

2017 Annual Review



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* Until March 18, 2018

** Until March 18, 2018 - CEO as from March 19, 2018



Eurazeo is a leading global investment company with offices in Paris, Luxembourg, New York, Shanghai, and São Paulo. The firm manages a diversified portfolio of approximately €15 billion in assets⁽¹⁾, of which over €9 billion for third parties. At the end of 2017, the company accelerated its investment momentum by acquiring interests in Rhône and Idinvest. Eurazeo operates in virtually all private equity markets on three continents and has a portfolio of more than forty companies of various sizes and sectors, for which it is most often the majority or key shareholder.

Eurazeo's growth is based on its strategic choices and unique positioning: a bold and distinctive investment approach combining responsibility, transparency and a long-term vision; a flexible and responsive organization designed to make selective investment by leveraging market opportunities; a corporate culture geared towards entrepreneurship, which is synonymous with proactivity and performance; and finally, collaborative, impressively talented teams that work closely with investments.

Eurazeo's purpose and mission is to identify, develop and enhance the potential of the companies in which it invests to create sustainable value. Transformation forms the core of its investor business: extensive transformation of the business models used by its investments to create champions, by activating all the financial, strategic and human levers at hand, while at the same time transforming its own organization to more effectively support the growth of its companies and the rapid changes in its ecosystem. This ability to constantly adapt, combined with a long-term vision, produces a robust and attractive model that is instrumental in boosting growth for companies and performance for shareholders.

⁽¹⁾ pro forma of the Idinvest Partners and Rhône Capital investments



“

In these early days of 2018, the business world is thriving. Predictions over the past several years that China would fall and that India's sharp growth would cease have not held true. Brazil is fairing much better in the aftermath of its crisis. The United States is experiencing real prosperity, with a return to full employment coupled with great optimism. Finally, Europe's hopes of reconstruction have been revived, following a political shift in France and a healthy economic climate. France's position has undergone remarkable change, particularly when viewed from abroad. President Macron's election has created a situation deemed as a decisive step towards a revival. In this context, Eurazeo delivered an excellent performance in 2017, with the growth of virtually all its investments surpassing the national average. Our company has furthered its transformation. It has expanded by combining its private equity investment model with fund management. We have scaled up in terms of our investments and geographical coverage thanks to our alliance with Rhône and Idinvest. And as is the case with all our transformations, this change represents another challenge that we will strive to overcome. The other major event in 2017 was JCDecaux Holding's investment in our company. The Decaux family shares our vision as an investor and, like all shareholders, is keen to see our company succeed. This merger bolsters our operations and provides a solid foundation for the long term.

All these strategic initiatives have added to our company's robustness, as illustrated by the confidence shown by the Board, which proposed an ordinary dividend of €1.25 per share, in addition to a one-for-20 bonus share issue.

This year marks a new chapter in Eurazeo's history with the announced change in governance. I wish to extend my heartfelt thanks to Patrick Sayer who is stepping down as Chief Executive Officer. Together, we have furthered Eurazeo's development over the past 16 years, in a spirit of mutual understanding. I am delighted that Virginie Morgon has been appointed as Eurazeo CEO. I have known her for over 25 years and she has contributed extensively to the company's development these past ten years. A seasoned and fully committed strategist, she has acquired a thorough knowledge of Eurazeo's business over the last decade. I have faith in her success as does the market.

”

Michel David-Weill,

Chairman of the Supervisory Board



Our ongoing transformation

Patrick Sayer,
CEO
until March 18, 2018

Virginie Morgon
Deputy CEO
until March 18, 2018
-
CEO
as from March 19, 2018

Business was very active in 2017: What were the most significant transactions?

► **Patrick Sayer :** 2017 was indeed an exceptional year for Eurazeo. It was one of the busiest in the company's history in terms of both investments and divestments. Our five investment teams were highly active, which illustrates the diversity of Eurazeo's expertise and the relevance of its choices.

Eurazeo PME acquired a majority interest in the innovative company, Smile, a leading integrator and outsourcer of open source solutions and added to its medical expertise by acquiring IntechMedical, a world-leading in the manufacturing of surgical instruments for the orthopedic industry. Eurazeo Croissance acquired a minority interest in Doctolib, which is spearheading the healthcare sector's digital transformation. Eurazeo Patrimoine invested in C2S Group, the eighth largest private clinic operator in

France. Eurazeo Capital acquired the Spanish producer of fragrances and flavors, Iberchem. We also finalized the purchase of the iconic Mondelez confectionery and chocolate brands using top-flight "Made in France" companies to create Carambar & Co, a French confectionery and chocolate champion. Eurazeo Capital completed its first two U.S. investments in Trader Interactive and WorldStrides. Only six months after its creation, Eurazeo Brands finally completed its first investment in NEST Fragrances, a home fragrances company and leader in the United States.

◀ **Virginie Morgon :** Key transactions were also carried out within Eurazeo Capital's portfolio companies with our financial backing. Specifically, the acquisition by Elis of its British competitor Berendsen in June, positioned Elis as the pan-European textile, hygiene and facility services leader and the acquisition of Planet Payment by Fintrax.

Aside from this steady business, there were also strategic developments: partnership with Rhône, alliance with Idinvest, doubling your assets, new activity segments: Was 2017 really a year of transformation for Eurazeo?

► **VM:** The major strategic advances that we carried out in 2017 perfectly illustrate the decisions made in recent years to accelerate the development of new business lines, new strategies and, specifically, third-party management. Through the partnership with Rhône and the alliance with Idinvest, we have been riding a wave that began some time ago: in 2006, we created the first fund, Eurazeo Partners, then in 2014, we launched Eurazeo PME II, then Eurazeo Capital II and finally Eurazeo PME III, in June. Because of our partnership with Rhône, a reputable transatlantic investment company, we have been able to bolster our unique business model based on the synergies

Our partnership with Rhône and our alliance with Idinvest will accelerate the creation of an international and multi-strategy investment company.

Virginie Morgon

•/••

between permanent capital and third-party management and consolidate our investor network to become a benchmark for transatlantic companies and investments.

Our alliance with Idinvest also strengthens our ability to provide financing solutions throughout the life cycle of companies in France and Europe, with private equity, growth capital, debt and funds of funds. We had initiated such a diversification in 2011, with the acquisition of OFI Private Equity Capital, now Eurazeo PME. Likewise, our partnership with Capzanine in 2015 followed this line of thinking.

Our partnership with Rhône and our alliance with Idinvest will accelerate the creation of an international and multi-strategy investment company.

◀ **PS:** These alliances are all the more relevant since they combine strategic and shareholder interests. Among the factors that will improve Eurazeo's valuation on the financial markets are third-party management, management and performance fees received, risk diversification and better profit forecasts.

In 2017, the relevance of this strategy was reflected by the disappearance of virtually the entire discount in relation to the net asset value. Our model is the

same as that of investment companies which, given the significance of the capital they manage for third parties, use a premium rather than a discount in treating the net asset value.

▶ **VM:** Management for investor partners also enables us to boost our financial capacity to develop our partner and business networks, by reaching new

investors thanks to a doubling of the assets we manage, all of which increases Eurazeo's investment opportunities. But this doesn't only involve critical mass. Offering a wider range of business lines to our investors means they can diversify the placement of their capital with the same trusted partner. In this sector, relations are built over the very long term and confidence is central to our trade.



The first U.S. investments demonstrate the merits of this transatlantic initiative.

Patrick Sayer

The ability to offer several investment strategies covering assets, private equity and brands forges relations with them in a manner that is far more rewarding and frequent. This in turn builds confidence.

At the end of 2016, Eurazeo opened its first office in New York. One year later, how would you assess your move to the U.S.?

► **VM:** Eurazeo had a very positive start in the U.S. This was because of our novel positioning in this market: simultaneously flexible, entrepreneurial and international. In the U.S., Eurazeo operates in the mid-caps segment, which is equivalent to the large cap segment in Europe. We wish to invest the same unit amounts as in Europe, which is to say between 100 and 600 million dollars. Since our office's opening in September 2016, we appreciate just how much our competitive edge is significant compared to other sector players whose reach is very much local. Our European, Chinese and Brazilian footholds give us an understanding of these markets and an intimacy which is absolutely unique in the U.S.

And of course, the launch of Eurazeo Brands, which made its first investment in NEST Fragrances in

November, has also contributed to the positive momentum of our U.S. move. The team's make-up was very well perceived, particularly with the arrival of Jill Granoff, who has 25 years of brand building experience in the beauty and fashion industry.

The move has to be consolidated of course but, again, a great deal of thought is behind this successful launch, not to mention a study of the market and strategic investment opportunities that we conducted over several years.

◀ **PS:** The initial investments competed in the United States – Trader Interactive and WorldStrides – demonstrate the merits of this transatlantic initiative. Our international approach makes all the difference in a context where exchanges and people are globalized.

The WorldStrides teams, who specialize in offering exchanges and educational travel, were not misguided in their choice of trade. It is our foothold in China that gave us an in-depth understanding of this market and allowed us to bring in the China-based Primavera Capital Group to partner this investment, which matches perfectly with our sectors of expertise: education, leisure and tourism.

There was a major change in governance this year, with the arrival of a new shareholder, JC Decaux Holding. How do they fit in with your strategic development projects?

► **PS:** Eurazeo privileges the long term: patient capitalism is our trademark. Accordingly, we rely on reference shareholders who also value long-term investment. This was the case with Crédit Agricole, which supported Eurazeo's transformation for 20 years. We commend the relationship we enjoyed with this partner and the outstanding investment return it achieved over this period.

The Decaux family, which has acquired the entire 15.4% stake previously held by Crédit Agricole SA, through its investment vehicle JCDecaux Holding, is an ideal successor. We share the same strategic vision, the same entrepreneurial DNA and we both value the independence of Eurazeo's business model.

VM: I would add that this reinforced shareholding structure confirms the relevance of Eurazeo's strategy and the potential for appreciation of its portfolio. We are naturally delighted.

Expectations regarding companies have never been greater.

Patrick Sayer

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How will Eurazeo meet today's societal challenges; namely, greater corporate accountability towards society, the current deliberations in France over a company's corporate purpose, the accelerated role of Artificial Intelligence?

► **PS** : Expectations for companies have never been greater. The principle of corporate social responsibility has always been central to Eurazeo's investment process and the business model of its companies. This profound conviction is reflected in the pioneering role Eurazeo has played in this area. It is a battle that has always concerned me. The same is true for Virginie, who co-founded the Women's Forum 10 years ago. In practical terms, our portfolio companies have been able to gauge how actions that seek to introduce better governance or generate energy savings for example, drive rather than restrict growth. This is what Elis discovered: the reduction in water consumption lowered the use of detergents and pollutants, enabling it to cut its costs.

◀ **VM** : To create long-term value, the company must meet the new challenges it faces. Specifically, I wish to address digital technology and Artificial Intelligence (AI), which have already transformed entire segments of our economy.

Providing insight to our companies regarding the business impact of digital technology, and even making them aware of the disruptions that could help them accelerate their development, or respond to greater competition has long been a priority for us.

We follow our own advice so as to better support our companies: Eurazeo led the way in appointing a Chief Digital Officer.

For the past 14 to 15 months, we have also been using AI for our due diligence work, so as to enhance our investment judgment and gain precious time. We have forged partnerships with highly capable companies that can analyze available but often under utilized public data. We used these resources for WorldStrides and Trader Interactive, but also to rule out certain projects. I think that here again we have been pioneers in including these tools in our own decision-making processes.

Talking about 2017 is already bringing up 2018... After 16 years at the helm of Eurazeo, you will hand over the Executive Board Chairmanship to Virginie: how do you feel about this transition?

► **PS** : For me, this is a perfectly natural transition, because I believe that company governance must evolve. The quality of this transition is due in the first place to the relationship of trust I have enjoyed for the past 16 years with Michel David-Weill, Chairman of the Supervisory Board. And the change would obviously not have been possible without the profound mutual respect that exists between Virginie and me, which all began 25 years ago when we met at Lazard.

I have transformed our investment company considerably. An entity that was historically linked to a renowned investment bank, Eurazeo is now an independent and global private equity player. 2017 was marked by a strategic acceleration whose direction is clear: enhance its investment model to create value and grow companies in France and abroad. Virginie's succession is both logical and consistent, since she has been committed to this strategy at my side

I am pleased at how smooth the transition has been. It is the result of the mutual trust Patrick and I have shared over the years.

Virginie Morgon

for more than 10 years. I would add that I am particularly happy that a woman will succeed me.

◀ **VM:** I am pleased at how smooth the transition has been. It is the result of the mutual trust Patrick and I have shared over the years.

We are lucky to be supported by Executive Committee members whose expertise is as great as the confidence we have in them. I am, of course, very enthusiastic and proud about becoming the CEO of Eurazeo, which is ready to accelerate the transformation we have engineered in recent years. We are more diversified and more sophisticated. The challenge is therefore to take great care in staying true and loyal to what we are fundamentally: partners fully committed to the transformation of our companies, alongside entrepreneurs and management teams.

We have developed a bold and distinctive investment approach, combining responsibility, proximity, transparency and resilience. It is a corporate culture geared towards entrepreneurship, which is synonymous with proactivity, commitment and timeliness. This deep-rooted identity is Eurazeo's strength. I will do my utmost to preserve it ■

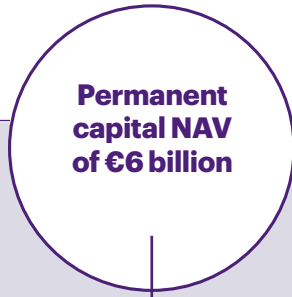


OUR MODEL



€15 billion* in assets

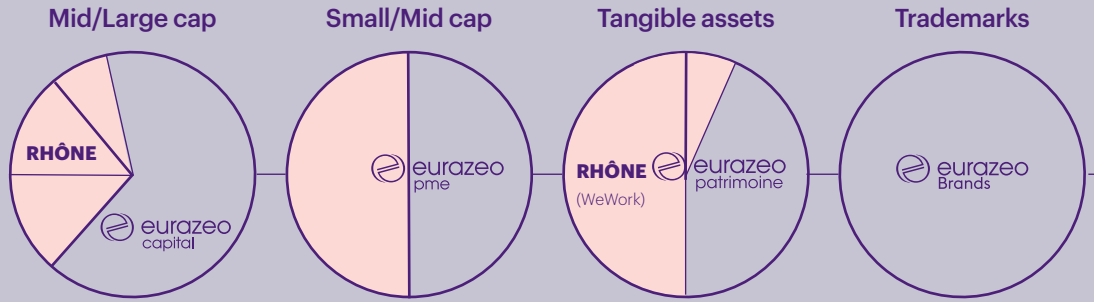
Shareholders



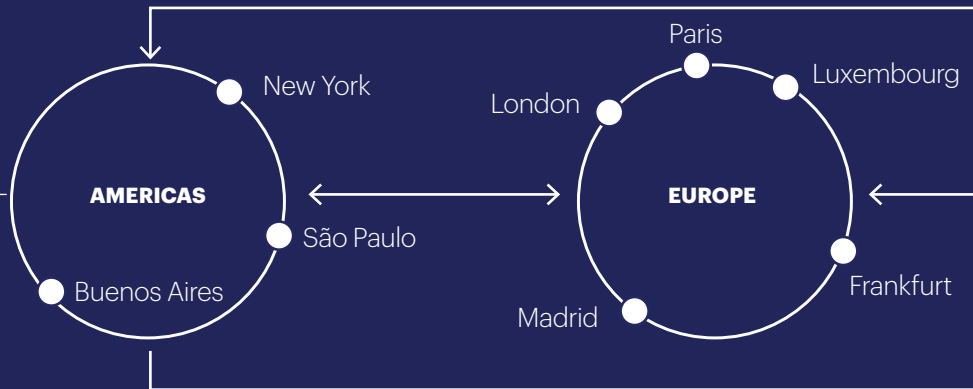
40 portfolio companies

Combined model

Multiple strategies



Global scope



under management

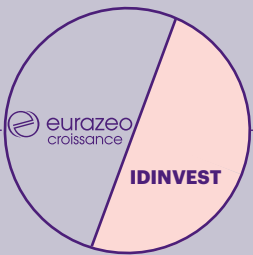
Investment partners



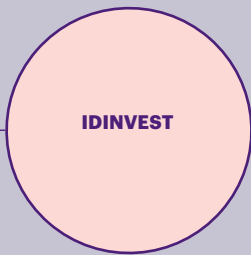
MADe WITH

* pro forma of Idinvest and Rhône

Growth capital



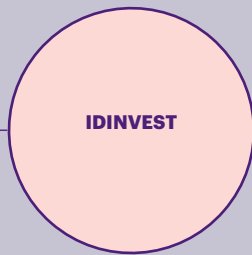
Venture capital



Private debt

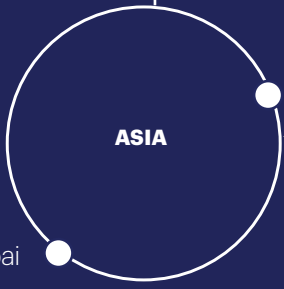


Mandates & funds of funds



MADe BY

○ Investor partner fund management



MADe ON

- 1. **GABRIEL KUNDE**
Executive Office
Director
- 2. **PIERREM EIGNEN**
Managing Director
Eurazeo PME
- 3. **MARC FRAPPIER**
Managing Partner
Head of Eurazeo Capital
- 4. **CAROLINE COHEN**
Head of
Investor Relations

- 5. **PIERRE-ALAIN AUBIN**
Audit and Risk
Director
- 6. **YANN DU RUSQUEC**
Managing Director
Eurazeo Croissance
- 7. **FRANS TIELEMAN**
Managing Partner
Head of Eurazeo Development
- 8. **CECILE GILLIET**
Deputy General Counsel - M&A

- 9. **RENAUD HABERKORN**
Managing Partner
Head of Eurazeo Patrimoine
- 10. **NICOLAS HUET**
General Secretary
of the Executive Board
- 11. **OLIVIER MILLET**
Chairman of the Executive Board
of Eurazeo PME
- 12. **JILL GRANOFF**
CEO – Eurazeo Brands



Together, we have built a unique investment player that is robust and flexible, bold and responsible, demanding and accessible. And even though we are currently changing our scope to gain in leverage, our philosophy and our method remain the same: identify future champions, and help them to think bigger, see further and go faster.





