

# PRE PRESS RELEASE

EURAZEO.COM

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## Q1 2017: REVENUE RISES +13% WITH GROWTH MOMENTUM FULL STEAM AHEAD

### ○ SHARP REVENUE GROWTH IN Q1 2017

- > Q1 2017 economic revenue<sup>1</sup>: €1,191.4 million or +13.0% on a constant Eurazeo scope basis<sup>2</sup> and +8.6% at constant scope and exchange rates
- > Q1 2017 consolidated revenue: €794.3 million or +16.2% on a constant Eurazeo scope basis and +12.4% at constant scope and exchange rates

### ○ A DYNAMIC START OF THE YEAR WITHIN OUR PORTFOLIO COMPANIES

- > Numerous external growth transactions completed since the beginning of the year: 3 deals<sup>3</sup> closed by Eurazeo Capital, 5 by Eurazeo PME and 1 by Eurazeo Patrimoine
- > Two new joint ventures signed by portfolio companies to boost their growth in Asia
- > A capital increase backed by Eurazeo: Elis (€46 million)

### ○ SIGNIFICANT PORTFOLIO MOVEMENTS SINCE THE BEGINNING OF THE YEAR

- > Creation of the solar energy company Reden Solar following the spin-off of Fonroche's businesses, owned 47% by Eurazeo alongside Infravia
- > Signature of an agreement for the sale of Colisée Group by Eurazeo PME to IK Investment Partners in April 2017
- > Signature of an agreement for the acquisition of Smile by Eurazeo PME in April 2017
- > Creation of a future confectionery and chocolate champion, CPK Group, following the acquisition of a portfolio of iconic brands and production sites in France

### ○ SIGNATURE OF THE FIRST-TIME INVESTMENT IN THE US

- > Signature of an agreement for the acquisition of DWS - Dominion Web Solutions, an integrated market place and digital solutions platform for dealers, manufacturers and consumers, offering leisure vehicles, trucks and motorcycles

### ○ RENEWED NAV GROWTH: +8.4% to €78.4 as of May 3, 2017, compared to December 31, 2016<sup>4</sup>

### ○ ONGOING SHARE BUYBACKS

- > Share buybacks of €98 million as of May 3, 2017 (i.e. 2.4% of capital based on the number of shares as of 03/31/2017)

#### Patrick Sayer, CEO, declared:

*"The first months of 2017 confirmed Eurazeo's ability to pave the way for strong momentum in its companies. Asmodee, Les Petits Chaperons Rouges, AssurCopro, Vignal Lighting Group and Fintrax, to name but a few, all made important strategic moves in early 2017. Eurazeo itself was very active, with the sale of Colisée, the acquisition of Smile, and the creation of CPK. Furthermore, we are extremely proud of our first-time investment in the US, Dominion Web Solutions. Announced yesterday, only a few months after the inauguration of our New York office, it proves our rapid integration into the US private equity ecosystem."*

<sup>1</sup> Consolidated revenue + proportionate share of revenue of equity-accounted companies.

<sup>2</sup> The constant Eurazeo scope is defined on page 4.

<sup>3</sup> Excluding acquisitions by AccorHotels

<sup>4</sup> The NAV as of May 3, 2017 is based on closing share prices for listed assets and the revaluation of the Colisée Group following signature of the sales agreement

## I. INTENSE GROWTH IN OUR INVESTMENTS SINCE THE BEGINNING OF 2017

Over the first four months in 2017, the Group's companies were particularly active, with both external growth transactions and international joint ventures carried out with the support of the Eurazeo teams. This backing also involved reinvestment through Eurazeo's contribution to a capital increase.

### ○ 9 targeted external growth transactions<sup>5</sup>

- > **Eurazeo Capital**: UK acquisition of Magic Nurseries by **Les Petits Chaperons Rouges**; acquisition of Apligén in premix and additives by **Neovia** in Mexico; acquisition of the laundry firm La Blésoise in France by **Elis**;
- > **Eurazeo PME**: acquisition of the brokerage firm Jacques Boulard by **AssurCopro**; acquisition of a group of 12 facilities by **Colisée**, acquisition of EF Express and Upela by **Flash Europe**; and Netwave by **Orolia**;
- > **Eurazeo Patrimoine**: acquisition of the tertiary assets of Centreda by **ANF Immobilier**.

### ○ Signature of joint ventures to boost growth in Asia

- > In March 2017, **Fintrax** entered into a strategic partnership with a subsidiary of the Lotte Group in Korea and became a joint shareholder of CubeRefund, an active operator in the Korean tax-free shopping market.
- > On January 12, 2017, **Europcar** and Shouqi Car Rental, one of the leading car rental companies in China (Beijing Tourism Group) announced the signing of a global business partnership to better meet the needs of their respective customers. This cooperation agreement is a key strategic step for the two organizations, as their complementary networks expands their global reach.

### ○ Participation in the Elis capital increase

- > Eurazeo contributed €46 million to the €325 million capital increase of Elis to finance the acquisitions of Indusal and Lavebras, major players in Spain and Brazil.

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<sup>5</sup> Excluding acquisitions by AccorHotels

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## II. ONGOING INVESTMENT AND DIVESTMENT MOMENTUM

In parallel to the dynamic activity reported by the portfolio companies, Eurazeo has actively continued its investor role with new investments, the completion of a carve-out announced in March 2016, a corporate spin-off, crystallization of value with the sale of Colisée at Eurazeo PME and the signing of its first-time investment in the US less than one year after the inauguration of the New York office.

