

**EURAZEO**

# **H1 2023 RESULTS**

July 27, 2023

# Agenda

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HIGHLIGHTS  
OF H1 2023

02

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PERFORMANCE

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FINANCIAL  
RESULTS

04

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SESSION

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# H1 2023 HIGHLIGHTS

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**William Kadouch-Chassaing**  
co-Chief Executive Officer

# H1 2023 HIGHLIGHTS

## CONTINUED GROWTH IN ASSET MANAGEMENT

FEE RELATED EARNINGS

**€69m**  
+37% yoy

FEE PAYING AUM

**€25bn**  
+16% yoy

## STABLE PORTFOLIO VALUE

VALUE CREATION

**(€27m)**  
change in portfolio fair value

Measured assumptions on valuation in spite of :

- dynamic growth in underlying portfolios
- increase in market multiples

## EXCEPTIONAL ITEMS

IMPACT OF CHANGE IN IFRS 10 STATUS

**€1.9bn**  
first revaluation of portfolio

UNWINDING OF RHÔNE PARTNERSHIP

**(€74m)**

## BUILDING THE IMPACT PLATFORM

INCREASED AUM DEDICATED TO A LOW-CARBON & MORE INCLUSIVE ECONOMY

**€4.7bn**  
+8% yoy

PROACTIVE DEPLOYMENT THROUGH THEMATIC FUNDS

**#6 deals in H1**

AUM = €35.2bn

Net income = €1,797m

Portfolio Value = €103 / share (+3%)

# LAYING THE FOUNDATION FOR FUTURE GROWTH

5

## Decisions on organization and people

- Adapting organization to business purpose as a full-fledged Asset Manager
- Further alignment of executive board incentives with shareholder value creation
- New appointments in selected strategies and functions

## Review of strategies and minority stakes

- Exit of Rhône completed. Decision on MCH to be settled before year end
- Ongoing assessment of key strategies

## Initiatives to increase efficiency & client centricity

- Simplification of internal « management companies » structure
- Digital roadmap
- Review of customer journey and operations

## Major change in financial reporting consistent with AAM status

- Change in company qualification (IFRS 10 status)
- New disclosure on Asset Management KPI (fund performance from Dec, 2022)

1

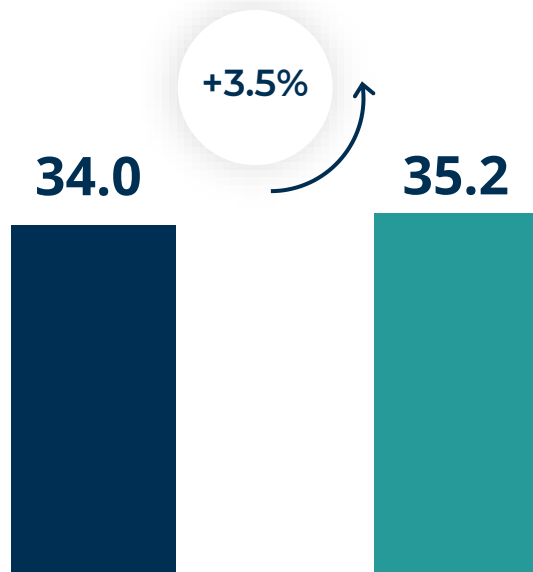
# OPERATIONAL PERFORMANCE

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**Christophe Bavière**  
co-Chief Executive Officer

