

PARIS, JULY 25, 2018

H1 2018: EURAZEO ACCELERATES ITS TRANSFORMATION AND RELEASES SOLID HALF-YEAR RESULTS

○ TWO STRATEGIC INVESTMENTS, IDINVEST AND RHÔNE, WHICH CONTRIBUTE TO THE TRANSFORMATION TOWARDS A DUAL-FUNDED MODEL

- > Intensified fundraising momentum at Idinvest, with nearly €1.1 billion raised since the start of the year and more than \$800 million raised since its launch by the Rhône WeWork real estate joint venture

○ BUOYANT ACTIVITY IN ALL BUSINESS LINES

- > Strong investment and divestment momentum since the start of the year¹:
 - €2.1 billion in new investments for the group, including Eurazeo's share of €1.1 billion;
 - €2.2 billion in total or partial divestments, of which Eurazeo's share of €1.3 billion, including signed divestments that have yet to be completed

○ ROBUST FINANCIAL PERFORMANCE AND STRUCTURE

- > H1 2018 Economic revenue²: €3,020 million, for an increase of +10%. At constant exchange rates +14% and +17% excluding ongoing divestments
- > +22% increase in net income attributable to owners of the Company: €190 million compared to pro forma €156 million in H1 2017
- > Cash and cash equivalents of €292 million as of June 30, 2018 and €714 million pro forma of all signed deals. No structural debt at the Eurazeo SE level

○ ONGOING VALUE CREATION MOMENTUM

- > NAV per share: €78.3, up +5.3% compared to December 31, 2017³ (+6.9% dividends included)
- > Total assets under management of €16.5 billion, up +8.5% compared to December 31, 2017, driven by the increase in the NAV and the successful fundraising carried out by Idinvest
- > Solid historical track record of an IRR greater than 15% p.a. and an investment multiple exceeding 2x at Eurazeo, Idinvest and Rhône on private equity investments sold in full or in part
- > IRR of 31% and a 3.2x cash-on-cash multiple on the four ongoing divestments

Virginie Morgon, CEO, stated:

"In the first half of 2018, Eurazeo unlocked more of its significant potential, driven by a strategy that has been methodically implemented with boldness and rigor. All the developments, and they are numerous, over the past six months – across multiple business lines and geographies, as well as in investment partner fund management with Idinvest and Rhône Capital – have made us a pivotal player in the investment ecosystem in France, Europe, and, more recently, the United States. Not only can we even better finance the growth of the companies in which we invest, but we can also better drive and support the major transformations that are essential to their expansion and the creation of sustainable value. This is exactly what we've achieved at Asmodee, Neovia and AssurCopro, which have recently been sold. I'm especially proud of the work undertaken by Eurazeo's teams alongside the world-class managers of these companies, and of what we've accomplished together. We are fully aware of our responsibility in the work we do, which is why we've been recognized by Vigeo as one of the 120 most advanced companies in the world and one of the 20 most advanced companies in France in terms of ESG."

¹ Includes: i) Eurazeo, 100% of Idinvest and 30% of Rhône; and ii) deals signed and completed up to July 25, 2018

² Consolidated revenue + proportionate share of revenue of equity-accounted companies

³ Adjusted in 2017 for the bonus share grant in 2018 and the shares issued as part of the Rhône investment

I. INCREASE OF NEARLY +9% IN TOTAL ASSETS UNDER MANAGEMENT (AUM) AS OF JUNE 30, 2018

■ NAV per share up⁴ +5.3% and +6.9% with dividends included in H1 2018

As of June 30, 2018, Eurazeo's Net Asset Value stood at €78.3 per share (€6,050 million), up +5.3% compared to December 31, 2017 and +6.9% adjusted for the dividend paid in 2018.

The changes in NAV over the half-year reflect scope impacts and value creation:

- > **Eurazeo Capital** (NAV decreased by -6.2% on a reported basis, taking into account changes in scope): value creation stood at +7% due to a +9% increase in listed assets (+64% increase in the value of Moncler shares) and a +7% rise in unlisted assets. In accordance with our methodology, the investments of less than one year in our portfolio were remained at cost. They represented €592 million in H1 2018, i.e. 23% of Eurazeo Capital's unlisted companies. Scope changes mainly involved the sale of all the Accor shares held, the external growth of Novacap and the syndication of a portion of WorldStrides.
- > **Eurazeo PME** (NAV rose by +19% on a reported basis): +16% value creation due to Odéalim (formerly AssurCopro), valued at the price of the sale agreement. The change in scope primarily stemmed from the build-up at In'Tech Medical.
- > **Eurazeo Patrimoine** (NAV increased by +46% on a reported basis): +12% increase in value compared to December 31, 2017, spurred by Grape Hospitality and Reden Solar. The scope varied due to the acquisitions of C2S, Highlight and the partnership with Dazia Capital.
- > **Eurazeo Croissance** (NAV increased by +25% on a reported basis): +8% value creation partly attributable to the ongoing divestment of PeopleDoc. Scope changes involved new investments in ContentSquare and Back Market.
- > **Eurazeo Brands**: NAV increased by +89% on a reported basis due to the new investment in Pat McGrath.
- > **Eurazeo Development**: the +9% NAV increase on a reported basis stemmed from the investments in Capzantine and IM Square. The NAV takes into account €234 million, for the 30% interest in Rhône that was paid in cash for €85 million and Eurazeo shares (for 2 million Eurazeo shares issued) and €231 million for the 70% interest in Idivest.

In total, the NAV includes 13 companies not yet revalued due to the methodology used (investment of less than 1 year). Their cumulative value stood at €1,380 million, or 29% of the NAV excluding cash and cash equivalents, treasury shares and listed assets.

■ An improvement in total assets under management by nearly +9% as of June 30, 2018

As of June 30, 2018, total assets under management stood at nearly €16.5 billion, up +8.5% compared to December 31, 2017. This total breaks down into a NAV for €6.05 billion and AUM for investment partners for €10.5 billion.

