

EURAZEO: FURTHER ASSET MANAGEMENT GROWTH IN THE FIRST HALF OF 2023

Paris, July 27, 2023

Further asset management growth in the first half of 2023

- Assets Under Management (AUM): up 3.5% year-on-year at €35.2bn (+7% for third parties)
 - Fee-Paying Assets Under Management (FPAUM): +16% to €25bn
 - Third-party fundraising: €1,292m, including €348m raised in the wealth segment, in a less favorable environment
- Management fees: +13% to €204m
- Fee Related Earnings (FRE): +37% to €69m

Stable portfolio value

- Change in the net fair value of the portfolio on the balance sheet of -€27m in H1 2023
- Double-digit growth in revenue and EBITDA of portfolio companies held on the balance sheet, maintaining measured valuation assumptions
- Portfolio net value: €8.0bn (i.e. €103.3 per share, +3%)

Selective deployment; significant financial leeway

- Realizations: €0.5bn (€0.7bn in H1 2022)
- Deployments: €1.7bn (€2.9bn in H1 2022)
- Significant financial leeway: dry powder of €5.0bn and undrawn balance sheet commitments in the funds of €2.3bn

Financial results and balance sheet

- Net income attributable to owners of the Company: €1,797m
- Non-recurring items: €1.9bn relating to the announced change in IFRS classification (IFRS10 impact) and -€74m relating to the disposal of Rhône stake
- Limited net debt: €0.5bn (gearing: 5%)

New steps forward in ESG

- €4.7bn AUM dedicated to supporting a low-carbon and more inclusive economy (+8% vs. December 2022)
- Accelerated deployment activity of the *impact driven funds* ETIF, ESMI and Kurma Diagnostics II with a total of 6 deals

Christophe Bavière and William Kadouch-Chassaing, Co-CEOs, declared: *"In an environment that remains complex and uncertain, Eurazeo delivered a satisfactory performance with further growth, and improvement of profitability in its asset management activity as well as a stable portfolio value. In the past few months, we have made important decisions in terms of team renewal and organization, strategy, with the exit of Rhône in particular, and operational efficiency. We are confident in our ability to build the European leader in mid-market, growth and impact."*

On January 1, 2023, Eurazeo determined that it now fulfills the criteria of an Investment Company as defined in IFRS 10 "Consolidated financial statements". This standard provides an exemption whereby Investment Entities need not present consolidated financial statements. Eurazeo has taken into account this change in classification prospectively as of January 1, 2023.

By way of comparison, a non-audited simulation of the 2022 income statement is also presented, as if the Group had applied the IFRS 10 consolidation exemption as of January 1, 2022.

I. ANALYTICAL P&L

Net income attributable to owners of the Company totaled €1,797m in H1 2023. Excluding non-recurring items, the net loss attributable to owners of the Company was -€42m.

The **asset management activity** continued its growth both in management fees and Fee Related Earnings. The **AM contribution** amounted to **+€64m**.

The contribution of the **investment activity** for the half year amounted to **-€74m**, marked by a limited change in the fair value of the portfolio (**-€27m**). Portfolio company performance and market multiples remained well-oriented. However, the Group kept measured assumptions on valuations in a wait-and-see environment with few deals.

As announced, the Group recorded **non-recurring income of €1.9bn** in H1 2023 arising from the difference between the fair value of the balance sheet investment portfolio and its carrying value prior to January 1, 2023. The **sale of the stake in Rhône**, post-closing, generated a **€74m** capital loss.