# DOUBLE DIGIT INCREASE IN FEE-PAYING AUM

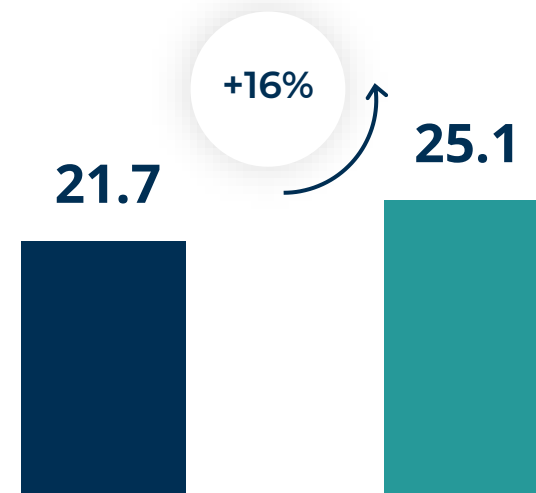
Total AUM<sup>1</sup>, €bn



H1 2022

H1 2023

Fee-paying AUM<sup>1</sup>, €bn

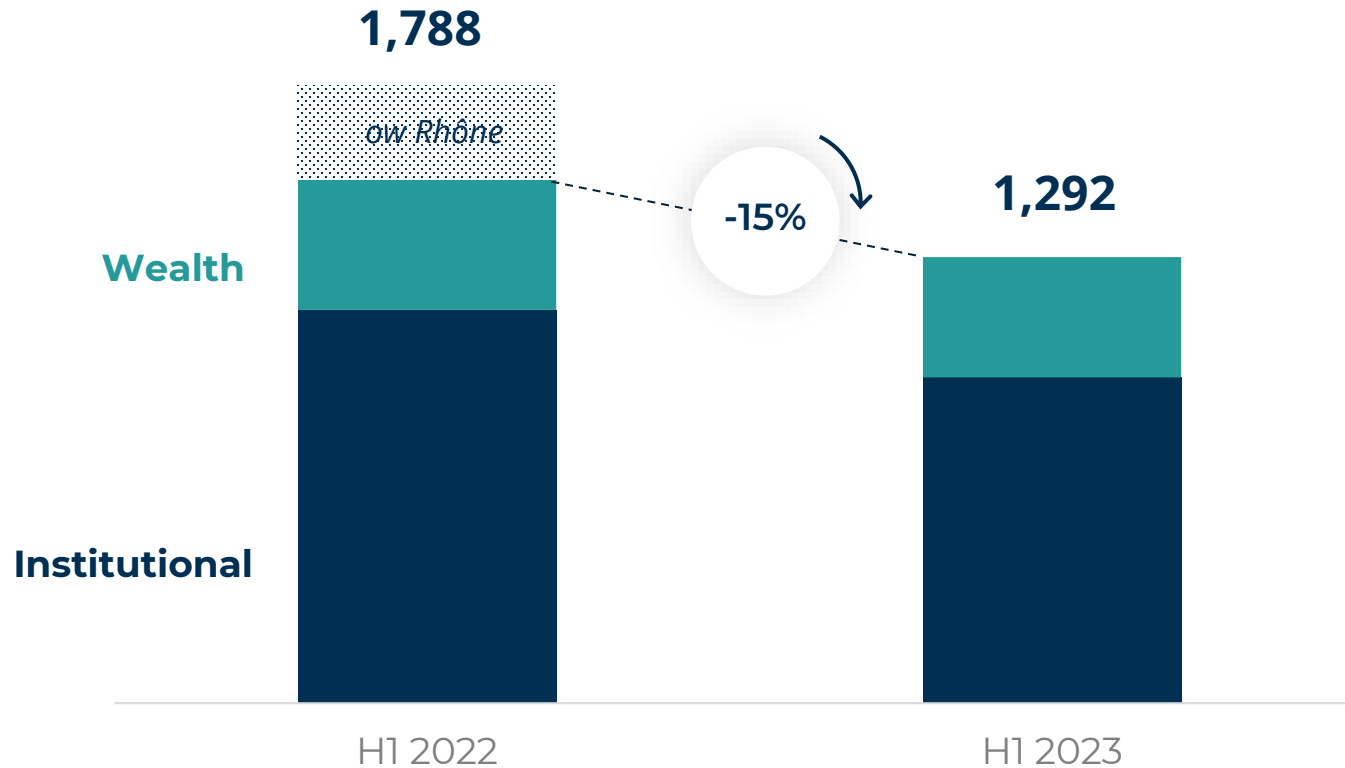


H1 2022

H1 2023

# FUNDRAISING OF €1.3BN IN A SLOWER ENVIRONMENT

## Third party fundraising (€bn)



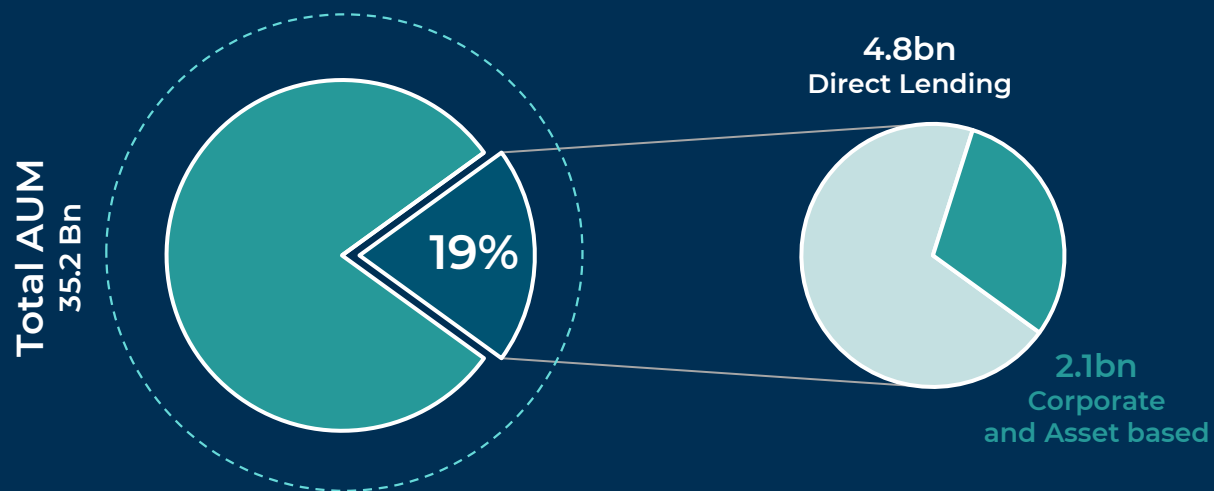
## Key developments

- Continued robust momentum in **Private Debt (+35% vs. H1 2022)**
- In **Private Equity**, further fundraising in **Venture** and **Secondaries**
- Second close of **Sustainable Infrastructure** at **420m€**
- **Wealth inflows** representing **27%** of total fundraising in H1 2023