This increase was attributable to the +10.5% rise in AUM for investment partners to €10.5 billion following the very positive fundraising momentum at Idivest, and the +5.3% increase in NAV. The investment partner activity is being developed by:

- > Eurazeo Capital: assets under management totaled €4,467 million, breaking down into the NAV for €3,806 million, and €661 million for AUM for investment partners, including €104 million not yet called;
- > Eurazeo PME: assets under management totaled €879 million, breaking down into the NAV for €456 million and €424 million for AUM for investment partners. Uncalled commitments for managed funds amounted to €228 million, including €200 million for Eurazeo PME III;
- > Eurazeo Patrimoine: assets under management totaled €522 million, breaking down into the NAV for €466 million, and €56 million for AUM for investment partners;
- > Idivest: assets under management rose by +14.6% to €7,935 million driven by the fundraising momentum (See Section II);
- > Rhône: assets under management rose slightly by 0.9% to €4.7 billion (100%), for a Eurazeo share of €1.4 billion. The 2017 pro forma figure was adjusted for the actual data.

⁴ Adjusted in 2017 for the bonus share grant in 2018 and the shares issued as part of the Rhône investment

Assets under management (€ millions)

	31/12/2017	31/12/2017 PF Idinvest & Rhone	30/06/2018
PORTFOLIO NAV	5 057	5 057	5 138
Eurazeo Capital	4 058	4 058	3 806
Eurazeo Capital Unlisted	2 505	2 505	2 620
Eurazeo Capital Listed	1 553	1 553	1 186
Eurazeo PME	382	382	456
Eurazeo Patrimoine	320	320	466
Eurazeo Croissance	237	237	298
Eurazeo Brands	60	60	112
Eurazeo Development	240	704	769
Net cash & other items	300	-15	144
Cash and cash equivalents	379	63	292
Other securities and assets/liabilities	-93	-93	-129
Tax on unrealized capital gains	-58	-58	-59
Treasury shares	72	72	38
Total NAV	5 597	5 746	6 050
# Shares**	75 156 640	77 256 640	77 256 640
NAV per share (€)	74.5	74.4	78.3
Eurazeo Capital	730	730	661
Eurazeo PME	396	396	424
Eurazeo Patrimoine	45	45	56
Idinvest (@100%)		6 924	7 935
Rhône (@30%)		1 389	1 401
Total AUM for investment partners	1 171	9 484	10 476
TOTAL ASSETS UNDER MANAGEMENT	6 768	15 230	16 527

* Including uncalled commitments

**For 2017, the number of shares is adjusted for the 2018 bonus share grant and the shares issued as part of the Eurazeo's investment in Rhône

NAV valuation methodology

The valuation methodology complies with the recommendations of the International Private Equity Valuation Board (IPEV). The valuation of unlisted investments is mainly based on comparable or transaction multiples. The value adopted for listed companies is the 20-day average of share prices weighted for trading volumes.

The values adopted for unlisted investments are subject to a detailed review by an independent professional appraiser. This review supports the values adopted and certifies that the valuation methodology complies with IPEV recommendations. Assets are valued according to the IPEV methodology, which calls for a revaluation following a period of year.

As of June 30, 2018, assets under management break down and are defined as follows:

NAV:

- > Direct investments of Eurazeo Capital, Eurazeo PME, Eurazeo Patrimoine, Eurazeo Croissance and Eurazeo Brands;
- > Eurazeo Development: monetization of Eurazeo's investment partner management and investments in Rhône, Idinvest and monetization of investments in Raise, Capzantine and iM Square;
- > Net cash and other items (treasury shares, tax on unrealized capital gains, other assets/liabilities).

Valuation definition and methodology regarding assets managed for investment partners

The valuation of assets managed for investment partners comprises:

- > The fair value of investments managed for investment partners by Eurazeo or companies that Eurazeo controls;
- > The uncalled capital of funds managed for investment partners;
- > The share of assets under management managed by strategic partnerships in which Eurazeo holds a minority interest.

Idinvest's assets are fully consolidated, in line with the consolidation policy for this company. The valuation methodology for its assets is identical to that used for the funds managed directly by Eurazeo.

The Rhône assets are taken into account at 30% and the valuation method is also the same as that of the funds managed directly by Eurazeo.

■ Total Assets under management generating management fees

The following table presents total assets under management generating management fees.

<i>(In millions of euros)</i>	Fee-generating AuM			Eurazeo balance sheet (theoretical base)
	Eurazeo	Idinvest (@100%)	Rhône (@30%)	
Private equity	789	1 793	1 001	3 852
Private debt	-	2 730	-	-
Real estate	-	-	69*	389
Mandates and dedicated funds	-	1 616	-	-
Total	789	6 139	1 070*	4 241

*€/€ exchange rate: 1.16. Rhône holds has a 50% stake in the Rhône WeWork real estate joint venture

II. EXTENSIVE ACTIVITY AND PERFORMANCE ACROSS ALL BUSINESS LINES

A. An extremely buoyant investment and divestment activity since the start of the year that perfectly illustrates our investment business

Since the start of 2018, business has been particularly brisk: Eurazeo, Idivest and Rhône invested and reinvested €2.1 billion (Eurazeo share of €1.1 billion) and carried out total and partial divestments of €2.2 billion (Eurazeo share of €1.3 billion). These figures include i) Eurazeo, Idivest (100%) and Rhône (30%); and ii) deals in exclusive negotiations, signed or completed up to July 25, 2018.

