

SOLID GROWTH IN THE FIRST NINE MONTHS OF 2023: FEE PAYING AUM UP 19% AND STRONG PORTFOLIO COMPANY PERFORMANCE

Paris, November 8, 2023

Dynamic asset management growth over the first 9-months of 2023

- Assets Under Management (AUM): +11% pro forma¹ in one year to €33.5bn
- Fee Paying Assets Under Management (FPAUM): +19% pro forma¹ to €24.2bn
- Third-party fundraising: €1,723m, including €566m raised from private clients
- Management fees: +10% pro forma¹ to €305m

Solid portfolio companies performance

- Sustained revenue growth across all segments excluding Growth (+11%)
- Good momentum in the Growth segment (+17%)

Selective deployment; increase in realizations expected in H1 2024

- Realizations down over 12M: €0.8bn compared to €2.4bn over 9M 2022; the Group expects realizations volumes to pick-up in H1 2024
- Selective deployment: €3.0bn (€3.8bn over 9M 2022)
- Significant leeway: dry powder² of €4.0bn and undrawn balance sheet commitments in the funds of €2.2bn

New impact strategy developments

- Final closing of Eurazeo Smart City II fund above its initial target
- Strong fundraising momentum in the transition infrastructure fund (ETIF) which should soon close above its initial target

2023 perspectives

- For 2023, the Group anticipates a fundraising of around €3.0bn and confirms it is targeting strong growth in Fee Related Earnings

Christophe Bavière and William Kadouch-Chassaing, Co-CEOs, stated: "Eurazeo reports a solid growth in the first nine months of the year, despite a complex and uncertain environment. This reflects the quality of our client franchises and the solid underlying performance of investments. We are confident in Eurazeo ability to achieve €3bn of fundraising and grow steadily the asset management operating income. The Group will present its medium-term strategy and outlook during a Capital Markets Day on November 30."

¹ Pro forma of Rhône which represented €2.4bn of AUM and €1.3bn of FPAUM before its sale

² Rhône drypowder totaled €0.6bn

ASSET MANAGEMENT ACTIVITY

A. ASSETS UNDER MANAGEMENT

As of September 30, 2023, Eurazeo **Assets Under Management (AUM) totaled €33.5bn, up 11% over 12 months pro forma of the Rhône divestment**

- third-party AUM (Limited Partners and private clients) totaled €22.8bn (+10% over 12 months at constant scope), including dry powder of €4.0bn. Following the sale of the stake, AUM no longer include Rhône which accounted for €2.4bn of third party AUM, including drypowder of €0.6bn prior to its sale.
- balance sheet AUM include the investment portfolio on the Group's balance sheet (€8.5bn, up €0.5bn due to the investments completed during the quarter) and Eurazeo balance sheet commitments in Group funds (€2.2bn).

Assets under management (€bn) ³	09/30 2022 excl. Rhône	09/30 2023	% change LTM	% AUM
Private Equity	22,470	24,647	9.7%	74%
Private Debt	6,485	7,024	8.3%	21%
Real Assets	1,294	1,798	38.9%	5%
Total AUM	30,249	33,468	10.6%	100%
<i>of which third-party AUM</i>	20,758	22,772	9.7%	68%
<i>of which balance sheet AUM⁴</i>	9,491	10,696	12.7%	32%

Fee Paying AUM amounted to **€24.2bn, up 19% over 12 months pro forma of Rhône**. Rhône FPAUM totaled €1.3bn prior to its sale.

09/30/2023	Eurazeo third parties ⁵	Eurazeo balance sheet	Total	Total LTM growth (%)
Private Equity	10,934	6,248	17,182	+20%
Private Debt	5,349	192	5,541	+12%
Real Assets	432	1,009	1,441	+35%
Total	16,715	7,449	24,164	+19%
<i>LTM growth</i>	+13%	+34%	+19%	

³ Assets under management are not revalued quarterly. September 30, 2023 figures are pro forma. They include Eurazeo balance sheet commitments in Group funds and exclude the value of the asset management activity.

