

PARIS, 8 NOVEMBER 2018

3rd QUARTER 2018:

Eurazeo reaffirms its dynamic growth and its sound strategic trajectory

○ ECONOMIC REVENUE GROWTH: +11.5% IN THE THIRD QUARTER AND +12.5% OVER THE FIRST NINE MONTHS

- > Q3 2018 economic revenue¹: €1,373 million after restatement of disposals in progress, up +11.5% at constant Eurazeo scope² and +9.9% at constant scope and exchange rates;
- > 9M 2018 economic revenue: €4,034 million after restatement of disposals in progress, up +12.5% at constant Eurazeo scope and +14.8% at constant scope and exchange rates;

○ STRONG ACTIVITY IN ALL BUSINESS LINES SINCE THE START OF THE YEAR

- > €2.7 billion of total or partial disposals, of which €1.4 billion correspond to Eurazeo's share including signed but uncompleted disposals
- > €2.6 billion investments / reinvestments, of which €1.1 billion correspond to Eurazeo's share including signed but uncompleted transactions
- > Almost 140 external growth transactions within the portfolio of Eurazeo and of Idinvest.
- > Rhône: a 6th investment signed
- > Successful IPO of Farfetch

○ SOLID CASH POSITION OF €740 MILLION PROFORMA

- > Cash position of €382 million as of 30 September 2018 and €740 million proforma for all signed transactions and share buybacks until end October. No structural debt at the level of Eurazeo SE.

○ SUSTAINED MOMENTUM IN VALUE CREATION AND FUNDRAISING

- > NAV per share: €77.7, up +4.5% compared to 31 December 2017³ (+6.1% including dividend). According to our methodology, unlisted companies were kept at their value as of 30 June 2018
- > Total Assets under management of €16.6 billion, up +8.7% compared to 31 December 2017, driven by the increase in NAV and by successful fundraising
- > Shares repurchased since 1 July 2018: close to 870,000 shares for €56 million

Virginie Morgan, Chairwoman of the Executive Board, declared:

"The third quarter of the year 2018 perfectly illustrates the very strong dynamic of Eurazeo. Since the beginning of the year, our activity has grown by +12.5% and we have made significant investments and disposals of 2.6 and 2.7 billion euros respectively, including the very emblematic disposal of Asmodee for nearly 4 times our investment. We deliver this performance by drawing on the rich combination of factors which, taken together, make Eurazeo and its strategy so unique. As a group, we are financially solid without structural debt; we are agile thanks to our shareholders' equity, which we can mobilise rapidly in pursuit of that strategy; our investment potential is enhanced by our third-party assets under management; we have real expertise when it comes to supporting the transformation of the companies in which we have invested; and, finally, we are pioneers in terms of putting CSR at the heart of our investment strategy. I am convinced that therein lies the key to delivering strong performance over the medium- and long-term."

¹ Consolidated revenue + proportional share of the revenue of equity-accounted companies

² The constant Eurazeo scope is defined in page 5

³ Adjusted in 2017 four bonus shares issued in 2018 and for shares issued as part of the Rhône investment

I. +8.7% GROWTH OF TOTAL ASSETS UNDER MANAGEMENT AS OF 30 SEPTEMBER 2018

■ Growth in NAV per share⁴ of +4.5% and +6.1% including dividends

Pursuant to our methodology, unlisted assets are not subject to quarterly revaluation. The updating of listed securities, cash and any changes in the case of investments and disposals, led to a Net Asset Value of €77.7 per share on 30 September 2018, up +4.5% compared to 31 December 2017 and +6.1% adjusted for dividends paid in May 2018.

By investment division, the main changes in NAV as of 30 September 2018 compared to 31 December 2017 reflect:

- > **Eurazeo Capital:** value creation of non-listed assets amounted to +7% compared to 31 December 2017. The decrease by -12% on a reported basis of NAV as of 30 September 2018 mainly reflects the full disposal of AccorHotels and Desigual, the syndication of WorldStrides and the refinancing of Trader Interactive. Since 31 December 2017, the prices of listed companies (20-day average of share prices weighted for trading volumes) changed by +53% for Moncler, -23% for Europcar and -10% for Elis. Asmodee and Neovia were valued at their disposal prices.
- > **Eurazeo PME:** value creation amounted to +16% compared to 31 December 2017 thanks in particular to Odéalim, valued at the disposal price. NAV as of 30 September 2018 increased by +36% on a reported basis as a result of the build-up in InTech Medical and the entry of 2RH and Vitaprotech, 2 new companies, into the scope of Eurazeo PME.
- > **Eurazeo Patrimoine:** value creation amounted to +14% compared to 31 December 2017, driven by Grape Hospitality and Reden Solar. NAV as of 30 September 2018 increased by +42% on a reported basis integrating the acquisitions of C2S, Highlight and the partnership with Dazia Capital.
- > **Eurazeo Croissance:** value creation amounted to +27% as of 31 December 2017 due to the disposal of PeopleDoc and to the IPO of Farfetch. NAV as of 30 September 2018 increased by +29% on a reported basis as a result of the new investments in ContentSquare, Back Market, the build-up in Doctolib, the disposal of PeopleDoc and the IPO of Farfetch. IPO in September 2018, Farfetch was valued at almost €92 million on 30 September 2018 (on the basis of a VWAP of €24.6 per share).
- > **Eurazeo Brands:** NAV as of 30 September 2018 increased by +89% on a reported basis as a result of the new investment in Pat McGrath Labs.
- > **Eurazeo Development:** proforma for the investments in Rhône and Idinvest, the increase of +10% on a reported basis in NAV reflect the capital call in Capzanine and reinvestment in IM Square.