- > **New investments** (65 deals signed or completed): nearly €1.6 billion, including an Eurazeo share of €965 million:
 - Eurazeo invested in 11 new companies: Albingia at Eurazeo Capital; Vitaprotech and 2RH Group at Eurazeo PME; C2S, Dazeo and Highlight at Eurazeo Patrimoine; Back Market and Content Square at Eurazeo Croissance; Pat McGrath at Eurazeo Brands and 2 strategic investments in Idivest and Rhône.
 - Idivest and Rhône completed 54 deals amounting to more than €570 million.
- > **Re-investments**: €463 million, including the €125 million Eurazeo share. Eurazeo's portfolio companies completed 13 external growth transactions.
- > **Total and partial sales**: over 310 deals for a total divestment of nearly €2.2 billion, including 5 deals for Eurazeo in the amount of €1.3 billion: one sale completed (AccorHotels) and 4 others signed or in exclusive negotiations: Asmodee, Neovia at Eurazeo Capital, Odealim (formerly AssurCopro) at Eurazeo PME, and PeopleDoc at Eurazeo Croissance. Eurazeo has achieved an average 3.2x cash-on-cash multiple on the 4 ongoing sales.

B. Fundraising

Idivest has maintained its fundraising momentum, raising €1,079 million in H1 2018, i.e. 80% of capital raised in 2017, which breaks down into 40% for private equity funds, 38% for private debt funds and 22% for dedicated portfolios. Idivest Partners announced:

- > The first closing of its third digital fund for €180 million. Idivest Digital Fund III, whose target size is €300 million, has therefore outperformed the previous fund, Idivest Digital Fund II, which raised €154 million.
- > The final closing of its fourth direct lending fund, Idivest Private Debt IV, for €715 million, surpassing the initial target of €600 million.

The joint venture Rhône WeWork has raised over \$800 million since its creation, including nearly \$280 million in H1 2018.

C. Solid performance for all the investment divisions



Eurazeo Capital (14 companies, 63% of NAV as of June 30, 2018)

As of June 30, 2018, the Eurazeo Capital portfolio comprised 14 investments: Asmodee, CPK, Desigual, Elis, Europcar, Planet (formerly Fintrax), Iberchem, Grandir (formerly Les Petits Chaperons Rouges), Moncler, Neovia, Novacap, Sommet Education, Trader Interactive and WorldStrides.

■ Investments and divestments in H1 2018

Investments and re-investments (Eurazeo share):

- > Eurazeo Capital reinvested €30 million in Novacap to support the development of its pharmaceuticals division via the acquisition of PCI, a U.S. Contract Development and Manufacturing Organization (CDMO).
- > At the same time, the portfolio companies conducted 7 external growth transactions: Versachem in South Africa by Iberchem, HI Nutrients in Nigeria and Pilardièrre by Neovia, PCI by Novacap, Coiledspring in the UK, Rebel in Poland and Lookout Mayfair in Germany by Asmodee.

- > Signature of an agreement for the acquisition of Albingia (see Section IV) that should be finalized in H2 2018.

Divestments and dividends (Eurazeo share): In H1 2018, Eurazeo completed one sale and one syndication and signed, in July 2018, two exclusivity agreements for a total estimated amount of €1,328 million.

- > In March 2018, Eurazeo sold its entire stake in Accor SA and generated cash net of taxes, expenses and other liabilities of €484 million. During the ownership of AccorHotels, Eurazeo realized a cash-on-cash multiple of 2.0x on its initial May 2008 investment, taking into account the sale of Edenred in May 2013.
- > Syndication of WorldStrides to Primavera for €85 million.
- > Signature of 2 exclusive sale agreements for Asmodee and Neovia (See Section IV).

■ Growth in economic revenue and EBITDA at constant Eurazeo scope and exchange rates in H1 2018

At a constant Eurazeo scope, the economic revenue of Eurazeo Capital rose by +10.3% to €2,202 million, and economic EBITDA increased by +2.6% to €287 million in H1 2018. Excluding the exchange rate impact, the increases stood at +16.1% and +11.4%, respectively.

Eurazeo Capital unlisted companies: revenue up +12% and EBITDA up +9% on a constant Eurazeo scope and exchange rate basis:

- > Three companies posted revenue growth of over +20%: 1) **Novacap** (acquired in July 2016) posted +32% revenue growth due to acquisitions completed in H2 2017. On a constant scope basis, revenue would be down, mainly due to a one-off 2017 for the Performance Chemicals division which benefited from supply chain disruptions and competitor production problems. 2) **Planet** reported +32% revenue growth thanks to the acquisition of Planet Payment in December 2017, and organic growth of +7% driven by its two business lines - tourist tax-free shopping and payment. 3) **Grandir** continued its growth, with revenue up by +27%, following its 2017 acquisitions in the UK and the opening of new nurseries in France over the past 12 months.
- > Two companies posted revenue growth of between +10% and +20%: 1) **Iberchem** (acquired in July) posted substantial revenue growth of 17% across all the geographies where it is present or to where it exports, against a backdrop of rising raw material prices. The acquisition of Versachem, a company specializing in food flavors based in South Africa, will help boost sales development across the African continent; 2) **Trader Interactive** (acquired in June 2017) sustained its Q1 growth momentum, with revenue up by +11% in the first half of 2018.
- > Two companies have delivered performances of between 0 and +10%: 1) **WorldStrides** (acquired in December 2017) posted steady revenue growth of +5%, thanks to travel and studies abroad for students of all ages. WorldStrides is also examining acquisition opportunities to continue to expand its service offering; 2) **Sommet Education** (acquired in July 2016) posted adjusted revenue growth of nearly +5% in H1 2018, mainly due to a higher retention rate and the new activities launched by the group.
- > **Desigual** continues to bear the brunt of a drop in sales across its distribution channels.
- > An exclusivity agreement covering the sale of **Asmodee** and **Neovia** has been signed.
- > **Carambar & Co** (CPK, acquired in 2017), which cannot be compared to H1 2017 (company created in May 2017), posted a performance that was in line with the budget.



Eurazeo PME (10 companies, 8% of NAV as of June 30, 2018)

As of June 30, 2018, the Eurazeo PME portfolio comprised 10 investments. Odealim (formerly AssurCopro), Dessange, Redspher (formerly Flash Europe), In'Tech Medical, Léon de Bruxelles, MK Direct, Orolia, Péters Surgical, Smile and Vignal Lighting Group.