Fundamentals

Staying true to its values, Eurazeo rolls out a unique model combining a long-term vision and responsibility.

②

LONG TERM

Backed by a permanent capital base, Eurazeo benefits from a long-term horizon and precious flexibility to re-invest in its holdings when it believes it is necessary and help them achieve their full growth potential. Because of its positioning as a long-term shareholder, Eurazeo can advance key decisions within its investments, particularly in terms of sustainable development, the benefits of which endure beyond divestment horizons.

► **Distinguishing feature:** “Patient capitalism” inspires a virtuous momentum, conducive to boldness and innovation. It is crucial for the reconciliation of economic development with societal responsibility and for profound business transformation. It allows Eurazeo to conduct carve-outs, which consist of acquiring assets that are not part of the core business of major groups in order to turn them into independent companies that are champions in their field.

①

INDEPENDENCE

The Eurazeo model combines robustness and stability. This is demonstrated by its tremendous equity investment capacity (permanent capital) combined with its vigorous third-party fund management activity and a lack of structural debt on its balance sheet. Its shareholding structure is made up of a core of family and entrepreneurial investors, some of whom have been present for more than 20 years. Alongside the joint action built around Michel David-Weill, the first key shareholder, the Decaux family became shareholders in June 2017. This new partner shares the same vision of investment based on responsibility and the creation of sustainable value.

Its arrival increases Eurazeo’s financial independence and its positioning as a long-term investor.

► **Distinguishing feature:** Responsive and proactive, Eurazeo always has the ability to seize investment opportunities when they present themselves and sell its investments when it wishes.

③

RESPONSIBILITY

Responsibility is a pillar in Eurazeo's strategy: it guides its investment choices and strategic investment decisions and influences relations with all its stakeholders. Eurazeo is one of the first private equity firms to have formalized a CSR policy for its investments and itself. An initiative which makes Eurazeo one of the few companies of its sector to be ranked in the main SRI indicators.

► **Distinguishing feature:** A dedicated shareholder, Eurazeo encourages its portfolio companies to make progress in the areas of governance, the environment, and social and societal responsibility, enabling them to commit over the long term. A winning strategy that guarantees performance and appeal.

⑤

PROXIMITY

Proximity, a feature of the Eurazeo teams, is encouraged by a tighter organization. It is embodied in the relationships of trust forged with shareholders. It is also expressed in the quality of the dialogue developed with investment management teams. Eurazeo usually favors a majority or key shareholder role to better coordinate with the teams.

► **Distinguishing feature:** The partnership culture is a made in Eurazeo trademark: Eurazeo shares the vision of its company managers, offers them their time and contributes to steering their strategic decisions. With one objective: help them free their growth potential.

④

BALANCE

Eurazeo diversifies its asset classes (by sector, geographic area, maturity and risk profile) by rotating its portfolio on a regular and sustained basis. No assets exceed the threshold of 10% to 15% of the Net Asset Value (NAV), which reduces risk for its shareholders.

► **Distinguishing feature:** Balance is the basis of the performance/risk management equation. The Eurazeo business model is strengthened through international expansion and investment strategy diversification.

⑥

HUMAN CAPITAL

Eurazeo has seven teams of first rate experts. Five of the teams specialize in targeted first-rate sector investments (Capital, Growth, SMEs, Asset Management, Brands). They are backed by two cross-functional teams (Corporate and Development), who deploy a full range of key skills: digital, CSR, legal, HR, risk management, financing, audit, management control, etc. Used throughout the investment cycle, the talents of the Eurazeo teams are many. These talents lie in their ability to detect the transformation potential of companies in advance, accelerating it by encouraging best practices, and valuing it at the appropriate time. This fundamental work requires commitment, professionalism and discipline, in order to combine the imperatives of investment selection and performance throughout the holding period.

► **Distinguishing feature:** Eurazeo's strength is the ability to manage complex transformations beyond the introduction of capital. The portfolio companies benefit from a strategic and operational support that is unique in the Private Equity market, due to the creativity of Eurazeo's teams, as well as their expertise, market knowledge and networks. A major competitive edge to maintain a constant lead.



Our operating principles

Detecting rare potential for investment is the first step in Eurazeo's business. Our teams then work alongside the companies to support their transformation before monetizing the work achieved on divestment.

①

INVEST SELECTIVELY

“We focus on growth companies with significant potential for innovation, development and transformation. The challenge, in a highly competitive market dominated by an abundance of liquidity, is to identify the most profitable sectors and the most promising companies within them in terms of sustainable value creation.”

1,008

Identified opportunities

9

completed investments

13

reinvestments for

€1.8 billion⁽¹⁾

► BE PROACTIVE

The acquisition process is subject to a rigorous approach so as to identify investment opportunities as soon as possible and minimize risks. Working with a dedicated sourcing team, Eurazeo identifies the underlying trends, sectors and companies that mark long-term structural growth. A due diligence process that includes performance criteria and non-financial components (CSR, risks, etc.) then enables an assessment of a company's potential and provides insight for investment decisions.

► A “HAUTE COUTURE” INVESTMENT PROCESS.

Investments choices are governed by stringent selection criteria. Eurazeo's searches focus on growth sectors where it has first-hand experience: consumer goods, business services, health, education, brands, luxury, etc. The selection process also targets specific company profiles:

- Dynamic companies, that develop responsibly while delivering the expected growth and performance.
- Companies with substantial transformation potential that will manifest itself in a coherent economic and industrial project.
- Quality, energetic and ambitious management.
- Eurazeo's ability to contribute to the development of these companies ■

⁽¹⁾ €1.7 billion for the Eurazeo share

2

ACCELERATE THE TRANSFORMATION OF COMPANIES

“We help companies strengthen and scale up to become major players in their market. We support their transformation by providing the time and human and capital resources that best serve their development.”

► CO-BUILDING

An active shareholder that works with the management of its portfolio companies, Eurazeo provides the tools and expertise necessary for the completion of transformation projects during the ownership phase (recruitment of new competencies, structuring of financing, optimization of operational structures, processes, etc.). Eurazeo's added value lies in its high-level resources and the business network it provides its companies. With this in mind, it recruited a Chief Performance Officer whose task is to coordinate an ecosystem to accelerate the investment performance.

Eurazeo also organized a unifying event, Eurazeo Academy, so that the portfolio companies could share knowledge and best practices.

► FOCUS ON ALL TRANSFORMATION DRIVERS

Through its long-term commitment, Eurazeo supports its investment management teams with the realization of key projects. The objective: Allow them to consolidate or grow their business model by identifying challenges, transformations and potential development strategies. Based on the type of its investment, seven catalysts can be activated:

- International expansion with the support of foreign offices.
- External growth through targeted acquisitions (development of new markets and business lines).
- Organic growth (investments in marketing, roll-out of distribution channels, etc.) to boost commercial development.
- Innovation, particularly through digital transformation and CSR.
- Adaptation of organizations with a view to increasing operational efficiency.
- In-depth transformation of economic models to capture new growth drivers.
- Implementation of effective governance ■

3

RETURN THE VALUE CREATED

“Mastering the timing of a divestment allows us to guide our companies over the long term and create sustainable value. The challenge: offer an attractive performance over time.”

► DIVESTMENT DECISIONS BASED ON STRICT CRITERIA

Divestment decisions take into account several factors: achievement of transformation objectives, long-term resilience of the transformed company's business model, portfolio balance, etc. The choice is guided by an arbitration between the assessment of the remaining value creation potential in relation to the work already completed and the achievable performance to date, measured in terms of multiples or internal rates of return (IRR). The profitability targets for capital invested differ between divisions and the estimate of the related risk (over 25% for Eurazeo Croissance, between 15% and 20% for Eurazeo Capital and PME, and over 10% pour Eurazeo Patrimoine).

► VALUE SHARING

Eurazeo shareholders receive a fair and regular return in line with the company's long-term vision. The ideal performance indicator is the TSR or Total Shareholder Return, rather than the share price. This indicator takes into account dividends paid out and the stock market enterprise value trend. In the last five years, the total shareholder return offered by the Eurazeo share has largely outperformed that of the CAC 40 or even that of the European private equity index. The active share buyback and distribution policy rolled out by Eurazeo for its shareholders contributed to this outperformance ■

8

total or partial divestments

€1.4 billion⁽¹⁾

in disposal gains and dividends collected

⁽¹⁾ €1.1 billion for the Eurazeo share.

Acceleration drivers

By building a strategic partnership, growing in new geographies and diversifying its financing, etc., Eurazeo has enhanced its business model, becoming, an international multi-strategy investment company.

①

BECOME A KEY PLAYER IN THE TRANSATLANTIC MARKET



A major partnership to multiply strategies.

In the highly competitive Private Equity market, the scope and diversity of investment strategies, international expertise and business network quality are essential criteria in attracting and accessing quality sourcing and achieving optimal performances. This is why, on November 29, 2017, Eurazeo entered into a strategic partnership with Rhône, an international private equity company based in London and New York, managing over €5 billion in assets. Rhône is a top performer in its sector. This deal will form the basis for a highly complementary partnership in terms of sector and geographic coverage and a shared investment philosophy. It is intended to bolster Eurazeo's transatlantic positioning and enrich its deal flow, through the pooling of business networks. The partnership, which will take effect in the first half of 2018, covers Eurazeo's acquisition of a 30% stake in Rhône for US\$ 105 million in cash and two million newly issued Eurazeo shares. The agreement will be materialized by the presence of three Eurazeo representatives on the Rhône Management Board and a Rhône representative serving as a non-voting member on the Eurazeo Supervisory Board. While they will be closely coordinated, the two companies will continue to conduct their business independently ■

“This partnership represents a tremendous opportunity to extend our reach and consolidate our network of investors and partners, making us the benchmark for transatlantic investments.”

Virginie Morgon

②

EXPAND ACTIVITIES AND INVESTMENT SCOPE



A presence in virtually all Private Equity segments.

Eurazeo diversifies its investment strategies to seize the maximum number of opportunities, while reducing its risks. Eurazeo has thus announced the 70% acquisition of Idinvest, a leader in growth capital, private debt, mandates and dedicated funds in France and Europe. Idinvest manages almost €7 billion in assets for insurance companies, leading institutional investors, and private individuals. Eurazeo's assets under management will double, and add venture capital, debt and funds of funds to its business lines. Eurazeo will invest in funds managed by the Idinvest teams, who in return will retain management independence.

After directing its investments toward attractive asset classes (private debt via an interest in Capzantine, and asset management, by investing in the leading European platform IM Square), Eurazeo founded Eurazeo Brands in May 2017, a division specializing in consumer brands. The team carried out its first investment in NEST Fragrances, a creator of premium fine and home fragrance.

“Our objective is to support brands in all aspects of their development by leveraging our strengths, namely our geographic footholds, our partnerships and our expertise.”

Jill Granoff

The deployment in this market segment demonstrates the expertise that Eurazeo has acquired in recent years through its investments in brands such as Moncler and companies like Vestiaire Collective. Eurazeo intends to capitalize on its experience and international network to seize growing opportunities that are emerging in this sector, along with new consumer patterns and marketing methods. Eurazeo has allocated US\$ 600 to US\$ 800 million to be invested over the next five years in companies with a distinct concept and preferably positioned in growth sectors: beauty, fashion, household appliances, leisure, well-being and food. Managed from a New York office, Eurazeo Brands will invest jointly with the Eurazeo Capital teams for investments exceeding US\$ 100 million. ■■■



International: acceleration.

With 69% of its deal flow generated outside France, Eurazeo is now an international company. Beginning with its historical French and European base, it has established footholds on two continents, Asia and North America. In China and Brazil, its two offices are tasked with facilitating the access of portfolio companies to local markets, particularly through partnerships. Since September 2016, Eurazeo has also been highly active in the U.S., the world's leading private equity market, competing directly with the sector's major players. Thanks to a first-rate team based in New York, Eurazeo has opted to operate directly in this vibrant market. Its priority targets are in sectors it has mastered with high potential for growth, transformation and international expansion: consumer goods, business services, e-commerce, and data.

Over the longer term, the goal is to capitalize on all its geographic bases to support the international expansion of both its U.S. and European companies. This market gain strategy has already yielded success.

In the U.S., some one hundred targets have been identified and three acquisitions carried out: Trader Interactive, an integrated market place and digital solutions platform for leisure vehicles, WorldStrides, a premier experiential education provider which, under the impetus of Eurazeo, will pursue its growth in Asia, and NEST Fragrances, creator of premium home fragrances and fine fragrances. The expansion momentum is just as strong in Europe, where Eurazeo has acquired Iberchem, a producer of fragrances and flavors for the global market, and in Asia, where it has structured two joint ventures. Several portfolio companies also benefited from this international acceleration in 2017: Neovia with pet food in China and Les Petits Chaperons Rouges with a nursery network in the UK. Key acquisitions also allowed Elis (with Berendsen), Fintrax (with Planet Payment) and Novacap (with PCAS) to boost their global presence ■

“International expansion, particularly with the ramp-up in the U.S., bolstered by the Rhône partnership, provides our companies with a privileged access to global markets. It marks a decisive step in the realignment of our investments, while advancing our business model through the enhancement of our practices.”

Virginie Morgon

③

STRENGTHEN THE INVESTMENT MOMENTUM



Management for investor partners, a powerful financial lever.

In one year, €750 million (€500 million for Capital II in December 2016 and €250 million for PME III in June 2017) was raised from third-party investors.

This momentum reflects Eurazeo's ambition: to deploy a unique business model based on the synergies between equity investments and third-party management. By means of this strategy, Eurazeo increases its financial capacity, while maintaining what makes its business model so strong: the absence of debt, which gives it independence and flexibility. Fundraising is a lever for seizing new and greater opportunities and continuing to develop the portfolio companies.

It also represents an additional, recurring and predictable revenue source. Lastly, it contributes to the enrichment of its global ecosystem, as co-investors can be international partners.

The announcement of the Rhône partnership at the end of 2017, and the acquisition of Idinvest signal a clear acceleration of this activity. It marks a milestone in Eurazeo's growth and development, by enabling it to expand its investor base and providing it with additional means to carry out strategic acquisitions ■

“Fundraising adds to our scope of action by putting significant resources at our disposal. The objective is to pursue this ramp-up for all our investment strategies, with the mid-term goal of reaching €3 billion in assets under management.”

