Paris, 4 August 2022

Strong first half performance

- **Business performance**
  - **Global Advisory:** continued strong performance with record first-half revenue of €857 million, up 3% (H1 2021: €833 million). Profit before tax (PBT) of €163 million for the period (H1 2021: €165 million), representing a profit margin of 19%
  - **Wealth and Asset Management**: solid first half-year performance despite declining markets, with revenue up 23% to €337 million (H1 2021: €274 million) and PBT of €71 million, up 22% (H1 2021: €58 million). Assets under Management (AuM) decreased to €99.6 billion (-4% versus December 2021) due to negative market performance (€9.1 billion) partly offset by strong Net New Assets (NNA) of €2.8 billion in Europe and an acquisition in France (+€3.0 billion)
  - **Merchant Banking:** first-half revenue was €188 million (H1 2021: €235 million) reflecting continued solid investment performance combined with steadily increasing recurring revenue driven by AuM growth (€21.6 billion as at 30 June 2022, up 18% versus December 2021). Revenue was down 20% compared to H1 2021, a period which had benefited from exceptional investment performance revenue. This led to lower PBT of €121 million (H1 2021: €185 million)
- **Revenue:** €1,375 million, up 2% (H1 2021: €1,350 million)
- **Net income - Group share**[1] : €249 million, down 28% (H1 2021: €346 million)
- **Earnings per share (EPS):** €3.43, down 28% (H1 2021: €4.78)
- Foreign exchange translation effects increased revenue by €31 million and Net income – Group share by €1 million

Alexandre de Rothschild, Executive Chairman, commented:

“The performance in the first six months of 2022 has continued to be strong, after a record year in 2021.

“The strength of our business model, which is based on client focus and clear long-term strategies for each business, means that we are reasonably confident that the positive momentum seen in the first half will continue for the remainder of the year, but, as always, subject to the evolution of geopolitical events and the financial environment.”

[1] There were no exceptional items in H1 2022 or H1 2021

1. Summary Consolidated income statement

The Rothschild & Co Supervisory Board met on 4 August 2022 and reviewed the full-year summary consolidated financial statements[1] for the period from 1 January to 30 June 2022.

(in € million)	Page	H1 2022	H1 2021	*Var*	*Var %*
Revenue	**3 - 7**	**1,375**	**1,350**	***25***	***2%***
Staff costs	8	(763)	(693)	*(70)*	*10%*
Administrative expenses	8	(160)	(119)	*(41)*	*34%*
Depreciation and amortisation	8	(41)	(34)	*(7)*	*21%*
Cost of risk	8	3	2	*1*	*50%*
Operating Income		**414**	**506**	***(92)***	***(18)%***
Other income / (expense) (net)	8	0	4	*(4)*	*(100)%*
Profit before tax		**414**	**510**	***(96)***	***(19)%***
Income tax	8	(82)	(58)	*(24)*	*41%*
Net income		**332**	**452**	***(120)***	***(27)%***
Non-controlling interests	9	(83)	(106)	*23*	*(22)%*
Net income - Group share		**249**	**346**	***(97)***	***(28)%***
Earnings per share*		***3.43 €***	***4.78 €***	***(€1.35)***	***(28)%***
Return On Tangible Equity (ROTE)		***17.9%***	***31.8%***		

* *Diluted EPS is €3.37 (H1 2021: €4.71)*

There were no exceptional items in H1 2022 or H1 2021.

A presentation of Alternative Performance Measures is shown respectively in Appendix H.

[1] The limited review procedures of the half-year consolidated financial statements have been completed. The limited review report is being prepared by the Statutory auditors. Figures have been rounded. Rounding differences may exist, including for percentages.

2. Business activities

2.1 Global Advisory

Our Global Advisory (GA) business focuses on providing advice in the areas of Strategic Advisory and M&A, and Financing Advisory encompassing Debt Advisory, Restructuring and Equity Markets Solutions, which includes ECM Advisory, Private Capital, Investor Advisory, Investor Marketing and Redburn.

Revenue for H1 2022 was €857 million, up 3% compared to H1 last year (€833 million) reflecting continued strong performance. For the last twelve months to June 2022, we ranked 7th globally by revenue[1].

Profit before tax for H1 2022 was €163 million, down 1% (H1 2021: €165 million). This was due to cost growth compared to the same stage last year as a result of the resumption of marketing related travel and other activity as coronavirus restrictions have lifted, as well as inflationary and foreign exchange effects. This represents an operating margin of 19.0% (H1 2021: 19.8%).

Our **M&A revenue for H1 2022 was €642 million,** up 12% (H1 2021: €573 million), driven by continued strong deal activity by volume and by value within our main geography and sector franchises, across both corporate and financial sponsor clients. We ranked 2nd globally by number of completed transactions for the first half of 2022[2]. In Europe, we continue to advise on more M&A transactions than any of our competitors, a position we have held for more than 15 years[3].

Financing Advisory revenue for H1 2022 was €215 million, down 17% (H1 2021: €260 million), as a result of a lower capital markets activity, partly offset by increasing activity in our private capital business. Notwithstanding the more challenging market backdrop, we ranked 1st in Europe by number of completed restructuring transactions for the first half of 2022[2]. During the period, Global Advisory was also active in advising clients on innovative sustainability linked financing transactions and continued its leading role in raising financing for renewable energy projects.

