

Tikehau Capital Q3 2022 announcement

A resilient quarter, strong fundamentals unchanged

Tikehau Capital delivered strong performance on the key pillars of its growth model during the 3rd quarter of 2022: capital deployment remained healthy and highly selective, realizations stepped up materially, and fundraising momentum showed resilience.

Investor appetite for Tikehau Capital's strategies validates the Group's positioning on complementary asset classes, focusing on long-term growth megatrends as well as downside protection.

Tikehau Capital is well-placed to benefit from the structural tailwinds driving long-term growth on its markets, even if the current context generates cyclical uncertainties.

The Group is confident in its strengths and strategy, and targets to reach more than €37bn¹ of AuM for its asset management business by end-2022.

KEY FIGURES OF THE QUARTER²

**Strong growth in
Asset Management AuM**

€36.4bn

at 30 September 2022

+19%

YoY growth

**Dynamic yet highly
selective deployment**

€1.6bn

In Q3 2022

-11%

vs Q3 2021

**Robust realizations
momentum**

€1.4bn

YTD at 30 Sept. 22

+24%

vs YTD 2021

**High level of
Asset Management
net new money**

€4.3bn

YTD at 30 Sept. 22

+14%

vs YTD 2021

¹ At constant AuM for Capital Markets Strategies vs. 30 September 2022.

² Figures have been rounded for presentation purposes, which in some cases may result in rounding differences.



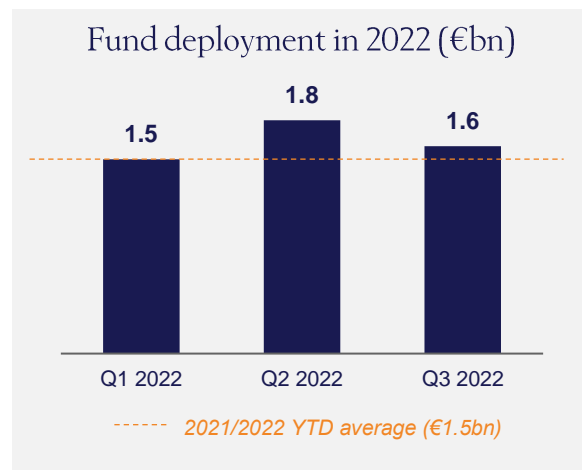
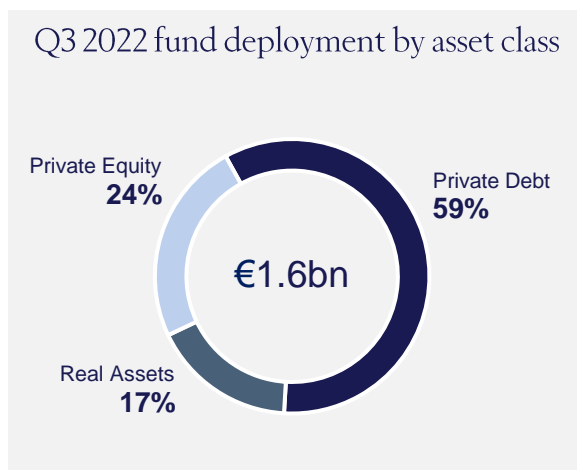
**Antoine Flamarion and Mathieu Chabran,
co-founders of Tikehau Capital, said:**

"There is no doubt that we are currently navigating disrupted markets. In this context marked by high inflation, the energy crisis and rising interest rates, Tikehau Capital has shown resilience, both in terms of capital deployment and fundraising. Thanks to the nature and diversity of our asset management strategies, our strong positioning on structural megatrends as well as our experienced and highly capable teams, we remain confident in our future growth prospects. Our entrepreneurial culture, characterised by a strong alignment of interests and investment discipline, as well as our strong balance sheet will allow us to face challenging markets and seize opportunities for the benefit of our clients and shareholders."

“Thanks to the nature and diversity of our asset management strategies, our strong positioning on structural megatrends as well as our experienced and highly capable teams, we remain confident in our future growth prospects.”