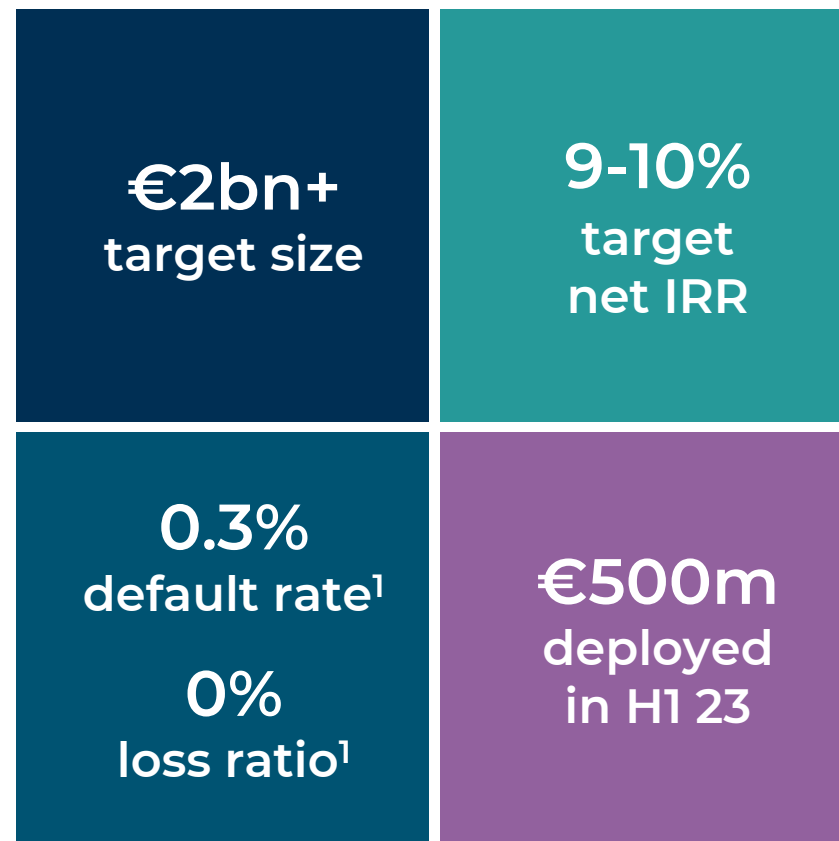
# ROBUST MOMENTUM IN PRIVATE DEBT

## EURAZEO PRIVATE DEBT STRATEGY



EURAZEO

## EPD VI (latest Direct Lending vintage)



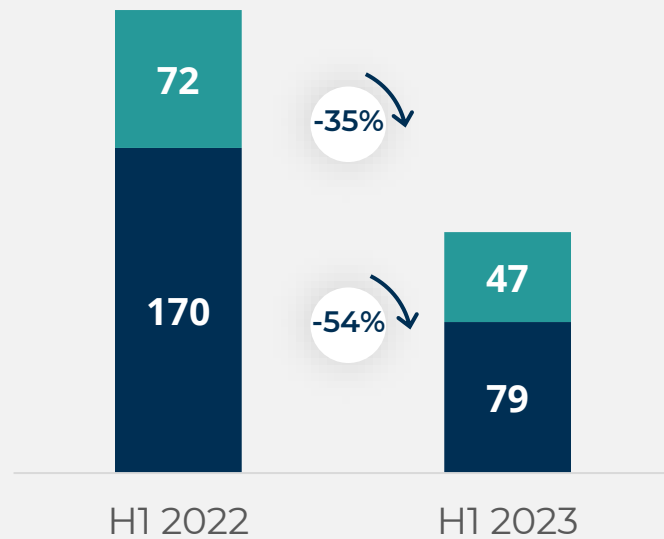
1. data as of 31/03/2023

# SELECTIVE DEPLOYMENTS AND REALIZATIONS IN H1 IN LINE WITH THE MARKET

## MARKET

### European deals

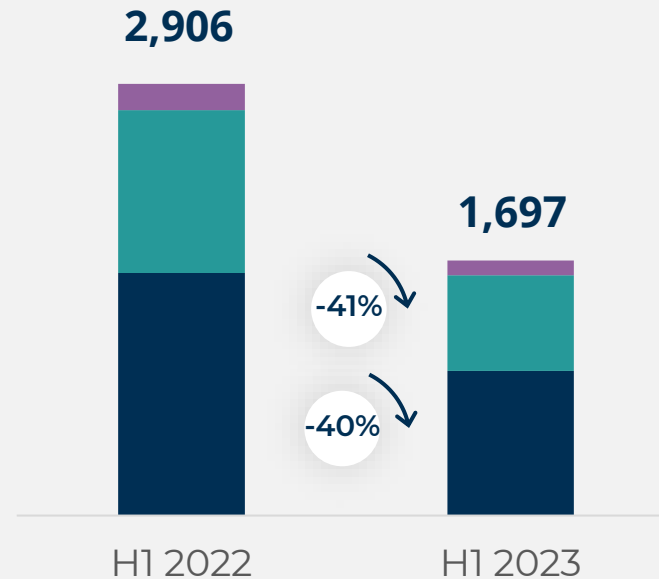
(in €bn)



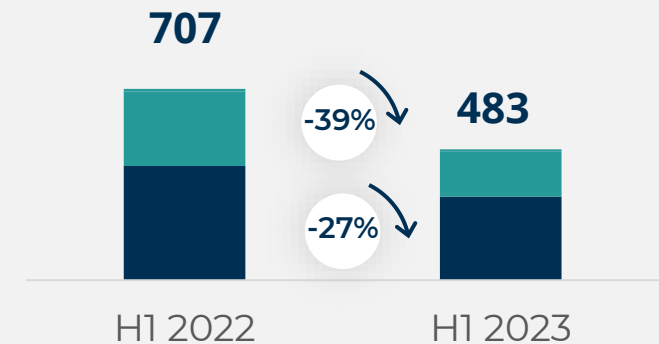
## EURAZEO

### DEPLOYMENTS

(in €m)



### REALIZATIONS



Source : Pitchbook, completed Private deals in Europe

# SOLID PERFORMANCE OF PORTFOLIO COMPANIES

## H1 PORTFOLIO PERFORMANCE<sup>1</sup> (EXCL. GROWTH)

REVENUE<sup>2</sup>



EBITDA<sup>2</sup>



## GROWTH COMPANIES

REVENUE<sup>2</sup>



2

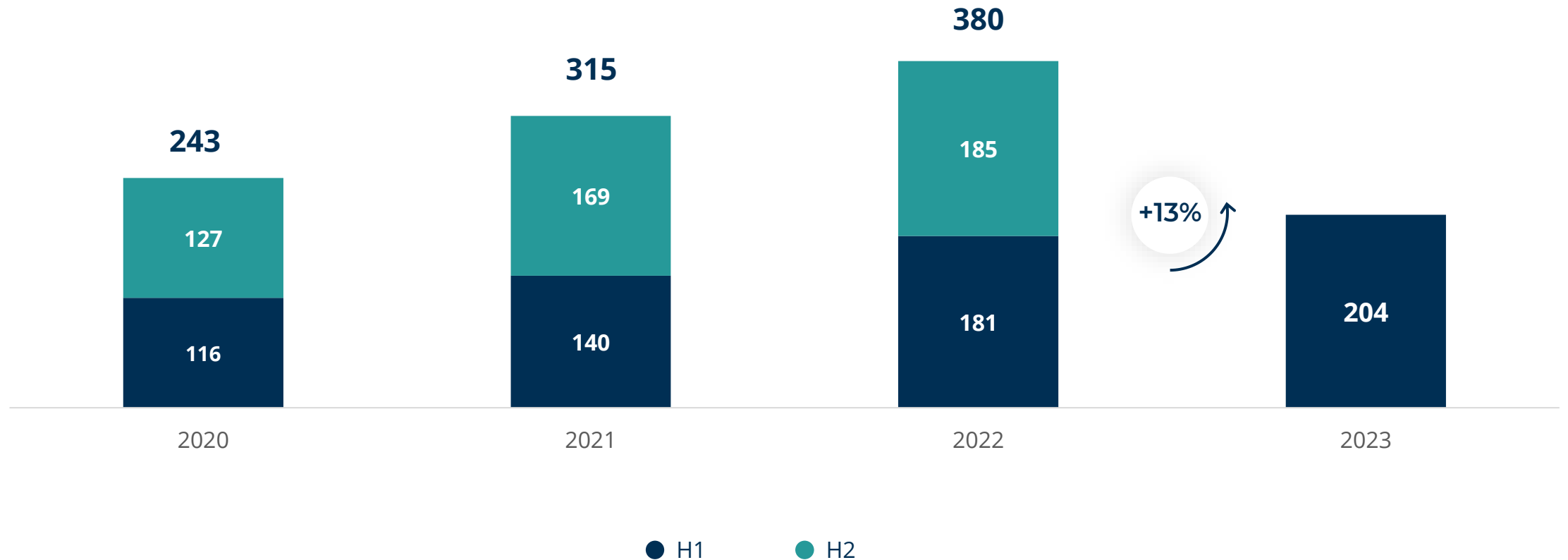
# FINANCIAL RESULTS

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**William Kadouch-Chassaing**  
co-Chief Executive Officer