During the first half of 2022, we continued our ongoing strategic investment in North America with the recruitment of a new Vice Chairman in the Consumer, Retail & Leisure group, and five new Managing Directors, with two in the Technology sector, one covering the Consumer Retail sector, one focused on the Infrastructure, Power & Renewables sector as well as a new Head of Canada.

Global Advisory advised the following clients on significant selected assignments that completed in H1 2022:

- **Suez** on its recommended tender offer from Veolia (€26 billion, France)
- **Blackstone** on its re-capitalisation of Mileway (€21 billion, UK and The Netherlands)
- **Macquarie Infrastructure and Real Assets** on its acquisition of Autostrade per l'Italia as part of a consortium (€9.6 billion, Italy)
- **Hella Family Pool** on the sale of its 60% stake in Hella to Faurecia (€6.7 billion, Germany and France).
- **Saipem** on its restructuring (€5.0 billion, Italy)

[1] Source: Company filings
[2] Source: Refinitiv
[3] Source: Dealogic

In addition, we continue to work on some of the largest and most complex announced transactions globally, including acting as financial adviser to:

- **FL Entertainment** on its business combination with Pegasus Entrepreneurs and €550 million equity raising (€7.2 billion, France and The Netherlands)
- **Eutelsat** on its combination with OneWeb (€7.0 billion, France and United Kingdom)
- **Apollo Global Management** on its acquisition of Tenneco (US$7.1 billion, United States)
- **Talen Energy** on its restructuring (adviser to ad Hoc Group of Bondholders - US$4.8 billion, United States)
- **Mubadala** on its disposal of Masdar and the creation of a global renewable energy and hydrogen platform with ADNOC and TAQA (US$3.0 billion, United Arab Emirates)

For further examples of Global Advisory assignments completed during H1 2022, please refer to Appendix F.

2.2 Wealth and Asset Management

Wealth and Asset Management (WAM) is made up of our Wealth management businesses in Belgium, France, Germany, Italy, Luxembourg, Monaco, Spain, Switzerland and the UK, and our Asset Management activity in Europe. In addition, we operate an Asset Management business in North America.

The risks arising from the conflict in Ukraine and its long-term geopolitical consequences remain unclear. Market volatility has mostly been driven by cyclical concerns. Central banks are aggressively increasing interest rates to fight inflation. In this context, equity and bond markets are all showing significant negative performance year to date, which has impacted our clients' portfolios.

Wealth and Asset Management delivered a solid half-year in this challenging environment. **Net New Assets (NNA) for H1 2022 were €1.8 billion** (representing 3.5% annualised NNA growth). WAM European business continued to expand, recording solid NNA of €2.8 billion, with all our European geographies generating positive NNA in the first half of the year (+€2.6 billion in Wealth Management and +€0.2 billion in Asset Management).

This performance confirms the strength of our business model as well as the quality of our offerings, services and teams, which continue to attract new clients. In the US, AuM decreased due to outflows and negative market effect.

AuM decreased by 4% (or €4.3 billion) to €99.6 billion as of 30 June 2022 (31 December 2021: €103.9 billion) with negative market performance of €9.1 billion, offsetting solid NNA of €1.8 billion.

After the successful acquisition of Banque Pâris Bertrand in July 2021, Rothschild & Co acquired a French IFA in April 2022, managing a €3.0 billion AuM portfolio, almost entirely invested in an insurance-based savings scheme.

The table below presents the variation in AuM:

In € billion	Quarter ended 30/06/2022	31/03/2022	30/06/2021	6 months to June 2022	2021
AuM opening	**102.8**	**103.9**	**89.0**	**103.9**	**83.4**
of which Wealth Management	*73.8*	*73.9*	*60.9*	*73.9*	*55.8*
of which AM Europe	*20.2*	*21.1*	*19.9*	*21.1*	*19.4*
of which AM US	*8.8*	*8.9*	*8.2*	*8.9*	*8.2*
Acquisition of French IFA	**3.0**	**-**		**3.0**	**-**
Net new assets	**0.7**	**1.1**	**1.5**	**1.8**	**3.4**
of which Wealth Management	*1.2*	*1.4*	*1.3*	*2.6*	*3.7*
of which AM Europe	*-*	*0.2*	*0.3*	*0.2*	*0.4*
of which AM US	*(0.5)*	*(0.5)*	*(0.1)*	*(1.0)*	*(0.7)*
Market and exchange rate	**(6.9)**	**(2.2)**	**2.4**	**(9.1)**	**6.1**
AuM closing	**99.6**	**102.8**	**92.9**	**99.6**	**92.9**
of which Wealth Management	*73.4*	*73.8*	*63.7*	*73.4*	*63.7*
of which AM Europe	*18.6*	*20.2*	*20.7*	*18.6*	*20.7*
of which AM US	*7.6*	*8.8*	*8.5*	*7.6*	*8.5*
% var / AuM opening	*(3%)*			*(4%)*	

Revenue for H1 2022 was strong at €337 million, up 23% (H1 2021: €274 million). Revenue benefitted from the AuM growth achieved last year despite a decrease since the beginning of 2022. Average AuM in H1 2022 remained higher than in 2021, helped by the two recent acquisitions, Banque Pâris Bertrand and the French IFA.