Frans Tieleman

④

CONFIRM OUR STATUS AS A KEY PARTNER FOR COMPANIES, BY HELPING THEM MEET THE CHALLENGE OF ANTICIPATION



Subject to changes that are disrupting entire segments of our economy, companies must never cease adapting their business models. Thanks to its competencies in digital technology and CSR, Eurazeo can help them anticipate these changes by encouraging extensive transformation.

Digital transformation, a key axis for differentiation.

Digital technology represents a key acceleration driver for Eurazeo as an investment company, and for its portfolio companies, to which it brings its know-how and network of partners. It was one of the first investors to rely on a Chief Digital Officer and create a “start-up studio,” an incubator that assists portfolio companies with the acceleration of their digital growth plans and provides them with an ecosystem of resources and skills. Eurazeo also strives to capture the full potential of digital technology in its investment processes and in its organization by relaying on big data and artificial intelligence.

“The digital revolution is in full swing at Eurazeo. Because of this strategy, our investments can design disruptive models and develop more rapidly than their markets”

Sophie Flak

CSR, a sustainable value creation engine.

The imperative of adapting to climate change, the integration of the UN’s sustainable development goals, the growing influence of civil society and NGOs, greater regulation and taxation.

In an increasingly complex environment, CSR is undoubtedly a lever for performance, sustainable value creation and contribution to the common good. Eurazeo helps its portfolio companies to improve. To this end, it relies on a dedicated team that provides its expertise to identify the most significant issues, and to define and support the roll-out of improvement plans.

This momentum of continuous improvement was made tangible in the responsible practices of the portfolio companies who gained in maturity as illustrated in the annual CSR reporting.

Eurazeo has signed the Shift project, a think tank whose mission is to clarify and to influence the energy transition debate in Europe to decarbonize the continent by 2050 and reduce its dependence on fossil fuels ■



Responsible commitments

Eurazeo is convinced that Corporate Social Responsibility (CSR) creates value. The four pillars of our 2020 CSR strategy reflect our ambition: place our business and that of our investments under the umbrella of responsibility.

1

INVEST RESPONSIBLY

Integrate CSR at all stages of the investment cycle

2

ESTABLISH EXEMPLARY GOVERNANCE

Ensure that all Eurazeo companies have exemplary governance bodies

3

CREATE SUSTAINABLE VALUE

Ensure that all Eurazeo companies have a CSR progress plan

4

BE A VECTOR OF CHANGE IN SOCIETY

Ensure that all companies improve their societal footprint

RESPONSIBILITY, THE CORNERSTONE OF OUR MODEL

“Our approach and practices have evolved. We can now quickly develop our companies to create sustainable value while actively contributing to the fight against climate change and the United Nations sustainable development goals.”

Responsibility is embodied in Eurazeo’s ambitious and demanding Corporate Social Responsibility (CSR) policy. For many years, this has been the keystone of Eurazeo’s strategy: it is rolled out through exemplary governance bodies, strict business ethics, a proactive approach to environmental protection and the fight against climate change, and a constant focus on all its stakeholders.

17

CSR due diligences performed

22

companies participated in CSR reporting

Eurazeo, a pioneer.

Eurazeo is one of the most advanced companies in its sector due to steady growth momentum which encourages innovation. This year for example, it measured the extended socio-economic footprint of its investment arm, Eurazeo PME. Its active contribution using open source technology also develops practices in the profession. Most private equity companies joined the 2020 carbon initiative that Eurazeo helped set up two years ago. In 2017, its proactive approaches were internationally renowned: Eurazeo has been distinguished by six of the world’s seven leading extra-financial rating agencies. Eurazeo also jumped from 77th to 21st position in just two years in the ranking of womens’ representation on the Boards of SBF 120 companies

(source : Ethics & Boards).

Ground-breaking tools.

Analysis grid to detect upstream risks and opportunities in acquisitions and perform carbon stress testing on business models; “customized” toolbox to help investments develop; vendor due diligence report to leverage progress at the time of sale. This year, Eurazeo worked hard to take into account the 17 sustainable development goals defined by the United Nations: they are now incorporated into due diligence reports and gradually rolled out during the monitoring of companies. Eurazeo also supports its companies through acceleration programs to speed up progress: enhancement of responsible supply chain practices, reduction in CO2 footprint. Hence, 16 portfolio companies measured their scope 3 footprint, which includes indirect greenhouse gas emissions ■

- 1. **ADRIANNE SHAPIRA**
Managing Director
Eurazeo Brands
- 2. **FRANCESCO ORSI**
Managing Director
Eurazeo Capital
- 3. **ALINAD IMEGLIO**
Principal
Eurazeo Capital
- 4. **NATHALIE TROLEZ- MAZURIER**
Deputy general counsel
Securities & Compliance

- 5. **ERWANN LE LIGNE**
Managing Director
Eurazeo PME
- 6. **EDDIE CHEN**
Managing Director
Head of Eurazeo China
- 7. **BERENGERE NICOLAZO
DE BARMON**
Head of the Consolidation Department
- 8. **MAXIME DE BENTZMANN**
Principal - Eurazeo Capital
- 9. **FREDERIC MAMAN**
Managing Director
Eurazeo Patrimoine

- 10. **SOPHIE FLAK**
CSR and Digital Director
- 11. **EDOUARD GUIGOU**
Managing Director
Eurazeo Capital
- 12. **ELISABETH AUCLAIR**
CFO of Eurazeo PME
Deputy CFO of Eurazeo
- 13. **STEPHANE BOSTYN**
Director of the Treasury
Financing Department
- 14. **PAUL BRAIDA**
Information System Director

MAD



Investing financial capital and human capital:
this is our hallmark to expand our companies and realize their full potential.
We work hand in hand on a daily basis, combining our energy, expertise
and networks to succeed in each entrepreneurial project.

A successful working relationship:
the signs of transformation are everywhere.



INVESTMENTS AND DIVESTMENTS, A STEADY AND STRONG MOMENTUM

M€ 1,354⁽¹⁾

(M€ 1,261 for the Eurazeo share)
invested in 2017 in 9 new companies

M€ 1,044 invested
(Eurazeo share)

- Trader Interactive (United States)
- Iberchem (Spain)
- CPK (France)
- WorldStrides (United States)

M€ 62 invested
(Eurazeo share)

- Smile
- InTech Medical

M\$ 70 invested
(Eurazeo share)

- NEST Fragrances (United States)

M€ 17 invested
(Eurazeo share)

- Doctolib

M€ 79 invested
(Eurazeo share)

- Reden Solar

Partial sale of Elis
M€ 162
(Eurazeo share)

2.3x the investment

Partial sale of Europcar
M€ 179
(Eurazeo share)

1.7x the investment

Partial sale of Moncler
M€ 187
(Eurazeo share)

6.7x the investment

Sale of Colisée
M€ 123
(Eurazeo share)

2.5x the investment

**Sale of ANF Immobilier Hôtels
and ANF Immobilier**
M€ 235
(Eurazeo share)

2.3 x the investment

M€ 1,301⁽¹⁾

(M€ 1,042 for the Eurazeo share⁽²⁾)
8 companies partially or totally sold

eurazeo
capital

eurazeo
pme

eurazeo
Brands

eurazeo
croissance

eurazeo
patrimoine

2017 investments

divestments

eurazeo
capital

eurazeo
pme

eurazeo
patrimoine

(1) Taking into account funds managed for third parties

(2) Including syndications to Eurazeo Capital II and Eurazeo PME III and the sale of Fonroche

HIGHLIGHTS

2017

“The deal with Rhône, one of the top Private Equity players, is an investment and a real strategic partnership that will create value for our shareholders, bolster our international ecosystem and boost the growth of our companies.”

PATRICK SAYER
CEO of Eurazeo*
Until March 18, 2018



Two strategic alliances

By concluding two major partnerships that will generate numerous synergies, with Rhône and Idinvest, Eurazeo will double in size and boost its coverage in key markets.

Rhône

An international asset

In November 2017, Eurazeo entered into a strategic partnership with the transatlantic investment company Rhône, in which Eurazeo will own around 30% of the management company. In return, the Rhône associates will become Eurazeo shareholders. Created in 1996, Rhône has offices in London and New York and manages over €5 billion in assets, including the joint venture set up with WeWork, the world's number one in collaborative spaces. Its investments, mainly geared towards industry, are highly complementary to those of Eurazeo. This major deal, resulting from the former relations between Eurazeo and Rhône and a common DNA, brings together two efficient partners, with a similar positioning focusing on mid cap and the same entrepreneurial approach to investing. Both companies will work together to seek investment opportunities and each will be represented on the other's governance bodies. With this partnership, Eurazeo will reinforce its international foothold, particularly in the United States, enhance its sourcing strategy and boost its investment volume ■

Idinvest

Eurazeo changes dimension

Eurazeo announced the 70% acquisition of Idinvest, currently owned by the listed investment company IDI (Institut de Développement Industriel - Institute of Industrial Development). Under the agreement, IDI has pledged to sell its entire stake to Eurazeo while Idinvest's managers will temporarily hold on to 30% of the capital. The company manages €7 billion in assets for insurance companies and major institutional investors as well as for individuals. Founded in 1997 under the name AGF Private Equity, the company has around 90 employees with offices in Paris, Frankfurt, Madrid, Shanghai and Dubai. Operating in four business lines that are complementary to those of Eurazeo (innovation capital, private debt, mandates and funds and growth capital) it has contributed to major European tech success stories in recent years such as Deezer, Criteo, Ouicar, Winamax and Vestiaire Collective. The alliance between the two companies creates a group of €15 billion in assets under management operating in three continents ■



Growth driven by the international network

Eurazeo Capital targets market leaders worth more than €200 million, and supports them with their extensive transformations. Eurazeo Capital has ramped up its acquisition and transformation strategy thanks to its growing international reach and U.S. foothold.

United States, Europe: a leveraging effect and greater selectivity. The U.S. market, the leading Private Equity market, is defined by its depth, momentum and maturity. Drawing on its international network, Eurazeo has opted to invest equity amounts ranging from US\$100 million to US\$500 million so as to become a leading partner in this business segment. This winning strategy has already created numerous opportunities for Eurazeo Capital, resulting in two first-rate investments in major dominant marketplayers: Trader Interactive, an integrated market place and digital solutions platform for leisure vehicles, and WorldStrides, a premier experiential education provider which, in partnership with Eurazeo, will pursue its growth in Asia and Europe. Eurazeo Capital also carried out a strategic acquisition in Europe with Iberchem, a global producer of fragrances and flavors dedicated to emerging markets that is set to expand through organic and external growth. At the same time, Eurazeo

Capital rebalanced its portfolio by performing three partial sales: Elis, Europcar and Moncler, under excellent conditions. The substantial progress made in these transformations is illustrated by the multiples achieved (2.3x, 1.7x and 6.7x).

Supporting increasingly complex deals.

With the help of the Corporate team, Eurazeo Capital has galvanized its business networks and rolled out its expertise to support its investments in decisive transformations. The investment team conducted three takeover bids for listed companies on behalf of Elis, Novacap and Fintrax, resulting in extensive external growth transactions. It also drew on its partnerships to create two joint ventures in South Korea and China. Finally, by targeting its investments, it has continued to develop its portfolio companies, in particular the two carve-outs created in 2016: it has supported Sommet Education, a Swiss educational group, in reorganizing its infrastructures and renewing its training programs under the leadership of its new management team. It has also finalized the investment in CPK, a company owning several confectionery and chocolate brands (Carambar, Poulain, etc.) that has finally become an independent group after a year of intense transformation. It was officially launched in May 2017 ■

M€ 1,521

For 4 investments and 4 reinvestments
(Eurazeo share of M€ 1,411)

3 partial divestments

MADEwith

Les Petits Chaperons
Rouges

Asmodee

Desigual

Elis

Europcar

Fintrax

Iberchem

CPK

Moncler

Neovia

Novacap

Sommet Education

Trader Interactive

WorldStrides

HIGHLIGHTS

2017

With 24% of our unlisted investments in the United States and 36% in Europe, we have become a transatlantic player. This strategy is designed to boost our potential and that of our investments.”

MARC FRAPPIER
 Managing Director
 Eurazeo Capital



Iberchem

A rapidly growing company

Iberchem is a Spanish company that produces fragrances and flavors for the global market. Present in over 100 countries with 3,400 clients, the Group has developed a distinctive business model, by targeting emerging markets with growing middle classes, and local leading brands by proposing a very attractive quality/price offer. This positioning has helped it post above-market rate growth of around 18% per year since 2012. Eurazeo Capital decided to support this success story by becoming a majority shareholder with 70% of capital for an investment of €270 million. **“We are going to write a new chapter in the development of Iberchem, based on two priorities,”** explained Marc Frappier: **“organic and external growth via carefully chosen acquisitions to expand geographical coverage and product segments.”** Ramon Fernandez, CEO and Founder of Iberchem added **“Eurazeo will help Iberchem strategically, especially thanks to their offices in China and Brazil”** ■

11

production sites worldwide

M€126
 in 2017 revenue



Neovia
Strategic positions on emerging markets

With revenue of €1.6 billion, 72 production sites and 7,700 employees in 28 countries, Neovia is one of the leaders in animal nutrition and healthcare. Supported by Eurazeo Capital and its Shanghai and São Paulo offices, the company has expanded considerably in emerging markets, where demand is high. It acquired a majority interest in Sanpo, the number 5 in the Chinese pet food market. It also boosted its coverage and enhanced its quality in Latin America, with the acquisition in Mexico of Apligén, a company specialising in premix and speciality products. Already very active in Brazil, it also acquired via its subsidiary Upscience, Labtec, a state-of-the-art laboratory designed to meet the growing challenges of food safety and traceability ■

M€ 1,683
 in 2017 revenue

WorldStrides
From America to Asia via Europe

Eurazeo Capital invested US\$ 469 million in WorldStrides, a premier experiential education provider serving students of all ages, firmly rooted in the United States since 1967. Through programs set up with more than 7,000 schools and 800 universities, the group accompanies nearly 400,000 students every year. **“WorldStrides is at the crossroads of education and travel, two of Eurazeo’s specialist areas. Our aim is to accelerate WorldStrides’ growth in international**

markets, while enriching the educational proposition offered to students. We will also boost its growth through program diversification and investment in marketing,” explains Marc Frappier, Managing Director, Eurazeo Capital. The acquisition bonus: it was acquired in partnership with Primavera Capital group, a China-based investment firm. This partnership will help accelerate WorldStrides’ expansion into international markets, in Europe and Asia, while enriching the educational offering for students ■





Asmodee The adventure continues

Acquired in 2014, Asmodee, one of the world's leading players in the board games industry, has continued its striking growth trajectory. This highly innovative company has, with the backing of Eurazeo Capital and the Corporate team, activated all the growth catalysts to fulfil its ambition: become world number one. The key to its success? A unique marketing approach, combined with a constantly updated games catalogue and a desire to develop its own original content. The company has heavily focused on the digital market, with the onlining of around twenty of its top games in 2017. Finally, it has carried out 12 acquisitions since 2014 that have bolstered its positions and opened the doors to North America, a key market where it now generates one third of its sales. In early 2017, Asmodee also strengthened its position in Europe, via successive acquisitions of Heidelberger Spieleverlag, Edge Entertainment and Millenium, board games publishers and distributors in Germany, France and Spain ■

+ 20 top games
made available online in 2017.

+ 12
acquisitions since 2014.