■ Investments and divestments in H1 2018

Investments and reinvestments: Eurazeo's share amounted to €13 million (€21 million at 100%). This mainly involved its stake in the build-up carried out by In'Tech Medical: Bradshaw Medical, a U.S. manufacturer of orthopedic surgical instruments, specializing in silicone handles, which generated revenue of \$30 million in 2017.

Divestments: Odealim sale agreement. The transaction is expected to be completed in H2 2018.

■ Ongoing robust economic revenue and EBITDA growth for Eurazeo PME in H1 2018

At constant Eurazeo scope, Eurazeo PME's economic revenue totaled €609 million for the half-year ended June 30, 2018, i.e. +13.9%, while economic EBITDA rose by +6.8% to €73 million. Excluding the exchange rate impact, the increases stood at +15.7% and +10.7%, respectively.

In H1 2018, Eurazeo PME's investments delivered excellent performances at constant scope and exchange rates:

- > Three of the ten investments reported growth of over +20%: 1) **Redspher** (formerly Flash Europe, acquired in September 2015): the group's core business, Premium Freight, has developed substantially both in France and internationally. Since Eurazeo PME's investment, the Group has boosted its international reach and digital strategy through external and organic growth; 2) **Smile** (acquisition in July 2017): steady business growth of +20% driven by a high market demand; 3) **In'Tech Médical** (acquired in July 2017) has benefited from these two external growth transactions since its acquisition by Eurazeo PME (i) Pyxidis, a French manufacturer of sterilization cases and trays for orthopedic surgery and (ii) Bradshaw Medical, a U.S. manufacturer of orthopedic surgical instruments. The transaction enabled the company to double its local presence in the U.S. and strengthen its market position as the leading orthopedics manufacturer, providing end-to-end solutions to its customers worldwide.
- > Two companies posted revenue growth of between +10% and +20%: **Vignal Lighting Group** reported growth both in Europe and the United States across all its business segments; and **Peters Surgical** posted solid growth through its export business.
- > Three companies posted revenue growth of between 0% and +10%: 1) **Orolia** (acquired in May 2016) was awarded a multi-year \$34 million contract covering the manufacture of Personnel Recovery Devices for the U.S. Army; 2) **MK Direct** reported H1 2018 growth due to its consolidation in the Envie de Fraise Group, partly offset by the decline in the Françoise Saget activity, the group's entry level brand; 3) **Léon de Bruxelles**: the activity was impacted by the transport strikes.
- > **Dessange** suffered a drop in revenue due to the adverse weather impact on its product distribution and logistics activity at the start of the year.
- > **Odealim** (formerly AssurCopro) is in the process of being sold.



Eurazeo Croissance (9 companies, 5% of NAV as of June 30, 2018)

As of June 30, 2018, the Eurazeo Croissance portfolio comprised nine companies (Back Market, ContentSquare, Doctolib, Farfetch, PeopleDoc, Vestiaire Collective, Younited Credit, IES and I-Pulse).

■ A solid portfolio performance in H1 2018

The performances delivered by Eurazeo Croissance's portfolio companies met with expectations, and is in line with last year's trends.

In particular, **Doctolib** continued to grow at an extremely fast pace, both in France and Germany and is now a pivotal player in the MedTech sector in Europe, especially since the acquisition of its main French competitor MonDocteur (see Section IV). **Farfetch** continued to expand very quickly in all its geographies and hosts an increasing number of brands directly on its platform. **Younited Credit** now generates 40% of its business outside France, and has surpassed €100 million in cumulative loans in Italy since its launch in April 2016. Fintech has continued to enhance its dual B2C and B2B2C model, with a promising partnership in Italy with the online insurer ConTe, a subsidiary of the UK group Admiral. **Content Square and IES** speeded up their growth in H1 2018, following their fundraising initiatives, particularly abroad. **Vestiaire Collective** has continued its efforts to improve the user experience and maintained its growth rate. **I-Pulse** reported growth in all its businesses, with an increasing number of promising projects.

■ Investments and divestments in H1 2018

In June 2018, Eurazeo Croissance contributed to the €41 million fundraising in **Back Market**, Europe's leading marketplace for refurbished devices and appliances. The start-up now employs around one hundred people with over ten nationalities in Paris, Bordeaux and New York, and plans to use this fundraising to considerably bolster its teams and further its expansion in France and internationally.

Sale of PeopleDoc: See Section IV



Eurazeo Patrimoine (6 companies, 8% of NAV as of June 30, 2018)

As of June 30, 2018, Eurazeo Patrimoine's portfolio comprised 6 companies (Grape Hospitality, Reden Solar, C2S, CIFA, Highlight and Dazeo).

■ **Growth at a constant Eurazeo scope of +4.8% in revenue and +11.8% in economic EBITDA in H1 2018**

At constant Eurazeo scope, Eurazeo Patrimoine's economic revenue stood at €177 million and its EBITDA totaled €45 million for the half-year ended June 30, 2018, i.e. up +4.8% and +11.8% at constant Eurazeo scope, respectively. This growth mainly stemmed from the solid performances of Grape Hospitality and Reden Solar.

The robust performance of **Grape Hospitality** was primarily attributable to the hotels that were refurbished in phase 1 of the refurbishment plan (all 21 hotels) and the hotels located in the Greater Paris region and internationally (Belgium, Netherlands, Italy and Spain in particular). To secure the Group's growth in the years to come, phase 2 of the refurbishments is underway (28 hotels in 2018) and two acquisitions in Rome and Berlin have already been confirmed for H2 2018.

The revenue growth posted by the **C2S Group** was mostly due to a rise in the number of patients over the period. This growth should accelerate in H2 2018 with the integration within the group of two new clinics located in Auxerre and Vesoul as well as an ophthalmologic care center in Lyon.

