

EURAZEO REPORTS FURTHER ASSET MANAGEMENT GROWTH IN Q1 2023

Paris, May 16, 2023

Dynamic asset management growth in Q1 2023

- Assets Under Management (AUM): +10% in one year to €34.8bn
- Fee Paying Assets Under Management (FPAUM): +26% to €25bn
- Third-party fundraising: €866m, including €185m raised in the wealth segment
- Management fees: +28% at €105m

Selective deployment; significant financial leeway

- Realizations: €0.3bn (€0.4bn in Q1 2022)
- Deployments: €0.9bn (€1.7bn in Q1 2022)
- Significant financial leeway: dry powder of €5.3bn and undrawn balance sheet commitments in the funds of €2.4bn

Solid performance of portfolio companies

- Sustained revenue growth across all segments
- Good momentum in the Growth segment against high comparison bases

New steps forward in ESG

- Eurazeo and Société Générale have joined forces to support the decarbonization of the maritime sector
- New €420m closing for the ETIF fund dedicated to energy transition

Eurazeo classified as an “Investment Company” under IFRS 10

- From January 1, as announced on the publication of the annual results
- Non-recurring P&L gain of **€1.9bn** recognized in H1 2023

Attractive shareholder return

- Payment on May 3, 2023 of a €2.20 dividend per share approved by shareholders on April 26, 2023, or circa €168m
- Launch of the previously announced €100m share buyback program

Christophe Bavière and William Kadouch-Chassaing, Co-CEOs, declared: “Eurazeo reports a good first quarter in a complex and uncertain environment. Double-digit growth in management fees, satisfactory inflows and strong revenues from portfolio companies are evidence of the quality of our strategies. We are being particularly selective and disciplined in the execution of our asset rotation and have significant financial flexibility. This quarter marks another step forward in our ambition to become the leading European alternative asset manager in the mid-market, growth and impact segments.”

1. ASSET MANAGEMENT ACTIVITY

A. ASSETS UNDER MANAGEMENT

As of March 31, 2023, Eurazeo Group **Assets Under Management (AUM) totaled €34.8bn, up 10% year-on-year:**

- third-party AUM (Limited Partners and private clients) totaled €24.6bn (+8% over 12 months), including dry powder of €5.3bn.
- balance sheet AUM include the investment portfolio within the Group's balance sheet (€7.8bn) and Eurazeo balance sheet commitments in Group funds (€2.4bn).

Assets under management (€bn) ¹	03/31 2022	03/31 2023	% change LTM	% AUM
Private Equity	23,914	25,938	8.5%	74%
Private Debt	6,139	7,179	16.9%	21%
Real Assets	1,569	1,684	7.3%	5%
Total AUM	31,622	34,800	10.1%	100%
<i>of which third-party AUM</i>	22,709	24,617	8.4%	71%
<i>of which balance sheet AUM²</i>	8,913	10,183	14.0%	29%

Fee Paying AUM amounted to **€25bn, up +26%** over 12 months. Q1 2022 FPAUM are presented in Appendix 2

03/31/2023	Eurazeo Limited Partners	Rhône (30%)	MCH (25%)	Eurazeo Balance Sheet	Total
Private Equity	10,642	1,300	214	6,253	18,410
Private Debt	5,060	0	0	153	5,213
Real Assets	391	0	0	998	1,388
Total	16,094	1,300	214	7,404	25,012

B. FUNDRAISING

In Q1 2023, **Eurazeo raised €866m from its clients** (+42% year-on-year excluding Rhône fundraising in Q1 2022):

- Private Debt fundraising remained strong, exceeding €500m in the quarter for the Direct Lending and Asset based finance strategies.

¹ Assets under management are not revalued quarterly. March 31, 2022 figures are pro forma. They include Eurazeo balance sheet commitments in Group funds and exclude the value of the asset management activity.

² Including the balance sheet investment portfolio and balance sheet commitments in Group funds

- the transition infrastructure fund completed a new closing at €420m (including €144m in Q1) and has already reached 80% of its initial target.
- Private Equity fundraising totaled €209m in the quarter, driven by ongoing fundraising in Venture and Secondaries

The inflowing trend from private clients observed in 2022 continued. With €185m raised in Q1 2023, it accounts for 21% of total fundraising on the quarter. Wealth Solutions assets AUM now represent €3.7bn or over 15% of third-party AUM.

3rd party fundraising (€m)	Q1 2021	Q1 2022	Q1 2023
Private Equity	644	764 ³	209
Private Debt	140	114	512
Real Assets	-	-	145
Total	785	878	866

Eurazeo did not make any further balance sheet commitments to its funds during the quarter.