HEALTHY DEPLOYMENT WITH STRONG SELECTIVITY

- Over the course of 2022, Tikehau Capital is leveraging its multi-local platform and sourcing network to selectively deploy capital across its closed-end strategies. At 30 September 2022, capital deployments in these strategies amounted to **€4.9bn** (compared to €3.7bn for the first 9 months of 2021).
- During the third quarter, the level of capital deployment remained healthy and amounted to **€1.6bn**. This compares to €1.8bn deployed in the second quarter of 2022 and is broadly in line with the €1.5bn average quarterly deployment levels across 2021 and 2022 to date.
 - Tikehau Capital has the **relevant strategies and investment discipline** to keep deploying capital in a worsening macroeconomic context. As such, the firm successfully completed CLO issuances both in Europe and the US, kept a granular and disciplined deployment pace notably through Sofidy and carried out multiple high-quality acquisitions within its aerospace and cybersecurity strategies.
 - Private Debt** funds were the main contributors to Q3 deployment, accounting for 59% of total deployment, followed by Private Equity funds, representing 24% of total deployment, and Real Assets for 17% of total.
 - Across asset classes, investment teams remain laser-focused on selectivity and pay particular attention to assets and situations that offer compelling risk-adjusted returns in an economic downturn.
- At 30 September 2022, the Group had **dry powder of €5.8bn** (stable level vs. 30 June 2022) within the funds it manages, enabling them to capture attractive investment opportunities.

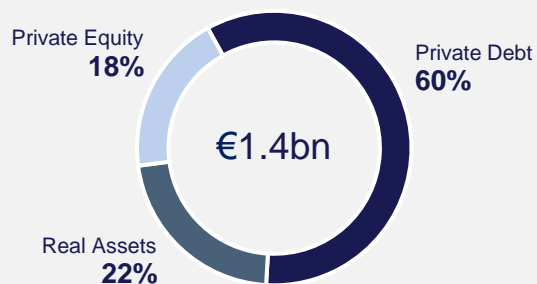


Fund deployment across the Group's closed-end strategies.

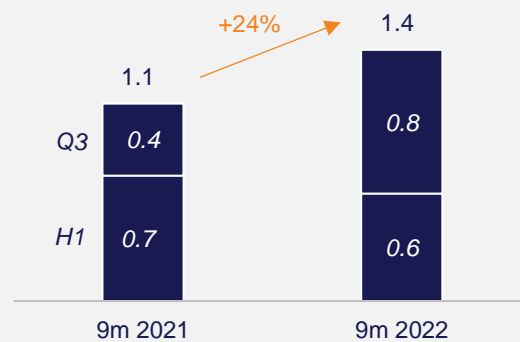
ACCELERATION IN REALIZATIONS

- Over the first 9 months of 2022, realizations across Tikehau Capital's closed-end funds amounted to **€1.4bn**, (up **24%** compared to the first 9 months of 2021) of which **€0.8bn in the third quarter**, a significant step-up compared to €0.6bn achieved during the first half of the year.
- 60% of year-to-date realizations were carried out within Tikehau Capital's **Private Debt** strategies, with for example the repayment of the financing arranged for French insurance broker Odealim following a change in the company's ownership structure completed late September 2022. This investment generated an 8.3% gross IRR and a 1.2x multiple.
- Realizations within the **Real Assets** strategies accounted for 22% of the total over the first 9 months of 2022 and were mainly carried out by Sofidy and Tikehau Capital's US infrastructure funds (managed by Star America Infrastructure Partners). As an example, Star America's first generation fund successfully divested a freeway lighting public-private-partnership in Detroit, Michigan. This investment generated a multiple of 2.8x and a 22% gross IRR.
- Private Equity** accounted for 18% of realizations at end-September 2022. Several divestments were made by Tikehau Capital's European energy transition fund in the third quarter, with notably the disposal of its investment in **Groupe Rougnon** (specialized in energy efficient refurbishment of buildings) and **GreenYellow**, leading French developer of smart energy solutions. Both investments crystallized a 1.9x multiple and respective gross IRRs of 25% and 18%.