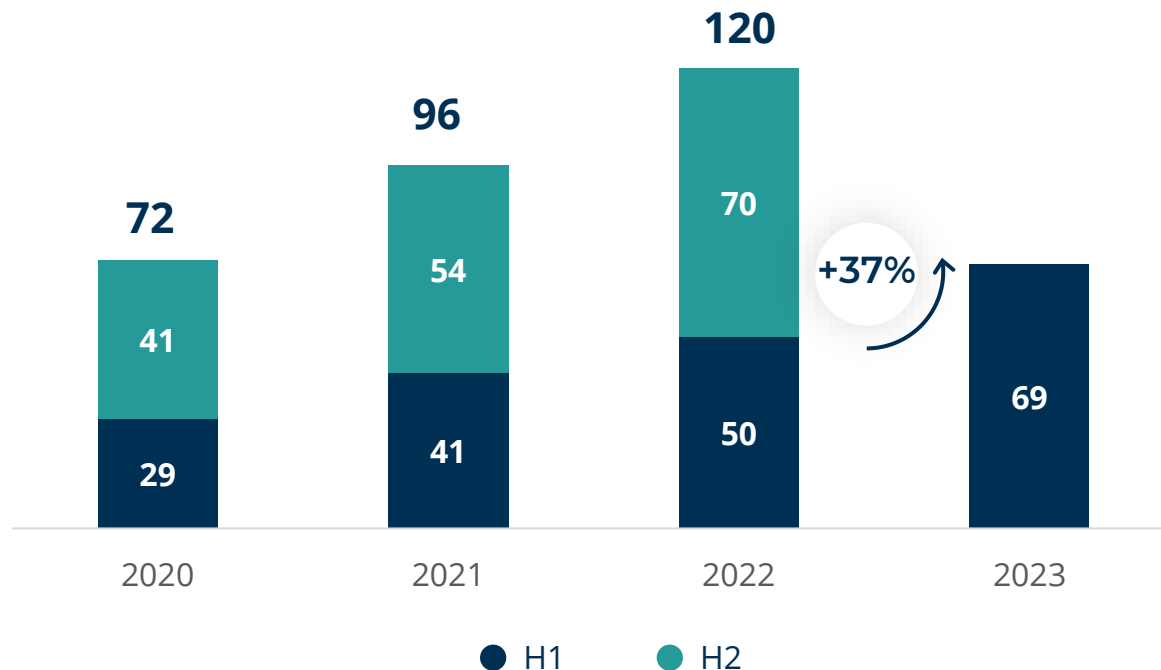
# CONTINUED GROWTH IN MANAGEMENT FEES

MANAGEMENT FEES (in €m)

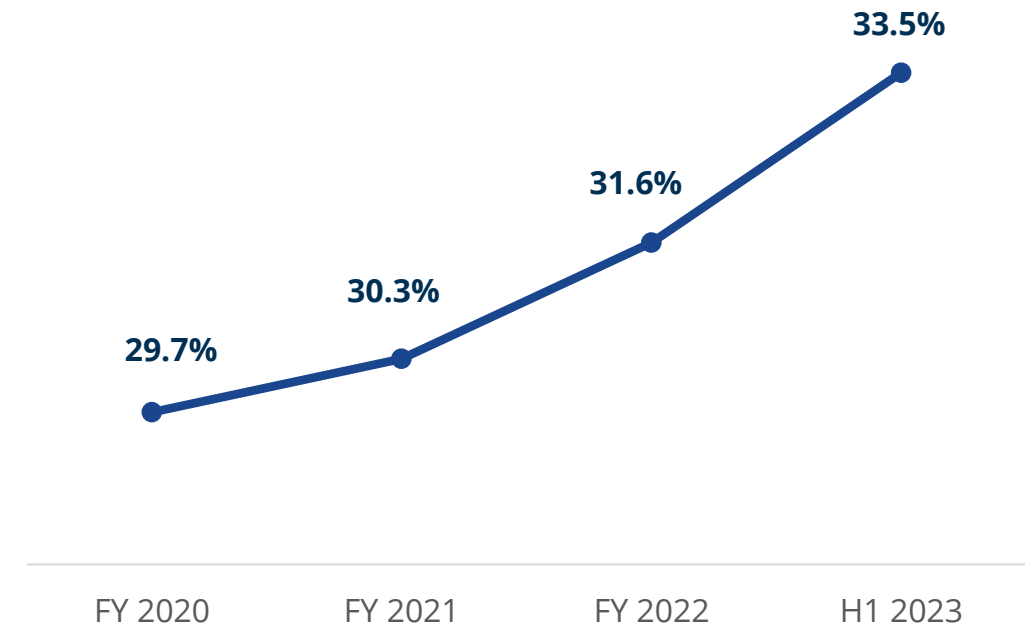


# IMPROVED FRE MARGIN THANKS TO REVENUE GROWTH AND DISCIPLINED COST MANAGEMENT

FEE RELATED EARNINGS (FRE, €m)



FRE MARGIN (%)



# CONTRIBUTION OF THE ASSET MANAGEMENT ACTIVITY

15

in €m	H1 2022 IFRS 10	H1 2023 IFRS 10	% change current
<b>Management fees</b>	181	204	+13%
_ From 3 <sup>rd</sup> party investors	139	143	+3%
_ From Eurazeo Investment Activity	42	61	+45%
<b>Operating expenses<sup>1</sup></b>	(131)	(136)	+3%
<b>Fee Related Earnings (FRE), before finance costs &amp; others</b>	<b>50</b>	<b>69</b>	<b>+37%</b>
<i>FRE margin</i>	<b>27.7%</b>	<b>33.5%</b>	+580bps
<b>Performance fees, realized (PRE)</b>	-	1	ns
_ From 3 <sup>rd</sup> party investors	-	1	ns
_ From Eurazeo Investment Activity	-	1	ns
<b>Finance costs and other income</b>	(6)	(6)	ns
<b>Contribution of the Asset Management Activity</b>	<b>44</b>	<b>64</b>	<b>+44%</b>
ow minority share	4.2	6.6	

# A FAVORABLE MARKET CONTEXT FOR THE VALUATION OF OUR PORTFOLIO

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## Earnings growth of the portfolio