Finally, **Reden Solar** posted sharp revenue and EBITDA growth at a constant scope. This improvement reflects the growth of the Group's solar assets and its international expansion mainly through the contribution of Globalwatt and Infrapar over the period. The trend should continue in H1 2018 as phase 1 of the Puerto Rico plant's reconstruction is finalized.

CIFA's performance dipped slightly primarily due to non-recurring items, since rents were only marginally lower.

■ **Investments and divestments in H1 2018**

In H1 2018, Eurazeo Patrimoine continued to roll out two of the three pillars of its investment strategy: investing in value-added real estate and platforms that use and operate real estate assets.

- > On March 27, 2018, Eurazeo Patrimoine acquired 80.7% of the private clinic group **C2S** for €95 million, following the investment of the group's practitioners. The C2S group is the eighth largest private clinic operator in France (11 clinics, seven of which are owned by the group).
- > On May 24, 2018, Eurazeo Patrimoine signed a partnership with Dazia Capital. The partnership, known as **Dazeo**, involves a three-year investment program for a maximum amount of €70 million (Eurazeo Patrimoine share) dedicated to the acquisition, renovation and resale of residential buildings in Madrid and the main Spanish cities. As of June 30, 2018, 4 projects were secured for a total commitment of €19 million by Eurazeo Patrimoine.
- > On May 29, 2018, Eurazeo Patrimoine closed an off-plan sale with the Kaufman & Broad Group. The project consists in the **conversion and refurbishment of an historic building** located on the banks of the river Seine in Courbevoie, for a total surface area of 24,000 m². The total capital investment represents around €70 million, including a minority interest in partnership with the Decaux family's investment holding company. As of June 30, 2018, 10% of the capital was invested by Eurazeo Patrimoine.
- > In Q1 2018, **Reden Solar** completed two new acquisitions, Globalwatt and Infrapar, thereby boosting total production capacity by more than 46MW. These two acquisitions were funded via refinancing at the end of June 2018 for more than €270 million, representing the most significant French refinancing transaction in the solar industry.

- > In June 2018, to boost its development, the **C2S** group acquired a new clinic in Auxerre and an ophthalmologic care center in Lyon for €2 million.
- > Finally, the **Colyzeo** fund, in which Eurazeo Patrimoine is a shareholder, continued its divestment phase by signing the sale of Data4 in early July 2018.



Eurazeo Brands (2 companies, 2% of NAV as of June 30, 2018)

As of June 30, 2018, the Eurazeo Brands portfolio comprised two companies (Nest Fragrance and Pat McGrath).

■ Investments in H1 2018

Eurazeo Brands completed its second investment, acquiring a minority interest in U.S.-based makeup brand **Pat McGrath Labs**. Founded in 2016 by Pat McGrath, the world's leading makeup artist, Pat McGrath Labs quickly revolutionized modern beauty through its must-have, straight-from-the-runway makeup experience. In the fall of 2017, Pat McGrath Labs debuted its core collection of makeup for the lips and eyes sold on PatMcGrath.com and at select Sephora locations, immediately becoming one of Sephora's top brands. Today, the brand has over 2 million followers globally. Eurazeo's investment in the company will enable it to expand distribution in the U.S. through additional Sephora doors, enter select new channels of distribution, and expand internationally to meet worldwide demand.

■ Portfolio performance

Revenue at Eurazeo Brands comprised one consolidated asset for H1 2018, Nest Fragrances, based in the U.S.

NEST Fragrances posted solid revenue growth +6.5%, excluding a foreign exchange impact of €11.2 million (\$13.7 million), compared to H1 2017. Second quarter performance overcame the first quarter's temporary shipping delays, relating to the new distribution facility. NEST sales rose 12% in Q2, with NEST-branded product sales increasing 19%, a testament to the brand's vibrancy as non-NEST branded products are being strategically downsized by the company. In addition, retail sell-through rose 14% up from 12% in Q1, with e-commerce sales recording the largest channel gain.

To further the brand's growth, management has reinforced both the company's structure and its team, particularly via the relocation to a new logistics center and the recruitment of a new CFO.



Eurazeo Development (13% of NAV as of June 30, 2018)

■ Completion of two strategic investments

In H1 2018, Eurazeo completed two strategic investments in (i) Rhône, a transatlantic private equity fund manager, and (ii) Idinvest, an investment company specializing in French SME financing. These major deals confirmed the strategic shift undertaken by Eurazeo towards managing on behalf of French and international partners. These investments will strengthen the company by diversifying its business lines and providing the networks and know-how of two renowned teams.

■ Performance of Idinvest and Rhône since the start of 2018

Rhône completed its 5th investment in the V fund by acquiring the Brazilian steakhouse chain, Fogo de Chaõ, which currently operates over 45 restaurants in the U.S., Brazil and Mexico. Fogo de Chaõ was formerly listed on the Nasdaq. The V fund is currently 40% invested.

Idinvest invested nearly €510 million in 53 new companies through its various businesses, reinvested over €320 million and divested for nearly €569 million.

- > **Private equity:** over €100 million was invested in 22 new companies in H1 2018, including Drive For Me (car leasing service for private hire car drivers) in the smart city sector, +simple.fr (new generation insurance broker for professionals and very small businesses), Klaxoon (collective intelligence platform) and Lendix (crowdfunding platform) in the digital sector. Idinvest also conducted 15 total sales for €120 million, including Winamax (sports betting and online poker platform) and Eden Games (independent video game developer) that both operate in the digital sector.
- > **Debt activity:** 17 new investments in H1 2018 for €233 million and 15 portfolio companies sold, including Le Groupe Bertrand (catering leader in France) and Appart'city (no. 1 apartment hotel search and comparison platform in France).