Realizations by asset class in 2022 YTD

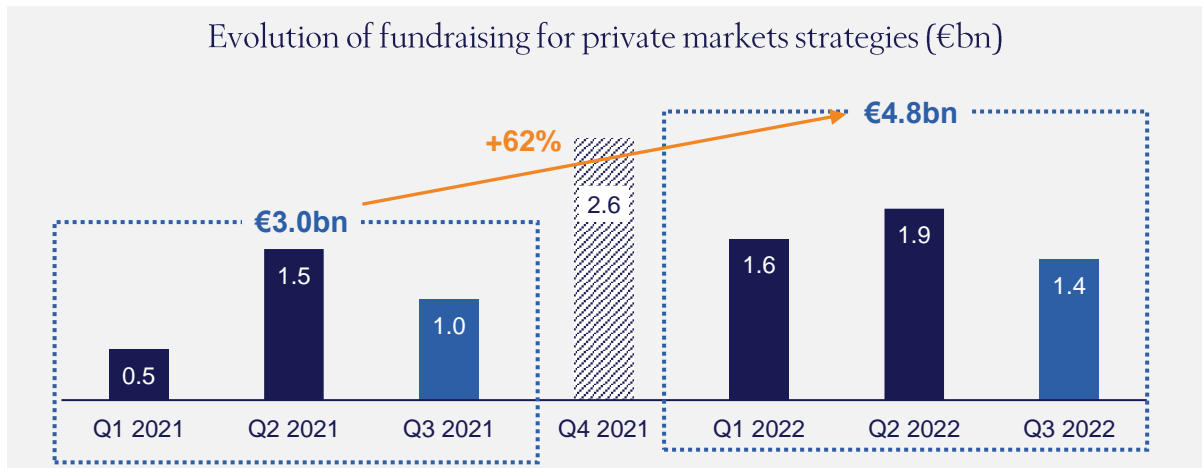


Realizations in 2022 YTD (€bn)



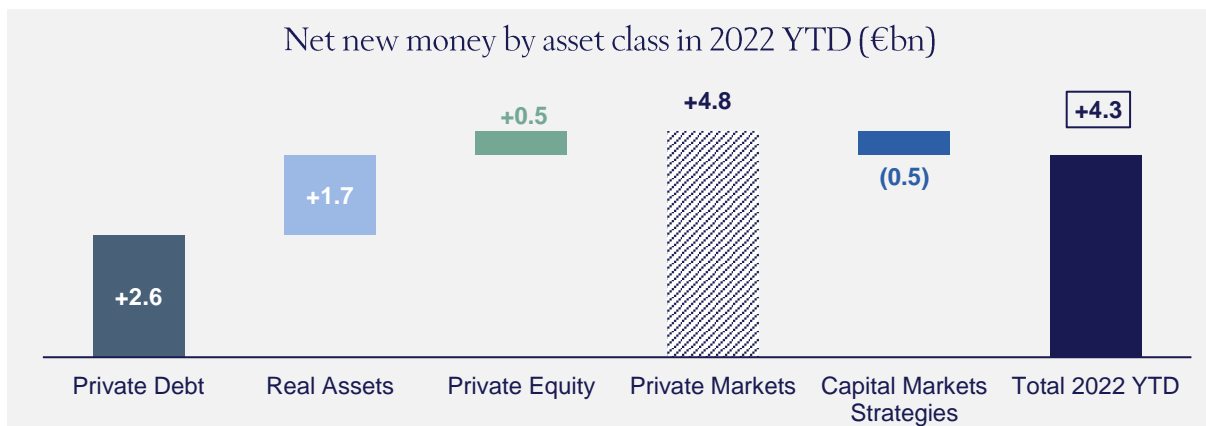
ROBUST FUNDRAISING MOMENTUM

- The Group maintained a strong fundraising momentum in the third quarter of 2022 with **€1.4bn in net inflows for private market strategies** (Private Debt, Real Assets and Private Equity). This amount compares to €1.0bn raised in Q3 2021 i.e. an increase of **34%**. Over the first 9 months of 2022, net inflows from these strategies thus reached **€4.8bn**, compared to €3.0bn in 2021 i.e. a **62% increase** year-over-year.