### Solid performance of portfolio companies

**+13%**

EBITDA  
of portfolio  
excl. Growth

**+15%**

REVENUE  
of Growth  
portfolio

## Improving market metrics

### H1 2023 market performance

**+8%**

Stoxx 600

**+33%**

NASDAQ

## Limited sensitivity to change in interest rates

### Buy-out :

- Rates hedged at c.70%
- <5x EBITDA leverage

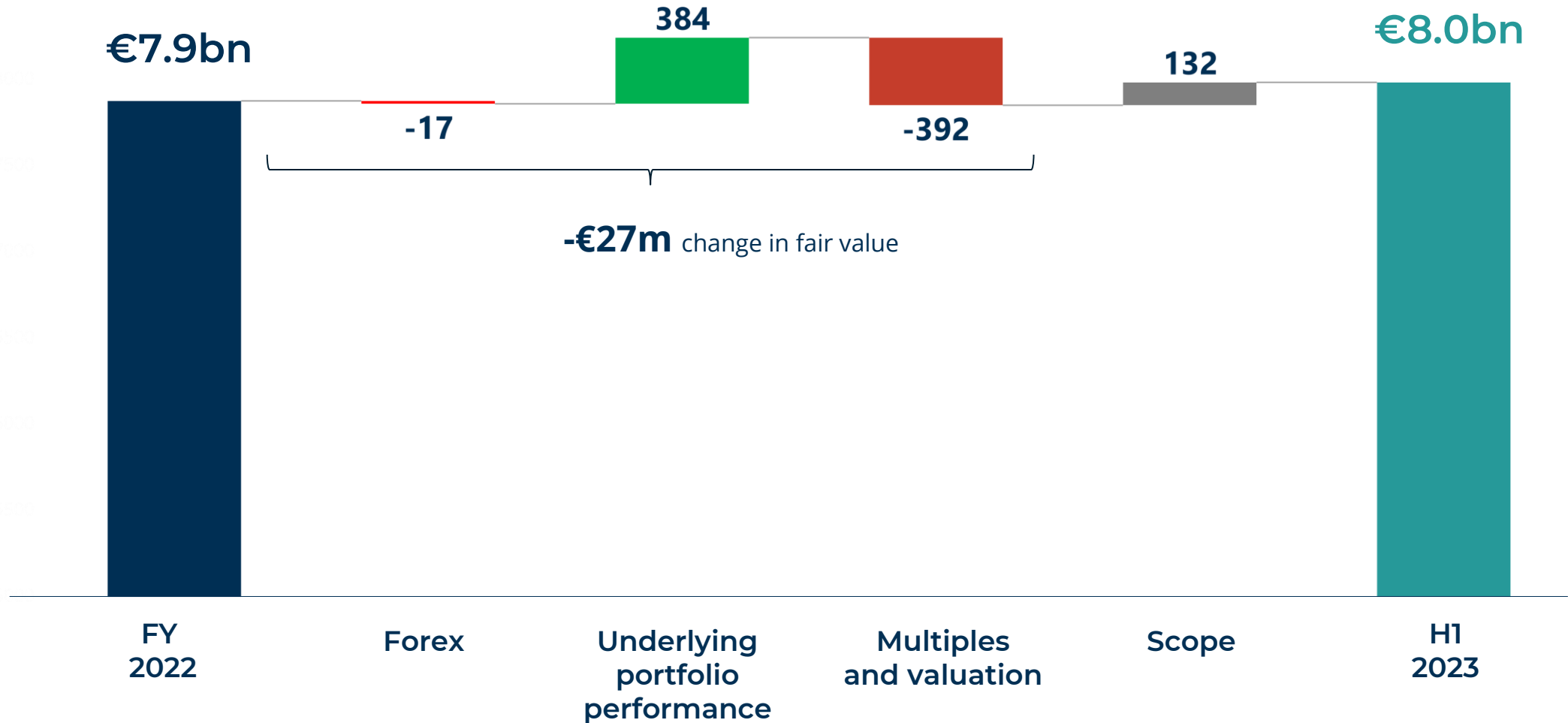
### Real Estate :

- c.90% of rates hedged
- 47% Loan-to-Value

No leverage on other strategies (Growth, Brands...)



# CAUTIOUS VALUATION APPROACH LEADS TO SLIGHT DECREASE IN FAIR VALUE OF THE PORTFOLIO



# CONTRIBUTION OF THE INVESTMENT ACTIVITY

18

in €m	<b>H1 2022 (IFRS 10)</b>	<b>H1 2023 (IFRS 10)</b>
Portfolio net change in fair-value	464	(27)
Other change in fair-value	(133)	48
Management fees owed to the AM activity	(42)	(61)
Steering costs	(9)	(13)
Others <sup>1</sup>	(5)	(21)
<b>Contribution of the Investment Activity</b>	<b>276</b>	<b>(74)</b>

# GROUP IFRS PROFIT & LOSS

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in €m

	<b>H1 2022 IFRS 10</b>	<b>H1 2023 IFRS 10</b>
	<u>          </u>	<u>          </u>
<b>A</b> Contribution of the Asset Management Activity	<b>44</b>	<b>64</b>
<b>B</b> Contribution of the Investment Activity	<b>276</b>	<b>(74)</b>
Amortization of contracts and other assets relating to goodwill allocation	(7)	(6)
Income tax expense	(5)	3
Non-recurring items	6	1,839
<b>Consolidated net income / (loss)</b>	<b>313</b>	<b>1,825</b>
<b>Attributable to owners of the Company</b>	<b>379</b>	<b>1,797</b>
Attributable to non-controlling interests	(66)	28

# SIGNIFICANT FINANCIAL HEADROOM

## Solid balance sheet

**Net debt**  
POSITION

€426m  
(5% gearing)

Revolving

**Credit Facility**  
of €480m drawn

€1.5bn

**c.€7.3bn Dry Powder**  
for investments

€5.0bn

FROM LIMITED PARTNERS

€2.3bn

COMMITMENTS FROM  
EURAZEO BALANCE SHEET

**Capital Markets Day  
on November 30, 2023**



# Q&A

# ABOUT US

## EURAZEO CONTACTS

### INVESTOR RELATIONS



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### EURAZEO SHARES

ISIN code: FR0000121121

Bloomberg/Reuters: RF FP, Eura.pa

Share capital  
as of June 30, 2021: 79,224,529

Statutory threshold  
declarations 1%

#### Indices:

SBF120  
DJ EURO STOXX  
DJ STOXX EUROPE 600  
MSCI  
NEXT 150  
CAC MID&SMALL  
CAC FINANCIALS

### ANALYST COVERAGE

<b>Bank of America</b>	Philip Middleton
<b>Berenberg</b>	Christoph Greulich
<b>CM-CIC</b>	Arnaud Palliez
<b>Degroof Petercam</b>	Joren Van Aken
<b>Exane BNP Paribas</b>	Nicolas Vaysselier
<b>Goldman Sachs</b>	Oliver Carruthers
<b>Jefferies</b>	Matthew Hose
<b>JP Morgan Cazenove</b>	Christopher Brown
<b>Kepler Cheuvreux</b>	David Cerdan
<b>ODDO BHF</b>	Geoffroy Michalet
<b>SG</b>	Patrick Jousseume