III. SOLID FINANCIAL RESULTS AND QUALITY OF THE FINANCIAL STRUCTURE

A. Consolidated financial statements

<i>(In millions of euros)</i>	H1 2018	H1 2017 PF
Eurazeo Capital	160.8	153.3
Eurazeo Patrimoine	58.0	55.9
Eurazeo PME	21.2	20.6
Eurazeo Brands	(1.2)	(1.9)
Adjusted EBIT of fully consolidated companies	238.8	227.9
Net finance costs	(88.8)	(91.8)
Adjusted EBIT net of finance costs	150.1	136.1
Net income of equity-accounted companies (*)	5.4	10.6
Contribution of companies net of finance costs	155.4	146.7
Fair value gains (losses) on investment properties	0.2	(36.5)
Net capital gains or losses	236.7	305.1
Net income (loss) from the holding company business	(29.0)	(14.0)
Amortization of contracts and other assets relating to GW allocation	(106.3)	(112.2)
Income tax expense	(2.3)	(4.8)
Non-recurring items	(44.5)	(95.9)
Consolidated net income/(loss)	210.2	188.5
Attributable to owners of the Company	189.7	155.5
Attributable to non-controlling interests	20.5	33.0

(*) Excluding non-recurring items

The figures of U.S. companies such as WorldStrides and Nest Fragrances are presented using €/€ exchange rates of 1.08 (H1 2017) and 1.21 (H1 2018). The exchange rate impact is largely theoretical since the acquisitions were completed at the end of 2017 based on an exchange rate of 1.18, close to the H1 2018 exchange rate.

■ Economic revenue on a constant Eurazeo scope basis up by nearly +10% in H1 2018

In H1 2018, Eurazeo posted economic revenue growth of +14% to €3,020 million on a constant Eurazeo scope basis (+15.8% in Q1 and +13.4% in Q2). This breaks down as +16.1% for Eurazeo Capital, +15.7% for Eurazeo PME, +4.8% for Eurazeo Patrimoine and +6.5% for Eurazeo Brands.

Pro forma of ongoing divestments, economic revenue growth stood at +17.3% on a constant Eurazeo scope basis and constant exchange rates.

■ Increase in the contribution of companies net of finance costs

The contribution of companies net of finance costs rose by +5.9% to €155 million, due to the improvement in the adjusted EBIT of the fully consolidated investments, net of finance costs, by +10.2% to €150 million and a decline in the net income of equity-accounted companies to €5.4 million, compared to €10.6 million in H1 2017.

■ Realized and unrealized capital gains

Eurazeo recorded pre-tax capital gains totaling €237 million (full share) in H1 2018, due primarily to changes in unrealized capital gains of Moncler for €176 million as this participation is recorded since 2016 in financial assets at fair value through profit and loss.

■ **Non-recurring items**

Non-recurring items totaled -€45 million in H1 2018. They include €26 million in investment expenses and €19 million in exceptional costs spread out across the entire scope.

■ **Net income attributable to owners of the Company**

Net income attributable to owners of the Company was €190 million in H1 2018, compared with pro forma net income of €156 million in H1 2017.

B. Financial position and cash and cash equivalents

Eurazeo's cash and cash equivalents stood at €292 million as of June 30, 2018, compared to €379 million as of December 31, 2017.

The main changes compared to December 31, 2017 were attributable to:

- > Investments and reinvestments totaling €620 million;
- > Total and partial sales totaling €590 million: sale of AccorHotels shares (€484 million), syndication for €85 million at WorldStrides, sale of Banca Leonardo (€20 million);
- > Paid dividends for €90 million and collected dividends for €16 million.
- > Proforma of the ongoing transactions, net cash and cash equivalents amounted to €714 million.

As of June 30, 2018, share capital comprised 78,030,886 shares, including 774,246 shares for cancellation. There was a total of 1,689,939 treasury shares (excluding shares for cancellation) or 2.2% of share capital.

IV. SUBSEQUENT EVENTS

■ Exclusive discussions or agreements signed for new investments and a build-up

Eurazeo Capital:

- > On July 2, 2018, Eurazeo announced that it had entered into exclusive discussions with the Chevrillon and IDI Groups to acquire Albingia, a French insurance company, alongside Financière de Blacailoux, controlled by Bruno Chamoin (Albingia's CEO), and the management teams represented by Financière de l'Elbe. Founded in Germany in 1901 and established in France since 1962, Albingia is the only independent industrial risk insurance player on the French market. Albingia generated over €220 million in premiums in 2017, while maintaining a net combined ratio below 85% and posted nearly €1 billion in assets.

Eurazeo PME:

- > Signature in June 2018 of an agreement to acquire Vitaprotech (formerly ST Group), the French leader in securing physical accesses to sensitive sites through its subsidiaries SORHEA, PROTECH and TIL Technologies. The company generated revenue of €29 million in 2017. Eurazeo has invested €40 million alongside the managers (Eurazeo share of €25 million) to hold around 60% of capital.
- > Signature in June 2018 of an agreement to acquire 2RH Group (Shark, Bering, Segura and Cairn brands), under which Eurazeo will become the majority shareholder. The investment amounted to €63 million (Eurazeo share of €39 million). 2RH Group is the European leader in protective motorcycle and winter sports equipment. The company generated revenue of €98 million in 2017.

Eurazeo Croissance:

- > Doctolib acquired MonDocteur, one of the European leaders in online medical appointment booking. With 150 employees, MonDocteur is now one of the main French start-ups. With this merger, Doctolib will consolidate its position as the leading e-healthcare player in Europe. With 55,000 user practitioners and 20 million visits by patients each month, the new group now offers the world's most popular online medical appointment booking service.