⁴ Including the balance sheet investment portfolio and balance sheet commitments in Group funds

⁵ Including MCH for €200m in Private Equity, excluding Rhône sold in 2023

B. FUNDRAISING

In a wait-and-see market that has contracted compared to last year, **Eurazeo raised €1.7bn from its clients** in the first nine months of 2023:

- Private Debt fundraising remained strong, exceeding €900m in 9M 2023, up more than 30% compared to 9M 2022;
- the transition infrastructure fund maintained its robust fundraising momentum, collecting over €200m over the period. Considering the commitments received, the fund will soon exceed its initial target of €500m;
- Private Equity inflows totaled €625m over 9M 2023, driven by current fundraising in the Secondary segment and the final closing of the smart city and climate technologies program at €400 million, exceeding the initial target.

Private client fundraising maintained the good momentum observed in 2022. With €566m raised in the first nine months of 2023, in line with the same period last year, it represented 33% of total fundraising during the period. Private clients account for €3.9bn, or over 17% of third-party AUM. The development of the offer for private clients continues to gain momentum with the signature of a partnership with iCapital. This partnership complements the one signed with the digital platform Moonfare. It will enable Eurazeo to extend its product distribution to Wealth Managers in Europe, and particularly in Germany, Belgium, Luxembourg, Italy, Switzerland and in the Netherlands.

Third-party fundraising (€m)	9M 2022	9M 2023
Private Equity	1,130	625
Private Debt	697	911
Real Assets	8	186
Total	1,834⁶	1,723

Post-closing, the MLBO strategy realized a first closing of the Eurazeo Capital V fund (EC V) at €2.3bn, including c.€600m from third parties. The successful third-party capital fundraising of MLBO, historically supported by the balance-sheet, marks an important milestone in the Group's shift towards third-party management.

For the full-year 2023, the Group anticipates fundraising of around €3.0bn, compared to €2.9bn excluding Rhône in 2022.

⁶ Excluding Rhône fundraising for €270m

C. ASSET MANAGEMENT REVENUE

Management fees totaled **€305m** in 9M 2023, **up +10%** at constant scope and exchange rates (Rhône exit). Excluding the base effect of catch-up fees, they rose by +12% and break down as follows:

- i) third-party asset management activity, up +4% to €214m at constant scope and exchange rates. Excluding catch-up fees, third-party management fees increased by +7%;
- ii) Management fees on Eurazeo's balance sheet of €92m, up +27% mainly due to commitments to the EC V fund.

Realized **performance fees** were negligible during the period due to the limited number of realizations.

(€m)	9M 2022 PF	9M 2023	% chg. Ifl	% chg. published
Management fees	277	305	+10%	+9%
<i>of which third parties</i>	205	213	+4%	+2%
<i>of which balance sheet</i>	73	92	+27%	+27%
Realized performance fees	73	1.5	-	-
<i>of which third parties</i>	4	1	-	-
<i>of which balance sheet</i>	69	1	-	-
Total fees	350	306	-13%	-13%

ASSET ROTATION

Realizations in the first nine months of the year totaled **€0.8bn**, down on realizations of €2.4bn in 9M 2022. In a less favorable market context, the Group chose to postpone some exits. The group initiated several divestment processes that should lead to an increase in realization volumes in the first half of 2024.

Eurazeo remained selective in its investments: Group **deployment** totaled **€3.0bn** in the first nine months of 2023, compared to €3.8bn in 9M 2022. Deployments are mainly split between Private Debt, secondary and Buy-out with the acquisition of BMS.

(€m)	Deployments		Realizations	
	9M 2022	9M 2023	9M 2022	9M 2023
Private Equity	2,148	1,746	1,155	462
Private Debt	1,426	1,108	596	330
Real Assets	263	169	644	14
Other	9	15	4	1
Total	3,847	3,038	2,398	807
<i>of which balance sheet</i>	<i>1,038</i>	<i>713</i>	<i>1,059</i>	<i>164</i>

Going forward, Eurazeo benefits from substantial leeway for its future deployments: dry powder of **€4.0bn**⁷ and balance sheet commitments in the funds of **€2.2bn**.