# APPENDICES



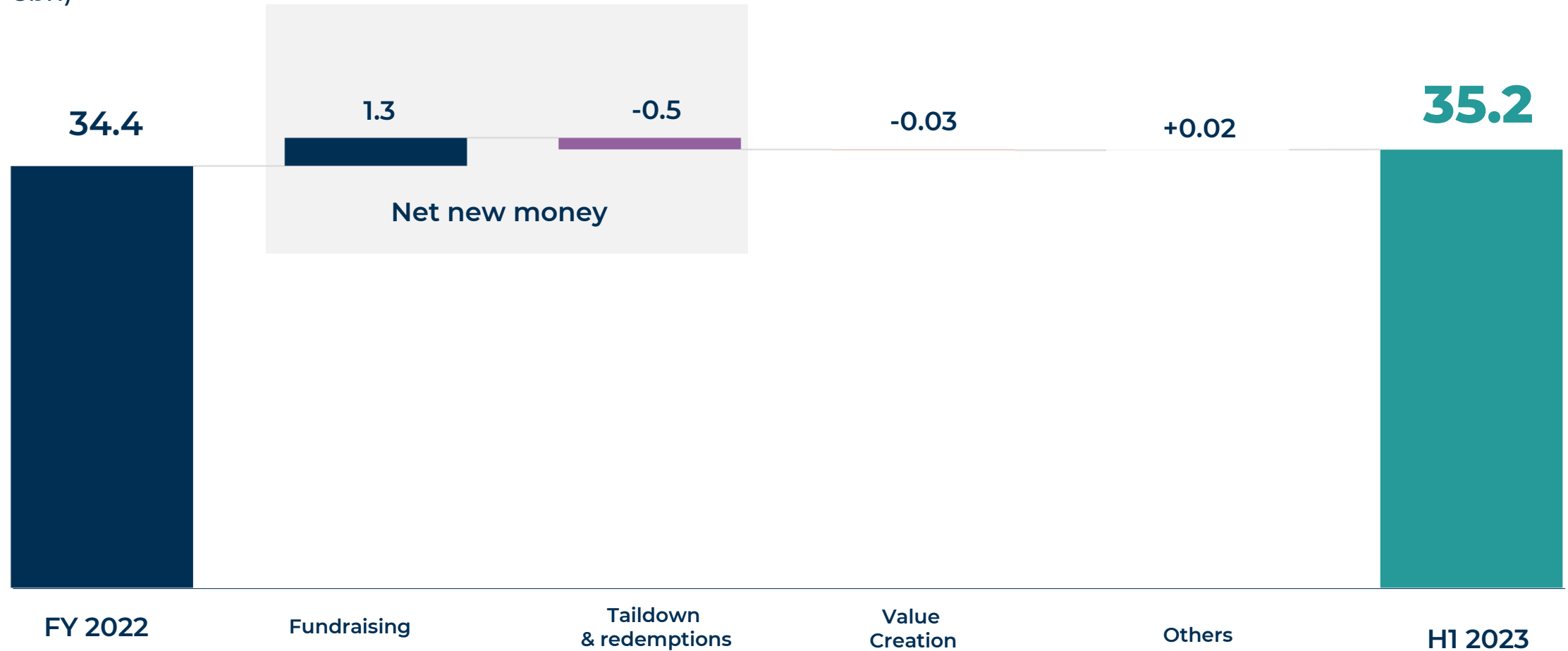
# ASSETS UNDER MANAGEMENT

<u>in €m</u>	<u>31/12/2022</u>			<u>30/06/2023</u>			<u>Change (%)</u>
	EZ BS AUM	3 <sup>rd</sup> party AUM	Total AUM	EZ BS AUM	3 <sup>rd</sup> party AUM	Total AUM	vs. 31/12/2022 PF
Private Equity, Eurazeo	8,706	14,300	<b>23,006</b>	8,597	14,580	<b>23,176</b>	<b>+1%</b>
<i>Mid-large buyout</i>	4,723	2,165	<b>6,888</b>	4,701	2,191	<b>6,891</b>	0%
<i>Small-mid buyout</i>	1,103	1,537	<b>2,641</b>	1,018	1,518	<b>2,537</b>	-4%
<i>Growth</i>	1,940	2,566	<b>4,506</b>	1,909	2,647	<b>4,556</b>	+1%
<i>Brands</i>	739	-	<b>739</b>	764	-	<b>764</b>	+3%
<i>Healthcare</i>	-	418	<b>418</b>	0	414	<b>414</b>	-1%
<i>Venture</i>	117	3,270	<b>3,387</b>	134	3,323	<b>3,456</b>	+2%
<i>Private Funds</i>	83	4,345	<b>4,428</b>	71	4,486	<b>4,557</b>	+3%
Private Debt	262	6,144	<b>6,406</b>	285	6,574	<b>6,859</b>	<b>+7%</b>
Real Assets, Eurazeo	1,142	472	<b>1,614</b>	1,136	590	<b>1,726</b>	<b>+7%</b>
Rhône <sup>1</sup> (30%)	50	2,449	<b>2,499</b>	50	2,449	<b>2,499</b>	<b>0%</b>
MCH Private Equity (25%)	88	325	<b>413</b>	93	323	<b>417</b>	<b>+1%</b>
Kurma (40%)	49	436	<b>485</b>	52	432	<b>485</b>	<b>0%</b>
<b>Others</b>	19	-	<b>19</b>	21	-	<b>21</b>	<b>+9%</b>
<b>Total Portfolio</b>	<b>10,316</b>	<b>24,126</b>	<b>34,442</b>	<b>10,234</b>	<b>24,948</b>	<b>35,182</b>	<b>+2%</b>

# ASSETS UNDER MANAGEMENT BRIDGE

## ASSETS UNDER MANAGEMENT

(in €bn)