C. ASSET MANAGEMENT REVENUE

Management fees totaled **€105m** in Q1 2023, **up 28%** at constant scope and exchange rates and break down as follows:

- Third-party asset management activity, up +19% to €75.0m;
- management fees on Eurazeo's balance sheet of €30.5m, up +56% 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)	Q1 2022 PF	Q1 2023	% ch. IfI	% ch. published
Management fees	83	105	+28%	+28%
<i>of which limited partners</i>	63	75	+19%	+19%
<i>of which balance sheet</i>	20	30	+56%	+56%
Realized performance fees	0	0	n.m.	n.m.
<i>of which limited partners</i>	0	0	n.m.	n.m.
<i>of which balance sheet</i>	0	0	n.m.	n.m.
Total fees	83	105	+28%	+28%

³ Including €270m raised by Rhône

2. ASSET ROTATION

Realizations totaled **€0.3bn** in the first quarter (€0.4bn in Q1 2022). In a less favorable environment and a context of rising interest rates, exit volumes and conditions remain satisfactory for high-quality deals in the mid-caps segment, in which the Group specializes.

Eurazeo was highly selective in its investments: Group **deployment** totaled **€0.9bn in Q1 2023 compared with €1.7bn in Q1 2022**. The Private Funds Group activity successfully seized opportunities in the secondary market and accounted for close to half Private Equity investments in the quarter.

(€m)	Deployment		Realizations	
	Q1 2022	Q1 2023	Q1 2022	Q1 2023
Private Equity	1,094	696	261	217
Private Debt	498	144	165	119
Real Assets	143	29	7	5
Other	10	7	1	0
Total	1,745	876	433	341
<i>of which balance sheet</i>	<i>612</i>	<i>94</i>	<i>26</i>	<i>103</i>

Going forward, Eurazeo benefits from substantial leeway for its future investments: dry powder of around €5.3bn and balance sheet commitments in the funds of €2.4bn.

3. PORTFOLIO COMPANIES

As of December 31, 2022, the investment portfolio carried on the balance sheet is valued at €7.8bn net (€100 per share), 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. 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 revenue growth in the quarter⁴:

- **Mid-large buyout** (+24% in the quarter): The portfolio reported strong organic growth virtually across the board, against a particularly high comparison base (+55% in Q1 2022). This performance reflects the Group's positioning in high-quality companies within the most buoyant market segments as well as the ongoing recovery of the Travel & Leisure segment.
- **Small-mid buyout** (+8%): Business services and healthcare companies continued their strong growth. Companies positioned on the consumer environment experienced a slight slowdown during the quarter, with virtually stable revenue.
- **Brands** (+13%): The portfolio reported further robust growth during the quarter.

⁴ Portfolio company revenue, proportional to the percentage of assets held by the Eurazeo balance sheet.

- **Growth** (+21%): Growth remains strong against high comparison basis (+50% in Q1 2022), notably with the good performance of circular economy companies. All companies are bringing a sharper focus on cost control.
- **Real Assets** (+38%): Robust growth in hotel activities and good performance of the real estate portfolio

As a reminder, the portfolio is not revalued quarterly and Eurazeo no longer consolidates its portfolio companies since January 1, 2023, in accordance with the consolidation exemption provided in IFRS 10 for “investment companies”.

4. CASH AND FINANCIAL LEEWAY

As of March 31, 2023, Eurazeo’s net debt was €55m. Gross cash and cash equivalents totaled €5m.

Eurazeo has a confirmed revolving credit facility (RCF) of €1.5bn, maturing in 2026, drawn for €60m at the end of March 2023.

The Group held 3,484,195 treasury shares, i.e. 4.4% of total outstanding shares (79,224,529 shares) as of March 31, 2023.

5. SHAREHOLDER RETURN

The Shareholders’ Meeting of April 26, 2023 approved the Executive Board’s proposed dividend of **€2.20 per share**, (i.e. a 26% increase on the ordinary dividend for 2021), representing a total distribution of circa €168m.

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

6. NEW ESG PROGRESS

Eurazeo and Société Générale are joining forces to develop an innovative solution in order to support the decarbonization of the maritime sector. Leveraging their respective expertise in the shipping sector and asset financing, the aim is to support ship owners by helping them improve the performance of their ships through a sale and leaseback scheme. Eurazeo will formally launch the offering to its clients in 2023. This new joint initiative comes in addition to ESMI (Eurazeo Sustainable Maritime Fund) launched by Eurazeo in 2021.