■ +8.7% growth in total Assets under management as of 30 September 2018

As of 30 September 2018, total Assets under Management were close to €16.6 billion, up +8.7% compared to 31 December 2017. This was comprised of €5.99 billion in NAV and €10.6 billion in assets managed on behalf of investment partners through Eurazeo's funds and those of Idinvest and Rhône.

This increase derived from the Assets under management for investment partners, which rose by +11.4% to €10.6 billion driven by Idinvest's highly positive fundraising momentum and the increase in NAV.

The third-party management activity was developed by:

- > **Eurazeo Capital:** Assets under Management amounted to €4,207 million. They consist of €3,583 million in NAV and €624 million in AuM for investment partners
- > **Eurazeo PME:** Assets under Management amounted to €935 million, consisting of €521 million in NAV and €414 million in AuM for investment partners
- > **Eurazeo Patrimoine:** Assets under Management amounted to €510 million, consisting of €454 million in NAV and €56 million in AuM for investment partners
- > **Idinvest:** Assets under Management grew by +16.6% to €8,074 million, driven by the fundraising momentum. Since the start of 2018, Idinvest has raised more than €1.2 billion
- > **Rhône:** Eurazeo's share of Assets under Management rose by +0.9% to €1,401 million.

⁴ Proforma of investments in Rhône and Idinvest, adjusted in 2017 for bonus shares issued in 2018

Assets under management (€ millions)

	12/31/2017	12/31/2017 PF Idinvest & Rhône	9/30/2018
PORTFOLIO NAV	5,057	5,057	4,977
Eurazeo Capital	4,058	4,058	3,583
Eurazeo Capital Unlisted	2,505	2,505	2,485
Eurazeo Capital Listed	1,553	1,553	1,098
Eurazeo PME	382	382	521
Eurazeo Patrimoine	320	320	454
Eurazeo Croissance	237	237	306
Eurazeo Brands	60	60	112
Eurazeo Development	240	704	777
Net cash & other items	300	-15	236
Cash and cash equivalents	379	63	382
Other securities and assets/liabilities	-93	-93	-137
Tax on unrealized capital gains	-58	-58	-74
Treasury shares	72	72	64
Total NAV	5,597	5,746	5,990
# Shares**	75,156,640	77,256,640	77,081,115
NAV per share (€)	74.5	74.4	77.7
Eurazeo Capital *	730	730	624
Eurazeo PME *	396	396	414
Eurazeo Patrimoine	45	45	56
Idinvest * @100%		6,924	8,074
Rhône * @30% ⁽¹⁾		1,389	1,401
Total AUM for investment partners	1,171	9,484	10,569
TOTAL ASSETS UNDER MANAGEMENT	6,768	15,230	16,558

(1) Value as of June 30, 2018

* Including uncalled commitments

**For 2017, the number of shares is adjusted for the 2018 bonus share grant

II. STRONG ACTIVITY AND PERFORMANCE IN ALL BUSINESS LINES

A. The strong investment and disposal momentum since the start of the year perfectly illustrates our investment business

Since the start of 2018, activity was particularly dynamic: Eurazeo, Idinvest and Rhône invested and reinvested €2.6 billion (Eurazeo's share: €1.1 billion, including the investments in Idinvest and Rhône) and €2.7 billion of total and partial disposals (Eurazeo's share: €1.4 billion). These figures include i) Eurazeo, Idinvest for 100% and Rhône for 30%; and ii) transactions in exclusive negotiations, signed or completed.

- > **New investments** (89 transactions signed or completed): €2.0 billion, including Eurazeo's share of €973 million:
 - Eurazeo signed or invested in 11 new companies (for €973 million): Albingia at Eurazeo Capital, Vitaprotech and 2RH Group at Eurazeo PME; C2S, Dazeo and Highlight at Eurazeo Patrimoine; Back Market and Content Square at Eurazeo Croissance; Pat McGrath Labs at Eurazeo Brands and the 2 strategic investments in Idinvest and Rhône.
 - Idinvest and Rhône completed 78 transactions for more than €1 billion.
- > **Reinvestments:** more than €550 million, including Eurazeo's share of €125 million. Eurazeo's portfolio companies executed 19 external growth transactions, including 3 financed by Eurazeo.
- > **Total and partial disposals:** more than 340 transactions for total amount of nearly €2.7 billion, including €1.4 billion for Eurazeo's share: AccorHotels, Asmodee, Desigual and Neovia at Eurazeo Capital; Odealim (ex-AssurCopro) at Eurazeo PME; PeopleDoc at Eurazeo Croissance.

B. Fundraising

Idinvest continued fundraising momentum, raising €1,202 million in the first 9 months of 2018, i.e., 89% of capital raised for the full year 2017. Equity was allocated 43% to private equity funds, 37% to private debt funds and 20% for dedicated mandates.

III. Q3 2018 ECONOMIC REVENUE

■ Growth of economic revenue in Q3 2018

At constant Eurazeo scope, Q3 2018 economic revenue growth rose by +10.4% to €1,477 million and by +11.5% after restatement of the disposal of Asmodee (deconsolidation effective on 1 October 2018). The four investment divisions made significant progress.

Since 1st July 2018, Idinvest has been fully consolidated and Rhône has been equity-accounted. The two companies are recorded under Eurazeo holdings and Development.

Restatements linked to the disposals during the first 9 months relate to: 1) Neovia, Desigual and Odealim, which were deconsolidated since 1 July 2018, and 2) Asmodee during the 3rd quarter of 2018.