Fees and commissions from our managed and advisory portfolios increased by 21% to €280 million (H1 2021: €232 million).

Net interest income (NII) was up 30% at €32 million (H1 2021: €25 million). The contribution of NII to total revenue is increasing due to the impact of the successive USD and GBP interest rate increases. This trend will accelerate in the coming months as central banks have announced further interest rate increases, including in EUR. This should benefit our treasury revenue and positively contribute to our global revenue. We have also significantly increased our private client loan portfolio (+9%), which continues to be predominantly lombard loans. Increasing interest rates and uncertain markets may slow the growth in the loan book but it continues to be very well collateralised.

Excluding AM US**, Profit before tax for H1 2022 for WAM Europe was up 22% at €71 million** (H1 2021: €58 million), representing an operating margin of 22.0% similar to H1 2021.

This level of operating margin may not be maintained for the full year, as investment in the business continues, such as recruiting new teams and investing in new technology.

All investment business lines continue to further integrate ESG considerations into their investment framework and day-to-day organisation. This work included the deployment of the Group's Sustainability Academy, significant effort to implement and prepare for the new MIFID ESG regulation, and the publication of additional Responsible Investment disclosures.

2.3 Merchant Banking

Merchant Banking is the investment arm of Rothschild & Co which manages capital in private equity and private debt for the firm and third parties.

Revenue for the six months to June 2022 was €188 million (H1 2021: €235 million) driven by solid investment performance revenue combined with year-on-year growth in recurring revenue. As expected, despite this robust performance, revenue was down 20% compared to the first half of 2021, a period characterised by exceptional investment gains. When compared to the average first half-year revenue over the last three years, revenue was up 42%.

The table below illustrates the progression in revenue.

(in € million)	H1 2022	H1 2021	Var	% Var
Recurring revenue	74	59	15	*25%*
Investment performance revenue	114	176	(62)	*(35)%*
of which carried interest	*38*	*64*	*(26)*	*(41)%*
of which realised and unrealised investments gains and dividends	*76*	*112*	*(36)*	*(32)%*
Total revenue	**188**	**235**	**(47)**	***(20)%***
% recurring / total revenue	*39%*	*25%*		

The year-on-year revenue reduction is the result of two opposing effects:

- An increase of 25% in recurring revenue, in line with the growth trajectory of fee-earning AuM, with multiple new fund launches and closings completed in the period; offset by:
- A decline in investment performance revenue which reached €114 million in H1 2022 (H1 2021: €176 million). This performance was mainly driven by:
  - continued value creation in the corporate private equity and secondaries portfolios, generating investment gains and carried interest income,
  - unrealised foreign exchange gains mainly in USD; and
  - accrued interest income generated by the Group's private debt positions.

  The contraction in investment performance revenue versus H1 2021 reflects the exceptional gains achieved in the first half-year of 2021, which were driven by successful exits from the private equity portfolio and significant uplifts, versus the conservative valuations retained at the end of 2020 due to Covid-19.

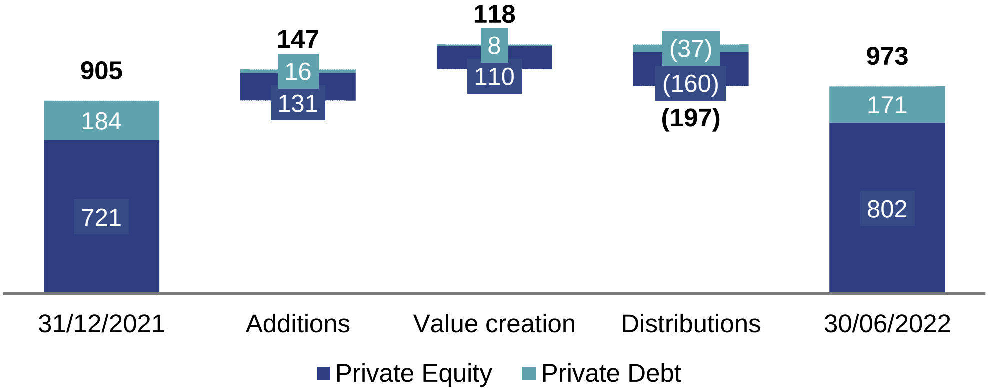
The level of investment performance revenue attained in H1 2022 continued to validate our investment algorithm centred around three key industry sectors (Data & Software, Healthcare and Technology-Enabled Business Services) and a portfolio of carefully selected high quality growing assets with a focus on downside protection.

Sustained revenue generation in H1 2022 led to **Profit before tax of €121 million**. While this result is lower compared to H1 2021 (€185 million), it represents the second best first-half profit before tax on record. **Operating margin was 64%** (H1 2021: 79%). The profitability margin of Merchant Banking's fund management activities (which excludes investment performance revenue) reached 10% (H1 2021: 16% and full-year 2021: 9%) and is expected to improve during H2 2022. The decline was mainly driven by (i) the way management fees are generated from the ramp-up in new funds, with a catch-up effect expected in H2 2022 as further funds closings are held, and (ii) higher personnel costs related to headcount growth to support new funds/investment activities.