### ○ Significant movements in the portfolio

- > **Creation of Reden Solar** (February 2017) following the spin-off of Fonroche's businesses: Eurazeo now owns 47% of the group holding Fonroche's solar activities alongside Infravia. Backed by Eurazeo Patrimoine, the company reaffirmed its ambitions in the French and international photovoltaic solar energy markets, where it will now retain all newly developed projects, thus switching from a hybrid status of electricity developer-manager or producer to a purely electricity developer-producer status.
- > **Signature of an agreement for the sale of Colisée Group** by Eurazeo PME to IK Investment Partners (see section V).
- > Signature of an agreement for the acquisition of Smile by Eurazeo PME (see section V).
- > **Eurazeo finalized its investment** in the confectionery and chocolate sector by creating a new independent group and future sector leader, **CPK**. Eurazeo owns 68% of CPK after syndication to Eurazeo Capital II, i.e. an investment of €164 million (see section V).

### ○ Signature of our first-time investment in the US (see section V)

### III. SHARP REVENUE GROWTH IN Q1 2017

In Q1 2017, Eurazeo posted a steady performance for its entire portfolio. At a constant Eurazeo scope, economic revenue increased by +13.0% to €1,191.4 million and by +8.6% at constant scope and exchange rates. This growth stems from the robust performance of nearly all the portfolio companies and particularly Asmodee, Elis, Fintrax, Les Petits Chaperons Rouges, Neovia, Novacap and the Eurazeo PME investments.

In €m	% consolidation	Q1 2017			
		2017	2016 Constant Eurazeo scope	Change 2017/2016 Constant Eurazeo scope	Change 2017/2016 Constant scope and exchange rates
<b>Eurazeo Capital consolidated</b>		<b>402.9</b>	<b>328.0</b>	<b>+ 22.8%</b>	+ 21.3%
Asmodee		104.6	75.2	+ 39.0%	+ 32.9%
Fintrax		53.0	42.9	+ 23.5%	+ 25.8%
Novacap		205.7	162.5	+ 26.6%	+ 26.3%
Sommet Education		39.6	47.3	- 16.3%	- 18.3%
<b>Eurazeo PME</b>		<b>322.2</b>	<b>281.0</b>	<b>+ 14.7%</b>	<b>+ 7.2%</b>
<b>Eurazeo Patrimoine consolidated</b>		<b>64.7</b>	<b>65.1</b>	<b>- 0.5%</b>	<b>+ 0.3%</b>
ANF Immobilier		12.0	12.9	- 6.6%	- 2.4%
Grape Hospitality		48.2	47.9	+ 0.6%	+ 0.6%
CIFA		4.5	4.3	+ 4.6%	+ 4.6%
<b>Eurazeo holdings</b>		<b>4.5</b>	<b>9.3</b>	<b>- 52.0%</b>	<b>- 52.0%</b>
<b>Eurazeo consolidated</b>		<b>794.3</b>	<b>683.3</b>	<b>+ 16.2%</b>	<b>+ 12.4%</b>
<b>Eurazeo Capital proportionate</b>		<b>394.1</b>	<b>365.6</b>	<b>+ 7.8%</b>	<b>+ 2.4%</b>
Desigual	10.0%	21.9	24.5	- 10.4%	- 10.4%
Elis	17.0%	68.2	59.7	+ 14.3%	+ 2.3%
Europcar	47.9%	210.2	199.8	+ 5.2%	+ 3.2%
LPCR	41.1%	18.7	15.9	+ 17.2%	+ 9.7%
Neovia	17.3%	75.1	65.7	+ 14.4%	+ 2.7%
<b>Eurazeo Patrimoine proportionate*</b>	<b>46.8%</b>	<b>3.0</b>	<b>5.4</b>	<b>- 44.8%</b>	<b>- 44.8%</b>
<b>Eurazeo proportionate</b>		<b>397.1</b>	<b>371.0</b>	<b>+ 7.0%</b>	<b>+ 1.7%</b>
<b>Eurazeo economic</b>		<b>1,191.4</b>	<b>1,054.3</b>	<b>+ 13.0%</b>	<b>+ 8.6%</b>
Eurazeo Capital		797.0	693.6	+ 14.9%	+ 11.1%
Eurazeo PME		322.2	281.0	+ 14.7%	+ 7.2%
Eurazeo Patrimoine		67.7	70.5	- 3.9%	- 3.2%
Eurazeo holdings		4.5	9.3	- 52.0%	- 52.0%

\*Reden Solar

The constant Eurazeo scope corresponds to Q1 2016 reported data, restated for the following movements: 1) 2016 scope entries: Grape Hospitality (July 2016), Les Petits Chaperons Rouges (April 2016), MK Direct (July 2016), Novacap (July 2016), Orolia (July 2016), Sommet Education (July 2016); 2) 2017 scope entries: AssurCopro (January 2017); 3) 2016 scope exits: Foncia (July 2016); AccorHotels (deconsolidation in November 2016), Moncler (deconsolidation in October 2016); 4) Changes in Eurazeo's percentage holding in portfolio companies: Elis (17.0%), Europcar (47.9%); 5) Reclassification in 2016 of €3.5 million of Fintrax revenue to other income in accordance with IFRS. 6) Other: creation of Reden Solar (46.8%) following the spin-off of Fonroche.

Constant scope and exchange rates: the change at constant scope and exchange rates restates the scope entries and exits at Eurazeo and investment (build-ups) level, currency changes of the investments, and the changes in Eurazeo's percentage holding in portfolio companies.