	Q3 2018				9 months 2018			
	Constant Eurazeo scope				Constant Eurazeo scope			
	2018	2017	Change 2018/2017	Change 2018/2017	2018	2017	Change 2018/2017	Change 2018/2017
	At constant exchange rates				At constant exchange rates			
<i>In millions of euros</i>								
Eurazeo Capital	1,001.7	891.2	+ 12.4%	+ 10.1%	3,203.9	2,886.7	+ 11.0%	+ 14.1%
Eurazeo PME	315.0	302.0	+ 4.3%	+ 4.9%	924.2	836.7	+ 10.5%	+ 11.8%
Eurazeo Patrimoine	118.7	106.4	+ 11.6%	+ 11.6%	295.9	275.4	+ 7.4%	+ 7.4%
Eurazeo Brands	10.2	9.4	+ 8.5%	+ 9.1%	21.5	21.4	+ 0.4%	+ 7.8%
Eurazeo holdings & Development	31.2	28.5	+ 9.5%	+ 9.5%	51.8	68.0	- 23.8%	- 23.8%
Economic revenue	1,476.8	1,337.5	+ 10.4%	+ 9.1%	4,497.3	4,088.1	+ 10.0%	+ 12.5%
Consolidated revenue	1,071.5	1,013.6	+ 5.7%	+ 3.9%	3,338.9	3,141.4	+ 6.3%	+ 8.7%
Proportionate revenue	405.3	323.9	+ 25.1%	+ 25.4%	1,158.4	946.7	+ 22.4%	+ 24.8%
Divestments (2018)	103.4	105.6	- 2.1%	- 1.1%	463.8	503.0	- 7.8%	- 4.3%
Economic revenue excluding divestments in 2018	1,373.5	1,231.9	+ 11.5%	+ 9.9%	4,033.5	3,585.1	+ 12.5%	+ 14.8%

Constant Eurazeo scope corresponds to data reported in 2017, restated for the following movements: 1) 2017 scope entries: CPK (May 2017), Trader Interactive (July 2017), Iberchem (July 2017) for Eurazeo Capital; In'Tech Medical (July 2017) and Smile (July 2017) for Eurazeo PME; 2) 2017 scope exits: ANF Immobilier (September 2017) for Eurazeo Patrimoine, Colisée (May 2017) for Eurazeo PME; 3) 2018 scope entries: WorldStrides (January 2018) for Eurazeo Capital; Vitaprotech (July 2018) and 2RH (July 2018) for Eurazeo PME; C2S (April 2018) for Eurazeo Patrimoine; Nest Fragrances (January 2018) for Eurazeo Brands; Idinvest (July 2018) and Rhône (July 2018) for Eurazeo Development; 4) 2018 scope exits: Neovia (July 2018) and Desigual (August 2018) for Eurazeo Capital; Odealim (ex-AssurCopro) (June 2018) for Eurazeo PME; 5) Changes in percentage of interest for equity-accounting of Elis and Europcar.

Constant Eurazeo scope and constant exchange rates corresponds to perimeter restated for the above movements and to the constant exchange rates

Eurazeo Capital (13 companies, 60% of NAV as of 30 September 2018)

As of 30 September 2018, the portfolio of Eurazeo Capital consisted of 13 companies: Asmodee, CPK, Elis, Europcar, Planet (ex-Fintrax), Iberchem, Grandir (ex-Les Petits Chaperons Rouges), Moncler, Neovia, Novacap, Sommet Education, Trader Interactive (US) and WorldStrides (US).

■ **Investments and disposals since the start of 2018**

Investments and reinvestments (Eurazeo share: €290 million):

- > Eurazeo Capital reinvested €30 million in Novacap to support the development of its pharmaceuticals divisions via the acquisition of PCI, a U.S. Contract Development and Manufacturing Organization (CDMO).
- > At the same time, portfolio companies completed or signed 10 external growth transactions: Versachem in South Africa by Iberchem, HI Nutrients in Nigeria and Pilardière by Neovia, PCI by Novacap, Coiledspring in the United Kingdom, Rebel in Poland, Lookout Mayfair in Germany by Asmodee, Lutti in France by CPK, Envision and Tean in the United States by WorldStrides.
- > Signature of an agreement for the acquisition of Albingia, which should be completed by the end of the year.

Divestments (Eurazeo's share): During the first 9 months of 2018, Eurazeo completed two disposals and a syndication for an amount of €676 million. Taking account of the agreement signed to sell Neovia and the disposal of Asmodee completed in October, Eurazeo will receive total disposal proceeds of almost €1.3 billion:

- > In March 2018, Eurazeo sold its entire stake in Accor SA and generated cash net of taxes, expenses and other liabilities of €484 million. During the period it held AccorHotels, Eurazeo realised a cash-on-cash multiple of 2.0x its initial investment in May 2008, taking into account the disposal of Edenred in May 2013.
- > Sale of Desigual for an amount of €107 million.
- > Syndication of €85 million of WorldStrides to Primavera (leading investment company in China).
- > Signature of exclusive sale agreement for Neovia (€169 million, approximately 2x the initial investment) and disposal of Asmodee in October 2018 (see Section IV).

■ **Economic revenue growth at constant Eurazeo scope and exchange rates in Q3 2018**

At constant Eurazeo scope, the economic revenue of Eurazeo Capital grew by +12.4% to €1,001.7 million in Q3 2018. Excluding currency effects, the change was +10.1%.