A critical indicator used to measure the performance of Merchant Banking across the investment cycle is **Return On Risk Adjusted Capital** (RORAC), a ratio comparing the adjusted Profit before tax and an internal measure of risk capital invested in the business, on a rolling three year basis. As at 30 June 2022, RORAC was 30%, higher than 30 June 2021 (27%), and well above the division's stated target (above 15% over the cycle). The use of a three-year rolling average to calculate this metric has reduced the impact of the profit variance over the last three years, providing a fairer representation of the underlying performance of the business.

Evolution in Net asset value of the Group's investments (in € million)

The alignment of interests between the Group and our third-party investors continues to represent a key differentiator for Merchant Banking. As at 30 June 2022, Rothschild & Co's positions in Merchant Banking assets totalled €973 million (of which €802 million were in private equity and €171 million in private debt). In the six months to June 2022, the Group invested €147 million (of which €131 million was in private equity and €16 million in private debt) in Merchant Banking assets and received distributions of €197 million (of which €160 million were from private equity and €37 million were from private debt).



Merchant Banking **AuM as at 30 June 2022 was €21.6 billion**, **up 18%** (31 December 2021: €18.3 billion), of which Rothschild & Co's share was €2.0 billion.

For a detailed description of the investment activities and business development of Merchant Banking in H1 2022, please refer to appendix G.

3. Consolidated IFRS financial results

3.1 Revenue[1]

For H1 2022, revenue was €1,375 million (H1 2021: €1,350 million), representing an increase of €25 million or 2%. The translation effect of exchange rate fluctuations increased revenue by €31 million.

[1] Net Banking Income under IFRS

3.2 Operating expenses

(a) Staff costs

Overall Group headcount as at 30 June 2022 was 4,281, up 13% versus June 2021 (3,797) and up 9% versus 31 December 2021 (3,941). This increase is to support the development of the three businesses and the strengthening of all support functions.

For H1 2022, staff costs were €763 million, up 10% or €70 million (H1 2021: €693 million) reflecting the increased headcount. The translation impact of exchange rate fluctuations resulted in an increase in staff costs of €24 million.

The adjusted compensation ratio, as defined in Appendix H on Alternative Performance Measures, was 66.0% as at 30 June 2022 (30 June 2021: 65.9%).

The accounting effect of deferred bonus compensation plans is included in the statutory accounts. In H1 2021 this resulted in a net credit of €23 million. In H1 2022, it represented a net credit of €14 million.

The compensation ratio, if adjusted for the deferred bonus effect, would be 67.1% (30 June 2021: 67.6%).

(b) Administrative expenses

For H1 2022, administrative expenses were €160 million (H1 2021: €119 million) an increase of €41 million as a result of the headcount increase and related costs (recruitment, IT and market data), the resumption of travel and entertainment as coronavirus restrictions have lifted, as well as inflationary and foreign exchange effects. The translation impact of exchange rate fluctuations resulted in an increase in administrative expenses of €4 million.

(c) Depreciation and amortisation

For H1 2022, depreciation and amortisation were €41 million (H1 2021: €34 million) due to an increase in depreciation expense on IT equipment / software and amortisation of intangible assets following WAM acquisitions. The translation impact of exchange rate fluctuations resulted in an increase on depreciation and amortisation of €1 million.

(d) Cost of risk

For H1 2022, cost of risk was a credit of €3 million (H1 2021: credit of €2 million) reflecting the reversal of previous impairment provisions.

3.3 Other income / (expenses)

For H1 2022, other income and expenses were nil (H1 2021: net income of €4 million).

3.4 Income tax

For H1 2022, the income tax charge was €82 million (H1 2021: €58 million) comprising a current tax charge of €79 million and a deferred tax charge of €3 million, giving an effective tax rate of 20% (H1 2021: 11.4% and FY 2021: 15%).

3.5 Non-controlling interests

For H1 2022, the charge for non-controlling interests was €83 million (H1 2021: €106 million). This mainly comprises interest on perpetual subordinated debt and profit share (*préciput*) payable to French partners.

4. Financial structure

Rothschild & Co, as a financial holding company (*compagnie financière holding*), is supervised by the *Autorité de Contrôle Prudentiel et de Résolution* (ACPR) on a consolidated basis. The Group has a solid balance sheet with Group shareholder's equity – Group share as at 30 June 2022 of €3.25 billion (31/12/2021: €3.13 billion).

The Common Equity Tier 1 (CET 1) ratio was 20.3%[1] as at 30 June 2022, slightly lower from prior year (31/12/2021: 21.3%). The CET 1 capital is calculated in accordance with applicable CRR/CRD rules. The solvency ratios are presented including current profits[2], net of dividends, for the current financial year, unless specified otherwise.

	30/06/2022	31/12/2021	Full Basel 3 minimum with CBR (Combined Buffer Requirements)
Common Equity Tier 1 ratio (CET 1)	20.3%	21.3%	7.1%
Global solvency ratio	20.3%	21.3%	10.6%

High levels of liquidity are maintained with cash and treasury assets accounting for 51% of the total assets of €17.8 billion (31/12/2021: 58%). Lending remains conservatively funded by customer deposits with a loan to deposit ratio of 42% as at 30 June 2022 (31/12/2021: 38%).