Eurazeo Croissance is no longer included in economic revenue following the transfer of Fonroche to Eurazeo Patrimoine. The remaining Eurazeo Croissance companies are not consolidated.

## IV. CHANGE IN NAV, FINANCIAL POSITION AND CASH AND CASH EQUIVALENTS

### ■ Net Asset Value

As unlisted companies are recorded at their December 31, 2016 value, in accordance with Eurazeo's methodology, the Net Asset Value as of March 31 and May 3, 2017 solely reflects the change in value since December 31, 2016 of listed securities, cash and cash equivalents, as well as the unlisted companies in the process of being sold. On this basis, the Eurazeo NAV as of March 31, 2017 totaled €74.8 per share (€5,146 million), +3.5% compared to December 31, 2016 (see valuation breakdown and methodology in Appendix 2). This NAV would be €75.6 per share if ANF Immobilier were included based on its share in net asset value and not its stock market price.

The NAV as of May 3, 2017<sup>6</sup> includes Colisée at its sale price, following the signature of a sales agreement by Eurazeo PME. On this basis, the Eurazeo NAV totaled €78.4 per share (€5,348 million), +8.4% compared to December 31, 2016, driven by the increase in the share prices of listed assets and the appreciation in the value of Colisée. This disposal demonstrates once again our NAV's conservative level (Eurazeo's share of the Colisée sale price is €123 million, some 39% above the company's value as of December 31, 2016).

### ■ Financial position and cash and cash equivalents

<i>In € million</i>	As of May 3, 2017	As of March 31, 2017	As of December 31, 2016
<b>Immediately available cash</b>	<b>512.7</b>	<b>782.5</b>	<b>1,118.6</b>
Other assets - liabilities	175.1	101.6	-35.0
<b>NET CASH AND CASH EQUIVALENTS</b>	<b>687.8</b>	<b>884.1</b>	<b>1,083.6</b>

Eurazeo's net cash and cash equivalents totaled €687.8 million as of May 3, 2017. The main changes compared to December 31, 2016 were attributable to: 1) participation in the Elis capital increase (€46 million), repayment of the AccorHotels debt (€150 million), Eurazeo share buybacks totaling €98 million, investment in CPK (€164 million), and 2) sale of ANF Immobilier Hotels (€23 million), additional syndication of Fintrax (24.7% of capital now syndicated).

<sup>6</sup> Closing share price for listed assets

## V. SUBSEQUENT EVENTS

### ■ Signature of an initial investment in the US

Eurazeo announced the signing of an agreement to acquire Dominion Web Solutions (DWS), partnering equally with Goldman Sachs' Merchant Banking Division (GS MBD) via one of its funds. The \$680 million transaction should be completed in June 2017.

DWS, owned by Landmark Media Enterprises, is an integrated platform of branded marketplaces and digital solutions platform for the powersport, commercial truck and equipment industries for dealers, manufacturers and consumers in North America. Reporting significant growth, its platforms, including the market leaders, RV Trader and CycleTrader, average over 6,700 sellers, 4 million ads and 7 million individual visitors monthly.

The company has a track record of double-digit revenue growth.

Eurazeo and Goldman Sachs will provide the company with financial and industrial support to continue growth and complete potential acquisitions in adjacent markets and internationally.

### ■ Creation of a new independent group, CPK

On April 28, 2017, Eurazeo finalized its confectionery and chocolate sector investment and the creation of a new independent group, CPK. The 900 employees of the new CPK Group and its wholly-owned operating subsidiary Carambar & Co are committed to the successful completion of an ambitious development project. After more than a year's preparation by a seasoned management team led by Jean-Marc Saubade, guided by Eurazeo and supported by strategic co-investors and partners, the company is now operational.

CPK comprises a portfolio of fully-owned iconic European brands, including Carambar, Poulain, Krema, La Pie Qui Chante and Terry's, as well as the Pastilles Vichy, Rochers Suchard and Malabar bubble gum licenses.

CPK revenue for its branded products is currently c. €250 million, to which will be added some co-manufacturing business with Mondelēz International during the first years. For five years from now, CPK has set an objective of organic growth for Group brands exceeding 20% and an EBITDA margin of around 15%, in line with its peers.

CPK's enterprise value is €157 million. The company starts with €63 million in net cash, primarily earmarked to finance its industrial investment plan.

Eurazeo owns 68% of CPK's share capital, after syndication to Eurazeo Capital II, representing an investment of €164 million for Eurazeo to finance the acquisition of the assets, the transaction costs and the operational costs dedicated to CPK since more than one year.

### ■ Signature of an agreement for the sale of Colisée

On April 27, 2017, Eurazeo PME announced the sale of Colisée group, a key player in the global health care and old-age dependency sector and the 4<sup>th</sup> largest French operator of retirement homes, to the investment fund IK Investment Partners. Eurazeo PME initially invested in this sector in March 2013. The deal, which remains subject to the approval of the French Competition Authority, should be closed by the end of July 2017.

The sale price for the funds managed by Eurazeo PME was €236 million, i.e. a share of €123 million for Eurazeo. Eurazeo multiplied its investment by 2.5x, generating an IRR of 35%.

In 2014, the company had 46 facilities and 2,200 employees. It now has 90 facilities, nearly 7,000 beds, 6,700 employees and almost 70 senior home care agencies. Pro forma 2017 revenue should amount to c. €390 million, i.e. a twofold increase since 2014, demonstrating its operational excellence under the leadership of Christine Jeandel, the Group's Chairwoman.