Restatements of disposals in 2018 (Asmodee, Desigual and Neovia), the revenues of the unlisted companies of Eurazeo Capital increased by +7.5% in Q3 2018 (+3.4% at constant exchange rates) and by +9.3% in 9M 2018 (+12.9% at constant exchange rates).

The lower growth of the revenue of Q3 compared to the H1 reflects (i) a less significant effect of build-ups at Novacap; (ii) a 3-month delay in revenue recognition at Sommet Education due to the change in school start dates and finally (iii) a Q3 at Worldstrides traditionally not very significant (activity concentrated in Q2).

Revenues at constant exchange rates during the 3rd quarter:

- > Four companies recorded revenue growth over +10%: **1) Planet** (ex-Fintrax), with revenues growing by more than +21% in Q3, continued its very strong progression since the start of the year. This has been driven by the acquisition of Planet Payment at the end of 2017 and also by positive organic growth in payments and in tax-free shopping; **2) Iberchem** continued to realise an excellent performance for all of its destinations, thereby proving its capacity of adaptation in a market affected by a rise in raw materials which continues to penalise the perfume industry. In addition to organic growth exceeding +15%, there is the positive impact of the Versachem build-up in South Africa. **3) Trader Interactive** reported quarterly revenues with an increase of +15% (at constant euros) thanks to the growth in its marketplace activities and to an acquisition completed during the 2nd quarter. **4) Grandir** continued to report strong growth during the 3rd quarter thanks to the opening of new nurseries in France, as well as through external growth abroad (increased stake in Campacrêches in Germany and acquisition in the United Kingdom).

- > For the other companies: **1)** The revenues of **Novacap** grew slightly by +1.3% in all of its divisions during the quarter. **2) Sommet Education** registered growth of +9.5% in revenue, adjusted for the changes in start of school term dates in the 2nd half (only one starting date in September in 2018 compared to 2 starting dates in July and October). **3)** Since the start of the year, the French revenues for **CPK** (Carambar & Co) have fallen slightly by -2% due principally to the confectionery market. Within this market, Carambar announced the forthcoming acquisition of Lutti, which will allow it to consolidate its market share from 2019 onwards. **4)** During the 3rd quarter, **WorldStrides** carried out 2 acquisitions, Tean and Envision, which will allow it to add to its offer. In terms of activity, the 3rd quarter is relatively weak, representing just 10% of annual revenues since the majority of stays are organised during the spring of each year. WorldStrides reported a fall in revenues of -6% (at constant euros), principally due to non-recurrent stays organised for students during the same period of the preceding year.



Eurazeo PME (12 companies, 9% of NAV as of 30 September 2018)

As of 30 September 2018, the portfolio of Eurazeo PME consisted of 12 companies: Odealim (ex-AssurCopro), Dessange, Redspher (ex-Flash Europe), In'Tech Medical, Léon de Bruxelles, MK Direct, Orolia, Péters Surgical, Smile, Vignal Lighting Group, Vitaprotech and 2RH.

■ Investments and disposals since the start of the year 2018

Investments and reinvestments: Eurazeo share amounted to €76 million. In July, Eurazeo PME completed the acquisitions of:

- > **Vitaprotech** (ex-ST Group), the French leader in securing physical access to sensitive sites through its brands SORHEA, PROTECH and TIL Technologies trademarks, investing €40 million (Eurazeo's share: €25 million). The company generated revenue of €29 million in 2017.
- > **2RH Group** (the brands Shark, Bering, Segura and Cairn), investing €63 million (Eurazeo's share: €39 million), European leader in personal, motorcycle and outdoor protection. The company generated revenue of €98 million in 2017.

Reinvestments: a build-up (Bradshaw Medical, US\$30 million of revenue, US manufacturer of surgical instruments for orthopaedics, specialising in silicone sleeves) by **In'Tech Medical** for €18 million (Eurazeo's share: €11 million).

Divestment: disposal of **Odealim** (ex-AssurCopro), completed on 2 October 2018 for a total amount of €111 million (Eurazeo's share: €78 million), i.e., a cash-on-cash multiple of 2.0x in 2 years and an IRR of 41%.

Build-up without reinvestment: Acquisition by **Smile** in September 2018 of Adyax, an agency specialising in large-scale digital projects and the acknowledged European leader for the open source CMS, Drupal.

■ Ongoing solid growth in the economic revenue of Eurazeo PME

At constant Eurazeo scope, the 9M 2018 economic revenue of Eurazeo PME amounted to €924 million, i.e., growth of +10.5% including a more moderate growth of +4.3% in Q3 2018 due to a particularly dynamic Q3 2017 (+21%). At constant exchange rates, the change amounted to +11.8% (+4.9% in Q3 2018).

Eurazeo PME's portfolio companies reported good performances in Q3 2018 at constant Eurazeo scope and exchange rates:

- > **One portfolio company** reported revenue growth over +20%: **In'Tech Médical** carried out two external growth transactions since its acquisition by Eurazeo PME, allowing the company to double its local presence in the United States and to strengthen its position as leader in the orthopaedic surgical instruments market, offering one-stop-shop solutions to its clients throughout the world.
- > **Four companies** reported a revenue progression between +10% and +20%: **1) Vignal Lighting Group** reported revenue growth in all segments of activity, both in Europe and in the United States; **2) Péters Surgical** confirmed its solid growth linked to its export activity; **3) Orolia** continued on its growth trajectory and pursued its various projects. In parallel to the multi-year US\$ 34 million agreement signed with the US Army, Orolia also received approval to acquire the US company

Talen-X, based in Ohio and specialising in GPS vulnerability problems, notably related to interference and decoys. This acquisition will thus add to the group's competencies; **4) Smile**: sustained activity, supported by strong market demand. The group, which is the European leader for open digital, acquired Adyax, agency specialising in large-scale digital projects. This is the second significant external growth transaction of Smile since the entry into Eurazeo PME in 2017.