Operating cash flow[3] (OCF) is normally negative in the first half of the financial year reflecting the payment of variable remuneration in respect of the previous year, although strongly positive on a full year basis. For the first half of 2022, the OCF was a negative outflow of €245 million (H1 2021: inflow of €105 million).

Net book value per share was €45.18 (31/12/2021: €43.31) and net tangible book value per share was €39.02 (31/12/2021: €37.93).

5. Update on activities connected to Russia

Overall, the direct impact of the on-going conflict in Ukraine on the Group is small as there is limited exposure in terms of number of clients, assets under management, revenue, lending book or collateral held. The operations of our Russian office have been suspended.

[1] Subject to permission from the ACPR to include interim profits in Common Equity Tier 1 capital (CET1)
[2] Subject to the provisions of article 26.2 of Regulation (EU) No 575/2013
[3] Alternative Performance Measure, please refer to Appendix H

We continue to fully comply with the expanding sanctions regulations arising from this conflict and senior management continues to monitor developments in this area.

In addition, our thorough mandate and client onboarding procedures continue to consider the heightened risks associated with acting for clients with a Russia exposure and provide for appropriate senior management involvement in these situations.

6. Corporate Sustainability

The Group continues to pursue its long-term ambition to use its influence and expertise to support the sustainability transition of the global economy. A common set of strategic ESG priorities provides our Group with a clear focus when integrating sustainability considerations in business line strategy across our business model.

In 2022, we remain focused on group-wide commitments to ensure a diverse and inclusive culture and balanced working environment, and a net-zero aligned reduction trajectory for our operational GHG emissions. A new Responsible investment roadmap for 2022-2025 has been agreed by investment businesses, providing a common direction for how the business lines' product and service offering could evolve further over the coming years to serve the Group's long-term sustainability ambition.

7. Outlook

In **Global Advisory**, activity for the first half of 2022 has remained strong, particularly in M&A. This trend continues to be evident in our visible pipeline, and we expect completion activity to remain robust during the second half of 2022. However, macro headwinds are negatively impacting deal making, particularly in Financing Advisory but also in M&A. We therefore expect the development of the pipeline to slow leading to a weaker start to 2023.

In **Wealth and Asset Management**, after a solid first half of 2022, we are cautious for the rest of the year due to rising inflation and the war in Ukraine which have significantly increased the risks of prolonged volatility and uncertainty in the financial markets. Despite strong business developments in Europe, AuM may continue to decrease due to adverse market performance, with a negative impact on management fees. However, our recent acquisitions in France and Switzerland, combined with rapidly increasing interest rates, will help support our global revenue in the coming months.

In **Merchant Banking**, we anticipate our recurring revenue to grow in line with our fundraising activities and our capital deployment plans for 2022. As our business becomes more mature, fund management activities will contribute progressively more to the division and the Group results. Additionally, following a positive performance in the first half of 2022, we expect our investments to continue to fulfil their value creation potential and generate further investment revenue, although to a lesser extent than experienced in 2021, which we consider to be an exceptional year for our business. We remain confident that our fundamental investing principles, centred around capital preservation and attractive risk-adjusted returns from our chosen sectors, represent a strong foundation for the ongoing future development of Merchant Banking.

Subject to external events, we expect our core businesses to continue to perform well during 2022, albeit below levels of 2021. The clear long-term strategies of each business give us confidence for a solid performance during 2022, but 2023 is likely to be a more challenging year given the macroeconomic and geopolitical environment.

Financial calendar:

- 8 November 2022: Third quarter 2022
- 13 February 2023: Full-year result 2022

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About Rothschild & Co

Rothschild & Co is a family-controlled and independent group and has been at the centre of the world's financial markets for over 200 years. With a team of c.3,800 talented financial services specialists on the ground in over 40 countries, Rothschild & Co's integrated global network of trusted professionals provides in-depth market intelligence and effective long-term solutions for our clients in Global Advisory, Wealth and Asset Management, and Merchant Banking.

Rothschild & Co is a French partnership limited by shares (société en commandite par actions) listed on Euronext in Paris, Compartment A with a share capital of €155,495,024. Paris trade and companies registry number 302 519 228. Registered office: 23 bis avenue de Messine, 75008 Paris, France.

A. Summary consolidated balance sheet

(in € billion)	30/06/2022	31/12/2021	*Var*
Cash and amounts due from central banks	5.1	6.0	*(0.9)*
Loans and advances to banks	2.1	2.1	*0.0*
Loans and advances to customers	4.8	4.4	*0.4*
of which private client lending	*4.4*	*4.0*	*0.4*
Debt and equity securities	3.1	3.2	*(0.1)*
Other assets	2.7	2.0	*0.7*
Total assets	**17.8**	**17.7**	***0.1***
Due to customers	11.6	11.7	*(0.1)*
Other liabilities	2.6	2.4	*0.2*
Shareholders' equity - Group share	3.2	3.1	*0.1*
Non-controlling interests	0.4	0.5	*(0.1)*
Total capital and liabilities	**17.8**	**17.7**	***0.1***

The foreign exchange translation effect between 31 December 2021 and 30 June 2022 had no significant impact.

B. Exceptional income and expenses

There were no exceptional items in H1 2022 or H1 2021.