MADE in CHINA

Focus on Asia

The Shanghai office closed two strategic partnerships. In early 2017, Premier Tax Free, the Fintrax subsidiary specializing in tax-free shopping, signed an exclusive global partnership with Ctrip, China's leading online travel agency. Objective: offer the agency's 300 million clients a range of tax-free shopping services available on mobiles. In the first half of 2018, Asmodee signed a partnership with Kingnet, a leading digital player, to adapt and develop the games owned by the Group, thereby boosting its growth in Asia

**“An alliance that
will contribute
greatly to
enhancing the
buying experience
for Chinese
tourists abroad”**

PATRICK WALDRON
CEO of Fintrax



Novacap, Elis, Europcar... Operations build up

Eurazeo Capital successfully assisted its investments with decisive external growth transactions in terms of human capital and finances. It reinjected €272 million into Novacap, Elis, Europcar and Fintrax to enable these companies to forge value creating partnerships and strengthen their position in key markets. Novacap acquired PCAS to create a global leader in the pharmaceutical synthesis and fine specialty chemicals industry. Elis acquired Berendsen as part of a friendly takeover to create a Pan-European leader in the rental and maintenance of textile and hygiene articles. With the acquisition of Goldcar, Europcar has gained a foothold in the booming low-cost vehicle rental market. Finally, Fintrax, specializing in payment services, has expanded its geographical reach and boosted its expertise, by purchasing the U.S. firm Planet Payment, a major player in international payment and multicurrency processing services. Furthermore, Elis acquired Berendsen as part of a friendly takeover to create a Pan-European leader in the rental and maintenance of textile and hygiene articles ■

OUR INVESTMENTS



The Grandir Group is one of Europe's leading early learning and education groups. Its 5,000 employees welcome over 20,000 children and their parents every week in our 400 nurseries and preschools in France, Germany and the UK.

The Grandir Group has been operating in France under the Les Petits Chaperons Rouges brand since the 2000s.

Over half of France's leading 100 employers and hundreds of SMEs have chosen our corporate family support solutions.

This seamless commitment to quality can actually be gauged by the fact that the Grandir Group is the sole sector player to be certified by SGS Qualicert for the excellent service rendered to families.

Likewise, driven by our convictions, we launched the Grandir Academy to better train our employees in the professions of tomorrow and set up the Solidarity Fund for Children to support and accompany even the most fragile families.

Now and in the future, the most efficient and attractive companies are those that put the family first!

Investment date	Interest	2017 revenue
2016	30.5%	M€ 192
	Under management ⁽¹⁾	
	40.8%	



Asmodee group is a leading international games publisher and distributor operating through subsidiaries in Europe, the United States, and China. Asmodee's best known titles, either published or distributed on behalf of key publishing partners, include Catan, Les Aventuriers du Rail, Splendor, Dobble / Spot It!, Rory's Story Cubes, Star Wars : X-Wing, Pandemic, Dead of Winter, 7 Wonders, Dixit, Takenoko, Abyss, Timeline, Jungle Speed and The Werewolves of Miller's Hollow. In some European countries, Asmodee also distributes trading card games such as Pokémon & Magic.

Investment date	Interest	2017 revenue
2014	59.8%	M€ 442
	Under management ⁽¹⁾	
	79.7%	

Dezignal®

Dezignal is an international fashion company which was founded in Barcelona in 1984. It is defined by its unique way of interpreting fashion and life, based on positive values such as creativity, fun and the celebration of difference, all of which are reflected in the brand's original, upbeat and colorful designs. The company currently employs more than 4,500 staff and operates in around 100 countries through 13 sales channels and over 500 own stores and franchises, more than 5,000 multi-brand stores, 2,100 department store corners as well as 21 own online sites worldwide.

Investment date	Interest	2017 revenue
2014	7.4%	M€ 761
	Under management ⁽¹⁾	
	10.0%	



Europcar is the number one vehicle rental company in Europe and one of the leading mobility players in Europe. The Group's mission is to be an attractive alternative to car ownership by providing a wide range of mobility solutions: car rentals, Vans & Trucks, chauffeur service, car-sharing or peer-to-peer. Customer satisfaction is at the heart of the group's mission and all of its employees and this commitment fuels the continuous development of new services. The group operates through multi brands meeting every customer specific needs: Europcar® the European Leader in vehicle rental services, Goldcar® - Europe's largest low-cost car rental company, InterRent® - value for money brand targeting leisure customers and Ubeeqo® - a European company specializing in fleet and mobility solutions for both the business and the end-customers market. The Group delivers its mobility solutions worldwide through an extensive network in 130 countries and territories (including 16 wholly-owned subsidiaries in Europe and 2 in Australia and New Zealand, franchisees and partners).



Elis is the leader in professional clothing and textile rental and maintenance, as well as hygiene appliance and well-being services. Elis' business model consists in leasing rather than selling items. It therefore strives to contain costs based on efficient quality control and an active environmental strategy. This circular model provides its clients with industrial expertise so that they can focus on their core business. The group operates in Europe and South America. It actively helps to safeguard local jobs and provides multi-service offerings to more than 240,000 businesses of all sizes in the hotel, catering, healthcare, industry, retail and cleaning sectors.

Investment date	Interest	2017 revenue
2007	5.7%	ME 2,215
	Under management ⁽¹⁾ 6.3%	



Founded in Ireland in 1985, Fintrax is the parent company of Premier Tax Free, the number two player in Tax Free Shopping (TFS) worldwide, helping eligible tourists to claim back VAT on foreign retail purchases. The company is also active in the Dynamic Currency Conversion (DCC) market, allowing international travelers to pay for goods and services in their own currency. Following the acquisition of Planet Payment at the end of 2017, the group operates in 55 countries, serves 14,000 retailers, generates approximately €6 billion of purchases per year eligible for tax rebate and processes services for over €15 billion in the payment industry.

Investment date	Interest	2017 revenue
2015	69.1%	ME 268
	Under management ⁽¹⁾ 92.1%	

Investment date	Interest	2017 revenue
2006	30.6%	ME 2,412
	Under management ⁽¹⁾ 34.9%	

⁽¹⁾ % of capital managed by Eurazeo including third-party fund management





Founded in 1985, Iberchem is a global producer of fragrances and flavors addressing national and regional brands in emerging markets. Iberchem serves the Hygiene and Personal Care (“HPC”) industry through its fragrances division and the Food and Beverages (“F&B”) industry through its flavors division, Scentium. Operating in more than 120 countries with 550 employees, the company has developed a unique and extremely flexible business based on robust local sales teams and 11 production sites worldwide. Iberchem has a highly diverse customer base, including many leading local and regional consumer brands.

Investment date	Interest	2017 revenue
2017	71.7%	M€ 126



Moncler is a global luxury brand, originally from France but now based in Italy that designs and distributes clothing and accessories. Over the years with the help of experts, Moncler has combined style with technological research. Moncler’s clothing collections combine the rigorous demands of nature with those of life in the city. Moncler manufactures and directly distributes clothing and accessories in its own stores as well as in major department stores and the most selective multi-brand sales outlets.

Investment date	Interest	2017 revenue
2011	4.8%	M€ 1,194
	Under management ⁽¹⁾	
	5.3%	



CPK group, the future French confectionery and chocolate champion, was forged from a combined portfolio of iconic European brands, including Carambar, Poulain, Krema, La Pie Qui Chante and Terry’s, as well as the Pastilles Vichy, Rochers Suchard and Malabar bubble gum licenses. Since its launch on May 2, 2017, CPK has successfully completed its transition to become an independent group and focused its operational strategy on innovation and marketing support in order to reinvigorate this heritage portfolio. The new group and its wholly-owned operating subsidiary, Carambar & Co, has around 1,000 employees and five production sites in France.

Investment date	Interest	2017 revenue
2017	68.3%	M€ 248
	Under management ⁽¹⁾	
	91.1%	



Neovia reported revenue of €1.7 billion and operates in seven business lines: complete feed, aquaculture, pet care, Premix/Firm services, additives & ingredients, animal health, and analysis laboratories.

It has 8,300 employees in 28 countries, 75 production sites and 11 research centers. Neovia offers a totally innovative and comprehensive approach to its businesses, which sets it apart and allows it to seek sustainable growth and fulfill three major missions: propose high added-value solutions and services to animal nutrition and health players, guarantee the quality and traceability of feed and combine innovation and the reasonable use of resources.

Investment date	Interest	2017 revenue
2015	13.0%	M€ 1,683
	Under management ⁽¹⁾	
	17.3%	



An international player in Pharmaceutical & Cosmetics, Mineral Specialties and Performance Chemicals, Novacap offers a wide range of products and boasts leading positions in a variety of markets, including pharmaceuticals and healthcare, cosmetics and fragrances as well as food and feed, home care and environment. Novacap sets itself apart not only by the outstanding quality of its products but also by its culture of excellence which aims at providing its clients with the best level of service. Novacap currently operates 27 R&D centers and industrial sites in Europe, Asia and America.

Investment date	Interest	2017 revenue
2016	46.7%	M€ 896
	Under management ⁽¹⁾	
	62.0%	



Trader Interactive is the leading online classifieds marketplace and marketing software solutions provider to commercial and recreational dealers. Bringing buyers and sellers together remains its core business. Trader Interactive is committed to providing innovative products to ensure that customers generate leads, drive sales and maximize profits. Its brands generate more than 7 million unique visitors monthly. Trader has 10 businesses and approximately 300 employees.

Investment date	Interest	2017 revenue
2017	50%	MUS\$ 90

⁽¹⁾% of capital managed by Eurazeo including third-party fund management



Known for excellence in cultivating the hospitality leaders of tomorrow, Sommet Education encompasses a distinguished group of institutions united by a fundamental belief in the importance of academic rigor, practice-based learning and a dynamic multicultural outlook. Sommet Education serves students from more than 100 different countries, preparing them to be immediately operational in their professions - wherever in the world these may be - by offering them exceptional educational experiences and unique job prospects.

Investment date	Interest	2017 revenue
2016	74.9%	MCHF 155
	Under management ⁽¹⁾	
	99.9%	



WorldStrides is a premier experiential education provider serving students of all ages. Firmly established in the United States since 1967, WorldStrides provides experiential learning to around 400,000 students per year covering academic, professional, performing arts, and athletic programming. The organization's full suite of programs is tuned to learners at stages from elementary through post-graduate levels, and feature specializations like history, science, performing arts, sports and study abroad.

Investment date	Interest	2017 revenue
2017	79.9%	MUS\$ 589
	Under management ⁽¹⁾	
	88.7%	



Fast-tracking growth

Eurazeo PME has pursued its growth trajectory in line with its strategy. It invests in leading international companies and French SMEs valued between €50 million and €200 million to support them in their transformation.

Additional resources with Eurazeo PME III.

In a very deep and vibrant market, Eurazeo PME boosted its investment capacity by raising a third fund in the amount of €658 million, including €258 million from institutional investors (up 65%, compared to the previous fund, Eurazeo PME II). This success reflects the robustness and relevance of Eurazeo PME's model while creating new growth prospects for portfolio companies.

Steady asset rotation. Eurazeo PME has continued to expand with two investments in strategic areas: state-of-the-art surgery and digital services. The simultaneous sale of the Colisée Group to the investment fund IK Investment Partners is the result of the outstanding transformation work carried out by the company's management team. It gave rise to a multiple of 2.5x the initial investment and a return of 35% per year.

A fast-changing portfolio.

The portfolio companies have continued to strengthen and expand, primarily due to two catalysts: digital transformation and external growth transactions. In this respect, there has been a clear-cut acceleration in growth. 11 build ups were completed in 2017, in France, Germany and the Netherlands, illustrating Eurazeo PME's ability to support international companies. Several companies benefit from this two-pronged transformation process. Flash Europe International, the leader in the same day transport of industrial parts, has generated 30% annual growth through external growth transactions, mainly in Germany, and the roll-out of an innovative digital platform that has revolutionized its pricing model. External growth was bold in 2017 with the adoption of a corporate venture strategy, including Orolia's investments in start-ups in France and the United States (Quasar DB and Satelles) Flash Group's 100% acquisition of Upela and MK Direct's acquisition of Envie de Fraise ■

18

companies were the subject of an in-depth review

2

investments completed in 2017

M€ 100

(Eurazeo share of M€ 62)
invested in Smile and In'Tech Medical

MADEwith

AssurCopro

Dessange International

Redspher
(ex-Flash Europe)

In'Tech Medical

Léon de Bruxelles

MK Direct

Orolia

Smile

Péters Surgical

Vignal Lighting Group

HIGHLIGHTS

Groupe Colisée

A great adventure

In June 2017, Eurazeo PME sold its interest in Colisée for €236 million to the investment fund IK Investment Partners, multiplying its initial investment by 2.5. With the support of Eurazeo PME, the fourth largest French operator of nursing homes and the leader in the global health care and old-age dependency sector, embarked on an extensive transformation.

In five years, its profitability has improved, its facilities in France have doubled, its boundaries have been crossed with facilities in Italy and China and its scope has expanded via the acquisition of a homecare service agency network. Outcome: Colisée' revenue doubled to €390 million.

“Eurazeo PME has greatly contributed to Colisée's success in recent years” stated its Chairwoman Christine Jeandel. **“It takes both time and financial resources to double or even triple in size. This is exactly what we give to Colisée”** declared Emmanuel Laillier, member of the Eurazeo PME Executive Board ■

2017

“Since our creation in 2006, we have carried out 18 investments and coordinated over 40 external growth transactions, half of which are outside France. This vitality demonstrates the merits of our approach: we transform French SMEs into pocket multinationals by cooperating with gifted entrepreneurs and offering them time, capital, expertise and international networks.”

OLIVIER MILLET,
Chairman of the Eurazeo PME
Executive Board



CSR

A recognized commitment

A pioneer in this field, Eurazeo PME has rolled out a proactive CSR strategy since 2008, resulting in the creation of a dedicated team, tools and analyses for its portfolio companies to help them develop. In 2015, Eurazeo PME was the first private equity firm to publish an integrated report designed to offer a comprehensive view of its financial and non-financial performances and those of its companies. A transparent approach that received praise this year: Eurazeo PME was one of the three nominees at the Integrated Thinkings Awards in the SME/Mid-cap award category. The major annual European prize, organized for the first time in 2017, rewards companies that have made the most progress in incorporating CSR into their business, missions and strategies. Also in 2017, in connection with its capital-raising, Eurazeo PME was the first Private Equity player to prepare a Vendor Due Diligence, an innovative report describing in detail its ESG strategy and practices for the attention of institutional investors ■

Smile / In'Tech Medical

Two strategic acquisitions

Eurazeo PME acquired a majority interest in two fast-growing mid-caps. These were the first acquisitions carried out under the Eurazeo PME III fund.



HIGHLIGHTS



SMILE is the leading French integrator and outsourcer of open source solutions, with offices in 9 countries. Founded 25 years ago, the group, operating in the highly buoyant open source and business digitization market, has posted 10% sales growth per year. Its aim is to become the new European IT champion and triple its revenue. Eurazeo PME will assist the group with its organic growth and external development, particularly abroad ■

10%
increase in sales each year

IN'TECH MEDICAL is the world's leading manufacturer of orthopedic surgical instruments: The company has 500 employees and two production sites in France. In the last 10 years, it has posted annual growth of around 9%, two thirds of which was realized abroad. Eurazeo PME will help boost this momentum ■

9%
annual growth

2/3
of revenue
in the United States

OUR INVESTMENTS



With nearly 1,600 salons in more than 47 countries, the Group builds on its image and the expertise of the Dessange brand, while focusing on growth, backed by Eurazeo PME, of its chain of top-end Camille Albane salons and the leading family segment chain in the United States, Fantastic Sams.

Investment date	Interest	2017 revenue
2008	65%	M€ 99
	Under management ⁽¹⁾	
	76%	



In'Tech Medical designs and manufactures high precision orthopedic surgical tools. These instruments are used for knee, hip, shoulder and spinal surgeries. It is number one in the world in this market. The company has more than 500 employees and 4 production sites in France. It also manufactures in the United States and Malaysia. It has a significant international reach, with nearly two thirds of its sales realized in the United States.

Investment date	Interest	2017 revenue
2017	34%	M€ 61
	Under management ⁽¹⁾	
	55%	



AssurCopro is a joint ownership insurance broker with offices in Paris, Cannes and Nice and a historical player that pioneered the ultra-specialization of building ownership. AssurCopro has forged strong historical relations with insurance companies and local property managers. With 3 regional offices, the company boasts renowned service quality due to its client proximity and quick responsiveness.

Investment date	Interest	2017 revenue
2016	33%	M€ 27
	Under management ⁽¹⁾	
	47%	



redspher

Redspher (formerly Flash Europe) is the European leader in same-day and time-sensitive transport for major industrial companies as well as SMEs and e-commerce thanks to its digital platform. Redspher has had long-standing relations with Europe's Top 500 industrial companies, with over 500,000 shipments annually, relying on a fleet of more than 6,000 drivers throughout Europe.

