

ENACTION

EDITORIAL **Virginie Morgon**, Chairwoman of the Executive Board

Solid performance and tangible results sustain Eurazeo's drive for growth



Dear shareholders,

Eurazeo has maintained its drive for growth over the last few months.

The Group continues to rapidly expand its footprint around the world:

- In Southern Europe, we established a partnership with MCH Private Equity, a key private equity firm in Spain.
- In the UK and Germany, we deployed teams in particular in the very promising "Growth Equity" market.

- In the US, we made two new investments this year and have invested over 1 billion USD since the New York office was set up in 2016.
- In South Korea, we opened an office to work directly with the major institutional investors in the country, who are increasingly focusing on business in Europe.
- In China, Eurazeo was proud to sign a partnership agreement in Beijing in the presence of presidents Emmanuel Macron and Xi Jinping to set up a mutual fund between the China Investment Corporation (CIC) and BNP Paribas. Eurazeo was chosen by CIC as its exclusive partner in France, reflecting the explicit recognition of the position we have forged for ourselves in China since entering the market 8 years ago.

“Eurazeo is a more profitable company, and therefore a more solid investment for shareholders.”

These international developments all lead towards the same goal to expand our business network and consequently the quantity and quality of our investment opportunities. They enable us to invest in higher quality assets that are more profitable for shareholders.

The last few months were also marked by our successful fundraising.

Our assets under management and assets managed for investment partners grew by 10% and 15%, respectively. This trend has already produced tangible results, as management fees billed to investment partners have increased 14% since January 1, 2019, which helps to better cover the company's operating expenses. This progression demonstrates the appeal the Group holds for international investors. Eurazeo is a more profitable company, and therefore a more solid investment for shareholders.

The last few months also delivered solid investment performance and good asset rotation.

Economic revenue was up 14.3%, with growth in all our investment divisions. This reflects both the astute investment decisions of Eurazeo's teams and their ability to support the growth of portfolio companies in an uncertain environment. Eurazeo now has eight investment divisions striving to position themselves as leaders in their respective markets, eight well staffed teams focused on achieving responsible growth, globalization, innovation and the transformation of our portfolio companies.

The growth of our Group means these companies are more rigorously selected, more effectively transformed and better sold, to the benefit of all our stakeholders, first and foremost our shareholders •

In Q3 2019, Eurazeo's portfolio performed well and grew its assets under management business considerably



I am delighted to be able to talk about the revenue figures we published for Q3, which was a very strong quarter, both in terms of business for our companies and investment.

Year-to-date economic revenue was up 9.5% at constant scope and exchange rates, with a particularly strong third quarter (up 14.3%). Such growth was driven by the performance of Eurazeo Capital and Eurazeo PME and the growing importance of portfolio companies in recent strategies (Eurazeo Brands and Eurazeo Patrimoine).

A highlight from the period that I'd like to point out here is that we really stepped up our fundraising business.

Over the first nine months of the year, Eurazeo raised €1.7 billion from investment partners (including €554 million in the third

quarter alone). This represents an increase of over 40% compared with the same period in the prior year, in particular with Eurazeo Capital IV raising €700 million.

Assets under management (AuM) rose to €18 billion at September 30, 2019, up over 10% on end-2018, driven by growth in assets managed for investment partners (up 15% to €11.9 billion). Net Asset Value (NAV) amounted to €6.1 billion while net asset value per share (€77.3) rose by 4.7% on December 31, 2018 (6.3% including dividend). Total management fees increased 14% to €151 million in the first nine months, mainly due to 22% growth in management fees billed to our investment partners, which benefited from recent fundraising by Eurazeo Capital and Iinvest as well as new companies entering the scope, such as iM Global Partner and MCH Private Equity. These figures demonstrate the suitability of our model of a single listed company that invests in both its balance sheet and the funds with which it is entrusted by investment partners.

“ All these figures confirm the suitability, specificity and solidity of our strategy over the long term.”

Furthermore, **the solidity of our financial structure, something that sets Eurazeo apart from its competitors, was reinforced** as Eurazeo SE's cash position

was reported to be €557 million at September 30, 2019. It is also important to note Eurazeo SE is free of structural debt.

In addition, since the beginning of 2019, the company bought back 1.5 million treasury shares (i.e. 1.9% of capital), worth a total €97 million with a view to cancelling them •

EXPANSION IN ASIA

Given that Asia is a vitally strategic region for boosting the growth of its companies, **Eurazeo Group sought to expand its presence in the region by opening a new office in Seoul.**

This new location forms part of the firm's strategy to step up investment activity on the continent and open up access to Asian markets for its portfolio companies. The new office will expand Eurazeo's footprint in the region while providing closer proximity to its growing pool of institutional investors •



NAV: €77.3 per share
up 4.7% on December 31, 2018 (6.3% including dividend).