C. Performance by business

(in € million)	GA	WAM	MB	Total businesses	Corporate centre	IFRS reconciliation[1]	H1 2022
Revenue	**857**	**337**	**188**	**1,382**	**8**	**(15)**	**1,375**
Operating expenses	(694)	(267)	(67)	(1,028)	(27)	91	(964)
Cost of risk	-	1	-	1	-	2	3
Operating income	**163**	**71**	**121**	**355**	**(19)**	**78**	**414**
Other income / (expense)	-	-	-	-	-	-	-
Profit before tax	**163**	**71**	**121**	**355**	**(19)**	**78**	**414**
Operating margin %	*19%*	*21%*	*64%*	*26%*			*30%*

(in € million)	GA	WAM	MB	Total businesses	Corporate centre	IFRS reconciliation[1]	H1 2021
Revenue	**833**	**274**	**235**	**1,342**	**8**	**0**	**1,350**
Operating expenses	(668)	(217)	(50)	(935)	(31)	120	(846)
Cost of risk	0	1	0	1	0	1	2
Operating income	**165**	**58**	**185**	**408**	**(23)**	**121**	**506**
Other income / (expense)	0	0	0	-	0	4	4
Profit before tax	**165**	**58**	**185**	**408**	**(23)**	**125**	**510**
Operating margin %	*20%*	*21%*	*79%*	*30%*			*38%*

[1] IFRS reconciliation mainly reflects: the treatment of profit share (préciput) paid to French partners as non-controlling interests; accounting for normal and, in 2022, special deferred bonuses over the period between award and vesting, rather than in the year in which the associated revenues have been booked; the application of IAS 19 for defined benefit pension schemes; adding back non-operating gains and losses booked in the account Net income/(expense) from other assets or administrative expenses excluded from the management accounts; and reallocating impairments and certain operating income and expenses for presentational purposes.

D. FX rates

P&L

Rates	H1 2022	H1 2021	*Var*
€ / GBP	0.8447	0.8657	*(2)%*
€ / CHF	1.0248	1.0958	*(6)%*
€ / USD	1.0878	1.2014	*(9)%*

Balance sheet

Rates	30/06/2022	31/12/2021	*Var*
€ / GBP	0.8608	0.8390	*3%*
€ / CHF	0.9987	1.0364	*(4)%*
€ / USD	1.0462	1.1350	*(8)%*

P&L rates are illustrative, and P&L is actually translated at the rates of the month in which P&L is booked.

E. Quarterly progression of revenue

In € million		2022	2021	Var
Global Advisory	1st quarter	413.5	394.9	*5%*
	2nd quarter	443.1	438.5	*1%*
	Total	**856.6**	**833.4**	***3%***
Wealth & Asset Management	1st quarter	170.1	134.3	*27%*
	2nd quarter	167.3	139.9	*20%*
	Total	**337.4**	**274.2**	***23%***
Merchant Banking	1st quarter	95.5	103.4	*(8)%*
	2nd quarter	92.4	131.3	*(30)%*
	Total	**187.9**	**234.7**	***(20)%***
Other business and corporate centre	1st quarter	4.9	5.0	*(2)%*
	2nd quarter	3.4	3.1	*10%*
	Total	**8.3**	**8.1**	***2%***
IFRS reconciliation	1st quarter	(8.7)	(1.4)	*n/a*
	2nd quarter	(6.9)	0.9	*n/a*
	Total	**(15.6)**	**(0.5)**	***n/a***
Total Group Revenue	1st quarter	675.3	636.2	*6%*
	2nd quarter	699.3	713.7	*(2)%*
	Total	**1,374.6**	**1,349.9**	***2%***

F. Global Advisory track record

Global Advisory advised the following clients on notable transactions completed in H1 2022.

F.1. M&A and strategic advisory

- **Suez,** a provider of water, waste, and resource management solutions, on its recommended tender offer from Veolia (€26 billion, France)
- **Blackstone** on its re-capitalisation of Mileway, a provider of last mile logistics real estate assets (€21 billion, United Kingdom and The Netherlands)
- **Macquarie Infrastructure and Real Assets (MIRA)** on its acquisition of Autostrade per l'Italia, concessionaries for the construction and management of toll roads, as part of a consortium (€9.6 billion, Australia and Italy)
- **HELLA Family Pool**, a manufacturer of lighting, electronic and system components, on its sale to Faurecia (€6.7 billion, Germany and France)
- **Intesa Sanpaolo, UniCredit and Generali**, among the top banking groups in the Eurozone, on their disposal of an aggregate 60% stake in Bank of Italy (€4.4 billion, Italy)
- **Veoneer**, a manufacturer of safety automotive technology, on its sale to Qualcomm (US$4.5 billion, Sweden and United States)
- **Secure Income REIT,** which specialises in long leases across a range of property sectors, on its merger with LXi REIT (£3.9 billion, United Kingdom)
- **Woodside Petroleum**, an oil and gas company, on its sale of a 49% stake in the Pluto Train 2 Project to Global Infrastructure Partners (US$3.6 billion, Australia)
- **Europcar Mobility Group,** a provider of passenger mobility vehicle services, on its recommended tender offer by a Volkswagen-led consortium (€3 billion, France)
- **Allianz France**, a provider of insurance and financial services, on its disposal of a legacy savings contracts portfolio to CNP Assurances (€2.1 billion, France)
- **Basalt Infrastructure Partners** on its recommended cash offer for Nobina, a public transport service provider (€1.5 billion, United Kingdom and Sweden)