■ Four sales agreements

Eurazeo Capital: In July 2018, Eurazeo signed a sales agreement and an exclusivity contract for a total disposal gain (Eurazeo share) of €603 million:

- > On July 20, Eurazeo announced that it had entered into exclusive negotiations with PAI Partners to sell its investment in Asmodee, a leading international games publisher and distributor, based on an enterprise value of €1.2 billion. The disposal gain arising from this deal could represent around €580 million for Eurazeo and its investment partners, including €435 million for Eurazeo, i.e. a multiple of 4.0x its initial investment and an IRR of 35%.
- > On July 2, Eurazeo and its partners, all shareholders since 2015, announced that they had entered into exclusive discussions with Archer Daniels Midland Company to sell Neovia outright based on an enterprise value of €1,535 million. For Eurazeo, the deal will generate a cash-on-cash multiple of about 2.0x and an IRR of 20%.

Eurazeo PME:

- > On July 16, 2018, Eurazeo PME announced that it had entered into an agreement to sell Odealim (formerly AssurCopro) for €111 million (Eurazeo share of €78 million), i.e. a multiple of 2.0x its investment. The deal is expected to close in H2 2018, following the preliminary transactions.

Eurazeo Croissance:

- > Eurazeo Croissance and the other shareholders of PeopleDoc entered into an exclusive agreement with Ultimate Software, a Nasdaq-listed U.S. company and leader in human resource management solutions to sell the company for around \$300 million.

V. AN ENHANCED EURAZEO MODEL THAT DEMONSTRATES ITS RELEVANCE

■ An extensive Eurazeo transformation

Today, the private equity market has a predominant role in financing and developing the economy: the leading employers in Europe and the U.S., private equity firms fund and own assets worth \$2,500 billion (source: Preqin).

In an increasingly complex environment and to anticipate the future changes and requirements of the global economy (economic players), Eurazeo has been radically transformed over the past ten years with three main growth phases:

- > **A business diversification:** Eurazeo is now present in 4 asset classes through 8 different investment strategies: private equity, real estate assets, a debt activity and dedicated mandates.
- > **Significant geographical expansion** for Eurazeo with a local presence in 9 countries. The Eurazeo and Rhône portfolio companies generate over 50% of their revenue outside their domestic markets. More than half of Idinvest's portfolio companies are not French.
- > **A dual model**, combining investment in permanent capital and fund management for investment partners, that offers multiple advantages: greater investment opportunities and investment capacity by creating an international network of investors, development of new strategies and generation of recurring revenues. As of June 30, 2018, funds managed on behalf of investment partners represented 63% of total assets under management.

This transformation has a triple objective: i) facilitate support for companies at each stage of their development; ii) create more value by diversifying sources of growth and maximizing the return/risk ratio; and iii) adapt strategies according to macroeconomic cycles.

As a long-term investor whose purpose is to create value by supporting the transformation of the companies it partners. Eurazeo is one of the leading private equity firms in Europe and is now positioned as a key transatlantic player. The three self-sustaining pillars - multi-businesses, multi-countries and dual model - are designed to ramp up Eurazeo's growth.

■ A solid track record since 2005: fundraising and performance from completed divestments

Although not linear, the funds raised by Eurazeo, Idinvest and Rhône⁵ have radically changed over the past 13 years: €1,183 million raised over the period 2005-2009 (5 years), €2,471 million over the period 2010-2014 (5 years) and €6,855 million from 2015 to date (3.5 years).

Eurazeo, Idinvest and Rhône posted stellar performances from all their partial or total sales over the period, generating an average annual IRR of over +15%, and cash-on-cash (CoC) investment multiple exceeding 2.0x in the private equity sector:

- > Eurazeo: IRR of +18% / CoC of 2.1x at Eurazeo Capital, IRR of +21% /CoC of 2.2x at Eurazeo PME, IRR of 13% / CoC of 2.3 at Eurazeo Patrimoine and an IRR of more than +30%/CoC of 2.4x at Eurazeo Croissance⁶ ;
- > Idinvest: IRR of +20% in Innovation Capital and +21% in Growth Capital;
- > Rhône: IRR of 38% /CoC 2.1x in private equity since 2000.

⁵ Rhône: fundraising representing 30% of Eurazeo's investment

⁶ Eurazeo Croissance: IRR calculated for the scope of the strategy rolled out since 2015

About Eurazeo

- > With a diversified portfolio of more than €16 billion in assets under management, including over €10 billion from investment partners. Eurazeo is a leading global investment company with offices in Paris and Luxembourg, New York, Shanghai and Sao Paulo. Its purpose and mission is to identify, accelerate and enhance the transformation potential of the companies in which it invests. The firm covers most private equity segments through its five investment divisions – Eurazeo Capital, Eurazeo Croissance, Eurazeo PME, Eurazeo Patrimoine and Eurazeo Brands – and through three Iinvest business divisions: Venture Capital, Private Debt and Dedicated Portfolio & Funds. 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. As a global long-term shareholder, the firm offers deep sector expertise, a gateway to global markets, and a stable foothold for transformational growth to the companies it supports.
- > Eurazeo is listed on Euronext Paris.
- > ISIN: FR0000121121 - Bloomberg: RF FP - Reuters: EURA.PA