(€m)	H1 2022 <i>published</i>	H1 2022 IFRS 10	H1 2023 IFRS 10
A. Contribution of the asset management activity	44	44	64
B. Contribution of the investment activity	(161)	276	(74)
C. Contribution of companies, net of finance costs	97	-	-
Amortization of assets relating to goodwill allocation	(100)	(7)	(6)
Income tax expense	(18)	(5)	3
Non-recurring items	(48)	6	1,839
Consolidated net income (loss)	(185)	313	1,825
Attributable to owners of the Company	(96)	379	1,797
<i>Attributable to non-controlling interests</i>	(89)	(66)	28

A. ASSET MANAGEMENT ACTIVITY

1. ASSETS UNDER MANAGEMENT

As of June 30, 2023, Eurazeo Group **Assets Under Management (AUM) totaled €35.2bn, up 3.5%** over 12 months:

- third-party AUM (Limited Partners and private clients) stood at €24.9bn (+6.6% over 12 months), including drypowder of €5.0bn,
- balance sheet AUM include the investment portfolio on the Group's balance sheet (€8.0bn) and Eurazeo balance sheet commitments in Group funds (€2.3bn).

Assets under management (€bn) ¹	06/30 2022	06/30 2023	% change LTM	% AUM
Private Equity	25,814	26,598	+3%	76%
Private Debt	6,152	6,859	+11%	19%
Real Assets	2,030	1,726	-15%	5%
Total AUM	33,997	35,182	+3%	100%
<i>of which third-party AUM</i>	23,409	24,948	+7%	71%
<i>of which balance sheet AUM²</i>	10,588	10,234	-3%	29%

Fee Paying AUM amounted to **€25bn, up +16%** over 12 months. *H1 2022 FPAUM are presented in Appendix 2.*

06/30/2023	Eurazeo third parties	Rhône (30%)	MCH (25%)	Eurazeo balance sheet	Total
Private Equity	10,545	1,294	219	6,256	18,315
Private Debt	5,167	0	0	181	5,348
Real Assets	391	0	0	1,004	1,395
Total	16,103	1,294	219	7,442	25,058

¹ June 30, 2022 figures are pro forma and include Eurazeo's balance sheet commitments in Group funds.

² Including the balance sheet investment portfolio and balance sheet commitments in Group funds. (€2,715m as of June 30, 2022, €2,266m as of June 30, 2023)

2. FUNDRAISING

In H1 2023, **Eurazeo raised €1.3bn, down 15% compared to H1 2022** (excluding amounts raised by Rhône, sold post-closing):

- Private Debt fundraising remained strong, with c. €770m raised during the half year for the Direct Lending, Corporate Financing (“recovery bonds”) and Asset-based Finance strategies;
- Eurazeo Transition Infrastructure fund closed at €420m (€144m in H1), and has already achieved 80% of its initial target;
- Private Equity fundraising totaled €380m during the semester, mainly driven by ongoing fundraising in the Venture and Secondary activities. In July, the Group announced the final close of the Smart City II program.

Fundraising from private clients amounted to €348m, i.e. around 27% of total fundraising for the half year. Private clients represent €3.8bn AUM or over 15% of third-party AUM.

Third-party fundraising (€m)	H1 2022	H1 2023
Private Equity	1,215	380
Private Debt	568	766
Real Assets	5	145
Total	1,788	1,292

Eurazeo’s balance sheet did not give additional commitments in its funds over the half year.

3. ASSET ROTATION

Realizations totaled **€0.5bn** in the first semester of 2023 (€0.7bn in H1 2022). In a less favorable environment and a context of rising interest rates, market transaction volumes decreased strongly in Europe and the United States. Asset realization conditions remain satisfactory for high-quality company deals in the mid-caps segment, in which the Group specializes.

Eurazeo was highly selective in its investments: Group **deployment** totaled **€1.7bn in H1 2023 compared with €2.9bn in H1 2022**. The Private Funds Group activity successfully seized opportunities in the secondary market and accounted for nearly one third of Private Equity investments in the semester.

(€m)	Deployment		Realizations	
	H1 2022	H1 2023	H1 2022	H1 2023
Private Equity	1,603	955	420	307
Private Debt	1,076	633	275	168
Real Assets	174	97	9	6
Other	51	12	3	2
Total	2,905	1,697	707	483
<i>of which balance sheet</i>	<i>818</i>	<i>210</i>	<i>136</i>	<i>139</i>

Eurazeo enjoys substantial leeway for its future investments: drypowder of around **€5.0bn** and balance sheet commitments in the funds of **€2.3bn**.