F.2. Financing Advisory

- **Nordic Aviation**, a regional aircraft lessor, on its Chapter 11 restructuring (US$6.4 billion, Republic of Ireland)
- **Saipem**, a global energy technological and engineering platform, on its financing package (€5.0 billion, Italy)
- **P3 Logistics Parks**, an investor, manager and developer of European warehouse properties, on its debut Green bonds (€1.0 billion and €750 million, respectively, Czech Republic)
- **Mediapro**, a technical services supplier to the audiovisual sector, on its debt restructuring and concurrent share capital increase (€915 million and €620 million retrospectively, Spain)
- **CityFibre**, a provider of wholesale full fibre network infrastructure, on its equity raise with two new investors Mubudala and Interogo, and debt raise (£1.1 billion and £300 million respectively, United Kingdom)
- **HORNBACH**, a Do-It-Yourself retail chain, on its public delisting tender offer to all shareholders of HORNBACH Baumarkt (€1.5 billion, Germany)
- **Delivery Hero**, a multinational online food delivery service, on its US TLB and RCF financing (€1.4 billion, Germany)
- **Sanofi**, a global healthcare company, on its partial spin-off of EUROAPI (€1.2 billion, France)
- **Moto**, a motorway services operator, on its social and environmental-linked investment grade refinancing (£835 million, United Kingdom)
- **Stoneway Capital**, an owner and operator of power generation facilities, on its restructuring (US$834 million, Argentina)
- **Ferguson**, a distributor of plumbing and heating products, on the transfer of its primary listing from the United Kingdom to the United States (United Kingdom and United States)

G. Investment activities and business development of Merchant Banking in H1 2022

G.1. **Corporate Private Equity**

- Five Arrows Principal Investments III (**FAPI III**), our 3rd generation European mid-market private equity fund, completed its last investment in Intescia, a leading B2B market watch and tender data provider located in France. The fund's investment period is now closed
- The successor fund, Five Arrows Principal Investments IV (**FAPI IV**), is currently fundraising and has secured capital commitments of c. €1.8 billion to date. **FAPI IV** completed its first two investments:
  - Mintec, a global agricultural and commodity pricing data and analytics platform, serving the food industry; and
  - GEDH, a leading European private higher education platform offering accredited bachelor and masters diplomas focusing on digital communication, creative arts, coding and journalism
- **FAPI II** and Five Arrows Capital Partners I (**FACP I**), our US mid-market private equity fund, sold their respective holdings in RLDatix, a leading healthcare Risk, Governance and Compliance software provider, to a continuation fund (Five Arrows Florence Continuation Fund), which will continue to be managed by our Corporate Private Equity team
- Five Arrows Long Term (**FALT**), our 1st generation private equity fund with a long-term investment horizon, completed two closings in the period, securing capital commitments of c. €770 million
- Five Arrows Growth Capital I (**FAGC I**), the 1st generation European small cap private equity fund, and **FACP I** completed an investment in Kpler, a leading provider of technology-led data, analytics and market insights focused on the energy markets

G.2. **Multi strategies**

- Five Arrows Secondary Opportunities V (**FASO V**) completed 7 investments, including one as co-lead investor in the latest continuation fund of Ufenau Capital Partners and another one in a fund managed by Omnes Capital, exposed to 27 attractive companies. The fund has now committed 96% of its capital across 24 transactions in Europe and the US, investing in more than 130 underlying portfolio companies
- Five Arrows Minority Investments (**FAMI**) completed two new investments and distributed proceeds from the disposals of Mirion and HRA
- Five Arrows Private Equity Programme II (**FAPEP II**), the 2nd generation global multi-manager private equity platform, completed 7 investments. The fund has now committed 115% of its capital in 53 transactions
- Five Arrows Global Tech I (**FAGT I**), the 1st generation technology-focused multi-manager fund investing in venture capital, growth capital and buyout funds, is currently fundraising and has secured US$186 million of capital commitments to date. FAGT has already committed capital to 14 underlying funds
- Five Arrows Sustainable Investments (**FASI**), Merchant Banking's first impact fund, held its 2nd closing in Q2 2022, securing c.€141 million of capital commitments

G.3. **Direct lending**

- Five Arrows Credit Solutions (**FACS**), our 1st generation direct lending fund, successfully completed the final exits from its investment portfolio and is now fully realised
- Five Arrows Direct Lending (**FADL**), our 2nd generation direct lending fund, successfully exited its positions in Sandcastle, Dominique Dutscher and Pirum, whilst deploying additional capital to support the growth plans of several of its existing portfolio companies
- Five Arrows Debt Partners III (**FADP III**), our 3rd generation direct lending fund, successfully exited its position in Dominique Dutscher and completed nine new investments, as a result of which it has committed c. 75% of its capital. The transactions completed in H1 2022 included:
  - a preferred equity investment in Precisely, a leading global provider of data integrity software solutions
  - a financing package for Cornwall Insight, a leading UK provider of data, insight and consulting services, focused on the energy transition market
  - a unitranche financing package for Akquinet, a German provider of integrated IT solutions and services
  - a unitranche financing package for Résonance Imagerie, a French provider of radiology and image diagnostics services; and
  - a debt financing package for SGI Compliance, a pan-European provider of risk management and compliance services focused on the water and hazardous materials sectors