### ■ Signature of an agreement for the acquisition of Smile

On April 28, 2017, Eurazeo PME announced the signing of an agreement to purchase a majority stake in Smile alongside the management team headed by Marc Palazon, replacing Keensight Capital, Smile's majority shareholder and Edmond de Rothschild Investment Partners (Cabestan Capital). Smile is a leading integrator and outsourcer of open source solutions.

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Based on the great surge in open source technology and digital business transformation, Smile intends to triple the company's revenue to over €200 million by 2021, through organic growth and acquisitions. The deal, scheduled for the end of May 2017, must first be approved by the French Competition Authority.

## VI. PORTFOLIO COMPANY PERFORMANCE IN Q1 2017



### Eurazeo Capital (12 companies, 58% of NAV as of March 31, 2017)

#### **ACCORHOTELS** (deconsolidated as of November 15, 2016)

AccorHotels has been deconsolidated from the Eurazeo scope since November 15, 2016 based on the June 30, 2016 accounts (as of September 30, 2016 for economic revenue) due to the loss of significant influence following Colony's decision to sell its shares and the end of the resulting joint action.

#### **ASMODEE** (fully consolidated)

##### ■ **Very substantial European growth**

In Q1 2017, Asmodee posted revenue of €104.6 million, up +39.0% compared to the previous year, with robust organic growth of +32.9% at constant scope and exchange rates.

This first-quarter growth was driven by European results, in particular the success of Pokémon cards in France, the UK, the Netherlands and Northern Europe.

International business accounted for over 75% of first-quarter revenue.

#### **DESIGUAL** (equity-accounted)

##### ■ **Sales decline impacted by wholesalers**

In Q1 2017, Desigual posted revenues of €219.2 million, down -10.4 % compared to Q1 2016, mainly due to the multi-brand distribution network. The ongoing closure of stores and lower footfall in France, Germany and Italy also contributed to this decline.

Conversely, the performance in Spain was slightly positive. Outside Europe, Latam countries continue to perform positively.

In parallel, the group's strategic focus on Digital is delivering positive results as the channel generated double digit growth over the quarter.

In the first quarter 2017, the performance is in line with the expected trend in the context of the transformation plan.

#### **ELIS** (equity-accounted)

##### ■ **Strong growth of +14.3% in Q1 2017 revenue, organic growth at +2.3%**

In Q1 2017, Elis reported revenue of €400.6 million, up +14.3% on a reported basis and +2.3% in terms of organic growth.

This growth reflected an organic growth in all geographies on an already high comparable base. In France, Q1 2017 revenue increased +1.3% on a reported basis (+0.7% organic growth) in a context marked by a recovery in the Hospitality market. In Latin America, Q1 2017 revenue growth was +38.2% (+7.2% organic growth), with continued commercial momentum in Brazil. In Europe, Q1 2017 revenue (+4.5% on a reported basis) was driven again by Spain and Portugal and reflected the Group's commercial momentum with the opening of new markets.

Acquisitions in 2016 contributed significantly to the growth (impact of +9.6% in Q1 2017). The Group is awaiting clearance from the Brazilian antitrust authorities for the acquisition of Lavebras.



Elis confirmed its 2017 objectives in 2016 and forecasts: i) revenue above €1.7 billion (excluding Lavebras contribution), ii) Group organic growth in line with 2016, iii) EBITDA margin stabilize in France and improve in Europe and Latin America.

## **EUROPCAR** (equity-accounted)

### ■ **Europcar starts the year with solid revenue growth**

Europcar generated revenues of €439.3 million (+6.6% at constant exchange rates) in Q1 2017. On an organic basis, i.e. at constant exchange rates, constant scope and excluding petrol, Group revenue grew by +3.2%, reflecting solid growth across all the Group's major business units. The number of rental days increased to 12.9 million (+9.3%) in Q1 2017. Revenue per rental day decreased by -3.6% at Group level.

Adjusted Corporate EBITDA<sup>7</sup> declined to -€6.2 million in the traditionally unrepresentative quarter.

Corporate net debt continued to decrease to reach €235 million as of March 31, 2017, as a result of the Group's strong free cash flow generation, i.e. a leverage lower than 1x.

Europcar confirmed its financial targets for 2017: i) Accelerating organic revenue growth, i.e. above +3%; ii) Increase in adjusted Corporate EBITDA margin (excluding New Mobility), i.e. above 11.8%; iii) A corporate operating free cash flow conversion rate above 50 %; iv) a dividend payout ratio above 30%.

Europcar also announced the acquisition of Europcar's Danish Franchisee, the market leader with c. 30% market share in Denmark. In 2016, Europcar Denmark generated revenues of €60 million.

## **FINTRAX** (fully consolidated as of January 1, 2016)

### ■ **Strong growth in Q1 2017**

Fintrax reported solid performance in Q1 2017, with revenues of €53.0 million, up +23.5% on a reported basis and +25.8% at constant scope and exchange rates. Since the beginning of the year, the company has benefited from stronger market trends in Europe as well as the impact of its pipeline of contract wins in 2016.

In the Tax Free Shopping (TFS) market, the combination of higher tourist inflows in all European countries and a higher level of average tourist spend delivered robust growth in the first quarter. The volume of refunded vouchers rose +26%, with particularly high growth in the UK, Spain and Italy.

In the Dynamic Currency Conversion (DCC) segment, Fintrax reported a strong performance, mainly driven by Europe and Latin America. The company is pursuing its development strategy to increase service penetration and is benefiting from the deployment of new contracts.

The group continues to roll-out its global sales strategy through product innovation, digital development and international expansion.