4. CONTRIBUTION OF THE ASSET MANAGEMENT ACTIVITY

Management fees totaled **€204m** in H1 2023, **up 13%** and break down as follows:

- i) third-party asset management activity, up +3% to €143m, against a high comparison base (+39% in H1 2022) mainly due to significant catch-up fees ; excluding catch-up fees, the management fees growth from third parties would have been +9%
- ii) management fees on Eurazeo's balance sheet of €61m, up +45% mainly due to EC V fund commitments given in 2022.

Realized **performance fees** were negligible during the half year considering the lack of major exits.

Group operating expenses totaled **€136m, up slightly by +3%**. The Group continues to improve its operating leverage thanks to revenue growth combined with disciplined cost management.

Fee Related Earnings (FRE), which measure the activity's net recurring income, totaled **€69m over the year, up 37%** compared to H1 2022. The **FRE margin** rose sharply to **33.5%**.

(€m)	<i>H1 2022 published</i>	H1 2022 IFRS 10	H1 2023 IFRS 10
Management fees	181.4	181.4	204.2
<i>of which third parties</i>	139.5	139.5	143.4
<i>of which balance sheet</i>	41.9	41.9	60.9
(-) Operating expenses	(131.2)	(131.2)	(135.7)
(=) FRE (before financial and other expenses)	50.2	50.2	68.5
<i>FRE margin</i>	27.7%	27.7%	33.5%
(+) Performance fees (PRE)	0.2	0.2	1.3
<i>of which third parties</i>	0.2	0.2	0.6
<i>of which balance sheet</i>	-	-	0.8
(+) Financial and other expenses	(6.3)	(6.3)	(6.4)
A. Contribution of asset management	44.1	44.1	63.5
<i>of which attributable to minorities</i>	4.2	4.2	6.6

B. INVESTMENT ACTIVITY

1. PERFORMANCE OF THE PORTFOLIO COMPANIES

The investment portfolio carried on the balance sheet is invested almost exclusively in Group funds and programs. This portfolio includes over 70 companies, the largest of which represents 6.5% of the total value. Those companies are mostly positioned in structurally buoyant sectors, such as healthcare, business services, digital, strong consumer brands and energy transition.

These companies reported further growth in their performance indicators during the semester³:

³ Portfolio company revenue and EBITDA, proportional to the percentage of assets held by Eurazeo's balance sheet. For Growth and Brands companies, EBITDA is not considered a relevant indicator.

- **Mid-large buyout** (Revenue +18% and EBITDA +12% in the half year): The portfolio reported strong organic growth, against a particularly high comparison base (+79% in H1 2022). This performance reflects the Group's positioning in high-quality companies within the most buoyant market segments, the benefits of recent investments by these companies as well as the ongoing recovery of the Travel & Leisure segment. EBITDA growth was mitigated over the half-year by certain cost increases and investments for growth;
- **Small-mid buyout** (Revenue +6%, EBITDA +10%): Business services and healthcare companies continued their strong growth. Companies positioned on the consumer environment experienced a slight slowdown during the half year, with slightly declining revenue overall.
- **Brands** (Revenue +9%): The portfolio reported further robust growth during the semester;
- **Growth** (Revenue +15%): Growth remains strong for most portfolio companies against high comparison bases, with a significant performance from circular economy companies. Certain companies were impacted by specific temporary factors (limit on the usury rate for a Fintech company, strategic repositioning of a platform). The rest of the portfolio reported growth of between 20% and 42%. All companies are focusing on cost control and accelerating their path to profitability;
- **Real Estate** (Revenue +14%, EBITDA +15%): Robust growth in hotel activities with an increase in RevPAR (both in terms of the occupancy rate and prices) and good performance of the real estate portfolio.

As a reminder, Eurazeo no longer consolidates its portfolio companies since January 1, 2023, in accordance with the consolidation exemption provided in IFRS 10 for "investment entities".