Investment date	Interest	2017 revenue
2015	30%	M€ 246
	Under management ⁽¹⁾	
	43%	

⁽¹⁾ % of capital managed by Eurazeo including third-party fund management



This ambassador of mussels and chips and Belgian brasserie specialist is one of the preferred theme-based restaurant chains in France. The brand focuses on the warm atmosphere of its 81 restaurants, which welcome 15,000 customers every day, and its authentic menu and recipes.

Investment date	Interest	2017 revenue
2008	51% Under management ⁽¹⁾ 60%	M€ 120



Orolia is a world leader in reliable GPS-type signals, enabling the proper functioning of the most critical positioning, navigation, timing and synchronization solutions. It provides these technologies to public or private customers, whose systems and infrastructures demand the highest levels of precision, quality and availability. Since its creation in 2006 and through nine acquisitions, the company has already strengthened its international presence (locations in the USA, UK, Switzerland, etc.).

Investment date	Interest	2017 revenue
2016	36% Under management ⁽¹⁾ 52%	M€ 101



With offices in 9 countries, Smile is the European leader in open digital technology and an open source and digital expert (consulting, integration and outsourcing). Around 1,200 employees contribute to several hundred strategic digital projects for major French and European accounts using the most innovative solutions and concepts. Smile supports its clients in each phase of their digital transformation and offers a comprehensive range of integrated services.

Investment date	Interest	2017 revenue
2017	41% Under management ⁽¹⁾ 60%	M€ 83



Péters Surgical designs, produces and distributes single-use medical equipment for operating rooms. In addition to surgical sutures, its main product ranges are implants for parietal reinforcement, surgical glue and hemostatic clips. Some 4,000 products are marketed and distributed in over 90 countries. With the acquisition of Vectec, a French manufacturer of disposable medical equipment for laparoscopic surgery, Péters Surgical has boosted its positioning as an operating room specialist, with an extended range of laparoscopic surgical products for gynecological, urological and digestive system surgery (mainly trocars, scissors and endoscopic forceps).

Investment date	Interest	2017 revenue
2013	61% Under management ⁽¹⁾ 87%	M€ 64



Vignal Lighting Group, the European leader in signaling lights for industrial and commercial vehicles, was formed by the merger of Vignal Systems, the European leader in signaling lights for industrial and commercial vehicles, and ABL Lights, the number two company in Europe and the United States for work lights for off-road vehicles, with operations in France, the United States and China.

The merger of these two leaders will accelerate the group's growth internationally, leveraging their strong business synergies and the technical switch to LED lighting, which will be a major source of growth over the coming years.

Investment date	Interest	2017 revenue
2014	54%	M€ 107
	Under management ⁽¹⁾	
	77%	

⁽¹⁾ % of capital managed by Eurazeo including third-party fund management



Founded in 1923 and 1982, respectively, Linvosges and Françoise Saget are expert brands specialized in home linen, with a strong identity that combines quality and creativity. Linvosges has its own workshop in Gérardmer (Vosges), where linen articles are custom-made by highly-qualified craftsmen. Located in Les Fougerêts (Brittany), Françoise Saget offers one of the market's most extensive product ranges, with new products accounting for 50% each year. In October 2017, Envie de Fraïse (100% digital brand, maternity wear) joined the group. This merger will create a business division dedicated to digital moms that aims to become the European leader in women's wear.

Investment date	Interest	2017 revenue
2016	38%	M€ 202
	Under management ⁽¹⁾	
	55%	



Linvosges





Ongoing momentum

As a minority shareholder, Eurazeo Croissance supports high-potential technological players with innovative business models.

In its competitive market, Eurazeo Croissance capitalizes on its highly-selective strategy.

The division sets itself apart with its ability to invest significant amounts (successive tranches of €15-20 million), its international networks and its expertise in dealing with major groups.

A steady growth rate. Eurazeo Croissance has a diversified portfolio with four leading digital start-ups: Farfetch, an online luxury goods marketplace; Vestiaire Collective, a pre-owned luxury fashion sales platform; PeopleDoc, a pioneering software developer for digital HR solutions and Younited Credit, a platform specializing in consumer loans. As a result of major transformations, all these companies have reported steady growth, in line with their development plan. New funds raised in 2017 will help them to boost this growth momentum.

A major scale-up. These companies have also crossed boundaries in terms of international expansion: Farfetch, in China, by forging a partnership with one of its leading luxury goods e-commerce firms; PeopleDoc in the United States following key hirings; Vestiaire Collective by opening an office in Hong Kong and Younited Credit by gaining a foothold in Spain, following Italy where it surpassed its objectives. The second growth engine for these companies was innovation, the key to improving the customer experience. Farfetch invented the first “connected store of the future”, offering the best physical store with digital services, Younited Credit is developing a service with a timely response for its clients and Vestiaire Collective and PeopleDoc are working on the implementation of collaborative tools that will be introduced in 2018.

A strategic investment in 2017.

Since 2017, Eurazeo Croissance has been a minority stakeholder in Doctolib, the leading medical online booking platform in Europe. The aim is to continue the selective development of the international portfolio ■

7

portfolio companies

ME 30 invested

MADewith

Younited Credit

Farfetch

IES Synergy

I-Pulse

Doctolib

PeopleDoc

Vestiaire Collective

ContentSquare

2017

HIGHLIGHTS

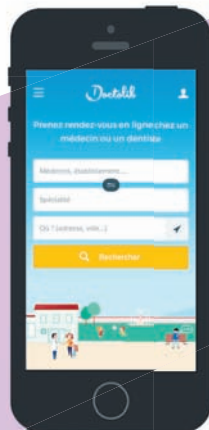
“We target companies that can constantly innovate, while incorporating state-of-the-art technologies in order to improve the experience of their customers. Our strategic decisions are justified by the excellent performances delivered by our companies.”

YANN DU RUSQUEC
Managing Director
Eurazeo Croissance

Doctolib

A leader in e-healthcare services

In November 2017, Eurazeo Croissance invested in the strategic online healthcare market by acquiring a minority share alongside BPI France in Doctolib, the industry leader. This specialist in online medical booking and internet services for healthcare professionals, operating in France and Germany, equips 40,000 healthcare professionals and receives 15 million visits per month. It will use this new capital injection of €35 million to roll out its innovative model in Europe and launch new services, while at the same time acquiring an engineering center. In addition to its funds, Eurazeo Croissance will also provide the company with its networks and considerable expertise in digital technology and human resources. **“Our aim: develop new services, digitalize the different stages of patient care and help change practices,”** declared Stanislas Niox-Château, Chairman and co-founder of Doctolib. **“Its fast growth was the reason we choose Doctolib. In just one year, the company has demonstrated its ability to export, mirroring its French success in Germany,”** noted Yann du Rusquec Managing, Director of Eurazeo Croissance ■



Younited Credit

The leader in online loans

Founded in 2011, Younited Credit is an internet peer-to-peer lending platform. Six years later in 2017, with the support of Eurazeo Croissance and its other historical shareholders, the company raised a record €40 million, the 5th largest in the European fintech industry. This success demonstrates the appeal of the Younited Credit model, which combines both innovation and expansion. This year, the company revamped consumer lending by being the first to provide a response to a loan request in under 24 hours. Its roll-out across Europe is also accelerating. Based in Italy since March 2016, it penetrated Spain in March 2017, two markets in which it is developing two and half times quicker than in France. Younited Credit has set its sights on other countries for 2019, particularly in Eastern Europe. **“Our goal is to be the leading European consumer lending platform,”** explained Charles Egly, Executive Board Chairman ■

OUR INVESTMENTS



Younited Credit is an Internet peer-to-peer lending platform which enables investors-lenders (physical persons or legal entities) to directly finance French consumer loans. Its 100% web-based banking disintermediation model enables the company to remove all the complexities and costs of the traditional banking system to offer attractive rates of return to investors-lenders and competitive loan rates to borrowers.

Investment
date

2015



Founded in 1992, IES Synergy is a renowned manufacturer of cutting-edge electric chargers for all types of electric vehicles. The company sells its Keywatt range to electric vehicle manufacturers and major automotive OEMs for whom it also develops proprietary versions. IES Synergy operates mainly outside of Europe, specifically in North America and Asia.

Investment
date

2013

FARFETCH

Farfetch offers a new approach to fashion shopping. This innovative site showcases products from more than 400 independent stores and international brands from over 37 countries. Founded in 2008, the website is translated into 9 languages and available in more than 190 countries. Farfetch offers fashion lovers an easy access to the best local and international brands.

Investment
date

2016



I-Pulse has developed state-of-the-art technologies based on high-power electrical impulses. These processes are used in numerous industrial sectors and contribute to new applications and reduction in usage and production costs, while improving the energy and environmental footprints. I-Pulse operates internationally in these different sectors and currently employs around 100 people worldwide, based mainly in Toulouse (France).

Investment
date

2012



Doctolib is Europe’s leading online booking platform and web services provider for healthcare professionals. Doctolib provides professionals and healthcare facilities with appointment management software and services to manage their consultations, communicate with patients and work with other healthcare professionals. Doctolib also facilitates the patient healthcare experience: information searches and appointment booking are freely available online, 24/7 and the patient’s appointment history can be accessed on the website. The company has 380 employees in France and Germany and is present in 30 cities in France and 5 cities in Germany. It works with 40,000 healthcare professionals and 800 healthcare facilities.

Investment
date
2017



PeopleDoc is the leader in the digitalization of HR documents and processes in SaaS mode (Software as a Service). The PeopleDoc platform simplifies, automates and improves all HR administrative, recruitment and onboarding processes as well as the online management of all documents and exchanges between employees and the company. It currently has over 1.5 million employee users worldwide.

Investment
date
2015



Vestiaire Collective is a community platform on which members can buy and sell top-of- the-range and pre-owned luxury clothes and accessories. The undisputed leader in Europe, Vestiaire Collective has also been present in the United States since 2015.

Investment
date
2015

2018 INVESTMENT



ContentSquare is a user experience analytics and optimization platform for brands that wish to understand how users interact with their websites, mobile technologies and applications. Founded in 2012, ContentSquare has over 200 clients worldwide, analyzes user data in 191 countries and has recruited over 200 employees.





A high value-added and diversified strategy

Eurazeo Patrimoine specializes in management and investment activities for real estate and physical assets. To avoid the economic pressure marked by a sharp increase in the price of assets, it rolls out a distinctive investment strategy in a market where private equity meets real estate and where there are investors. The robustness of its model was confirmed by its performances in 2017: investment in quality assets, enhanced through major transformations.

A very distinctive positioning.

In recent years, due to falling interest rates and the abundance of liquidity, the macro-economic environment generated substantial growth in property values.

To protect against the risk of fluctuations, Eurazeo Patrimoine rolls out a selective investment strategy focusing on niche assets with promising potential. Its core business consists of developing this potential by activating all possible catalysts for change. This model covers transactions such as the Grape Hospitality carve-out, destined to become a leader in the hotel business, or the acquisition and restructuring of Reden Solar, specializing in renewable energies. At the same time, Eurazeo Patrimoine seeks to invest in high-return assets that generate significant cash flows to guarantee a quick debt reduction, such as the investment in the CIFA Fashion Business Center, a clothing wholesale center in Aubervilliers.

2017, an intense activity. The portfolio's relevance in a fast-changing market was confirmed by several transactions. Eurazeo Patrimoine acquired a 47% stake in Reden Solar, which combines the solar activities of Fonroche, in which Eurazeo had already invested in 2010. In October 2017, it generated a significant capital gain worth 2.3 times its investment by selling ANF Immobilier, an investment whose growth it supported over 13 years. At the end of 2017, Eurazeo Patrimoine began talks with Bridgepoint for the acquisition of C2S, a French regional private clinic group.

Extensive transformations. Eurazeo Patrimoine has continued to optimize and develop its portfolio investments and assets. The initial phase of the refurbishment plan for Grape Hospitality, the hotel business company created from assets acquired at AccorHotels, is nearing completion. This has resulted in enhanced operating performances, attributable to greater revenue from product improvements, as well as reductions in costs and purchases that should produce results as from 2018. The other major project in 2017 was the creation of Reden Solar, a group specializing in renewable solar energy. The company rolled out its business in line with its development plan (delivery of the first phase of a power plant in Puerto Rico in the first half, start of the construction of a power plant in Mexico, exploration of Chile). Finally, the CIFA benefited from investments to improve its offering and services (click and collect, innovative BtoB marketplace, etc.). In 2017, it underwent a refurbishment and extension to maximize its high return ■

M€ 79

invested in Reden Solar

M€ 213

in ANF Immobilier disposal proceeds

MADEwith

C2S

CIFA

Grape Hospitality

Reden Solar

2017

HIGHLIGHTS

“For 2-year old Eurazeo Patrimoine, 2017 was a year of realization. Faced with the economic context, our strategy consisted in investing in high-potential real assets whose growth we could support. We are beginning to reap the rewards of this transformation.”

RENAUD HABERKORN
Managing Partner
Eurazeo Patrimoine

C2S

Acquisition of a healthcare industry leader

Eurazeo Patrimoine entered into exclusive discussions with the private equity firm Bridgepoint to acquire the C2S private clinic group. C2S group is the eighth largest private clinic operator in France and a regional leader in Auvergne Rhône-Alpes and Burgundy Franche-Comté.

It operates 11 clinics, primarily specializing in general medicine, surgery and obstetrics. It also owns the buildings for 7 of its clinics. The group has nearly 1,800 employees and reported revenue of €158 million in 2016.

■

ANF Immobilier

The result of a lengthy transformation

In October, Eurazeo sold its investment in ANF Immobilier, realizing a disposal gain of €213 million, for an investment multiple of 2.3x and an IRR of 13%. This monetization is the crowning achievement of Eurazeo’s long-term commitment alongside ANF Immobilier, which consisted of restructuring the existing assets and developing the company based on tertiary real estate. The transaction involved two phases. Tertiary assets located in Lyons, Bordeaux and Toulouse were purchased

by Icade (CDC group). Real estate in Marseilles, mainly housing and commercial properties and a building in Lyons, were sold to Primonial REIM, a leading French real estate investment manager.

“Our value creation strategy was rewarded. The market was favorable for the sale of these modern and well-enhanced assets. ANF Immobilier could be bolstered by consolidating players and seeking critical mass, while affiliating with leading companies. This option is also the best solution for ANF employees who wish to enhance their competencies. Our choice was influenced by this dimension of responsibility” stated Renaud Haberkorn, Managing Partner, Eurazeo Patrimoine ■



OUR INVESTMENTS



The Grape Hospitality group was formed on June 30, 2016 by regrouping the business and premises of 85 budget and mid-range hotels under the AccorHotels franchise, within a newly created platform. Present in France and 7 other European countries, Grape Hospitality has become a major player in the European hotel sector.

Investment date	Interest	2017 revenue
2016	55% Under management ⁽¹⁾ 70%	M€ 224

⁽¹⁾ % of capital managed by Eurazeo including third-party fund management



CIFA Fashion Business Center was founded in 2006 as an alternative to the textile districts in Paris (Sentier area and 11th district in Paris) and to support the more upmarket wholesalers in Aubervilliers. CIFA's tenants have a strong customer base of multi-brand and mid-range fashion retailers and they display ready-to-wear clothing for men and women, leather goods, shoes and jewelry in their showrooms.

Investment date	Interest Under management ⁽¹⁾	2017 revenue
2015	78%	M€ 18



Reden Solar is a major player in the photovoltaic solar energy sector in France and internationally. Reden Solar rolls out its activities across the entire photovoltaic value creation chain: project origination, design and development, financial engineering and the construction, monitoring, operation and maintenance of solar power plants. The facilities developed and managed to date by the company in France and internationally represent a combined capacity of 330 MW.

Investment date	Interest Under management ⁽¹⁾	2017 revenue
2017	47%	M€ 50

2018 INVESTMENT



C2S group is the eighth largest private clinic operator in France and a regional leader in Auvergne Rhône-Alpes and Burgundy Franche-Comté. It operates 11 clinics, primarily specializing in short and medium-length stays in general medicine, surgery and follow-up care. It also owns the buildings for seven of its clinics. The group has 500 medical practitioners who are partners in the group's governance and nearly 1,800 employees.