## **LES PETITS CHAPERONS ROUGES** (equity-accounted as of April 1, 2016)

### ■ **More openings in France, and steady growth in the UK**

Revenue for Les Petits Chaperons Rouges stood at €45 million in Q1 2017, up by +17.2% on a reported basis compared to the same period last year, and +9.7% at constant scope and exchange rates.

The group's development in France continues to be driven by the brisk rate of new nursery openings, with the number of certified places up by nearly +10%. Group revenue for Q1 2017 includes for the first time the activities of the UK subsidiary, Magic Nurseries, acquired at the beginning of the year, whose 16 nurseries posted a robust growth rate of +7.0%, mainly driven by an increase in available spaces filled.

Les Petits Chaperons Rouges is also continuing to consolidate the French market by acquiring smaller groups throughout France.

<sup>7</sup> Adjusted EBITDA is defined as current operating income before depreciation and amortization not related to the fleet, and after deduction of the interest expense on certain liabilities related to rental fleet financing.

## **MONCLER** (deconsolidated as of October 14, 2016)

Moncler was deconsolidated from the Eurazeo scope as of October 14, 2016 based on the June 30, 2016 accounts (as of September 30, 2016 for economic revenue) due to the loss of significant influence following the sale of a block of shares in September 2016 and the repercussions on the company's governance.

## **NEOVIA** (equity-accounted)

### ■ **A performance driven by Mexico and Asia**

Neovia reported revenue of €434 million in Q1 2017 (calendar year), up +14.4 % on a reported basis compared to the same period last year, and +2.7% at constant scope and exchange rates.

Revenue growth at constant scope and exchange rates was driven by solid performances in (i) Mexico in all segments, and particularly petfood, (ii) its main subsidiary Additives & Ingredients worldwide (iii) Asia, specifically in Vietnam and China, and lastly (iv) EMEA where revenue growth was spurred by healthy Export activity and Belgium (aqua) and Portugal. The slump in group growth is mainly due to market conditions that were highly unfavorable in Brazil and difficult in France.

Pursuing its robust external growth policy as in 2016, Neovia announced the acquisition of Apligén (revenue of c. €30 million), enabling it to boost its geographical coverage in Mexico, and above all underpin its position in the high added-value premix and related advisory services segment. The company also continued to gain strength and to expand globally in pet markets, a segment where, in early 2017, Neovia announced the beginning of exclusive negotiations to become the majority shareholder of Sanpo, the 5<sup>th</sup> largest sector player in China. Finally, through its innovation investment fund Neovia Venture, the company acquired a minority interest in Pitpatpet Ltd, a key British player in the high-growth market of connected objects for pets.

## **NOVACAP** (fully consolidated as of June 30, 2016)

### ■ **Sustained growth in Q1**

As of March 31, 2017, Novacap posted revenue of €205.7 million, up +26.6% on a reported basis and +26.3% at constant exchange rates compared to Q1 2016.

Over the last three months, Group growth was driven by the excellent results of the Performance Chemicals division, which benefitted from strong demand for specialty solvents and higher benzene prices that boosted phenol sale prices. The Pharmaceuticals & Cosmetics division enjoyed favorable momentum in the PAP (produced upstream of paracetamol), and paracetamol markets, which also contributed to Novacap's higher revenues.

The company continued to actively boost innovative product development, with the launch of a French production unit for a new oxygenated solvent in Q2 2017. The start-up of the new sodium bicarbonate plant in Singapore is also scheduled for the next quarter. This plant will meet the sharp increase in Asian demand.

## **SOMMET EDUCATION** (fully consolidated as of July 1, 2016)

### ■ **A dynamic situation, still impacted by the reorganization and transition**

In Q1 2017, Sommet Education posted restated<sup>8</sup> revenue of 42.6 million Swiss francs, down by -13.5% compared to Q1 2016, with a slight decline in prices (mix impact between the various programs). Sommet Education continues to be impacted by the declining number of new students in recent years due to poor recruitment momentum.

The Group was further strengthened in the opening months of the year and now has highly experienced professionals in all key management positions.

<sup>8</sup> The restatement cancels out the impact of the change in the academic year.

### **Eurazeo PME (9 companies, 8% of NAV as of March 31 2017)**

- **Revenue growth of +15% at the start of the year on a constant Eurazeo scope basis and significant investment activity with the integration of 5 new build-ups**

Eurazeo PME consolidated revenue stood at €322 million for the period ended March 31, 2017, up +63.5 % on a reported basis, +14.7 % on a constant Eurazeo scope basis (restated for the changes relating to the acquisition of Orolia, MK Direct and AssurCopro), and +7.2 % adjusted for external growth transactions carried out by the holdings in 2016 and 2017 and foreign exchange impacts.

**The Colisée group** continued to grow, rising +29% in Q1 2017, and +5% on a constant scope basis restated for the acquisitions of Nouvel Horizon Services and Bien à la Maison. The group pursued its substantial expansion, acquiring a group of 12 facilities in March 2017, and one facility in April 2017. It now has a total of 90 facilities, 83 of which are in France, 6 in Italy and 1 in Spain. On April 27, 2017, Eurazeo PME announced the signature of **the group's sale to the investment fund IK Investment Partners** (see section V).

The **Péters Surgical** group consolidated the integration of Vectec, acquired in December 2016, a French manufacturer of disposable medical equipment for laparoscopic surgery. Q1 2017 revenue for the Péters Surgical group declined by -13%, primarily due to lagging export sales.