2. PORTFOLIO FAIR VALUE GAINS (LOSSES)

The **net value of the investment portfolio was €7,968m**, up 1.3% (or €103.3 per share, up 3% due to the buyback of treasury shares).

The **change in the portfolio fair value**, recognized in the P&L, totaled **-€27m**.

The Group kept measured assumptions for mid-year valuations, given the wait-and-see attitude of the private transaction market. As mentioned above, portfolio companies delivered satisfactory operating performances and benchmark stock market indices increased during the half year. Furthermore, the impact of higher interest rates on cash flow was very limited given the significant hedging in place (around 70% of LBO debt and 90% of real estate debt are hedged to maturity).

Portfolios (excluding Growth) were valued using a constant method. The multiples used for the buyout valuations were 1 to 3-year averages and mainly remained below market spot comparables (1-month VWAP) which increased slightly during the half year. The Real Estate portfolio valuations were mainly carried out by experts and factors the impact of rate hikes on capitalization rates.

The **Growth portfolio** is valued based on the most recent round of equity financing. A discount had been applied at the end of 2021 to the historical financing rounds and certain additional adjustments were recorded in H1 2023. US Tech benchmark indices recovered sharply in the first half of 2023 (NASDAQ +33%), following the decline recorded in 2022 (-34%).

€m	12/31 2022	Value creation	Value creation (%)	Deployment	Realizations	Other ⁴	06/30 2023
Mid-large buyout	3,469	1	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 invest. as LP	74	10	14%	+15	(1)	(1)	97
Total Portfolio	7,862	(27)	0%	+284	(121)	(31)	7,968
# shares (m)	78.1						77.1
Value per share (€)	100.6						103.3

3. CONTRIBUTION OF THE INVESTMENT ACTIVITY

(€m)	H1 2022 published	H1 2022 IFRS 10	H1 2023 IFRS 10
(+) Realized capital gains or losses and dividends	7	-	-
(+) Changes in fair value / fair value gains (losses)	(81)	-	-
(+) Other income	6	-	-
(+) Portfolio fair value gains (losses)	-	464	(27)
(+) Other fair value gains (losses)	-	(133)	48
(-) Performance fees calculated in favor of Asset Management Activity	-	-	(1)
Net unrealized and realized capital gains or losses & dividends and other	(68)	331	21
(-) Impairment of assets	(2)	0	0
(-) Costs relating to deployment	(31)	(1)	(6)
(-) Management fees in favor of Asset Management Activity	(42)	(42)	(61)
(-) Group strategic management costs	(9)	(9)	(13)
(+/-) Other	(9)	(4)	(15)
B. Contribution of the investment activity	(161)	276	(74)

⁴ Share of management fees generated by Asset Management activity collected from internal funds in which the balance sheet is a LP. These flows are canceled on consolidation.

C. NON-RECURRING ITEMS

The Group recorded **non-recurring income of €1.9bn** in H1 2023 stemming from the difference between the fair value of the balance sheet investment portfolio and its carrying value prior to January 1, 2023.

Furthermore, post-closing, the Group finalized the disposal of the 30% interest held in Rhône group for c. \$70m. Eurazeo recognized a loss of around €74m for this deal.

II. CASH AND CASH EQUIVALENTS AND DEBT

As of June 30, 2023, **Eurazeo SE net debt amounted to €426m**, i.e. a gearing of 5%. Gross cash and cash equivalents totaled €54m.

Eurazeo has a confirmed revolving credit facility (RCF) of €1.5bn, maturing in 2026, drawn €480m at the end of June 2023.

In H1 2023, the Group acquired 1,476,556 of its own shares for €94.8m.

At the end of June, the Group held 2,283,647 treasury shares, i.e. 2.9% of total outstanding shares (79,224,529 shares). Net of treasury shares, a total of 77,099,559 shares were used to calculate per-share portfolio.

III. SHAREHOLDER RETURN

The Shareholders' Meeting of April 26 confirmed the Executive Board's proposed payment of a dividend of **€2.20 per share**, (i.e. a 26% increase compared to the 2021 ordinary dividend), representing a total distribution of c. €168m.