- Private Debt funds were the main contributors to Q3 fundraising with €0.8bn raised, followed by Real Assets and Private Equity strategies which both attracted €0.3bn of net new money in the quarter.
- Over Q3 2022, fundraising was driven by the Group's **5th generation of European Direct Lending Strategy**, which reached its final size of €3.3bn during the quarter, exceeding by 57% the €2.1bn raised for the previous generation in 2019. The Group also successfully priced two CLOs (its **2nd US CLO** and its **7th European CLO**) despite difficult market conditions and launched the warehousing phase of successor CLOs in the US and in Europe. In addition, Tikehau Capital completed the fundraising for its first private debt secondary fund for a total of \$0.4bn of capital raised from a diverse base of international investors.
- Net new money in Q3 2022 was also driven by continued strong momentum for **Sofidy's** real estate funds dedicated to individual investors, which generated more than €0.3bn of net new money in the quarter. Across asset classes, Tikehau Capital raised a total of **€0.8bn** from private investors over the first 9 months of 2022 and affirms its positioning as a leading player in the **democratization of private markets**, a key growth trend in the asset management industry.
- An important milestone for Tikehau Capital has been the launch during the third quarter of the fundraising for its **3rd generation of special opportunities** fund, which is well positioned to seize investment opportunities triggered by the current dislocated macroeconomic context. In such a fast-changing environment where liquidity has vanished and cost of funding soared, the firm's deal flow keeps increasing and it anticipates a broad and long-lasting opportunity set for this flexible capital solution mandate.

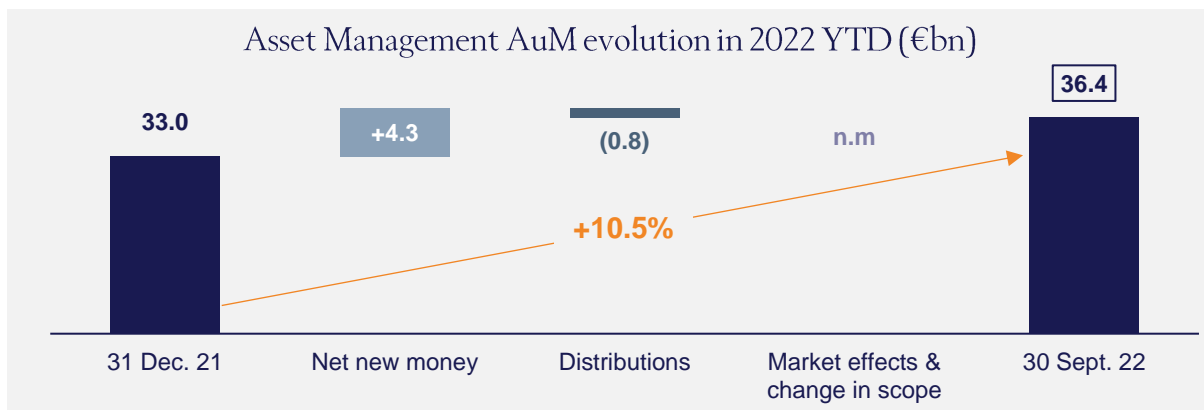
- In terms of new initiatives, the Group has also been active in strengthening its global impact platform, with in particular:
 - The launch of the **third generation of its growth equity fund**, which is transitioning to a growth impact strategy with an investment focus on purpose-driven companies. In Q3 2022, this fund completed its first closing and a first investment in Probe Test Solutions Limited, a leading semiconductor probe card manufacturer³.
 - The marketing for its new **regenerative agriculture fund**, launched in partnership with Axa and Unilever, with a first close expected in Q4 2022.
- These private equity strategies have generated strong interest from investor-clients and reinforce the Group's **expertise in impact investing**, which now covers four main pillars including decarbonization, cybersecurity, resilience & sufficiency and regenerative agriculture.
- **Capital Markets Strategies** recorded net outflows of €(0.3)bn in Q3 2022, bringing total net outflows to €(0.5)bn over the first 9 months of 2022. This level remains limited (10% of AuM at 31 December 2021) thanks to the resilient performance of these strategies in a particularly tough backdrop, especially for fixed income funds.
- The Group continued to **internationalize its client base** with inflows coming from international clients reaching c.60% of total third-party net new money over the first nine months of 2022.
- Overall, total net new money for Tikehau Capital's asset management business stands at a robust **€4.3bn** for the first nine months of 2022 (up 14% year-over-year), of which **€1.1bn** in the third quarter.



- **Distributions** over the first 9 months of 2022 amounted to €(0.8)bn (of which €(0.4)bn in Q3 2022). The mix by asset class is reflective of the realization momentum. As such, Private Debt funds account for 55% of distributions at end-September 2022, and Real Assets and Private Equity account for 24% and 21% respectively.

³ Please refer to dedicated press release dated 28 September 2022.