In 2016, it treated over 235,000 patients (75% as outpatients).



Capture and enhance high-potential brands

A new division to invest in high potential brands. Launched in June 2017, Eurazeo Brands aims to partner with leadership teams of high potential consumer-driven companies to accelerate growth and brand transformation. The mission of Eurazeo's fifth investment division is to be the investment partner of choice to help these companies realize their global growth potential and create long-term value. Eurazeo has allocated US\$ 800 million to invest in consumer and retail companies over the next four to five years.

A highly active market. The retail and consumer sectors (B2C) are undergoing substantial changes at an accelerating pace: technological disruptions and new consumer expectations are creating an entryway for groundbreaking business models and innovative brands. This global shift has made B2C a particularly promising segment in both Europe and the United States, offering numerous investment opportunities and attractive financial returns upon exit.

A transatlantic development. Eurazeo Brands takes a global approach to investing in both North American and European markets. Its highly selective strategy targets aspirational brands in six verticals: beauty, fashion, home, leisure, health/wellness and food.

A competitive advantage. Eurazeo Brands stands out among competitors due to its global reach, deep retail and consumer understanding, brand building and operational expertise, and proven track record in transforming consumer brands. In addition, Eurazeo's deployment of permanent capital allows for flexibility to make majority or minority investments. Ideal equity investments range between US\$ 10 million and US\$ 100 million, with the ability to write equity checks for up to US\$ 600 million in partnership with Eurazeo Capital or other investment firms for deals exceeding US\$ 100 million.

A substantial deal flow and successful debut investment. The sourcing momentum and quality of the deal flow are particularly solid. In 2017, Eurazeo Brands had already studied 137 investment opportunities ■

MADEwith



NEST Fragrances is a leading designer, manufacturer and marketer of luxury fragrances for the bath, body and home. NEST produces more than 20 home fragrance collections consisting of luxury-scented candles in several sizes, reed diffusers, liquid soap and hand lotion. NEST products are sold primarily in North America through an extensive network of luxury department stores, beauty product stores, boutique stores and spas and the company's online flagship store NESTFragrances.com.

Investment date	Interest
2017	89.5%

HIGHLIGHTS

2017

“The consumer and retail sectors have many high-quality investment options. Our mission is to be the investment partner of choice for those outstanding companies seeking a strategic thought partner, growth accelerator and value creator.”

JILL GRANOFF
CEO
Eurazeo Brands



NEST Fragrances

A partnership full of promise

NEST Fragrances creates premium home and fine fragrances. In the United States, its scented candles, reed diffusers and liquid soaps resonate with a broad array of consumers. NEST products are sold at luxury department stores, leading specialty retailers and upscale boutiques, as well as on QVC and nestfragrances.com. NEST is steadily growing into a consumer lifestyle brand: **“It has developed impressive brand equity driven by its compelling fragrances, distinctive packaging and accessible price positioning.”** stated Adrienne Shapira, Managing Director. Eurazeo Brands has acquired a US\$ 70 million majority stake in the company, and founder Laura Slatkin, a successful fragrance entrepreneur, retains a minority interest. Eurazeo Brands, together with Slatkin and CEO Nancy McKay, will explore growth opportunities across categories, channels, and geographies. **“NEST Fragrances has developed a particularly robust brand for a broad customer base. Its success to-date and growth prospects make this a superb debut investment,”** said Jill Granoff, CEO of Eurazeo Brands

A seasoned team

Eurazeo Brands is based in New York with support across Eurazeo’s global network. Jill Granoff, CEO of Eurazeo Brands, is an accomplished executive with over 25 years’ experience in the fashion and beauty industries. She was the CEO of Vince, Kellwood Company and Kenneth Cole, and held executive roles at Estée Lauder, Victoria’s Secret and Liz Claiborne. Adrienne Shapira, Managing Director of Eurazeo Brands, brings strong financial and operational discipline to the team. She is a former Managing Director at Goldman Sachs, former CFO of David Yurman, and currently sits on the boards of Kohl’s Department Stores and Hain Celestial. Jill Granoff and Adriana Shapira are assisted by an experienced team of associates, whose aim is to ramp up the development of Eurazeo Brands globally



A significant ramp-up

Headed by a dedicated team of specialists, Eurazeo Development has a twofold mission: seek investment opportunities to enhance, energize and coordinate, a strategic advantage in a highly competitive market, and raise funds to be used under Eurazeo's growth strategy. Eurazeo has stepped up its activity in these two areas.

Fundraising, to step up growth.

In the past few years, Eurazeo has been able to develop investor partner fund management thanks to the maturity and performance of its investment teams. Leading European and international investors – pension funds, insurers and sovereign funds – authorize Eurazeo's teams to invest among its assets, in a partnership that generates management and performance fees for the Group and creates new opportunities, greater investment capacity and a far-reaching international network. After the success of Eurazeo Capital II in December 2016, the Eurazeo PME III fundraising was finalized in June 2017, to seize the many opportunities available on the French SME segment. Since 2011, numerous new investors have subscribed to the funds created by Eurazeo; the governance of our companies remains fully managed by the Group teams. At the end of December 2017,

the investor partner fund management activity represented €1.2 billion managed by Eurazeo, excluding Rhône and Idinvest, i.e. 17% of Eurazeo's total assets. The objective is to pursue this ramp-up to reach a medium-term threshold of €3 billion.

Intensified sourcing. With almost 513 potential targets identified, of which 54 were considered a priority, 2017 was an intense year. This substantial and quality deal flow stemmed from a dual strategy: an expanded scope for action and search. Eurazeo Development undertook major efforts to support U.S. market activity, focusing on growth sectors such as consumer goods and business services, particularly oriented towards technology and digital transformation. Eurazeo Development continued to enrich its business and partner networks in order to detect as early as possible its investment opportunities and identify well in advance the most attractive companies and sectors. To boost selectivity within a growing volume of opportunities, Eurazeo Development defined investment criteria to guide and filter its searches: priority is given to buoyant sectors that generate long-term structural growth (megatrends) in segments in whose market and economic model it excels, such as education and brands. ■

513

investment opportunities identified

including 54
deemed as priority

MADE with

Capzantine
IM Square

2017

“Management for investor partners has become a strategic venture for Eurazeo. It enhances our visibility and leverage, helps to entice talents and invigorates and globalizes our sourcing, thereby enabling us to access better opportunities.”

FRANS TIELEMAN
Managing Director
 Eurazeo Development



Trader Interactive

An investment with all the advantages

Trader Interactive was the first ever investment in the United States. This leading online marketplace and innovative software solutions provider, which puts in contact by subscription car dealers and consumers via an online classifieds system, met all the selection criteria defined by Eurazeo: an attractive model, covering brands, business services and end clients, a growth

trajectory of around 15%, a solid financial profile, a top-notch management team and finally, the acquisition, via the marketplace, of a potentially duplicable technology. Eurazeo acquired a 50% stake for an equity investment of US\$226 million. The objective? Help Trader Interactive achieve critical mass by assisting it with the development of new services for dealers and by expanding its markets in the U.S. and internationally. ■

Iberchem / WorldStrides

Companies identified very early on

The acquisitions of Iberchem, the Spanish producer of fragrances and flavors, and WorldStrides, a premier experiential education provider, stem from the selective analyses performed very early on by Eurazeo Development. “We combined trend watching and sector competencies,” underlined Frans Tieleman. Iberchem was identified one year before its acquisition following the origination work carried out by the team. “The company was not only positioned in an attractive segment but targeted the middle classes from emerging countries, one of our megatrends,” recalls Frans. As for WorldStrides, it also meets a priority investment criteria: a company geared towards the education of young people, to which Eurazeo has always been committed and whose ecosystem it dominates. “WorldStrides was identified with the help of our local networks and partners in the United States and Asia. This also requires extensive work.” ■

OUR INVESTMENTS



Capzanine is an independent investment fund specializing in combined equity and private debt investment, which supports companies with their growth projects and contributes its financial and industrial expertise for the successful completion of the transmission or development phases.

Capzanine invests in unlisted companies in the small and mid-cap segments, valued at between €20 million and €400 million.

Investment
date

2015

iM Square.

IM Square is Europe's leading investment and development platform dedicated to asset management. This international platform seeks to acquire minority stakes in the share capital of asset management companies to help them develop, principally outside of their domestic market. IM Square targets entrepreneurial investment companies that are already mature, profitable and recognized in their local market (primarily the United States, but also Europe and Asia). These companies have assets under management of between US\$1 billion and US\$15 billion, mainly in traditional and liquid asset classes, and offer a high growth potential.

Investment
date

2015





Experts central to our transformations

The Eurazeo Corporate team supports the investment teams in their business selection and transformation. The team's cutting-edge expertise and its involvement right at the start of projects, uncommon for a private equity company, are one of Eurazeo's distinctive features.

Serving the investment teams and shareholdings.

Eurazeo Corporate boasts a wide range of expertise across all facets of the company, tailored to the challenges it faces as a committed shareholder: audit, communications, accounting, compliance, management control, digital technology, financing, taxation, risk management, legal affairs, investor relations, human resources, CSR and security. In addition to its support to Eurazeo employees, the Corporate team assists portfolio companies in coordination with the investment teams and the Eurazeo Development team in charge of sourcing. In practice, it provides expertise at all phases of the investment cycle: upstream to

identify risks; during the acquisition, to structure negotiations and arrange financing; during the transformation phase, to help define and monitor certain enhancement projects, assist in recruiting management talents and set up steering tools always in coordination with its investment counterparts; and during the sale, to monetize the progress made during the transformation.

2017: A increasingly active contribution.

The expansion of Eurazeo's scope generated very intense activity, requiring the sturdy efforts of the Corporate team. It was mainly involved in the analysis of numerous opportunities and preparation of numerous acquisition projects. It continued its initial business transformation tasks, working to set up their infrastructures and processes. Furthermore, it has endeavored to produce tools internally designed to achieve the best standards and practices. It also tested new processes incorporating artificial intelligence in connection with its due diligence procedures ■

MADEwith

Audit

Communications

Accounting

Compliance

Management Control

Digital & IT

Financing

Tax

Risk management

Legal

Investor Relations

Human Relations

Corporate Social Responsibility

Safety

HIGHLIGHTS

2017

“This year, the Corporate team was more involved than ever before with investment teams in analyzing and developing our portfolio companies. The added value that it generates is a distinctive feature of Eurazeo.”

PHILIPPE AUDOUIN
 Directeur Général Finances
 - CFO

Eurazeo Academy

A key event to better anticipate changes

In November 2017, Eurazeo proposed a series of discussions on decisive topics to portfolio company management teams.

This event, dedicated to adaptation and anticipation, brought together more than 250 participants.

It was divided into two parts with the first being a morning devoted to societal and economic transformations and the challenges facing organizations. With the help of experts and topical workshops (big & smart data, company of the future, etc.), the managers were able to consider possible action plans. During the second part, internal teams, in particular the Corporate team, became involved with these exchanges and prospective thinking. This approach helped promote experience sharing and collective intelligence ■



IT

Recruitment of a Chief Information Systems Officer

Paul Breida became Eurazeo CISO in December 2017. His mission is twofold: assist portfolio companies in drafting and rolling out their technological road maps and projects and ensure that Eurazeo has the best standards and taps the full potential of technological tools in all its activities

CSR

SRI indicators: rewarded proactivity

Considering Corporate Social Responsibility as a sustainable value creation lever, Eurazeo elected to make it one of its catalysts for change. It is one of the first private equity firms to have formalized a CSR policy, an incentive for its investments and itself. Its approach, based on continuous improvement, gained recognition this year: Eurazeo is the first private equity firm to be distinguished by six of the world's seven main extra-financial rating agencies. ■

1. **PIERRE-MARIE BOURNIQUEL**
Safety Director
2. **EDWARD PORTET**
Management Control Director
3. **LOUIS PROTHERY**
Managing Director
Eurazeo Development
4. **ANTONIN MARCUS**
Principal
Eurazeo Capital
5. **AMANDINE AYREM**
Principal
Eurazeo Capital
6. **MARIE-CLAIRE FAGETTE**
Chief Accountant
7. **CAROLINE HADRBOLEC**
Chief Human Resources Officer
8. **LAURENT GUERINEAU**
Managing Director
Eurazeo Development
9. **EMMANUEL LAILLIER**
Managing Director
Eurazeo PME
10. **WILFRIED PISKULA**
Managing Director
Eurazeo Capital
11. **ERIC SCHAEFER**
Managing Director
Eurazeo Capital (NY)
12. **VIVIANNE AKRICHE**
Managing Director
Eurazeo Capital (NY)

MADGE



Each of us share the same conviction: for value creation to be sustainable, it must contribute to the common good. This is why our quest for performance extends over the long term. We believe in an ethical approach that guides strategic decisions towards greater responsibility. For the full benefit of all.



for ALL



7

8

9

10

11

12



Results close to our historical records

Philippe Audouin
Directeur Général Finances - CFO

“Our performances equaled some of our highest historical results thanks to our exceptional internationalization, investment and transformation strategy that is still at work.”

How do you assess 2017? Did performances meet your expectations?

► **Philippe Audouin :** The year 2017 was quite outstanding both in terms of achievements and results. Among the most striking events: the U.S. move is already a success; the restructuring of Eurazeo’s capital that has strengthened our stable shareholder base – a prerequisite to committing to our operations over the long term and our investment activity that has intensified: nine acquisitions for €1.4 billion and eight total or partial divestments for €1.3 billion were completed. Finally, our companies delivered solid performances. This strategy produced excellent results, coming close to our historical records. Eurazeo’s economic revenue increased by 16.4% to €4,951 million. Net income attributable to owners of the company totaled €441 million. These excellent performances also include a very robust financial position, with cash of €448 million pro forma of the latest transactions and no structural debt on the Eurazeo balance sheet.

So 2017 was therefore a good year for your shareholders?

► **PA :** Yes, I would even say an excellent year. With a Total Share Return (TSR) of nearly 50%, Eurazeo’s

performance surpasses the records reached by the stock markets. Firstly, the outstanding performances of our group companies increased our NAV per share for the year by 13.5% and by more than 15% after taking into account the dividend. Another factor was a discrepancy in our assessment that was corrected. The 2016 stock market performance revealed an increase in our listed securities that was lower compared to the quality and robustness of these companies’ performances. The 2017 figure better reflects these results. Finally, the development of investor partner fund management, which generate recurring revenues, actively contributed to the revaluation of the Eurazeo share.

You build these performances by reducing risks as much as possible. What is your approach?

► **PA :** Our aim is to offer our shareholders attractive performances while taking a controlled risk. Our risk reduction strategy is based on several levers: diversification of asset classes and value creation sources, a long-term vision, a robust financial structure that enables us to invest with no structural debt on our balance sheet and significant CSR involvement. In recent years, we have worked hard to boost the liquidity of the Eurazeo

share. This approach is now proving to be successful, as illustrated by the steady decline in our share’s volatility.

Eurazeo is an active shareholder. What is its role in the economy?

► **PA :** Companies, particularly SMEs, often need support to move a step further in their development. Eurazeo’s role is to help them reach these decisive milestones so that they can commit to their business over the long term. To achieve this, it deploys valuable resources: its investment and corporate teams. They are the experts behind these transformations and successes. And I would like thank them for their tremendous efforts.

How do you view 2018?

► **PA :** We will continue to build the “new Eurazeo” that Virginie Morgon has presented, in keeping with the outstanding transformation that began numerous years ago under the leadership of Patrick Sayer. After lengthy preparation, Virginie Morgon’s succession as CEO marks a new chapter in the company’s history, this change being an illustration of what Eurazeo embodies: a responsible company that respects its stakeholders ■

The Executive Board remains responsible for the company's overall governance, relations with its Supervisory Board and its shareholders, and the monitoring of its financial performance and external communications.



Patrick Sayer,
CEO (until
March 18, 2018)



Virginie Morgon,
CEO (as from
March 19, 2018)

In addition to being Eurazeo's Chairwoman of the Executive Board, Virginie chairs the Eurazeo PME Supervisory Board. She chairs the Supervisory Board of Asmodee Holding, is Vice-Chairwoman of the Board of Directors of Moncler, a director of Desigual and a member of the Supervisory Board of Les Petits Chaperons Rouges.