- > **Two companies** recorded revenue growth between 0% and +10%: **1) Redspher** (ex-Flash Europe): the group recorded stable revenue in Q3 2018 (a structurally stable quarter) and growth exceeding +20% during the first 9 months of the year in its core business, Premium Freight, both within France and internationally. After having acquired three companies last year, the group renamed itself Redspher. This change of name and logo confirmed its development ambition, both for its core business and for its digital strategy; **2)** Following the acquisition of Envie de Fraise, **MK Direct** continued its growth despite the fall in activity of Françoise Saget.
- > **Two companies** reported a fall in revenue: **1) Léon de Bruxelles**: with a slight fall in activity, penalised by a very hot summer; **2) Dessange International**: a downturn in activity, notably for the distribution of products in France.
- > **Odealim** (ex-AssurCopro): sold on 2 October 2018.

2RH and Vitaprotech, acquired in July 2018, entered the scope of Eurazeo PME on 1 July 2018.



Eurazeo Croissance (8 companies, 5% of NAV as of 30 September 2018)

As of 30 September 2018, the portfolio of Eurazeo Croissance consisted of 8 companies: Back Market, ContentSquare, Doctolib, Farfetch, Vestiaire Collective, Younited Credit, IES and I-Pulse.

■ Investments and divestments during the first 9 months of 2018

In June 2018, Eurazeo Croissance participated in a fundraising round of €41 million in Back Market, the leading marketplace in Europe for repackaged products. The start-up today employs around 100 individuals of more than ten nationalities in Paris, Bordeaux and New York, and plans to use these funds to significantly increase its staff and continue to expand both in France and abroad, notably in to the United States.

Eurazeo Croissance participated in a fundraising of US\$42 million for ContentSquare, leader in analysing client web and mobile routes in SaaS mode. Launched in 2012, the company today has 120 clients, analyses user data in 191 countries and has recruited more than 200 employees thanks to an annual revenue growth of to the tune of 100% to 200%.

In July 2018, Eurazeo Croissance sold its stake in PeopleDoc to Ultimate Software, a leader in the domain of human resources management solutions. The transaction valued the company at approximately US\$300 million. Eurazeo Croissance achieved a cash-on-cash multiple of 2.5x and an IRR of 36% on this transaction.

■ A solid performance of the portfolio in Q3 2018

Eurazeo Croissance's portfolio companies maintained the pace of growth they achieved in the first half of the year.

Back Market more than doubled its revenue compared to last year. The launch in the United States exceeded expectations. During the 3rd quarter, **Doctolib** completed the integration of MonDocteur and announced the launch of a remote medical consultation solution at the start of 2019. **Farfetch** concluded its IPO on the New York Stock Exchange with a valuation of approximately US\$5 billion. **Younited Credit** accelerated its growth in France and concluded a new partnership with BPI for the launch of a loan platform for very small companies. **Content Square** continued with its very rapid development in Europe and the United States. **Vestiaire Collective** concluded the overhaul of its user experience and continued with its optimisation work. **I Pulse** and **IES** pursued their development in line with the first half of the year.

Eurazeo Patrimoine (6 companies, 8% of NAV as of 30 September 2018)

As of 30 September 2018, the portfolio of Eurazeo Patrimoine consisted of 6 companies: Grape Hospitality, Reden Solar, C2S, CIFA, Highlight and Dazeo.

■ Investments and disposals since the start of 2018

During the first 9 months of 2018, Eurazeo Patrimoine deployed two of the three pillars of its investment strategy: “value-added” real estate investment and investment in platforms exploiting and operating real estate assets.

The deployment of the “value-added” property strategy was characterised by the following transactions:

- > The signing, on 24 May 2018, of a partnership with Dazia Capital named **Dazeo**. This partnership relates to an investment programme of up to €70 million (Eurazeo Patrimoine share of 85%) over 3 years, intended for the acquisition, the renovation and the resale of residential property assets in Madrid and in the principal Spanish cities. On 30 September, two investments had already been carried out by Dazeo for a total of €11.4 million in capital. The first on Costa del Sol and the second in Madrid. A third investment, also on Costa del Sol, was concluded in October 2018 for €7.8 million.
- > On 29 May 2018, Eurazeo Patrimoine acquired a property complex of offices for future completion from the Kaufman & Broad group (“**Highlight**”), located on the banks of Seine at Courbevoie, with a total surface area of 24,000m². The equity investment represents a total of approximately €70 million, of which a minority part held by the Decaux family’s investment holding company. As of 30 September 2018, Eurazeo Patrimoine had carried out 10% of the investment in capital.