- **Market effects** recorded over the first 9 months of 2022 contributed positively to AuM evolution for +€73m (of which +€143m in Q3). Positive market effects reflect resilient assets valuation across the Group's closed-end funds and include positive €/€ foreign exchange rates effects. The positive effects were partially offset by negative market effects recorded within open-ended funds and leveraged loan strategies, reflecting the current environment.
- Overall, **Asset Management AuM** at end-September amount to **€36.4bn**, up **10.5%** compared to 31 December 2021 and up **19.4%** over the last 12 months.
- **Group AuM** at end-September reach **€37.5bn**, a **9.5%** increase year-to-date and a solid **18%** improvement over the last 12 months.



INVESTMENT PORTFOLIO

- Tikehau Capital's investment portfolio amounted to **€3.6bn** at 30 September 2022 (compared to €3.5bn at 30 June 2022) and is broken down into the following:
 - **€2.85bn** invested in the funds and strategies developed and managed by the firm (79% of total portfolio). In Q3 2022, capital calls from Tikehau Capital funds and strategies amounted to €0.2bn. These capital calls stem from commitments made by the Group's balance sheet and are in line with its capital allocation strategy aiming to align interests with its investor-clients'.
 - **€0.75bn** invested in ecosystem and direct investments, notably direct private equity investments, co-investments or investments in third party funds, all of which aim at serving Tikehau Capital's asset management franchise globally and offer diversification to the Group's portfolio exposure.
- The breakdown of Tikehau Capital's investment portfolio, which is 79% invested in its own funds and strategies allowed the firm to benefit, over the first nine months of 2022, from the **resilient performance and valuations** of its funds as well as a diversified exposure across asset classes.
- Tikehau Capital will continue to use its balance sheet, a differentiating asset and enabler of growth, to strengthen its platform by launching new families of products and vehicles, and also maintain a high level of **alignment of interests** with its shareholders and investor-clients.

SHARE BUY-BACK

- Tikehau Capital announces it has extended until 15 February 2023 (included), eve of the Group's 2022 full-year results release, the share buy-back mandate, which was signed and announced on 19 March 2020 and extended on 28 July 2022 until today. The size of this mandate is increased from €100m to €120m.
- As of 19 October 2022, 4,202,271 shares were repurchased under the share buy-back mandate. The description of the share buy-back program (published in paragraph 8.3.4 of the Tikehau Capital Universal Registration Document filed with the French Financial Markets Authority on 25 March 2022 under number D. 22-0152) is available on the company's website in the Regulated Information section (<https://www.tikehaucapital.com/en/finance/regulatory-information>).

OUTLOOK

- Tikehau Capital remains focused on executing its long-term growth plan and on delivering performance. For 2022, the Group is targeting to **reach at least €37bn⁴ of AuM** for its asset management business.
- From a structural point of view, **investor allocation intentions** remain supportive for the asset classes and verticals on which Tikehau Capital is positioned, demonstrating the relevance of the firm's investment strategies. From a cyclical standpoint, the current uncertain macro-economic and geopolitical context can nonetheless generate delays in fundraising decisions from institutional investor-clients.
- Tikehau Capital established a **comprehensive and diversified offering** addressing complementary asset classes, focusing both on long-term megatrends and downside protection.
 - The firm has **relevant investment vehicles** to allow its investor-clients to capture investment opportunities and address upcoming market dislocations. As such, Tikehau Capital will keep expanding its impact-investing solutions across asset classes and ramping up its secondaries strategies as well as its third generation of special opportunities fund.
 - In addition, Tikehau Capital operates with a differentiating investment approach based on **megatrends**, including energy transition, digitalization, cybersecurity and real estate conversion, which are set to accelerate in the current environment. The firm is convinced that this investment focus will drive value creation over the long-term.
 - Finally, Tikehau Capital is spearheading the **democratization of private markets in Europe**. The Group has been engineering innovative solutions and forging strategic alliances with local and global leaders to capture the growing demand from private clients. This has been evidenced in September 2022 by the partnership with **iCapital** and the launch of **Opale Capital**, which both offer complementary capabilities aiming to increase wealth managers' access to private markets investment opportunities.

⁴ At constant AuM for Capital Markets Strategies vs. 30 September 2022.