The Executive Board launched **a new share buyback program of €100m that came into effect at the end of March 2023, extending the previous program.**

IV. NEW STEPS FORWARD IN ESG

Under its O+ ESG strategy, Eurazeo is actively financing companies that contribute to climate change mitigation and adaptation, as well as social inclusion. To date, a total of **€4.7 billion** is dedicated to such companies, an increase compared to the €4.3 billion as of December 31, 2022, representing 13% of Eurazeo's assets under management⁵. These investments span across the entire portfolio, including in the 7 impact-driven funds⁶.

⁵ As of June 30th, 2023

⁶ Eurazeo Transition Infrastructure Fund (ETIF), Eurazeo Sustainable Maritime Infrastructure (ESMI), Eurazeo Smart City II, Nov Santé Actions Non Cotées, Kurma Biofund III, Kurma Diagnostics II, Kurma Growth Opportunities IV.

These funds showcased strong investment activity, as illustrated by the 6 deals completed since January, totaling circa €150 million⁷.

- **Decarbonization of the maritime sector:** Eurazeo Sustainable Maritime Infrastructure (ESMI) has closed a transaction with Olympic Subsea to finance a vessel used for construction and maintenance of offshore windfarms. The fund has also signed two deals with Longship Group to finance two new-generation ships used for short-sea freight, which are among the greenest in the segment.
- **Transition to sustainable infrastructure:** Eurazeo Transition Infrastructure Fund (ETIF) has made an investment in Etix Everywhere, and will support the decarbonization of its data centers. The fund has also invested in TSE, a producer of photovoltaic energy that combines the benefits of solar power with agricultural development.
- **Innovation in health:** Kurma Diagnostics II focuses on early-stage European companies in digital health and medical diagnostics innovation. The fund has made a seed investment in Radium, a company whose AI-based technology is used to improve the efficiency and thoroughness of radiology imagery.

V. OUTLOOK

Strengthened by its position in the private asset management sector which continues to be driven by favorable structural trends, Eurazeo confirms the outlook announced on March 10, 2022, upon presentation of its annual results and notably the doubling of assets under management, which could reach €60bn in 5 years, and an increase in the FRE margin in the medium-term to 35-40%. Third-party performance fees, which are currently limited, should become more substantial once the Group's funds have reached maturity.

For 2023, and in a normal market environment, the Group is targeting further robust growth in its Fee Related Earnings, which should be driven by higher management fees and disciplined cost management.

The Group plans to hold an event for investors on **November 30, 2023 (Capital Markets Day)** during which it will explain its strategy and value creation levers in detail.

VI. SUBSEQUENT EVENTS

On July 14, Eurazeo sold its 30% stake in Rhône Group to company partners for c. \$70m, generating a capital loss of approximately €74m for Eurazeo. Over the last 12 months, Rhône Group contributed 3% to management fees and 4% to FRE net of the Group's financing cost.

On July 21, the Group announced the appointment of **Hala Fadel as Managing Partner** in charge of the **Growth** activity, replacing Yann du Rusquec who left the Group to pursue personal projects. Hala, who joined the Eurazeo's Growth team in 2022 as Managing Director, is a prominent figure in this market with 25 years of experience in growth company investment and support. She worked for around 15 years at Comgest in their investment fund for European growth companies and had

⁷ Committed amount

previously co-founded Leap Ventures, a venture capital investment fund operating in Europe and the Middle East.

She currently sits on the Board of Directors of the Massachusetts Institute of Technology (MIT). She graduated from HEC Paris and also obtained an MBA from the MIT Sloan School of Management. Hala will lead an experienced international team of around twenty professionals based in Paris, London and Berlin.

ABOUT EURAZEO

- Eurazeo is a leading global investment group, with a diversified portfolio of €35.2 billion in Assets Under Management, including €25 billion from third parties, invested in around 600 companies. With its considerable private equity, private debt, real estate asset and infrastructure expertise, Eurazeo accompanies companies of all sizes, supporting their development through the commitment of its 400+ 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, London, Frankfurt, Berlin, Milan, Madrid, Luxembourg, Shanghai, Seoul, Singapore and Sao Paulo.
- Eurazeo is listed on Euronext Paris.
- ISIN: FR0000121121 - Bloomberg: RF FP - Reuters: EURA.PA.