The deployment of the investment strategy in platforms exploiting and operating property assets is, for its part, characterised by the following transactions:

- > On 27 March 2018, Eurazeo Patrimoine took a majority stake in the share capital of the private clinics group **C2S** alongside practitioners and the management of the Company. Initially holding an 80.7% stake in the Company, Eurazeo Patrimoine now holds about 80% of the Group share capital, alongside with the practitioners and the executives, i.e. an investment of €95 million for Eurazeo share. With 13 clinics, C2S is the eighth-largest operator of private clinics in France (C2S owns the property of 9 clinics and an eye care clinic). During June 2018 and in order to accelerate its development, C2S acquired a new clinic in Auxerre, as well as an ophthalmological care centre in Lyon for a total of €2.8 million. This development continued during the third quarter of 2018 with the acquisition of a new clinic in Vesoul.
- > **Reden Solar** made two new acquisitions during the 1st half of 2018, Globalwatt and Infrapar, located respectively in Portugal and in Spain, increasing its total production capacity by more than 50MW. In Latin America, the construction of a first 19 MW project in Mexico was concluded in September and a first acquisition in Chili was secured for production capacity of 21MW. In France, Reden Solar acquired a new project in August, increasing the production capacity of the Company by slightly more than 2MW. The development prospects in France are also supported by the success of the Company in the CRE 4 call for tenders with 24MW of new projects secured in September, bringing the total secured by the company in the CRE 4 to 80MW. At the end of June 2018, Reden Solar finalised a global refinancing of more than €265 million, thereby realising the most significant French refinancing in the solar industry, as well as a refinancing of the two acquisitions in Portugal and in Spain (for slightly more than €100 million).

■ Growth within the Eurazeo scope and at constant exchange rates of +11.6% of revenue in Q3 2018

At constant Eurazeo scope, the economic revenue of Eurazeo Patrimoine amounted to €118.7 million in Q3 2018, i.e., +11.6%. The good performances of C2S, Grape Hospitality and Reden Solar explain this evolution.

Continuing from the 1st half, **Grape Hospitality** reported a strong rise in revenue during the 3rd quarter of 2018, mainly due to the very strong performance of hotels renovated during the first phase of the renovation plan and of those located outside France and within the Ile-de-France. Furthermore, the success of restaurant activity after a profound repositioning of hotels allowed Grape Hospitality to diversify its sources of revenue and supported the established development strategy. This trend will continue through the second renovation phase for hotels (28 hotels concerned in 2018), initiated in the first quarter of 2018 and by external growth transactions, notably internationally (two acquisitions secured in Rome and Berlin).

C2S revenue grew by more than +20% in Q3 2018, notably on the back of the integration of two new clinics located in Auxerre and Vesoul and of an ophthalmological care centre in Lyon, acquired between the months of June and August 2018.

The company **Reden Solar** also reported strong growth in revenue during the quarter. This is explained by the contribution of GlobalWatt and Infrapar in Portugal and in Spain and the development of the solar park. The company expects an acceleration during the 4th quarter of 2018 due to the finalisation of the reconstruction of the Puerto Rico plant and the inclusion of a new solar park of more than 2 MW, acquired in August in France. The total capacity amounts to 300MW (around 280MW for Reden Solar's share).

Lastly, **CIFA** reported revenue for the quarter in line with forecasts.



Eurazeo Brands (2 companies, 2% of NAV as of 30 September 2018)

As of 30 September 2018, Eurazeo Brands' portfolio consisted of 2 companies: Nest Fragrances and Pat McGrath Labs.

■ **Investment since the start of the year 2018**

Last July, Eurazeo Brands completed its 2nd investment in the US make-up brand Pat McGrath. Founded by Pat McGrath in 2016, her eponymous brand rapidly revolutionised beauty standards with daring, runway-inspired make-up. In autumn 2017, Pat McGrath Labs launched an elaborate range of make-up products for lips, eyes and face, sold on patmcgrath.com and in selected Sephora boutiques in the United States. Eurazeo invested in the US company in order to support its growth strategy on a global scale.

■ **Portfolio performance**

As Pat McGrath Labs is not consolidated, Eurazeo Brands' reported revenues for NEST Fragrances only.

In Q3, NEST sales amounted to US\$12 million, up +10% versus Q3 2017, with NEST-branded sales up +15%. Results were driven by robust sell-through of +17%, up from +14% in Q2, with e-commerce continuing to account for the largest share of growth. Demand for the NEST brand remains strong across all channels with double digit sell-through gains across luxury department stores, such as Nordstrom and Bloomingdale's, as well as specialty beauty retailers, including Sephora and Blue Mercury. The company signed a retail lease for its first store in New York City with a pop-up planned for the holiday season and a full retail store opening in early 2019. Alongside an exciting new retail distribution channel, this holiday season will benefit from limited edition products and packaging to commemorate the brand's 10th anniversary.



Eurazeo Development (13% of NAV as of 30 September 2018)

■ **Rhône: a 6th investment in Fund V**

In August, Rhône Fund V agreed to acquire a 45% equity stake in MaxamCorp Holding S.L. (the 6th investment in Fund V) in partnership with the company's shareholder group and accomplished management team, led by Chairman and CEO José F. Sánchez-Junco. Headquartered in Madrid, Spain, Maxam is a global leader specializing in the design, development, manufacture and application of energetic materials for leisure,

mining and defense industry. The company has more than 6,500 employees across six continents with industrial facilities and sales in over 100 countries.

Rhône Fund V also agreed in September to participate alongside existing partner, founder, chairman and majority shareholder Thomas Flohr in the formation of Vista Global Holding, including its acquisition of XOJET, Inc., a provider of direct-to-consumer, asset-lite private aviation services. Vista Global is a new platform designed to consolidate the business aviation market and provide global solutions for business aviation customers. Rhône Fund V agreed to acquire US\$200 million of newly issued equity and exchange its existing US\$200 million investment in VistaJet into shares of parent Vista Global.

Additionally during third quarter, Rhône Fund V portfolio company Hudson's Bay Company announced that it had entered into an agreement with SIGNA Retail Holdings, a leading European retail and real estate operator, to form a strategic partnership encompassing their respective European retail businesses, which include flagship banners Galleria Kaufhof and Karstadt, and related real estate assets.