G.4. **Credit Management**

The Credit Management business, investing in senior secured loans, high yield bonds and structured credit, was active both in business development and investing:

- Five Arrows Global Loan Investments II (**GLI II**), the 2nd generation vehicle investing in equity tranches of CLOs managed by Credit Management, held its 1st closing in May 2022, securing c.€115 million of capital commitments
- Credit Management is preparing the launch of Five Arrows European Loan Fund (**ELF**), its 6th leveraged loan fund. ELF is an open-ended fund which is targeting an initial close in H2 2022
- Credit Management issued one new CLO vehicle in the US (Ocean Trails XII) and continued investing in two CLO warehouses in Europe

H. Alternative performance measures (APM) - Article 223-1 of the AMF's General Regulation

<table>
<tr><th>APM</th><th>Definition</th><th>Reason for use</th><th>Reconciliation</th></tr>
<tr><td>Net income – Group share excluding exceptionals</td><td>Net income attributable to holders of ordinary equity excluding exceptional items</td><td>To measure Net income Group share excluding exceptional items of a significant amount</td><td>In the Press release, please refer to Appendix B.</td></tr>
<tr><td>EPS excluding exceptionals</td><td>EPS excluding exceptional items</td><td>To measure Earnings per share excluding exceptional items of a significant amount</td><td>In the Press release, please refer to Appendix B.</td></tr>
<tr><td>Adjusted compensation ratio</td><td>Ratio between adjusted staff costs divided by consolidated Revenue of Rothschild & Co excluding MB investment performance revenue (carried interest and investment gains).
Adjusted staff costs represent:
1. staff costs accounted in the income statement (which include the effects of accounting for deferred bonuses over the period in which they are earned as opposed to the awarded basis),
2. to which must be added the amount of profit share paid to the French partners (Associés gérants),
3. from which must be deducted redundancy costs, revaluation of share-based employee liabilities and business acquisition costs treated as employee compensation under IFRS,
- which gives total staff costs in calculating the basic compensation ratio
4. the amount of adjusted staff costs and revenue are restated by the exchange rate effect to offset the exchange rate fluctuations from one year to the next one,
- which gives the adjusted staff costs for compensation ratio.</td><td>To measure the proportion of revenue granted to all employees.
Key indicator for competitor listed investment banks.
Rothschild & Co calculates this ratio with adjustments to give the fairest and closest calculation to the one used by other comparable listed companies.</td><td>Please refer:
in the Press release to § 3.2 Operating expenses / Staff costs and
in the Investor presentation to slide 34</td></tr>
<tr><td>Businesses' Operating margin</td><td>Each business Operating margin is calculated by dividing Profit before tax by revenue, business by business.
It excludes exceptional items.</td><td>To measure business' profitability</td><td>Please refer to § 2</td></tr>
<tr><td>Return on Tangible Equity (ROTE) excluding exceptional items</td><td>Ratio between Net income - Group share excluding exceptional items and average tangible equity Group share over the period.
Tangible equity corresponds to total equity Group share less intangible assets (net of tax) and goodwill.
Average tangible equity over the period equal to the average between tangible equity as at 31 December 2021 and 30 June 2022.</td><td>To measure the overall profitability of Rothschild & Co excluding exceptional items on the Group share of tangible equity capital in the business</td><td>In the Investor presentation release, please refer to slide 46</td></tr>
<tr><td>Return on Risk Adjusted Capital (RORAC)</td><td>Ratio of an adjusted Profit before tax divided by an internal measure of risk adjusted capital (RAC) deployed in the business on a rolling 3-year basis.
The estimated amount of capital and debt which management believes would be reasonable to fund the Group's investments in Merchant Banking products is consistent with its cautious approach to risk management. Based on the mix of its investment portfolio as of the reporting dates, management believes that this risk-adjusted capital (RAC) amounts to c.70% of the Group's investments net asset value and that the remainder could be funded by debt. This percentage broadly represents the weighted average of 80% for equity exposures, 50% for junior credit exposures, 40% for CLO exposures in vertical strips and 33% for senior credit exposures.
To calculate the RORAC, Merchant Banking Profit before tax is adjusted by a notional 2.5% cost of debt, computed as per the above (i.e. 30% of the Group's investments NAV), divided by the RAC.
Disclosed RORAC is calculated on a 3-year rolling period average to account for the inevitable volatility in the financial results of the business, primarily relating to investment income and carried interest recognition.</td><td>To measure the performance of the Merchant Banking business</td><td>In the Investor presentation release, please refer to slide 46</td></tr>
<tr><td>Operating Cash Flow (OCF)</td><td>Amount of cash generated by the Group's normal business operations in the current financial year. The calculation is done via the indirect method, from the profit before tax.</td><td>To measure the amount of cash generated by the Group's normal business operations</td><td>In the Investor presentation release, please refer to slide 47</td></tr>
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