The roll-out of the Eurazeo Transition Infrastructure Fund (ETIF), classified as Article 9 (SFDR), also continued. A further €420m closing was completed in March (80% of the initial target), merely 3.5 months after the first closing. In February, a fourth investment was signed in Etix Everywhere, a

French company focusing on regional edge colocation data centers and in TSE in April, expert in photovoltaic and agrivoltaic development, the fifth investment of the fund.

7. OUTLOOK

As a strong player in the alternative asset management sector, which continues to benefit from 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 increasing management fees and disciplined cost management.

8. SUBSEQUENT EVENTS

Unwinding of the partnership with Rhône Group

On April 12, 2023, the Group announced the unwinding of its cross-ownership with Rhône Group. In this context and on the sale by Rhône Managing Directors and other stakeholders of 1.1 million Eurazeo shares through an accelerated book building launched on April 12, 2023, the Group announced the buyback of 400,000 shares, representing circa 0.50% of the share capital at a unit price of €63.89 per share.

Changes in the Supervisory Board

Robert Agostinelli, Co-Founder and Managing Director of Rhone Group, decided to terminate his term of office as a non-voting member on the Supervisory Board with effect from March 13, 2023

Patrick Sayer, President of the Paris Commercial Court, decided to terminate his term of office as a member of the Supervisory Board with effect from July 31, 2023.

ABOUT EURAZEO

- Eurazeo is a leading global investment group, with a diversified portfolio of €35 billion in Assets Under Management, including €24.7 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 over 410 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

July 27, 2023	2023 half-year results
November 8, 2023	Q3 2023 revenue

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APPENDIX 1: STRATEGIC PARTNERSHIPS

iM Global Partner (AUM not consolidated)

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

The Assets Under Management of iM Global Partner (IMG share) total US\$36.9bn at the end of March 2023, stable on March 2022 despite the current uncertain macro-economic environment. iM Global Partner nevertheless maintained its dynamic M&A strategy in 2022, notably through the acquisition in December 2022 of 45% of Berkshire Asset Management, an investment advisor specialized in dividend-focused US equity portfolios.

APPENDIX 2: FEE PAYING AUM

Q1 2023 (€M)	Eurazeo Limited Partners	Rhône (30%)	MCH (25%)	Eurazeo Balance Sheet	Total
Private Equity	10,642	1,300	214	6,253	18,410
Private Debt	5,060	0	0	153	5,213
Real Assets	391	0	0	998	1,388
Total	16,094	1,300	214	7,404	25,012

Q1 2022 (€M)	Eurazeo Limited Partners	Rhône (30%)	MCH (25%)	Eurazeo Balance Sheet	Total
Private Equity	8,780	1,233	203	4,384	14,600
Private Debt	4,373	0	0	137	4,510
Real Assets	66	7	0	620	692
Total	13,219	1,240	203	5,140	19,802

APPENDIX 3: ASSETS UNDER MANAGEMENT

€m	03/31/2023						Total AUM
	Third-party AUM			Eurazeo Balance Sheet AUM			
	Investments	Undrawn commitments	Total	Portfolio	Undrawn commitments	Total	
Private Equity	11,044	2,880	13,923	6,689	1,908	8,597	22,520
<i>Mid-Large buyout</i>	1,876	294	2,170	3,444	1,239	4,683	6,853
<i>Small-Mid buyout</i>	982	522	1,504	646	391	1,037	2,541
<i>Growth</i>	2,447	142	2,589	1,780	150	1,930	4,520
<i>Brands</i>	-	-	-	728	0	728	728
<i>Healthcare (Nov Santé)</i>	130	284	414	0	0	0	414
<i>Venture</i>	2,555	749	3,304	49	83	132	3,436
<i>Private funds Group</i>	3,054	889	3,942	41	45	86	4,028
Private Debt	5,779	1,126	6,904	164	110	274	7,179
Real Assets	222	363	585	873	226	1,099	1,684
Rhône (30%)	1,818	632	2,450	5	45	50	2,500
MCH PE (25%)	255	65	320	56	37	93	414
Kurma	209	227	436	9	38	47	483
Other	-	-	-	19	4	23	23
Total	19,326	5,292	24,617	7,815	2,368	10,184	34,800