The Executive Board

Philippe Audouin,
Directeur Général Finances - CFO

Philippe Audouin is responsible for finance, relations with individual shareholders and investors, and the development of third-party fund management. He sits on the Supervisory Boards of Eurazeo PME and Europcar Group.

Olivier Millet,
Chairman of the Eurazeo
PME Executive Board

In addition to his duties within Eurazeo PME and Eurazeo, Olivier Millet is the Chairman of France Invest. Within Eurazeo, he oversees the activities of the Idinvest teams and supervises corporate communications.

Nicolas Huet,
General Secretary

Nicolas Huet is in charge of Legal Affairs, Compliance, Risks, CSR and Human Resources. In this respect, he supports the continuing growth of the company's investments in Europe and the United States.



The Executive Committee is responsible for implementing and monitoring value creation strategies for the company. It supervises the diversification strategy, the ongoing international deployment, the fundraising strategy, the operational performance of our portfolio companies, the analysis of our market environment, external growth operations, HR development, as well as innovation and digitization projects.

Marc Frappier ⁽¹⁾,
Managing Partner,
Head of Eurazeo Capital,
will be responsible for consolidating
Eurazeo's transatlantic positioning.
He assumes a key role in order to
boost our ability to drive the value
creation transformation projects
in the portfolio companies.
Accordingly, he draws on our
internal experts, foreign offices
and business network.



The Executive

Frans Tieleman ⁽²⁾,
 Managing Partner,
 Head of Eurazeo Development,
 coordinates the company's resources
 division and rolls out the fundraising
 strategy. He sits on all the Eurazeo
 investment committees, the Rhône
 Management Board and the Idinvest
 Supervisory Board. He advises the
 Executive Committee regarding
 Eurazeo's general strategy and
 external growth operations.

Renaud Haberkorn ⁽³⁾,
 Managing Partner,
 Head of Eurazeo Patrimoine,
 contributes twenty years'
 experience in the real
 estate investment sector
 and his knowledge of
 international markets.

Caroline Hadrbolec ⁽⁴⁾,
 Chief Human Resources Officer,
 brings new expertise to the Executive
 Committee considering the steadily
 growing talent pool within Eurazeo and
 the plans to diversify its recruitment
 methods by opening up the company
 to different profiles and competencies.



The third level of Eurazeo's decision-making bodies, the Investment Committees dedicated to each of our investment strategies, will see their role reinforced. They will bear full responsibility for investment, divestment, and build-up decisions and for monitoring the transformation projects of our companies. Their composition will be reviewed so as to incorporate external expertise. The role of the heads of each of our five investment strategies (Eurazeo Capital, Eurazeo PME, Eurazeo Patrimoine, Eurazeo Croissance, and Eurazeo Brands) has also been strengthened, giving them greater autonomy, both in terms of budget and representation on the Boards of Directors of our companies.

Committee

THE GOVERNANCE

THE SUPERVISORY BOARD

As of December 31, 2017, the Supervisory Board of Eurazeo has twelve members, including six independent members and one non-voting member.



- 1. MICHEL DAVID-WEILL**
Chairman of the Supervisory Board
End of term of office: 2018
- 2. JEAN-CHARLES DECAUX**
Vice-Chairman of the Supervisory Board, Joint CEO of JCDecaux SA
End of term of office: 2020
- 3. OLIVIER MERVEILLEUX DU VIGNAUX**
Vice-Chairman of the Supervisory Board, Managing Partner of MVM Search Belgium
End of term of office: 2018
- 4. BRUNO ROGER**
Honorary Chairman of the Supervisory Board, Chairman of Global Investment Banking of Lazard Group
- 5. ANNE DIAS ***
Chairwoman and Founder of Aragon Global Holdings
End of term of office: 2021
- 6. ROLAND DU LUART**
Company director
End of term of office: 2020
- 7. ANNE LALOU ***
Director of La Web School Factory
End of term of office: 2018
- 8. VICTOIRE DE MARGERIE ***
Main shareholder and Chairwoman of Rondol Industrie
End of term of office: 2020
- 9. FRANÇOISE MERCADAL-DELASALLES ***
Deputy Managing Director of Crédit du Nord
End of term of office: 2019
- 10. STÉPHANE PALLEZ ***
Chairwoman and Chief Executive Officer of La Française des Jeux (FDJ)
End of term of office: 2021
- 11. GEORGES PAUGET ***
Managing Partner of Almitage Lda
End of term of office: 2020
- 12. JCDECAUX HOLDING SAS**
Represented by **EMMANUEL RUSSEL**
Deputy Managing Director of JCDecaux Holding SAS
End of term of office: 2018
- 13. CHRISTOPHE AUBUT**
Employee representative on the Supervisory Board
End of term of office: 2019
- 14. JEAN-PIERRE RICHARDSON**
Non-voting member
Chairman and Chief Executive Officer of SA Joliette Matériel
End of term of office: 2018
- 15. AMÉLIE OUDÉA-CASTERA * ****
Chairwoman and Co-Founder of the Rénovons le Sport Français association
End of term of office: 2022
- 16. PATRICK SAYER****
Companies Director
Investor
End of term of office: 2022
- 17. ROBERT AGOSTINELLI*****
Non-voting member
Co-Founder and Managing Director of Rhône Group
End of term of office: 2022

* Independent member

** Member of the Supervisory Board whose appointment is proposed to the Shareholders' Meeting of April 25, 2018

*** Non-voting member whose appointment is proposed to the Shareholders' Meeting of April 25, 2018

SUPERVISORY BOARD COMMITTEES

The Eurazeo Supervisory Board has four specialized and permanent committees to help in the decision-making process (composition as of 12/31/2017).

COMPENSATION AND APPOINTMENT COMMITTEE

6 members (including 3 independent members)

CHAIRMAN

Roland du Luart

MEMBERS

Anne Dias, Olivier Merveilleux du Vignaux, Françoise Mercadal-Delasalles, Georges Pauget and JCDecaux Holding represented by Emmanuel Russel

PERMANENT GUEST

Christophe Aubut

NUMBER OF MEETINGS IN 2017 : 5

AUDIT COMMITTEE

4 members (including 3 independent members) and 1 non-voting member

CHAIRWOMAN

Anne Dias

MEMBERS

Georges Pauget, Stéphane Pallez and JCDecaux Holding represented by Emmanuel Russel

NON-VOTING MEMBER

Jean-Pierre Richardson

NUMBER OF MEETINGS

IN 2017 : 5

FINANCE COMMITTEE

6 members (including 3 independent members)

CHAIRMAN

Michel David-Weill

VICE-CHAIRMAN

Jean-Charles Decaux

MEMBERS

Anne Lalou, Françoise Mercadal-Delasalles, Olivier Merveilleux du Vignaux and Victoire de Margerie

PERMANENT GUEST

Bruno Roger

NUMBER OF MEETINGS IN 2017 : 2

CSR COMMITTEE

4 members (including 2 independent members)

CHAIRWOMAN

Anne Lalou

MEMBERS

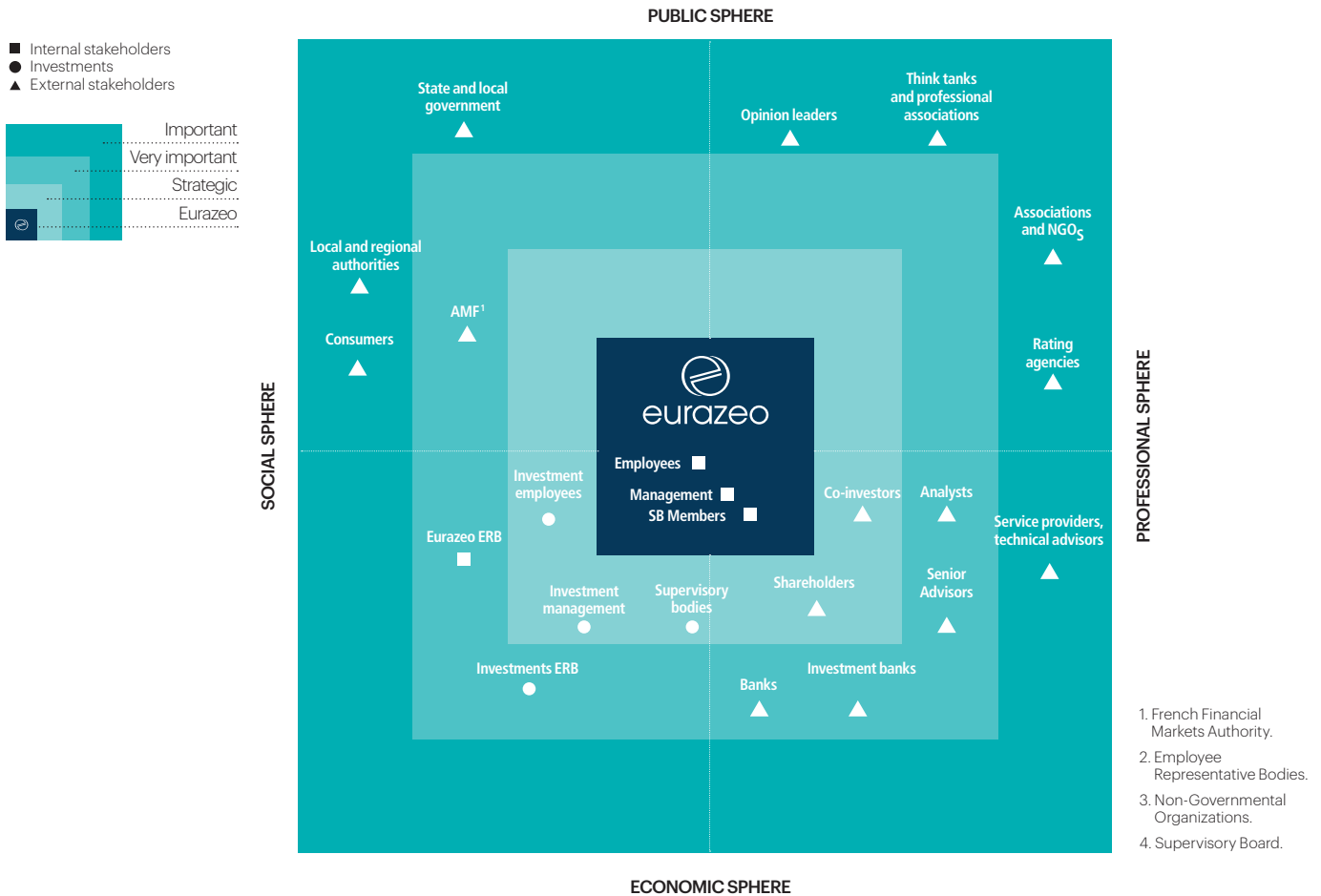
Roland du Luart, Stéphane Pallez and JCDecaux Holding represented by Emmanuel Russel

NUMBER OF MEETINGS

IN 2017 : 2

Our stakeholders

By dialoguing with its stakeholders, Eurazeo's governance can successfully fulfil one of its primary roles: anticipate risks and opportunities in a changing world to help the Group and its portfolio companies to develop a sustainable and responsible business. Since 2015, mapping of these stakeholders has enabled Eurazeo to identify the most relevant representatives and define their expectations.



1. French Financial Markets Authority.
 2. Employee Representative Bodies.
 3. Non-Governmental Organizations.
 4. Supervisory Board.

	MAIN EXPECTATIONS	MEANS OF ACTION
Directors	<ul style="list-style-type: none"> ● Recurring performance ● Perfect control and anticipation of risks ● Transparency of financial and non-financial aspects ● Highest standards of governance and high quality dialogue 	<ul style="list-style-type: none"> ● Supervisory Board, Board committees ● Board meeting documentation and minutes
Shareholders	<ul style="list-style-type: none"> ● Recurring performance ● Perfect control and anticipation of risks ● Transparency of financial and non-financial aspects ● Highest standards of governance and high quality dialogue 	<ul style="list-style-type: none"> ● Regulatory and non-regulatory publications ● Shareholders' Meetings and investor meetings ● Road shows and investors meetings
Employees	<ul style="list-style-type: none"> ● High-quality employees and management, trust and team spirit ● Interesting subjects and projects ● Attractive compensation package and profit-sharing ● Skills development ● Partnership ● External growth support 	<ul style="list-style-type: none"> ● Personal interviews ● Weekly and monthly internal meetings ● Company seminar ● Internal and external communication
Investments	<ul style="list-style-type: none"> ● Funding investments ● Assistance with international expansion ● Contribution of expertise ● Network 	<ul style="list-style-type: none"> ● Meetings and interviews ● Supervisory Boards and Board committees ● Shareholder and other agreements ● Seminars and conventions

Shareholders: transparency and return on investment

"Eurazeo rolls out a vigorous and diversified investment strategy combining performance and risk management.

The aim of this approach is to offer our shareholders an attractive performance over the long term with mitigated risks. This approach ensures genuine financial stability and an attractive overall rate of return in the long term. Eurazeo strives to build long-standing relationships of trust with its shareholders and the financial community as a whole by providing regular, transparent and high-quality reporting."

► OUR MODEL IS BUILT AROUND LOYALTY AND STABILITY

Eurazeo’s strength lies in its stable shareholder base. The company has a core of entrepreneurial and family shareholders who share its long-term vision of the private equity business. This stability is the key to its independence and ability to create sustainable value.

► A TOTAL SHAREHOLDER RETURN THAT GREATLY SURPASSES MARKET PERFORMANCES

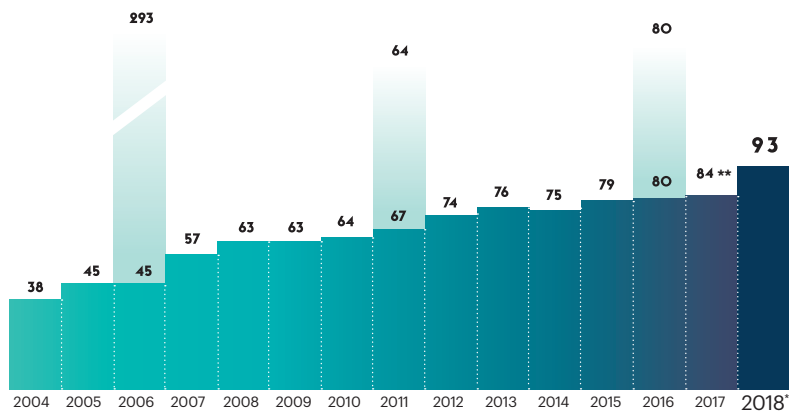
In line with its long-term vision, Eurazeo coordinates its activity in order to create value and return for its shareholders in the long term. Over the long term, the Eurazeo share clearly outperforms, with a Total Shareholder Return (TSR) of + 381% whereas the CAC 40, rose 126% during the same period. The active share buyback and distribution policy that Eurazeo has adopted for its shareholders contributes to this outperformance.

► IMPROVED DIVIDENDS

With regard to dividend distribution for shareholders, Eurazeo is committed to its policy over the long term. Since 2004, its distribution has steadily increased on average by +6.4% (24% increase) per year. Circumstances permitting, exceptional dividends are paid out in addition to ordinary dividends. In respect of 2017, a per share dividend of €1.25 will be proposed to the next Shareholders’ Meeting. This will be accompanied by the grant of one new share for every twenty shares held.

DIVIDEND DISTRIBUTION FROM 2004 TO 2018*
(in millions of euros)

■ Ordinary dividend
■ Exceptional dividend



* Subject to the approval of the Shareholders’ Meeting of 2018/04/25.