# SELECTED FUNDS PERFORMANCE

Strategy	Fund name	Vintage Year	Fund size (m€)	o/w BS (€m)	% invested	% realized	Gross MOIC	Gross IRR
<b>Private Equity</b>								
MLBO	ECIV	2017	2,500	1,712	90%	62%	1.9x	21%
	ECIII	2014	2,000	1,506	97%	142%	1.8x	13%
SMBO	PME IV	2021	1,049	400	35%	4%	1.5x	48%
	PME III	2017	658	405	94%	60%	1.8x	22%
Growth	EGF III	2019	1,084	250	84%	7%	1.3x	21%
	EGF II	2017	1,080	773	95%	42%	2.3x	29%
Venture	Digital III	2017	350	16	64%	12%	1.6x	20%
	Digital II	2013	154	-	89%	68%	2.7x	20%
Brands	Brands	2017	658	658	100%	28%	1.5x	16%
Private Funds	Eurazeo Secondary Fund IV	2020	695	60	90%	6%	1.3x	29%
	Eurazeo Secondary Fund III	2016	442	-	115%	85%	1.6x	18%
<b>Private Debt</b>								
Direct Lending	Eurazeo Private Debt VI	2021	1,426	150	79%	12%	1.1x	14%
	Eurazeo Private Debt V	2019	1,536	45	111%	36%	1.1x	10%
<b>Real Assets</b>								
Real Estate	EERE II	2020	504	500	68%	0%	1.2x	11%
	EERE I	2015	784	784	89%	167%	2.4x	25%

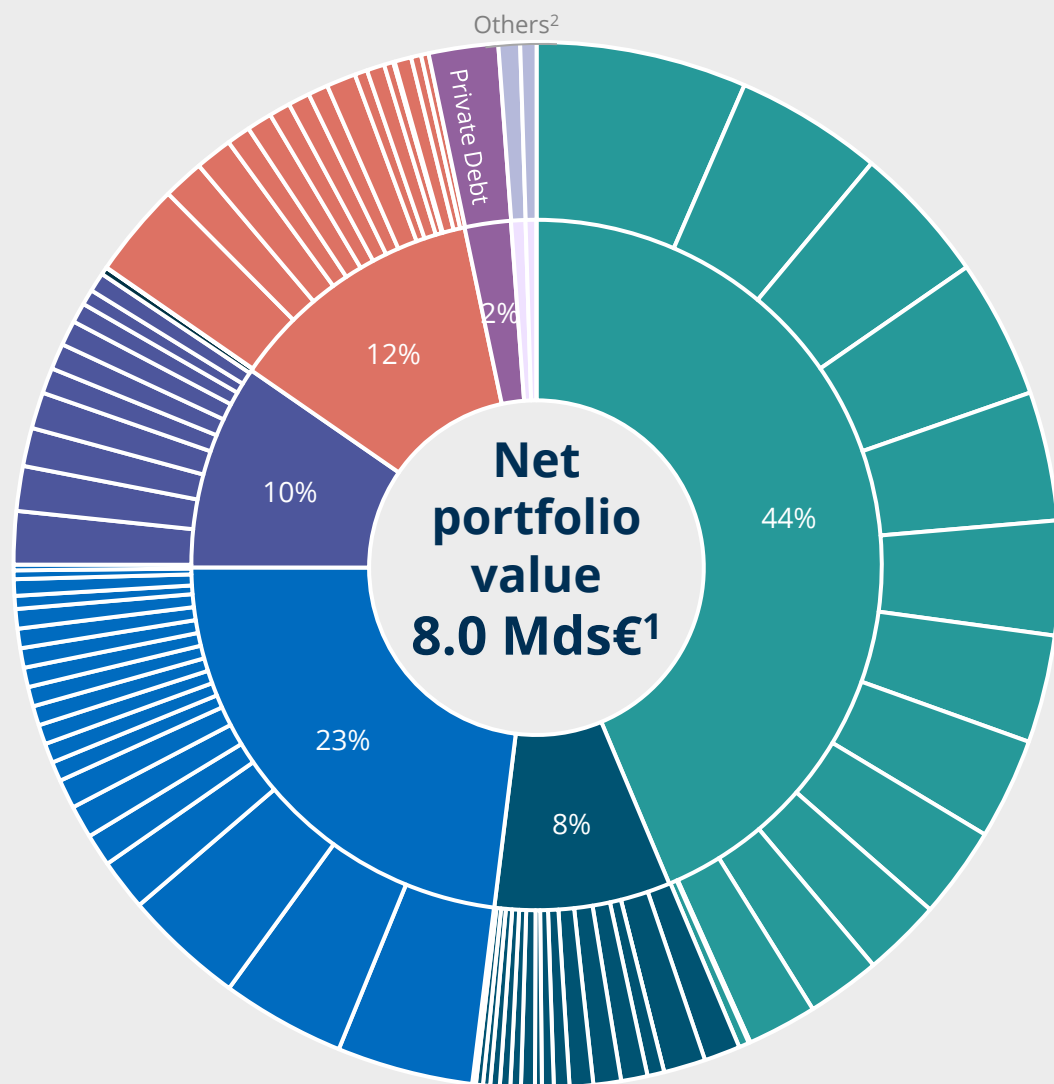
(1) EGF II : consolidation of Eurazeo Croissance (legacy Eurazeo Growth fund) and Idinvest Growth Fund II, including deals made by Idinvest Entrepreneurs Club (established in 2019).