**Vignal Lighting Group** reported a revenue surge, with growth of + 30% in Q1 2017, and + 20% on a constant scope basis adjusted for the CEA acquisition. Following the acquisitions of ABL Lights in 2014, and CEA in 2016, the group is pursuing its transformation with the forthcoming opening of a plant in China.

**Flash Europe** revenue rose +25% in Q1 2017 on a constant scope basis. The group's core business, Premium Freight, has developed substantially both in France and internationally. Following the July 2016 sale of its non-core subsidiary Biologicistic and the January 2017 acquisition of EF Express, a player in the same segment mainly active in Germany, Flash Europe pursued its development with the March 2017 acquisition of Upela, an e-shipping specialist in France and internationally. At the same time, Flash Europe has boosted its investment in the digital platform that is now being rolled out.

**MK Direct group**, cross-channel leader in home linen in France with the Linvosges and Françoise Saget brands, posted steady revenue in Q1 2017. Linvosges will open in Germany this year in the wake of the 2015 launch of Françoise Saget. Several external growth transactions are also being considered.

The **Orolia** group, global leader in reliable positioning, timing and navigation products and solutions, posted a solid performance in Q1 2017, with growth of +23%. The group continued its roll-out with the April 18, 2017 purchase of Netwave, leader in the Voyage Data Recorder sector for the maritime market.

The **AssurCopro group**, French leader in joint ownership insurance brokerage, is consolidated by Eurazeo PME from January 1. The group has carried out two growth acquisitions since Eurazeo PME's investment: in December 2016 it acquired 100% of the InterAssurances group, a French specialist in rent guarantee insurance and landlord home insurance, and in March 2017 it acquired the brokerage firm Jacques Boulard. For the period ended March 31, 2017, AssurCopro revenue rose by +47% on a constant Eurazeo scope basis, and +11% on an historical scope basis.

**Dessange International** recorded revenue growth of + 2% over the period. The group continues to develop, with salon openings scheduled for 2017 and the purchase of master franchises in the US.

Revenue for **Léon de Bruxelles** was up +1% compared to March 31, 2016, clearly outperforming the market, particularly in the regions and Greater Paris.

### **Eurazeo Croissance (6 companies, 3 % of NAV as of March 31, 2017)**

**Farfetch** accelerated its growth rate in Q1 2017, mainly due to an expanded catalogue that took on new brands and boutiques. Natalie Massenet, founder of the Net-A-Porter group and chairwoman of the British Fashion Council, joined the company's Board of Directors at the start of the year. She will leverage her unique experience to help bolster the

brand and pursue new partnerships. In addition, Farfetch announced the launch of Store of the Future, an ensemble of technologies designed to enhance the boutique and internet buying experience.

**PeopleDoc** continues to develop at a steady pace, accelerating on last year. Growth was driven by the signing of major contracts in the US and Europe.

In Q1 2017, **Vestiaire Collective** raised €58 million in funds enabling a substantial step-up in development in the US and Asia. The company is pursuing its international expansion and has intensified its marketing efforts.

**Younited Credit** continued to grow in Q1 2017, at a rate exceeding 100%, and opened in its third country, Spain, following France and Italy. The company recently announced that it had cleared the €500 million mark in loans granted since its start, a significant milestone that confirms its position as the leading peer-to-peer lending platform in Continental Europe.

In Q1, **IES Synergy** crossed the symbolic threshold of 3,000 chargers sold worldwide, representing the equivalent of the entire fast chargers (DC) pool in Europe in 2016. The early year was marked by new development opportunities, particularly in China and in the electric bus market.

In Q1, **I-Pulse** added further value to its asset portfolio with encouraging finds in the mining, oil and water sectors.



### **Eurazeo Patrimoine (4 companies, 9% of NAV as of March 31, 2017)**

#### **ANF IMMOBILIER (fully consolidated)**

- **Stable revenue on a constant scope and Group share basis in Q1 2017 – Confirmation of the annual target of steady EPRA<sup>9</sup> Net Recurring Income, Group share**

ANF Immobilier rental revenues were stable in Q1 2017 on a constant scope and Group share basis. On a consolidated basis and in accordance with IFRS, they amounted to €12.0 million, representing a -7% decline compared to Q1 2016 primarily attributable to the property manager's asset rotation policy last year: a substantial volume of mature asset were sold in parallel with tertiary activities under development that will be delivered from H1 2018 (Quai 8.2 in Bordeaux and Park View in Lyon).

The group's economic strategy has been fully implemented with 82% of rental revenues now generated by tertiary assets in Q1 2017, including 44% in the regional cities of Lyon and Bordeaux.

ANF Immobilier's immediate growth outlook is positive with a considerable acceleration in the sale of vacant residential property in Marseille, with a remainder of over 1,800 m<sup>2</sup> leased in Q1 2017. Furthermore, the acquisition of the Centreda real estate complex, comprising 16,155 m<sup>2</sup> of offices in Toulouse, was finalized at the end of March 2017 and has generated nearly €2 million in additional annual gross rental revenue.

Following this acquisition, ANF is now present in four of the largest cities in France and the Group confirms its annual target of steady EPRA Recurring Net Income, Group share.

#### **CIFA FASHION BUSINESS CENTER (fully consolidated)**

- **Performances driven by asset management initiatives**

CIFA's Q1 2017 performance was in line with Eurazeo Patrimoine's expectations, mainly through vigorous asset management as part of ongoing negotiations to renew leases in light of the temporary difficulties faced by certain wholesalers.

Q1 2017 revenue amounted to €4.5 million, up +4.6% compared to Q1 2016, for a stable rental income of €3.8 million.