2019 Strong investment momentum across all strategies

Eurazeo continues to invest capital across all its strategies. Since January, the Group has **invested over €2.6 billion** from the balance sheet and for its investment partners, including €1.3 billion in Q3 2019 (**for 34 new investments and 29 reinvestments in portfolio companies**).

Total and partial divestments added up to €1.8 billion over the first nine months of the year and nearly €0.6 billion in Q3.

NEW INVESTMENTS

87 OPERATIONS INCLUDING:

- ▶ **Eurazeo Capital**
DORC, a world leading specialist in vitro retinal surgery.
Elemica, a leading cloud-enabled digital supply network.
- ▶ **Eurazeo PME**
EFESO Consulting, specializing in operational excellence.
- ▶ **Eurazeo Growth**
Meero, an on-demand photo platform.
Adjust, a service platform to maximize the impact of mobile marketing.
Payfit, a start-up that simplifies payroll management and HR processes for SMEs.
- ▶ **Eurazeo Brands**
Bandier, a sports clothing brand.
Herschel, a Canadian bags and accessories brand.
Q-Mixers, a range of drinks free from artificial sweeteners
- ▶ **Eurazeo Patrimoine**
Emerige, a leading real-estate developer in the Greater Paris region.



OVER 1 BILLION USD ALREADY INVESTED IN NORTH AMERICA

- ▶ In September, Eurazeo Capital invested in Elemica, a leading cloud-enabled digital supply network. The US company serves more than 450 customers worldwide, including 39 of the top 100 global chemical companies. Over half a trillion USD in goods are bought, sold and moved annually through the Elemica Digital Supply Network.
- ▶ In November, Eurazeo Brands, the division set up to manage high-growth brands, took on a minority share in Herschel, a brand that designs utility-inspired bags and accessories based in Vancouver, Canada.

This operation marks Eurazeo's eighth investment in the US. The Group has invested over one billion USD of equity in North America •

FOCUS ON

ELIS, A TRANSFORMATION SUCCESS STORY

In July 2019, Eurazeo sold its remaining stake in Elis, a company it has been supporting since 2007.

Over the full duration of the investment, Eurazeo made capital gains of €440 million and a cash-on-cash multiple of 1.9x its initial investment. Since taking a stake in the capital, Eurazeo backed up the transformation of Elis, in particular by conducting strategic transformative international operations like the acquisition of Berendsen and business development in Brazil and Spain.

In just over a decade, the company nearly quadrupled revenue by becoming a global group dominating the rental and care of textiles, workwear and hygiene products •



“ Eurazeo Capital has succeeded in harnessing its expertise and international network to support the company's fantastic growth, in particular through formative external growth operations. ”

Marc Frappier, Managing Partner of Eurazeo Capital

Between YOU AND I

Shareholder relations

On July 26, as we presented our half-year financial statements, we held **our third interactive web conference**. Over **200 individual shareholders logged in** to ask their questions to Philippe Audouin, CFO and member of the Executive Board.

Several times a year, Eurazeo meets with shareholders at its **regional information**

and feedback meetings. In 2019, we went to Annecy and Lille, meeting with nearly 400 individual shareholders. We were also present at the **salon Actionaria** event, where we held a meeting with almost 200 shareholders. Philippe Audouin and Sophie Flak, CSR and Digital Director spoke about the Group's strategy and latest news •

NEWS IN VIDEO AND TEAMS AND COMPANIES ON THE FRONT PAGE

We produce short format reports to complement the press releases about our most important news for shareholders to give them a better insight into our teams, investments, business and achievements •

Eurazeo STOCK MARKET PERFORMANCE

since January 2, 2017 (Index = 100, adjusted price)



* LPX (Listed Private Equity): index of listed private equity companies.

Fostering a relationship through DIGITAL TECHNOLOGY

If you wish to receive information directly about Eurazeo's news and meetings with individual shareholders, email us at actionnaires@eurazeo.com or send this reply form to: EURAZEO, Relations avec les actionnaires particuliers, 1 rue George Berger, 75017 PARIS, France



Dates for your diary

- **MARCH 12, 2020**
2019 annual results
- **APRIL 30, 2020**
Annual General Meeting at the Pavillon Gabriel de Paris
- **MAY 19, 2020**
Q1 2020 revenue
- **JULY 29, 2020**
H1 2020 revenue
- **NOVEMBER 10, 2020**
Q3 2020 revenue



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