(2) EERE I : combination of Eurazeo Patrimoine I and Patrimoine II

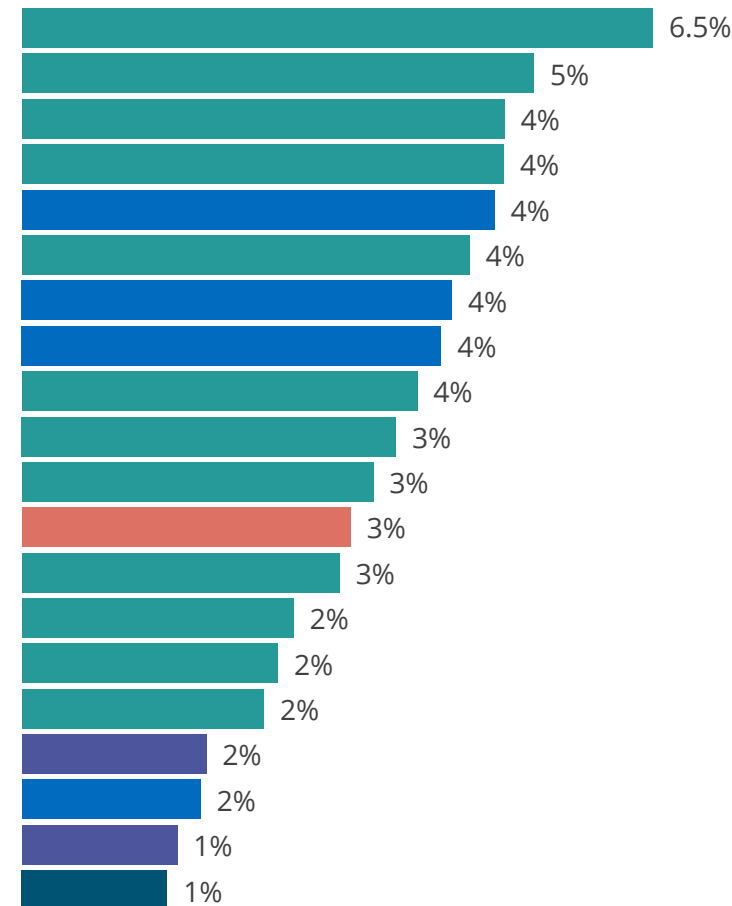
# PORTFOLIO FAIR VALUE CHANGE

(in €m)	31/12 2022	Value Creation	Value creation (%)	Deployments	Realizations	Others	30/06 2023
Mid-Large buyout	3,469	2	0%	+34	(28)	(15)	3,462
Small-Mid buyout	699	(27)	-4%	+32	(68)	(4)	634
Growth	1,759	(40)	-2%	+115	(12)	(4)	1,819
Brands	739	20	3%	+6	(1)	-	764
Venture	43	3	7%	+11	-	(2)	55
Private Funds Group	31	3	10%	+8	-	-	42
Private Debt	171	5	3%	+15	(12)	(1)	178
Real Assets	878	(3)	0%	+46	(1)	(4)	917
Other investment as a LP	74	10	14%	+15	(1)	(1)	97
<b>Total Portfolio</b>	<b>7,862</b>	<b>(27)</b>	<b>0%</b>	+284	(121)	(31)	<b>7,968</b>
# shares (m)	78.1						77.1
Value per share (€)	<b>100.6</b>		<b>+2.6%</b>				<b>103.3</b>

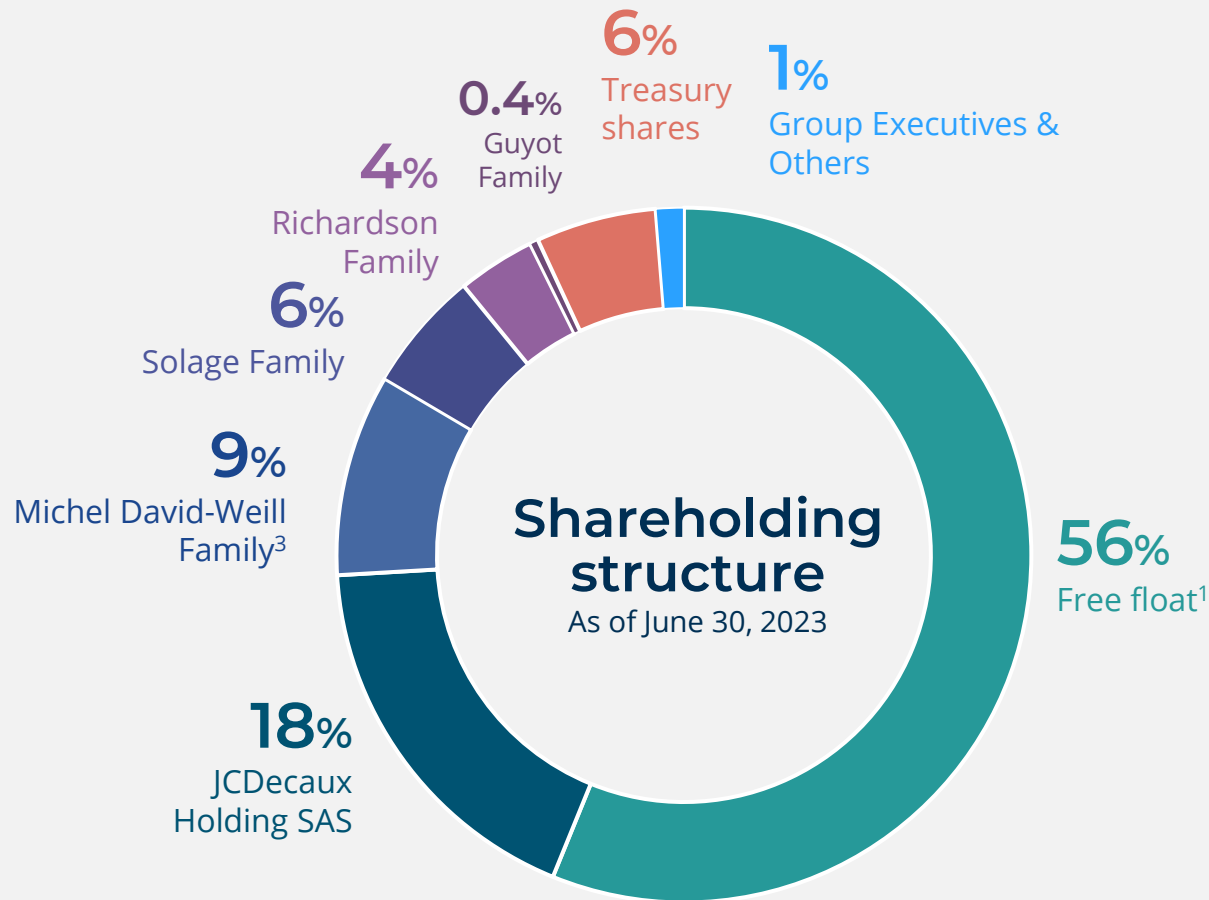
# PORTFOLIO VALUE COMPOSITION



## TOP 20 COMPANIES AS OF JUNE 30, 2023 (% TOTAL GROSS PORTFOLIO NAV)



1. Data in % are calculated on total gross portfolio value of investment as of June 30, 2023  
 2. "Others" includes Venture (0.5%), Private funds (0.4%) and other investments as a LP (0.7%)



## CORPORATE GOVERNANCE

- **Separation of the roles** of Chairman and CEO
- **Independence of the Supervisory Board:** 7 independent members out of 13<sup>2</sup>
- **Audit Committee, Finance Committee, Compensation and Appointments Committee, CSR Committee, Digital Committee**
- **Existence of shareholder agreements** between main shareholders and Eurazeo

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