■ **Idinvest: sustained activity during the 3rd quarter of 2018**

In Q3 2018, Idinvest invested more than €350 million in 23 European companies through its Equity and Private Debt strategies. In parallel, the management company distributed nearly €69 million to its investors.

- > **Idinvest Venture / Growth activity** was well sustained during the quarter, since it invested more than €70 million in 29 companies, including 5 new ones, such as: 2 in Digital - Glovo in Spain (on demand delivery service for all types of goods, intended for individuals) and 21 buttons (a social and commercial network specialising in fashion); 2 in the smart City sector, 1 in Germany (Allthings, a platform for communication and services for accommodation and commercial premises) and 1 in Israel (BreezoMeter, a platform for data on air quality and pollen). Idinvest executed 2 disposals, 1 in the health sector (STAT-Diagnostica, a developer of local tests for healthcare professionals) and 1 in the Smart City sector (Enlighted, a supplier of advanced lighting control systems for industrial, commercial and office buildings).
- > **Idinvest Debt activity:** 7 investments were completed during the period, including, R2P (supplier of technological systems for the transport sector), Technicis (translation agency) and Burger King France (a major US chain of fast food restaurants). In parallel, 11 portfolio companies were repaid, including Europe Snacks (a supplier of savoury snacks), Axelliance (a multisector insurance broker), Stanz-und LaserTechnik Jessen GmbH (a metal transformation company, specialising in metal foil).
- > The mandates and funds of the Private Funds Group invested €120 million during the 3rd quarter of the year through 2 secondary transactions, 3 direct co-investments and 8 primary commitments in private equity funds. In addition, exits from various portfolios during Q3 2018 enabled more than €77 million of distributions, while keeping almost all returns in the Top Quartile.

Idinvest Partners was classified by Prequin as No. 1 in Euro zone and No. 44 in the world in the Global Top 100 of Private debt funds in September 2018.

IV. FINANCIAL SITUATION AND CASH POSITION

Eurazeo's cash position amounted to €382 million as of 30 September 2018, compared to €379 million as of 31 December 2017.

The principal changes with regard to 31 December 2017 derived from:

- > Investments and reinvestments for a total amount of almost €700 million, including Rhône (€85 million cash) and Idinvest
- > Total or partial disposals, for a total amount of almost €770 million, notably including the disposal of shares in AccorHotels (€484 million), the syndication of WorldStrides for €85 million and the disposals of Desigual (€106 million), PeopleDoc (€36 million) and Banca Leonardo; lastly, the Colyzeo fund, of which Eurazeo Patrimoine is a shareholder, continued with its divestments phase, signing the sale of Data4 at the start of July 2018
- > Payment of the dividend for €90 million and of dividends received for €16 million
- > Share buyback for €38 million

Proforma for the disposals of Asmodee, Neovia, Odealim, the investment in Albingia, and the repurchases of shares till the end of October for €56 million, the cash position amounted to €740 million.

As of 30 September 2018, the number of shares comprising the share capital amounted to 78,030,886, of which 949,771 in the process of cancellation.

V. POST-CLOSING EVENTS

■ Disposal of Asmodee

On 23 October, Eurazeo announced the effective disposal of its stake in Asmodee, one of the international leaders in publishing and distribution of board games, to PAI Partners.

This transaction perfectly illustrates the in-depth transformation conducted in recent years by Stéphane Carville and his teams, with the support of Eurazeo. Asmodee thus witnessed revenue growth over 4 years from €125 million to €442 million, of which 75% was international, i.e., an average annual growth rate of +37%. At the same time, the publishing part represented approximately 2/3 of sales of games. The group carried out 20 acquisitions over the period, representing more than €140 million in revenue.

The proceeds of disposal regarding this transaction represent €565 million for Eurazeo and its investment partners, of which €426 million for Eurazeo share, i.e., a multiple of close to 4x its initial investment and an IRR of approximately 35%.

Eurazeo

- > Eurazeo is a leading global investment company, with a diversified portfolio of €17 billion in assets under management, including approximately €11 billion from investment partners, invested in over 300 companies. With its considerable private equity, venture capital, real estate, private debt and fund of funds expertise, Eurazeo accompanies companies of all sizes, supporting their development through the commitment of its 200 professionals and by offering deep sector expertise, a gateway to global markets, and a responsible and stable foothold for transformational growth. 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 has offices in Paris, New York, Sao Paulo, Buenos Aires, Shanghai, London, Luxembourg, Frankfurt and Madrid
- > Eurazeo is listed on Euronext Paris.
- > ISIN: FR0000121121 - Bloomberg: RF FP - Reuters: EURA.PA

7 December 2018

Investor day

Financial schedule of Eurazeo

8 March 2019

2018 annual results

EURAZEO CONTACTS

CAROLINE COHEN
Dir. Investor Relations
ccohen@eurazeo.com
Tel.: +33 (0)1 44 15 16 76