<sup>9</sup> EPRA (European Public Real Estate Association): calculates Net Recurring Income excluding fair value changes, the impact of divestments and other non-recurring items.

## **GRAPE HOSPITALITY** (fully consolidated as of June 30, 2016)

### ■ **Steady activity despite the refurbishment program roll-out and a sharp increase in profitability**

Hotel business activity generally slows in the first three months of the year. In Q1 2017, Grape Hospitality's revenue totaled €48.2 million, stable period-on-period. Occupancy rates were slightly curbed by the refurbishment program launched for an initial group of around twenty hotels, mainly located in France. This ambitious work program is currently being rolled out across the portfolio in line with the schedule and budget. The refurbishment of these first hotels should continue until the end of the year.

The Group's gross operating income (operating revenues - charges) rose by more than +7% over the period, driven by productivity gains and the group's effective management.

## **REDEN SOLAR** (formerly Fonroche Solaire, equity accounted as of January 1, 2017)

### ■ **A decline in revenue due to the changes in scope and the group's new strategy**

Q1 2017 was marked by intense photovoltaic plant construction in France and internationally with the start of phase 2 work on the Humacao project in Puerto Rico. Reden Solar's Q1 2017 revenue totaled €6.4 million, down compared to Q1 2016, due to the sale of Indian plants at the end of 2016 and construction activities that are now carried out on behalf of the group.



## **Eurazeo Development (3% of NAV as of March 31, 2017)**

Eurazeo Development encompasses the new initiatives undertaken by Eurazeo to expand and enhance its assets and boost its future growth. These initiatives include coordinating the origination of new investment opportunities, platform investments in new business segments, and management of funds for major international institutional investors. Finally, the division bears Eurazeo's commitment in Raise, also synonymous with societal commitments in line with the group's values.

### **Q1 2017 Sourcing activity**

The Development team works closely with Eurazeo's investment teams on deal origination. Eurazeo Development leverages its network of experienced partners, managers and advisors to anticipate and access desirable deals before they come to market. This approach increases Eurazeo's transactions' hit rate by identifying and focusing on the deals that fit best with Eurazeo's blueprint for value creation.

In Q1 2017, Eurazeo continued to pursue its European and North American origination strategy and identified 210 new targets for Eurazeo Capital, 15% of which are based in the U.S., and 78% of which are located outside of France. This is a slight increase on 2016 numbers and confirms its strategy to diversify deal sources for the group.

### **Eurazeo PME III**

Following the successful fundraising in late 2016 for the Eurazeo Capital II fund, Eurazeo Development together with the Eurazeo PME team have launched the fundraising for the PME team's third fund. Given the team's track record, initial response is very positive and Eurazeo has received commitments that guarantee a successful fundraising for this fund.

Eurazeo PME's third fund will continue its strategy to transform small and midcap companies in France (SMEs) into responsible midsize multinationals.

## **iM Square, growth vector for asset managers**

Founded in 2015 with Amundi and La Maison, iM Square is a leading investment and development platform dedicated to asset management. After carrying out two investments in the United States in 2016, iM Square also acquired the French fund manager Montmartre AM to build a European sales network. Renamed iM Global Partner Europe, the unit aims to grow from €500 million to €1 billion of inflows in three years.

iM Square will be looking to build a portfolio of several fund managers, and plans to invest a minimum of €250 million over the next three years in the USA, Asia and Europe. The firm also plans to launch or acquire a fund-sales network in the US by 2018.

## **CAPZANINE, the alternative source of financing for SMEs**

Since the successful closing of the Capzanine 4 fund, completed in October 2016 after reaching its €350 million hard-cap, the Capzanine team has continued to pursue its strategy focused on supporting business leaders and MBO funds, and investing in fast-growing businesses with proven sales and emerging profitability.

During Q1, 2017, Capzanine has grown assets under management to a total of €2.1 billion (+50% vs Dec 31, 2016) and has invested €46 million, in three new investments and one build-up, including its first investment from the Capzanine 4 fund:

- > Eduservices Group: In January 2017, Capzanine made a 45% minority investment and arranged senior mezzanine financing for Eduservices Group, a leading private higher and technical education group in France. The investment will allow the group to build up its offering and support the management team's growth strategy.
- > Pierre Guerin: In February 2017, Capzanine acquired a 23% stake in the Pierre Guerin group, one of the world's leading manufacturers of stainless steel equipment for the life sciences and agri-food industries. This investment will support the group in its international expansion.
- > ITIP (Questel build-up) : In March 2017, Capzanine and Raise support Questel in its growth strategy with the acquisition of US company ITIP, a company specializing in international patent filing which reported sales of 10 million dollars in 2016.
- > Geomedia : In March 2017, Capzanine makes its first investment from the Capzanine 4 fund with the acquisition of a majority stake in the Geomedia Group, France's leading software company in the topography and infrastructure project design field.

In addition, its subsidiary Artemid completed 5 transactions totaling €48 million: GPS, Viasphere, Comexposium, Buffalo Grill and Stars Services.