€m	12/31/2022						
	Third-party AUM			Eurazeo Balance Sheet AUM			Total AUM
	Investments	Undrawn commitments	Total	Portfolio ⁵	Undrawn commitments	Total	
Private Equity	10,892	2,949	13,841	6,740	1,966	8,706	22,547
<i>Mid-Large buyout</i>	1,883	282	2,165	3,468	1,255	4,723	6,888
<i>Small-Mid buyout</i>	1,057	480	1,537	699	404	1,103	2,641
<i>Growth¹</i>	2,439	127	2,566	1,760	180	1,940	4,506
<i>Brands</i>	-	-	-	739	-	739	739
<i>Healthcare (Nov Santé)</i>	130	288	418	-	-	-	418
<i>Venture</i>	2,542	727	3,270	43	74	117	3,387
<i>Private funds Group</i>	2,841	1,045	3,886	30	53	83	3,969
Private Debt	5,797	807	6,604	171	91	262	6,865
Real Assets	219	253	472	878	264	1,142	1,614
Rhône (30%)	1,818	632	2,449	5	45	50	2,499
MCH Private Equity (25%)	250	75	325	44	44	88	414
Kurma	436	-	436	9	40	49	483
Other	-	-	-	19	-	19	19
Total	19,412	4,715	24,126	7,862	2,450	10,316	34,442

⁵ Balance Sheet investment portfolio, net of carried interests and taxes

APPENDIX 4: IFRS 10 CLASSIFICATION AND 2022 SIMULATION

On January 1, 2023, Eurazeo determined that it now satisfies the criteria of an “*Investment Company*” as defined in IFRS 10 “Consolidated financial statements”. This standard provides an exemption for *Investment Companies* on the consolidation of their portfolio companies.

Eurazeo has taken into account this change in classification prospectively as of January 1, 2023, with the following impacts on the financial statements as of January 1, 2023 and in the future:

- Eurazeo’s subsidiaries which provide investment services (mainly asset management entities) continue to be consolidated;
- Other subsidiaries are no longer consolidated;
- These investments are recognized at fair value and subsequently measured at fair value through P&L; and
- The non-recurring gain arising from the difference between the fair value of these investments and their carrying value prior to January 1, 2023 is recognized in the income statement in “other revenue and expenses”. **This non-recurring gain is €1,942bn and will be recognized in the accounts as of June 30, 2023.**

To facilitate the understanding and comparison of the 2023 financial statements, the Group presents below a simulation of the 2022 income statement as if the Group had applied the IFRS 10 consolidation exemption as of January 1, 2022. These figures are for information purposes only and have not been audited. They do not take into account the non-recurring gain that would have been recognized at that date.

(€m)	2022 published	2022 IFRS 10
A. Contribution of the asset management activity	214	197
B. Contribution of the investment activity	615	540
C. Contribution of companies, net of finance costs	71	0
Amortization of assets relating to goodwill allocation	(209)	(15)
Income tax expense	(84)	(3)
Non-recurring items	(119)	(19)
Consolidated net income	488	701
<i>Attributable to owners of the Company</i>	595	747
<i>Attributable to non-controlling interests</i>	(106)	(46)

A. CONTRIBUTION OF THE ASSET MANAGEMENT ACTIVITY

(€m)	2022 published	2022 IFRS 10
Management fees	380	380
<i>of which third parties</i>	277	277
<i>of which balance sheet</i>	104	104
(-) Operating expenses	(260)	(260)
(=) FRE (before financial and other expenses)	120	120
<i>FRE margin</i>	31.6%	31.6%
(+) Performance fees (PRE)	106	89
<i>of which third parties</i>	7	7
<i>of which balance sheet</i>	99	82
(+) Financial and other expenses	(12)	(12)
A. Contribution of asset management	214	197
<i>of which attributable to non-controlling interests</i>	9.8	11.0

The accounting recognition of balance sheet PRE has been aligned with the methodology adopted for third parties (realized performance fees only).

B. CONTRIBUTION OF THE INVESTMENT ACTIVITY

(€m)	2022 published	2022 IFRS 10
(+) Realized capital gains or losses and dividends	897	-
(+) Changes in fair value / fair value gains (losses)	60	-
(+) Other income	22	-
(+) Change in fair value on the portfolio	-	891
(+) Other changes in fair value	-	(132)
(-) Performance fees calculated in favor of Asset Management Activity	(99)	(82)
Net unrealized and realized capital gains/losses, dividends and others	879	678
(-) Impairment of assets	(52)	0
(-) Costs relating to deployment	(81)	(1)
(-) Management fees in favor of Asset Management Activity	(103)	(103)
(-) Group strategic management costs	(19)	(19)
(+/-) Other	(10)	(15)
B. Contribution of the investment activity	615	540

Change in Fair value on the portfolio includes provisions for taxes and carried interests and only concern portfolio assets. Investment costs now directly impact fair value gains and losses on portfolio assets. Other changes in fair value refer to assets that are not included in the portfolio, notably those related to the asset management activity.