HAOJING PAN
Investor Relations
hpan@eurazeo.com
Tel: +33 (0)1 44 15 89 36

PRESS CONTACT

HAVAS PARIS
MAEL EVIN
Mail : mael.evin@havas.com
Tél : +33 (0)6 44 12 14 91

For more information, please visit the Group's website: www.eurazeo.com

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APPENDICES

Annex 1 – REPORTED ECONOMIC REVENUE

	H1 2018				Q3 2018				9 months 2018			
			Constant Eurazeo scope				Constant Eurazeo scope				Constant Eurazeo scope	
	2018	2017	Change 2018/2017	Change 2018/2017	2018	2017	Change 2018/2017	Change 2018/2017	2018	2017	Change 2018/2017	Change 2018/2017
			At constant exchange rates				At constant exchange rates				At constant exchange rates	
<i>In millions of euros</i>												
Eurazeo Capital	2,202.3	1,995.5	+ 10.4%	+ 16.0%	1,001.7	891.2	+ 12.4%	+ 10.1%	3,203.9	2,886.7	+ 11.0%	+ 14.1%
Eurazeo PME	609.2	534.7	+ 13.9%	+ 15.7%	315.0	302.0	+ 4.3%	+ 4.9%	924.2	836.7	+ 10.5%	+ 11.8%
Eurazeo Patrimoine	177.1	169.0	+ 4.8%	+ 4.8%	118.7	106.4	+ 11.6%	+ 11.6%	295.9	275.4	+ 7.4%	+ 7.4%
Eurazeo Brands	11.2	12.0	- 6.0%	+ 6.5%	10.2	9.4	+ 8.5%	+ 9.1%	21.5	21.4	+ 0.4%	+ 7.8%
Eurazeo holdings & Development	20.6	39.5	- 47.8%	- 47.8%	31.2	28.5	+ 9.5%	+ 9.5%	51.8	68.0	- 23.8%	- 23.8%
Economic revenue	3,020.4	2,750.6	+ 9.8%	+ 14.2%	1,476.8	1,337.5	+ 10.4%	+ 9.1%	4,497.3	4,088.1	+ 10.0%	+ 12.5%
Consolidated revenue	2,267.4	2,127.8	+ 6.6%	+ 11.2%	1,071.5	1,013.6	+ 5.7%	+ 3.9%	3,338.9	3,141.4	+ 6.3%	+ 8.7%
Proportionate revenue	753.0	622.8	+ 20.9%	+ 24.5%	405.3	323.9	+ 25.1%	+ 25.4%	1,158.4	946.7	+ 22.4%	+ 24.8%
Divestments (2018)	360.4	397.4	- 9.3%	- 5.2%	103.4	105.6	- 2.1%	- 1.1%	463.8	503.0	- 7.8%	- 4.3%
Economic revenue excluding divestments in 2018	2,660.0	2,353.2	+ 13.0%	+ 17.5%	1,373.5	1,231.9	+ 11.5%	+ 9.9%	4,033.5	3,585.1	+ 12.5%	+ 14.8%

Constant Eurazeo scope corresponds to data reported in 2017, restated for the following movements: 1) 2017 scope entries: CPK (May 2017), Trader Interactive (July 2017), Iberchem (July 2017) for Eurazeo Capital; In'Tech Medical (July 2017) and Smile (July 2017) for Eurazeo PME; 2) 2017 scope exits: ANF Immobilier (September 2017) for Eurazeo Patrimoine, Colisée (May 2017) for Eurazeo PME; 3) 2018 scope entries: WorldStrides (January 2018) for Eurazeo Capital; Vitaprotech (July 2018) and 2RH (July 2018) for Eurazeo PME; C2S (April 2018) for Eurazeo Patrimoine; Nest Fragrances (January 2018) for Eurazeo Brands; Idinvest (July 2018) and Rhône (July 2018) for Eurazeo Development; 4) 2018 scope exits: Neovia (July 2018) and Desigual (August 2018) for Eurazeo Capital; Odealim (ex-AssurCopro) (June 2018) for Eurazeo PME; 5) Changes in percentage of interest for equity-accounting of Elis and Europcar.

Eurazeo constant scope and constant exchange rate corresponds to perimeter restated for the above movements and to the constant exchange rates

Annex 2 – LISTED HOLDINGS OF EURAZEO

The value considered is the 20-day volume-weighted average.

	Percentage held	Number of shares	Share price (€)	NAV as of September 30, 2018 (M€)
Eurazeo Capital Listed				
Europcar	30.40%	48,960,506	9.22	451.3
Elis	5.71%	12,525,382	19.46	243.7
Moncler	4.77%	12,199,626	40.25	491.1
Eurazeo Croissance Listed				
Farfetch	1.29%	3,725,345	24.57	91.5

ANNEX 3 – NAV AND ASSETS MANAGED FOR INVESTMENT PARTNERS

NAV 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. This review supports the values adopted and certifies that the valuation methodology complies with IPEV recommendations. Assets are valued according to the IPEV methodology, which calls for a revaluation following a period of one year.

As of 30 June 2018, assets under management break down and are defined as follows:

NAV:

- > Direct investments of Eurazeo Capital, Eurazeo PME, Eurazeo Patrimoine, Eurazeo Croissance and Eurazeo Brands
- > Eurazeo Development: monetisation of Eurazeo's asset management for investment partners and investments in Rhône, Idinvest and monetisation of investments in Raise, Capzantine and iM Square
- > Net cash and other items (treasury shares, tax on unrealised capital gains, other assets/liabilities).

Valuation definition and methodology regarding assets managed for investment partners

The valuation of AUM for investment partners comprises:

- > The fair value of investments managed for investment partners by Eurazeo or companies that Eurazeo controls
- > The uncalled capital of funds managed for investment partners
- > The share of assets under management managed by strategic partnerships in which Eurazeo holds a minority interest

Idinvest's assets are fully consolidated, in line with the consolidation policy for this company. The valuation methodology for its assets is identical to that used for the funds managed directly by Eurazeo.

The Rhône assets are taken into account at 30% and the valuation method is also the same as that of the funds managed directly by Eurazeo.