months).

Private debt: €8.5 billion in assets under management as at 30 September 2019

Total assets under management for the private debt activity stood at €8.5 billion at the end of September, an increase of €0.2 billion (+2%) over nine months, on a high basis of comparison attributable to the fundraising of the Group's fourth generation of Direct Lending funds.

In the third quarter, growth in assets under management for that activity stood at +€0.1 billion (+1%), with net new money of €0.3 billion (+€0.8 billion over nine months), and distributions amounting to -€0.3 billion, which were split between Direct Lending and Leverage Loans activities, and market effects which were very slightly positive.

In the summer of 2019, the Group announced that its fifth Collateralised Loan Obligation (CLO) had been finalized for a total amount of €0.5 billion, of which €0.2 billion was recognised in the third quarter, with a diversified and strongly international investor base, thus demonstrating widespread recognition of the Group's expertise in this activity.

During the third quarter, Tikehau Capital continued to deploy its know-how in setting up attractive, flexible and custom-made financing structures to support business development through such actions as:

- implementing, as an exclusive arranger, a €95 million unitranche financing to support the development of Astek, a French leader in innovation, outsourced R&D and digital transformation to enable it to participate actively in the consolidation of the sector;
- establishing a unitranche financing of €50 million to finance the acquisition by the Chevrillon Group of a minority stake in VoIP Telecom, one of the leading independent BtoB Telecom operators in France, alongside its management;
- participating, alongside Andera Partners (ActoMezz) and with the participation of Bpifrance, in a "sponsorless" transaction for the takeover of Ellisphère, one of France's leaders in business intelligence, by its management.

Real Estate: €8.4 billion in assets under management as at 30 September 2019

Assets under management for Tikehau Capital's real estate activity stood at €8.4 billion at the end of September 2019, up by €0.8 billion (+11%) since the beginning of the year. In the third quarter, assets under management rose by €0.3 billion (+4%).

This growth was the result of positive momentum in net new money, driven in particular by Sofidy's very good commercial performance. Distributions and market effects did not have a significant impact on growth in assets under management in the Group's real estate activity in the third quarter or over a nine-month period.

The growth in Real Estate contributed to the rebalancing of the Tikehau Capital business mix, in line with the Group's strategy, and this activity accounted for 35% of the Group's total assets under management at the end of September 2019, a contribution comparable to private debt activities.

Sofidy continued to invest actively and selectively in the third quarter with, for example:

- the acquisition, through its *Immoyente* and *Efimmo 1* SCPI vehicles, of the 24QG office building located in Suresnes, in the Paris region. Renovated in 2014 and with a floor area of 15,000 m², these offices are currently 93% occupied, for a residual period of about four years, by fifteen high-quality tenants;
- the completion of its very first transaction in Austria through the *Sofidy Pierre Europe* OPCI vehicle, with the acquisition of a real estate asset located in the immediate vicinity of the historic city centre of Salzburg, which has been fully leased to a range of tenants (hotels, shops and offices).

Private Equity: €1.9 billion in assets under management as at 30 September 2019

The Group's growth in the field of private equity is accelerating, which also contributed to the rebalancing of the Group's activities. As such, since the launch of its private equity activity on behalf of third-party investors, assets under management increased in less than two years from €0.1 billion (at the end of December 2017) to €1.9 billion at the end of September 2019.

Over the first nine months of 2019, the assets under management for that activity increased by 50% (+€0.6 billion), with a dynamic third quarter in which assets under management grew by +€0.4 billion (+28%). This increase reflects net new money of +€0.4 billion and was driven in particular by the closing of the first secondary private equity fund, which took place in September 2019, and by new rounds of fundraising for the energy transition fund and the growth capital fund.

Alongside this fundraising, the Group maintained good investment momentum in its private equity funds. The investments made during the third quarter included:

- a €29 million investment made through Tikehau Capital's growth capital fund in DoveVivo, a leader in the co-living sector in Italy. The purpose of that investment, which was made as part of total fundraising of €72 million by DoveVivo, was to enable the company to expand in Italy and abroad;
- The acquisition, through its energy transition fund, of a stake in the Rougnon Group, a major player in building energy performance management, alongside Bpifrance, to enable the Rougnon Group to pursue growth while restructuring its shareholding.

Liquid strategies: €3.5 billion in assets under management as at 30 September 2019

Assets under management for liquid strategies stood at €3.5 billion at the end of September 2019, an increase of 8% compared to 31 December 2018 and of 5% over the third quarter.

Net new money for the diversified InCA fund (Tikehau Income Cross Assets) remained dynamic, taking the assets under management for this fund beyond €0.7 billion at the end of September 2019, compared to €0.5 billion at end June. Over 12 months, the size of that fund has almost doubled. In addition, assets under management for Credit strategies were stable in the third quarter.