## About Eurazeo

- > With a diversified portfolio of approximately €6 billion in assets under management, of which €1 billion for third parties, Eurazeo is one of the leading listed investment companies in Europe. Its purpose and mission is to identify, accelerate and enhance the transformation potential of the companies in which it invests. The Company covers most private equity segments through its four business divisions – Eurazeo Capital, Eurazeo Croissance, Eurazeo PME and Eurazeo Patrimoine. Its solid institutional and family shareholder base, robust financial structure free of structural debt, and flexible investment horizon enable Eurazeo to support its companies over the long term. Eurazeo is notably a shareholder in AccorHotels, ANF Immobilier, Asmodee, CIFA, CPK, Desigual, Elis, Europcar, Fintrax, Grape Hospitality, Les Petits Chaperons Rouges, Moncler, Neovia, Novacap, Sommet Education, and also SMEs such as Colisée, Péters Surgical, and Flash Europe International, as well as start-ups such as Farfetch and Vestiaire Collective.
- > Eurazeo is listed on Euronext Paris.
- > ISIN: FR0000121121 - Bloomberg: RF FP - Reuters: EURA.PA

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	May 11, 2017	2015 Shareholders' Meeting
<b>Eurazeo financial timetable</b>	July 27, 2017	H1 2017 results
	November 10, 2017	Q3 2017 revenue

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## APPENDICES

### APPENDIX 1 - NET ASSET VALUE AS OF March 31, 2017 (UNAUDITED)

	% interest <sup>(2)</sup>	Number of shares	Share price	NAV as of March 31, 2017	with ANF at NAV
			€	In € million	ANF @ €27.2
<b>Eurazeo Capital Listed</b>				<b>1,770.5</b>	
Europcar	41.43%	60,545,072	9.94	601.6	
Elis	14.22%	19,900,956	17.69	352.1	
Moncler	14.22%	19,900,956	17.69	395.5	
Accor	3.69%	10,510,003	37.94	398.8	
Accor net debt				22.5	
Accor net*				421.3	
<b>Eurazeo Capital Unlisted</b>				<b>1,211.1</b>	
<b>Eurazeo Croissance</b>				<b>168.8</b>	
<b>Eurazeo PME</b>				<b>404.9</b>	
<b>Eurazeo Patrimoine</b>				<b>466.1</b>	<b>533.4</b>
ANF Immobilier	50.48%	9,596,267	20.22	194.0	261.3
Eurazeo Patrimoine Unlisted				272.1	
<b>Eurazeo Development</b>				<b>144.5</b>	
<b>Other securities</b>				<b>88.4</b>	
Eurazeo Partners <sup>(1)</sup>				34.7	
Other				53.7	
<b>Cash and cash equivalents</b>				<b>884.1</b>	
<b>Tax on unrealized capital gains</b>				<b>-71.0</b>	<b>-84.2</b>
<b>Treasury shares</b>	3.19%	2,225,335		<b>78.5</b>	
<b>Total value of assets after tax</b>				<b>5,145.8</b>	<b>5,199.8</b>
<b>NAV per share</b>				<b>74.8</b>	<b>75.6</b>
<b>Number of shares</b>				<b>68,806,377</b>	<b>68,806,377</b>

\* Net of allocated debt

(1) Eurazeo investments in Eurazeo Partners are included in the Eurazeo Partners line item

(2) The % interest is equal to Eurazeo's direct interest, with any interest held through Eurazeo Partners now included in the Eurazeo Partners line item

### Valuation methodology

The valuation methodology complies with the recommendations of the International Private Equity Valuation Board (IPEV). The valuation of unlisted investments is mainly based on comparable or transaction multiples. The value adopted for listed companies is the 20-day average of share prices weighted for trading volumes.

The values adopted for unlisted investments are subject to a detailed review by an independent professional appraiser, Sorgem Evaluation, pursuant to the signed engagement letter. This review supports the values adopted and certifies that the valuation methodology complies with IPEV recommendations.



## APPENDIX 3 - NET ASSET VALUE AS OF MAY 3, 2017 (UNAUDITED)\*\*

	% interest <sup>(2)</sup>	Number of shares	Share price €	NAV as of May 3, 2017 In € million	with ANF at NAV ANF @ €27.2
<b>Eurazeo Capital Listed</b>				<b>1,979.1</b>	
Europcar	41.43%	60,545,072	11.26	681.7	
Elis	14.22%	19,900,956	19.50	388.1	
Moncler	7.94%	19,863,814	23.20	460.8	
Accor	3.69%	10,510,003	40.53	426.0	
Accor net debt				22.5	
Accor net*				448.5	
<b>Eurazeo Capital Unlisted</b>				<b>1,375.4</b>	
<b>Eurazeo Croissance</b>				<b>168.8</b>	
<b>Eurazeo PME</b>				<b>439.6</b>	
<b>Eurazeo Patrimoine</b>				<b>463.3</b>	<b>533.4</b>
ANF Immobilier	50.48%	9,596,267	19.92	191.2	261.3
Eurazeo Patrimoine Unlisted				272.1	
<b>Eurazeo Development</b>				<b>145.6</b>	
<b>Other securities</b>				<b>62.5</b>	
Eurazeo Partners <sup>(1)</sup>				34.7	
Other				27.9	
<b>Cash and cash equivalents</b>				<b>687.8</b>	
<b>Tax on unrealized capital gains</b>				<b>-79.3</b>	<b>-93.7</b>
<b>Treasury shares</b>	3.84%	2,676,246		<b>105.0</b>	
<b>Total value of assets after tax</b>				<b>5,347.7</b>	<b>5,404.1</b>
<b>NAV per share</b>				<b>78.4</b>	<b>79.2</b>
<b>Number of shares</b>				<b>68,253,777</b>	<b>68,253,777</b>

\* Net of allocated debt

\*\* Closing share price for listed assets

(1) Eurazeo investments in Eurazeo Partners are included in the Eurazeo Partners line item

(2) The % interest is equal to Eurazeo's direct interest, with any interest held through Eurazeo Partners now included in the Eurazeo Partners line item