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, none of which represent more than 6% of the total value. They are primarily positioned in structurally buoyant sectors, such as healthcare, business services, technologies and energy transition.

In the first nine months of the year, these companies delivered a new increase in revenue growth⁸:

- **Mid-large buyout** (+15% in 9M 2023): The portfolio reported strong organic growth in almost all segments. This performance reflects the Group's positioning in high-quality assets in buoyant segments;
- **Small-mid buyout** (+3%): Business services and healthcare companies continued their strong growth. Companies in the consumer space experienced a slight slowdown;
- **Growth** (+17%): Revenue growth remained dynamic, ranging between +20% and +45% for most of the portfolio. All companies are focusing on cost control and accelerating their path to profitability;
- **Brands** (+11%): The portfolio reported further robust growth;
- **Real Assets** (+10%): Robust growth in hotel activities and resilient performance of the real estate portfolio.

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

NEW IMPACT STRATEGY DEVELOPMENTS

Drawing on its recognized expertise in sustainable investment, Eurazeo develops "return first" impact investment strategies with profitability profiles in line with the best standards in their asset classes.

The Group achieved the final closing of the fund Eurazeo Smart City II, exceeding its initial target. It has received the support from tier-1 sovereign and institutional investors, and as of September 30, had already completed 11 investments, of which 57% in impact-driven companies. The program as a whole, should have the capacity to deploy €400 million.

Eurazeo Transition Infrastructure Fund (ETIF), classified as an Article 9 fund under SFDR regulations, is continuing its fund-raising momentum and should soon exceed its target of €500 million. The fund is pursuing its deployment in the energy transition and digital sector, with an

⁷ Rhône accounted for dry powder of €0.6bn prior to divestment

⁸ Portfolio company revenue, proportional to the percentage of assets held by the Eurazeo balance sheet. MLBO, SMBO, Growth, Brands and Real Assets represent c.95% of the balance sheet investment portfolio, see appendix 2.

investment in 2BSI, a French leader in the recovery and management of infrastructure waste. ETIF also enabled Etix to acquire 5 additional data centers in France during the quarter, while continuing to support this new entity in its decarbonization trajectory, the acquisition having been partly financed by a sustainability linked bond.

REINFORCEMENT OF TALENTS

The Group continues to strengthen its key areas of expertise in key growth areas, notably with the recruitment of a new Operating Partner for MLBO, a Private Debt Investment Director for the UK and the Nordic countries, a Managing Director in charge of fundraising in the Middle East, and new high-level senior advisors for the Growth and Impact strategies. During the first half of the year, the Group made a number of appointments to key positions (CFO, Group General Secretary, Compliance, Operations, and the leadership of MLBO and Growth strategies). Further senior appointments are expected in the coming quarters.

BALANCE SHEET AND CASH AND CASH EQUIVALENTS

As of September 30, 2023, the balance sheet investment portfolio was valued at net €8.5bn (**€111.3 per share outstanding**). As a reminder, the portfolio is not revalued quarterly. The change in value compared to end-June 2023 (€8.0bn or €103 per share) comes from acquisitions completed in the third quarter that are reflected in cash and cash equivalents.

As of September 30, 2023, net debt totaled €969m (**€12.7 per share**), including gross cash and cash equivalents of €16m. This debt represents a moderate gearing of around 12%. As of June 30, 2023, net debt totaled €426m (€5.5 per share).

Eurazeo has a revolving credit facility (RCF) of €1.5bn, maturing in 2026, and drawn €985m at the end of September 2023.

The Group held 5,150,783 treasury shares, i.e. 6.5% of total outstanding shares (79,224,529 shares) as of September 30, 2023. Excluding treasury shares held for cancellation, the number of shares outstanding is 76.4 million. The shares purchased will be canceled before the year end.

SHAREHOLDER RETURN

The Executive Board launched **a new €100m share buyback program that came into effect at the end of March 2023**. This program, which will be accretive for shareholders, reflects management's confidence in the Group's prospects and the value of its assets. The Group will also buy back shares to cover the Long Term Incentive Plans (LTIP).