Assets under management for the investment activity amounted to €2.1 billion at end September 2019

Assets under management for the investment activity amounted to €2.1 billion at end September 2019, stable compared with end June 2019. Compared with 31 December 2018, the increase amounted to €0.5 billion given, in particular, the increase in consolidated cash following the capital increase completed by the Group on 25 June 2019 for an amount of €715 million.

The total assets under management for the Group's Private Equity perimeter amounted to €4.0 billion at end September 2019, which breaks down into €1.9 billion for the asset management activity and €2.1 billion for the investment activity.

Outlook

As anticipated, the first nine months of the 2019 financial year show that the Group is successfully rebalancing its mix of activities towards private equity and real estate while maintaining good investment momentum for all of its funds.

In the fourth quarter, fundraising momentum remains solid and should allow the Group to reach €25 billion of assets under management at end-December 2019, which is the high-end of the target range of €24.5 billion to €25 billion previously announced.

Since the start of 2019, Tikehau Capital has continued to expand its teams with the arrival of new talent and experienced individuals, and had more than 500 employees at end-September 2019.

Since 30 September, the Group has also continued to selectively deploy funds entrusted to it by its clients in a targeted manner.

For example, the real estate investment fund with a value-added strategy acquired a mixed portfolio of over 25 real estate assets located in attractive districts in central Brussels, as well as the Walnuts shopping centre in Orpington, 21 kilometres south-east of Central London, consisting of a site of over 22,500 m².

In its private debt activities, Tikehau Capital notably contributed to part of the subordinated financing as part of the overall financing for the acquisition of the Cargill malt activity by Boortmalt, a subsidiary of Axereal, the leading French cereals cooperative group specialising in the cultivation and processing of grains. The combined entity will create the world's largest malt producer with 27 plants throughout the world. Tikehau Capital also continued its support for the financing of a new production site for Carbonex, France's leading producer of 100% eco-friendly charcoal, and increased its financing with Cruiseline (formerly QCNS), the European leader in online cruise sales.

In private equity, Tikehau Capital's pan-European growth capital fund made a €25 million investment in Assiteca, Italy's leading independent insurance broker. This fund also participated, alongside Bpifrance and minority investors, in a €33 million capital increase by ADDEV Materials, an industrial company specialising in customised high-performance materials conversion and cutting processes, to enable it to finance the acquisition of the US companies Andpak and Zip-Chem and to strengthen its growth profile.

Lastly, the Group continued to actively manage its balance sheet during the fourth quarter, as demonstrated by the successful placement of a €500 million bond issue maturing in October 2026, followed by an early repayment of €300 million of bank debt, which maturity has been extended by 2 years, to 2024. The Group has also been active in the rotation of its investment portfolio, with in particular the sale on 17 October of approximately 4.45% of Eurazeo's share capital, with total sale

proceeds of €224.3 million, as well as the closing in November of the sale of securities held in HDL Development, the Assystem Group's holding company, for a multiple of 2.5 times the initial investment, representing an IRR of 18% on the investment.

Tikehau Capital is on track to achieve its structural targets by 2022 to reach more than €35 billion in assets under management for the Group and to generate over €100 million in net operating profit from asset management.

Calendar

13 February 2020 – Assets under management at end December 2019

19 March 2020 – 2019 Annual Results

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

19 May 2020 – Annual General (Shareholders') Meeting

Breakdown of assets under management as at 30 September 2019³

	Assets under management at 30/09/2019		Change vs 31/12/2018		Change vs 30/09/2018*	
	Amounts (€ bn)	Weight (%)	As a %	In € bn	As a %	In € bn
Private debt	8.5	35%	+2%	+0.2	+13%	+1.0
Real Estate	8.4	35%	+11%	+0.8	+12%	+0.9
Liquid strategies	3.5	14%	+8%	+0.2	-3%	-0.1
Private Equity (a)	1.9	8%	+50%	+0.6	+72%	+0.8
Asset management activity	22.2	91%	+9%	+1.8	+13%	+2.6
Investment activity** (b)	2.1	9%	+33%	+0.5	+31%	+0.5
Total assets under management	24.3	100%	+11%	+2.3	+15%	+3.1
Total Private Equity (a+b)	4.0	17%	+43%	+1.2	+48%	+1.3

*Pro forma including Sofidy and ACE Management

**Balance sheet investments

³ Figures provided are the Group's best estimates at the end of September 2019 and as such may change slightly. They have been rounded for presentation purposes, which could in certain cases create some rounding differences.

About Tikehau Capital:

Tikehau Capital is an asset management and investment group with €24.3 bn of assets under management (as at 30 September 2019) and shareholders' equity of €3.1 bn (as at 30 June 2019). The Group invests in various asset classes (private debt, real estate, private equity and liquid 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, 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)

www.tikehaucapital.com

Press Contacts:

Tikehau Capital: Julien Sanson – +44 20 3821 1001
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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