EURAZEO FINANCIAL TIMETABLE

November 8, 2023

Q3 2023 revenue

November 30, 2023

Capital Markets Day

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APPENDIX 1: IM GLOBAL PARTNER (NO AUM CONSOLIDATED)

It is recalled that iM Global Partner's assets are not included in assets under management published by the Eurazeo Group.

The Assets Under Management of iM Global Partner (IMG share) total US\$37.8bn at the end of June 2023, up 16% compared to H1 2022 despite the current uncertain macro-economic environment. This growth is due in particular to the good performance of affiliates despite the current uncertain macro-economic environment, and to the continuation of iM Global Partner's dynamic M&A strategy in 2022, in particular through the acquisition of a 45% stake in Berkshire Asset Management, an investment management company focused on yield-focus US equities, in December 2022.

APPENDIX 2: FEE PAYING AUM

H1 2023 (in €m)	Eurazeo third parties	Rhône (30%)	MCH (25%)	Eurazeo balance sheet	Total
Private Equity	10,545	1,294	219	6,256	18,315
Private Debt	5,167	0	0	181	5,348
Real Assets	391	0	0	1,004	1,395
Total	16,103	1,294	219	7,442	25,058

H1 2022 (in €m)	Eurazeo third parties	Rhône (30%)	MCH (25%)	Eurazeo balance sheet	Total
Private Equity	9,436	1,233	218	4,404	15,291
Private Debt	4,968	0	0	177	5,145
Real Assets	66	7	0	1,129	1,201
Total	14,469	1,240	218	5,710	21,637

APPENDIX 3 : ASSETS UNDER MANAGEMENT

M€	31/12/2022			30/06/2023		
	AUM 3 rd	AUM Eurazeo Balance Sheet	Total AUM	AUM 3 rd	AUM Eurazeo Balance Sheet	Total AUM
Private Equity	14,300	8,706	22,547	14,580	8,597	23 176
<i>Mid-large buyout</i>	2,165	4,723	6,888	2,191	4,701	6 891
<i>Small-mid buyout</i>	1,537	1,103	2,641	1,518	1,018	2 537
<i>Growth¹</i>	2,566	1,940	4,506	2,647	1,909	4 556
<i>Brands</i>	-	739	739	-	764	764
<i>Healthcare (Nov Santé)</i>	418	-	418	414	0	414
<i>Venture</i>	3,270	117	3,387	3,323	134	3 456
<i>Private Funds Group</i>	3,886	83	3,969	4,486	71	4 557
Private Debt	6,604	262	6,865	6,574	285	6 859
Real Assets	472	1,142	1,614	590	1,136	1 726
Rhône (30%)	2,449	50	2,499	2,449	50	2 499
MCH PE (25%)	325	88	413	323	93	417
Kurma	436	49	485	432	52	485
Others	-	19	19	-	21	21
Total	24,126	10,316	34,442	24,948	10,234	35 182

APPENDIX 4 : DETAILED PORTFOLIO – EURAZEO BALANCE SHEET

M€ - 30/06/2023	Portfolio	Uncalled commitments	Total AUM
Private Equity	6,776	1,821	8,597
<i>Mid-large buyout</i>	3,462	1,239	4,701
<i>Small-mid buyout</i>	634	385	1,018
<i>Growth¹</i>	1,819	90	1,909
<i>Brands</i>	764	0	764
<i>Healthcare (Nov,Santé)</i>	0	0	0
<i>Venture</i>	55	78	134
<i>Private Funds Group</i>	42	29	71
Private Debt	178	107	285
Real Assets	917	218	1,136
Rhône (30%)	5	45	50
MCH PE (25%)	61	32	93
Kurma	12	40	52
Others	19	2	21
Total	7,968	2,266	10,234