As of September 30, 2023, the Group had used €71m of this amount. As of October 30, a total of €83m had been used.

OUTLOOK

For 2023, the Group anticipates fundraising of around €3.0bn (compared to €2.9bn excluding Rhône in 2022) and confirms it is targeting further robust growth in Fee-Related Earnings, which should be driven by higher management fees and disciplined costs.

The Group will present its medium-term strategy and outlook at a **Capital Markets Day** on the morning of **November 30, 2023**. This event will be presented as a webcast.

SUBSEQUENT EVENTS

On October 31, the MLBO strategy realized a first closing of the Eurazeo Capital V fund (EC V) at €2.3bn, including c.€600m from third parties. This closing will result in a partial syndication of the assets already acquired by the fund (Cranial, Scaled Agile, BMS and Sevetys).

ABOUT EURAZEO

- Eurazeo is a leading European investment group with €33.5 billion in diversified assets under management, including €23 billion on behalf of institutional and retail clients through its private equity, private debt, real estate and infrastructure strategies. The Group supports more than 600 mid-market companies, leveraging the commitment of its 410-strong workforce, its in-depth sector expertise, its privileged access to global markets, and its responsible approach to value creation based on growth. Its institutional and family shareholding, and its solid financial structure, enable it to have a long term perspective.
- 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 30, 2023	Capital Markets Day
March 7, 2024	2023 annual results
May 16, 2024	Q1 2024 revenue
July 25, 2024	2024 half-year results

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APPENDIX 1: PARTNERSHIPS

iM Global Partner (AUM not consolidated)

As a reminder, iM Global Partners' assets are not included in the Eurazeo Group's published AuM. Assets under management of iM Global Partners (in iMG's share of interest) stood at \$37.1 billion at the end of September 2023, up 16% compared with the end of September 2022. This growth is notably due 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 particular through the acquisition of a 45% stake in Berkshire Asset Management, a US equity and yield-focused asset management company, in December 2022, as well as through Litman Gregory Wealth Management's acquisition of Wedgewood Partners' private client business in August 2023 (AuM \$275m).

APPENDIX 2: BREAKDOWN OF EURAZEO BALANCE SHEET AUM

€M – 09/30/2023	Portfolio	Drypowder	Total EZ AUM
Private Equity	7,243	1,780	9,023
Mid-large buyout	3,697	1,211	4,908
Small-mid buyout	669	376	1,045
Growth ¹	2,007	90	2,097
Brands	768	-	768
Healthcare (Nov, Santé)	-	-	-
Venture	55	77	132
Private Funds Group	47	26	73
Private Debt	186	105	290
Real Assets	971	193	1,164
MCH PE (25%)	66	30	95
Kurma	16	36	52
Other	24	47	72
Total	8,505	2,191	10,696

APPENDIX 3: ASSETS UNDER MANAGEMENT

€m	12/31/2022 PF excl. Rhône			09/30/2023		
	Third-party AUM	Eurazeo balance sheet AUM	Total AUM	Third-party AUM	Eurazeo balance sheet AUM	Total AUM
Private Equity	13,841	8,706	22,547	14,633	9,023	23,656
<i>Mid-large buyout</i>	2,165	4,723	6,888	2,272	4,908	7,180
<i>Small-mid buyout</i>	1,537	1,103	2,641	1,525	1,045	2,570
<i>Growth¹</i>	2,566	1,940	4,506	2,584	2,097	4,681
<i>Brands</i>	-	739	739	-	768	768
<i>Healthcare (Nov Santé)</i>	418	-	418	418	-	418
<i>Venture</i>	3,270	117	3,387	3,180	132	3,312
<i>Private Funds Group</i>	3,886	83	3,969	4,654	73	4,726
Private Debt	6,604	262	6,865	6,733	290	7,024
Real Assets	472	1,142	1,614	634	1,164	1,798
MCH PE (25%)	325	88	413	338	95	433
Kurma	436	49	485	434	52	486
Other	-	69	69	-	72	72
Total	21,677	10,316	31,993	22,772	10,696	33,468