- Tikehau Capital keeps **expanding its platform across geographies and strategies**. In particular, the Group announces the opening of an office in Zürich, Switzerland, which will be the Group's 14th permanent office globally. In addition, the Group has reinforced its sales teams in Benelux, and committed growing resources to bolster its impact platform with notably the launch of its regenerative agriculture fund as well as its growth impact fund.
- Tikehau Capital **confirms its mid-term ambitions** revealed during its 2022 Capital Markets Day:
 - **Reach more than €65bn of AuM** for its asset management business by 2026
 - **Generate more than €250m of Fee-Related Earnings** by 2026
 - Drive its **return on equity to mid-teens** level by 2026
- To achieve these targets, the firm will continue to scale its investment strategies, driving strong operating leverage going forward, while continuing to leverage its compounding balance sheet, which is on track to generate growing and increasingly predictable returns.



CALENDAR

16 February 2023	2022 AuM and annual results (before market close)
20 April 2023	Q1 2023 announcement (after market close)
16 May 2023	Annual General Meeting of Shareholders



ABOUT TIKEHAU CAPITAL

Tikehau Capital is a global alternative asset management group with €37.5 billion of assets under management (at 30 September 2022).

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 2022), 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 739 employees (at 30 September 2022) across its 14 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.

PRESS CONTACTS:

Tikehau Capital: Valérie Sueur – +33 1 40 06 39 30
 UK – Prosek Partners: Henrietta Dehn – +44 7717 281 665
 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:

This document does not constitute an offer of securities for sale or investment advisory services. It contains general information only and is not intended to provide general or specific investment advice. Past performance is not a reliable indicator of future earnings and profit, and targets are not guaranteed.

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

LTM (in €m)	AuM at 30-09-2021	Net new money	Distributions	Market effects	Change in scope	AuM at 30-09-2022	Change (%)	Change (€m)
Private Debt	10,182	+4,341	(712)	+207	(37)	13,980	+37%	+3,798
Real Assets	11,254	+2,336	(339)	+339	-	13,589	+21%	+2,335
Capital Markets Str.	5,090	(503)	(3)	(366)	-	4,218	(17%)	(872)
Private Equity	3,995	+711	(183)	+128	-	4,650	+16%	+656
Total Asset Mgt	30,521	+6,885	(1,238)	+307	(37)	36,437	+19%	+5,917

2022 YTD (in €m)	AuM at 31-12-2021	Net new money	Distributions	Market effects	Change in scope	AuM at 30-09-2022	Change (%)	Change (€m)
Private Debt	11,709	+2,573	(463)	+198	(37)	13,980	+19%	+2,271
Real Assets	11,989	+1,694	(206)	+113	-	13,589	+13%	+1,600
Capital Markets Str.	5,124	(522)	(2)	(381)	-	4,218	(18%)	(906)
Private Equity	4,139	+546	(177)	+143	-	4,650	+12%	+512
Total Asset Mgt	32,961	+4,292	(849)	+73	(37)	36,437	+11%	+3,476

Q3 2022 (in €m)	AuM at 30-06-2022	Net new money	Distributions	Market effects	Change in scope	AuM at 30-09-2022	Change (%)	Change (€m)
Private Debt	13,412	+751	(247)	+64	-	13,980	+4%	+568
Real Assets	13,223	+337	(65)	+95	-	13,589	+3%	+366
Capital Markets Str.	4,535	(266)	-	(52)	-	4,218	(7%)	(318)
Private Equity	4,461	+265	(111)	+36	-	4,650	+4%	+190
Total Asset Mgt	35,631	+1,086	(423)	+143	-	36,437	+2%	+806

In €m	AuM at 30 Sept 2022		YoY change		QoQ change	
	Amount (€m)	Weight (%)	In %	In €m	In %	In €m
Private Debt	13,980	37%	+37%	+3,798	+4%	+568
Real Assets	13,589	36%	+21%	+2,335	+3%	+366
Capital Markets Strategies	4,218	11%	(17%)	(872)	(7%)	(318)
Private Equity	4,650	12%	+16%	+656	+4%	+190
Asset Management	36,437	97%	+19%	+5,917	+2%	+806
Investment activity	1,069	3%	(16%)	(207)	(7%)	(77)
Total AuM	37,506	100%	+18%	+5,710	+2%	+729