November 8, 2018

Q3 2018 revenue

Eurazeo financial timetable

December 7, 2018

Investor day

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APPENDICES

APPENDIX 1 – REPORTED AND RESTATED ECONOMIC REVENUE

	Q1 2018				Q2 2018				H1 2018			
	Constant Eurazeo scope				Constant Eurazeo scope				Constant Eurazeo scope			
	2018	2017	Change 2018/2017	Change 2018/2017	2018	2017	Change 2018/2017	Change 2018/2017	2018	2017	Change 2018/2017	Change 2018/2017
				At constant exchange rates				At constant exchange rates				At constant exchange rates
<i>In millions of euros</i>												
Eurazeo Capital	1,022.1	911.7	+ 12.1%	+ 17.4%	1,179.8	1,083.7	+ 8.9%	+ 15.0%	2,201.9	1,995.4	+ 10.3%	+ 16.1%
Eurazeo PME	306.2	271.8	+ 12.7%	+ 14.7%	303.0	262.9	+ 15.3%	+ 16.7%	609.2	534.7	+ 13.9%	+ 15.7%
Eurazeo Patrimoine	57.0	55.7	+ 2.3%	+ 2.3%	120.2	113.3	+ 6.0%	+ 6.0%	177.1	169.0	+ 4.8%	+ 4.8%
Eurazeo Brands	4.3	5.2	- 16.5%	- 3.6%	6.9	6.8	+ 1.9%	+ 14.0%	11.248	11.971	- 6.0%	+ 6.5%
Eurazeo holdings	2.7	4.5	- 39.7%	- 39.7%	17.9	30.6	- 41.6%	- 41.6%	20.6	35.1	- 41.3%	- 41.3%
Economic revenue	1,392.3	1,248.8	+ 11.5%	+ 15.8%	1,627.8	1,497.3	+ 8.7%	+ 13.4%	3,020.1	2,746.1	+ 10.0%	+ 14.5%
Consolidated revenue	1,048.1	960.7	+ 9.1%	+ 13.4%	1,219.3	1,162.6	+ 4.9%	+ 9.9%	2,267.4	2,123.3	+ 6.8%	+ 11.5%
Proportionate revenue	344.2	288.1	+ 19.5%	+ 23.9%	408.5	334.8	+ 22.0%	+ 25.0%	752.7	622.8	+ 20.8%	+ 24.5%
Ongoing divestments (2018)	173.2	192.4	- 10.0%	- 5.4%	154.9	167.2	- 7.4%	- 2.9%	328.1	359.6	- 8.8%	- 4.2%
Economic revenue Excluding ongoing divestments (2018)	1,219.1	1,056.4	+ 15.4%	+ 19.6%	1,472.9	1,330.1	+ 10.7%	+ 15.4%	2,692.0	2,386.5	+ 12.8%	+ 17.3%

Constant Eurazeo scope corresponds to 2017 reported data, restated for the following movements: 1) 2017 scope entries: CPK (May 2017), Trader Interactive (July 2017), Iberchem (July 2017) for Eurazeo Capital; In'Tech Medical (July 2017) and Smile (July 2017) for Eurazeo PME; 2) 2017 scope exits: ANF Immobilier (September 2017) for Eurazeo Patrimoine, Colisée (May 2017) for Eurazeo PME; 3) 2018 scope entries: WorldStrides (January 2018) for Eurazeo Capital; C2S (April 2018) for Eurazeo Patrimoine; Nest Fragrances (January 2018) for Eurazeo Brands; 4) Changes in percentage interests for the equity-accounting of Elis and Europcar.

Constant Eurazeo scope and constant exchange rates

Constant scope and exchange rates: for the scope, same as above adjusted for changes in scope for portfolio companies

APPENDIX 2 – ECONOMIC EBITDA BY INVESTMENT DIVISION

	H1 2018			
	Constant Eurazeo scope			
	2018	2017	Change 2018/2017	Change 2018/2017
	At constant exchange rates			
<i>In millions of euros</i>				
Eurazeo Capital	287.4	280.1	+ 2.6%	+ 11.4%
Eurazeo PME	73.0	68.4	+ 6.8%	+ 10.7%
Eurazeo Patrimoine	44.6	39.9	+ 11.8%	+ 11.8%
Eurazeo Brands	-0.4	-0.8	+ 51.1%	+ 45.3%
Economic EBITDA	404.6	387.5	+ 4.4%	+ 11.4%
Consolidated EBITDA	324.6	318.0	+ 2.1%	+ 9.6%
Proportionate EBITDA	80.0	69.5	+ 15.2%	+ 19.6%
Ongoing divestments (2018)	46.2	51.0	- 9.2%	- 4.5%
EBITDA Excluding ongoing divestments (2018)	358.4	336.6	+ 6.5%	+ 13.9%

APPENDIX 3 – CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	6/30/2018	12/31/2017		6/30/2018	12/31/2017
<i>In millions of euros</i>	net	net	<i>In millions of euros</i>		
Goodwill	2 935.0	2 907.8	Equity attributable to owners of the Company	5 094.1	4 798.7
Intangible assets	1 693.4	1 960.7	Minority interests	1 266.8	1 198.1
Property, plant and equipment	2 796.7	2 798.4	Total equity	6 360.9	5 996.8
Other non-current assets	1 732.9	1 575.3	Long-term borrowings	3 134.2	3 154.7
Non-current assets	9 158.0	9 242.1	Other non-current liabilities	621.0	676.9
Inventories and receivables	1 312.1	1 417.2	Non-current liabilities	3 755.2	3 831.6
Cash assets	800.7	906.3	Short-term borrowings	224.9	142.5
Current assets	2 112.9	2 323.5	Other current liabilities	1 417.2	1 595.2
Assets classified as held for sale	1 013.8	1.0	Current liabilities	1 642.1	1 737.7
TOTAL ASSETS	12 284.7	11 566.6	Liabilities directly associated with assets classified as held for sale	526.5	0.5
			TOTAL EQUITY AND LIABILITIES	12 284.7	11 566.6

APPENDIX 4 - IFRS AND ADJUSTED IFRS NET DEBT

	6/30/2018	Holding company	Eurazeo Capital	Eurazeo PME ⁽¹⁾	Eurazeo Brands	Eurazeo Constant
<i>(In millions of euros)</i>						
Borrowings	3,359.1	15.4	1,938.4	678.9	6.4	720.0
Cash assets	(800.7)	(322.8)	(283.0)	(93.8)	(0.0)	(101.1)
IFRS net debt	2,558.3	(307.4)	1,655.4	585.1	6.3	618.9

(1) Excluding the holding company.

APPENDIX 5 - EURAZEO LISTED INVESTMENTS

	Percentage held	Number of shares	Share price (€)	NAV as of June 30, 2018 (M€)
Eurazeo Capital Listed				
Europcar	30.40%	48,960,506	9.22	451.3
Elis	5.71%	12,525,382	19.46	243.7
Moncler	4.77%	12,199,626	40.25	491.1