** Estimated amount based on the number of outstanding shares as of 2017/12/31.





SHARE BUYBACKS AND CANCELLATIONS ◀

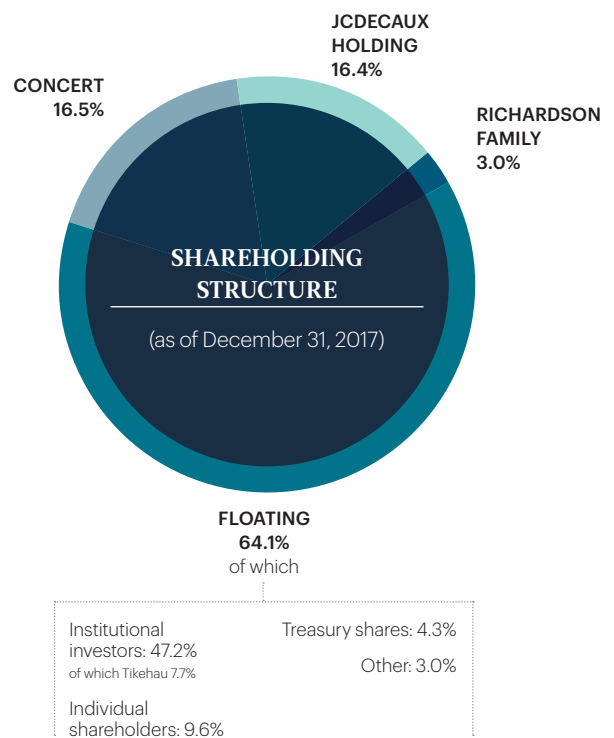
Eurazeo also implements an active share buyback policy, if justified by the discount, i.e. the difference between the NAV per share and the stock market price, and within the limit of its authorizations. The majority of the shares purchased are cancelled during the year. This practice increases the NAV per share and automatically creates value for the shareholders.

QUALITY REPORTING ◀

Eurazeo has developed its reporting, focusing on digital technology, to better meet the requirements of its shareholders and the financial community. It rolls out an efficient reporting system, guaranteeing transparency and reliability, using several additional media: website, shareholders letter, notices and press releases, annual review, social networks, etc. This system has been regularly rewarded.

▶ REGULAR MEETINGS WITH SHAREHOLDERS

Eurazeo strives to strengthen ties with shareholders by devoting time to consultation and discussion. Several key events take place during the year: at the Shareholders' Meeting, the Company's strategy and results are presented together with its main achievements and outlook. Eurazeo also organizes information meetings to come face to face with its individual shareholders. Two meetings were organized in 2017, bringing together more than 400 shareholders: in Strasbourg in June and in Nice in December. A total of 200 people also attended an information meeting at the Actionaria trade show in Paris.



“We endeavor to forge a relationship of trust, based on listening and dialogue, with our shareholders. We have rolled out efficient reporting tools that have been awarded several distinctions.”

PHILIPPE AUDOUIN

AN INTENSE ROADSHOW ◀ PROGRAM

An international roadshow program completes this procedure. These events are held to exchange with institutional investors in numerous locations in Europe, North America and Asia. Eurazeo met with some 300 institutional investors during the year.

INVESTOR DAY, DEVOTED TO ◀ EURAZEO'S STRATEGY

The Annual Investor Day was held in Paris on December 8, 2017, for analysts and institutional investors. It focused on Eurazeo's strategy and how the company has transformed by constantly enhancing its business model.

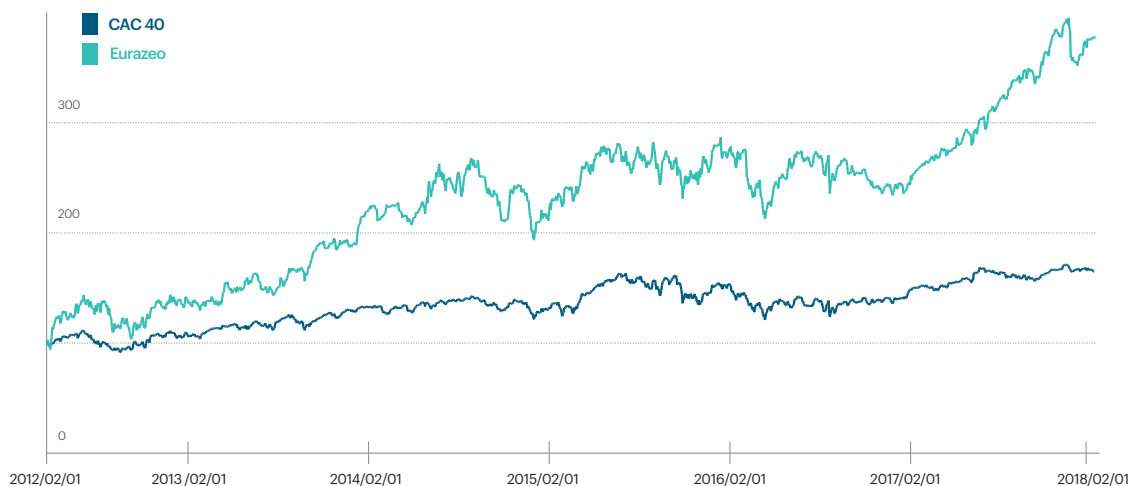
The day was divided into two parts with a morning devoted to new Eurazeo developments, particularly its U.S. foothold, the Eurazeo Brands investment strategy, the Rhône partnership, and the development of third-party fundraising. The afternoon was devoted to the presentation of new investments. As is the case for all financial meetings, the event was broadcast live on the Group's website and remains available for replay for 12 months.

“Our dividend increased by 6.8% on average over the last 14 years”

PHILIPPE AUDOUIN

EURAZEO SHARE VERSUS CAC 40: COMPARATIVE TREND OF THE TOTAL SHAREHOLDER RETURN OVER SIX YEARS*

(from 2012/02/01 to 2018/02/01)

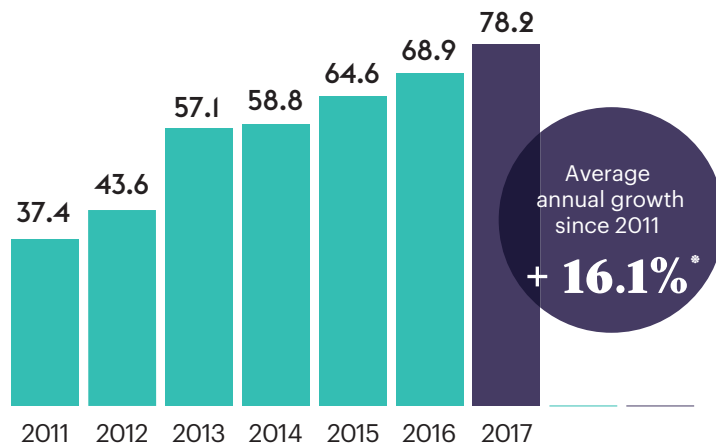


*Price adjusted for exceptional dividends and bonus share grants.

Substantial value creation momentum for all business lines

VALUE CREATION PER SHARE

Eurazeo's Net Asset Value per share as of December 31, 2017 stood at €78.2, up by +13.5% adjusted for the bonus share grant in 2017, and +15.2% adjusted for the bonus share grant and dividend paid in 2017.



* adjusted for the bonus share grant and dividends paid

VALUE CREATION PER INVESTMENT DIVISION

All the divisions contributed to NAV growth



* of which €1,042 million not revalued (investment < 1 year), or 42% of total unlisted assets

**of which 17% not revalued

ASSETS UNDER MANAGEMENT AND NET ASSET VALUE

As of December 31, 2017, assets under management break down and are defined as follows:

	2016/31/12	2017 /31/12	2017/31/12 PF Idinvest & Rhône
PORTFOLIO NAV	3,678	5,057	5,057
Eurazeo Capital	2,589	4,058	4,058
• Eurazeo Capital Unlisted	1,199	2,505	2,505
• Eurazeo Capital Listed	1,391	1,553	1,553
Eurazeo PME	405	382	382
Eurazeo Patrimoine	440	320	320
Eurazeo Croissance	244	237	237
Eurazeo Brands		60	60
NAV - EURAZEO DEVELOPMENT	142	240	713
NET CASH & OTHER ITEMS	1,206	300	(15)
Cash and cash equivalents	1,052	379	64
Other securities and assets/liabilities	140	(93)	(93)
Tax on unrealized capital gains	(68)	(58)	(58)
Treasury shares	82	72	72
TOTAL NAV	5,026	5 597	5 754
# share*	72,974,031	71,577,752	73,577,752
NAV per share (€)	68.9	78.2	78.2
ASSETS MANAGED FOR THIRD PARTIES			
Eurazeo Capital	786	730	730
Eurazeo PME	234	396	396
Eurazeo Patrimoine	26	45	45
Idinvest (100%)			6,924
Rhône (30%)			1,591
TOTAL AUM FOR INVESTMENT PARTNERS	1,046	1,171	9,686
TOTAL ASSETS UNDER MANAGEMENT	6,072	6,768	15,440

*For 2016, the number of shares is adjusted for the 2017 bonus share grant. The number of shares is adjusted for treasury shares to be canceled.

► THE NAV COMPRISES:

- Direct investments of Eurazeo Capital, Eurazeo PME, Eurazeo Patrimoine, Eurazeo Croissance and Eurazeo Brands.
- Eurazeo Development: enhancement of Eurazeo's third-party management and investments in Rhône, Idinvest and other platforms.

These assets are valued in accordance with the IPEV methodology, which calls for a revaluation after a period of one year.

- Net cash and other items (treasury shares, tax on unrealized capital gains, other assets/liabilities).

► THE VALUATION OF ASSETS MANAGED FOR THIRD PARTIES COMPRISES:

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

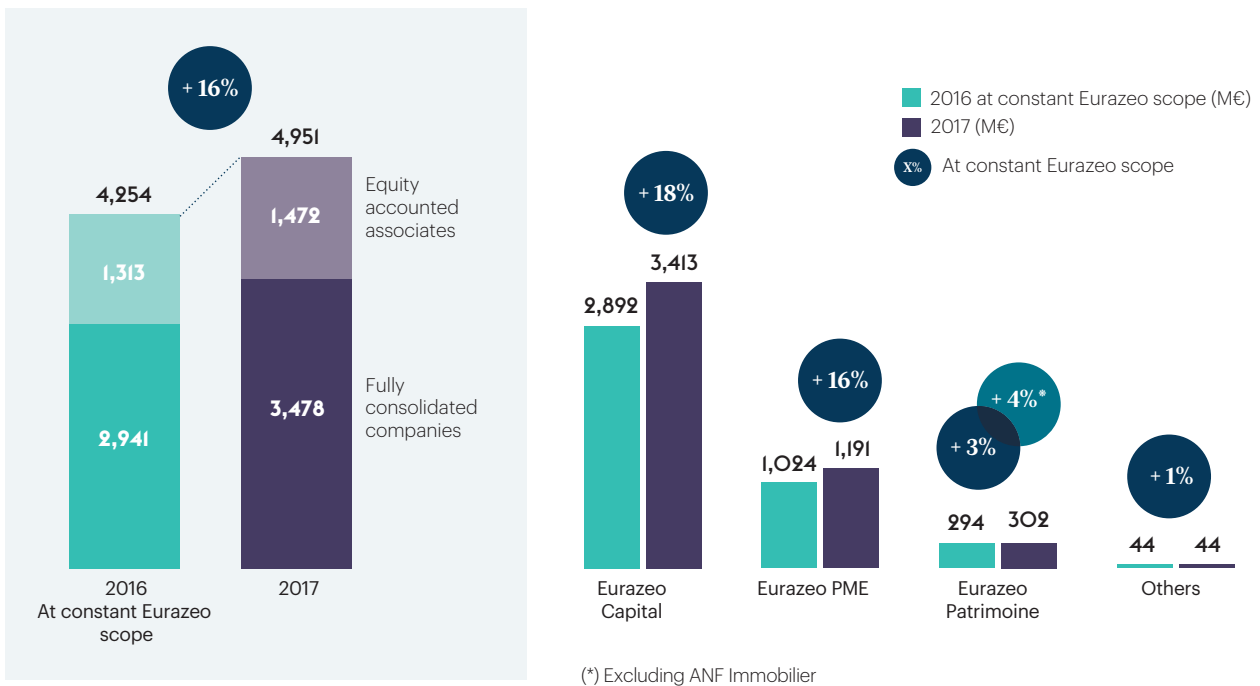
In the December 31, 2017 pro forma accounts, Idinvest is therefore integrated for 100% of its assets in line with the company's full consolidation. The Rhône assets are taken into account for 30%. The valuation methodology for these assets is identical to that used for the funds managed directly by Eurazeo.

Substantial increase in contribution earnings for all investment divisions

ECONOMIC REVENUE BY INVESTMENT DIVISION

Figures in millions of euros

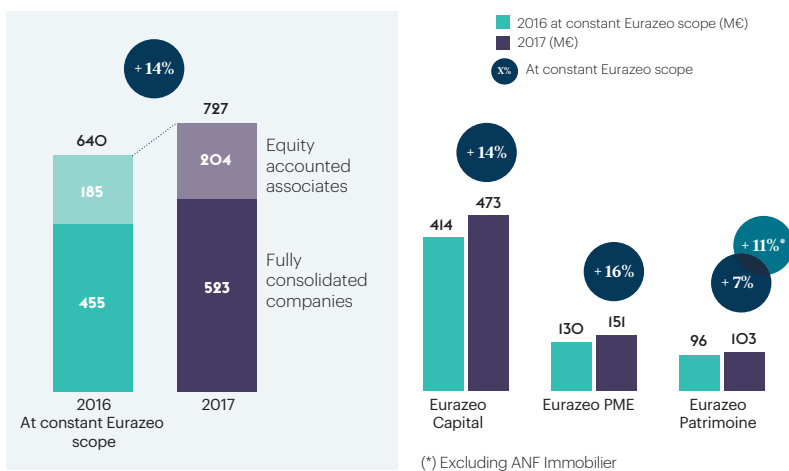
In 2017, Eurazeo posted robust economic revenue growth at constant Eurazeo scope of +16.4% to €4,951 million. Annual growth breaks down as follows: +18.3% revenue growth for fully-consolidated companies to €3,478 million and +12.1% for Eurazeo's share of the revenue of equity-accounted companies at €1,472 million.



ECONOMIC EBITDA BY INVESTMENT DIVISION

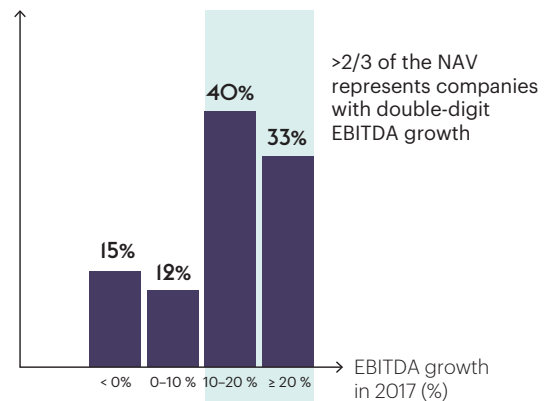
Figures in millions of euros

The economic EBITDA of Eurazeo's investments totaled €727 million, up 13.5% at constant Eurazeo scope.



2017 EBITDA GROWTH OF UNLISTED COMPANIES

% of NAV* (as of Dec. 31, 2017)



* NAV of investments excluding listed securities and CPK, excluded due to the carve-out

CONSOLIDATED INCOME STATEMENT

(In millions of euros)	2017	2016 PF
Eurazeo Capital	200.7	174.1
Eurazeo Patrimoine	67.9	62.1
Eurazeo PME	110.3	93.3
Adjusted EBIT of fully consolidated companies	378.8	331.6
Net finance costs	(163.1)	(160.9)
Adjusted EBIT net of finance costs	215.7	170.7
Net income of equity-accounted associates (*)	75.3	56.8
Net finance costs of Accor/Elis (LH19/LH27)	0.0	(10.1)
Net income of equity-accounted associates net of finance costs	75.2	46.7
Contribution of companies net of finance costs	290.9	217.4
Fair value gains (losses) on investment properties	(4.3)	(0.9)
Net capital gains or losses	575.2	831.6
Net income (loss) from the holding company business	(52.5)	(30.6)
Amortization of contracts and other assets relating to GW allocation	(64.8)	(61.0)
Income tax expense	(0.7)	(34.1)
Non-recurring items	(263.8)	(334.0)
Consolidated net income/(loss)	480.1	588.3
Attributable to owners of the company	440.6	525.0
Attributable to non-controlling interests	39.4	63.4

(*) Excluding non-recurring items

A reconciliation of adjusted EBIT of fully consolidated companies and operating income before other income and expenses is presented in Note 3, Chapter 4 of the 2017 Registration Document.

► SUBSTANTIAL INCREASE IN THE CONTRIBUTION OF COMPANIES NET OF FINANCE COSTS

Adjusted EBIT of the fully consolidated investments rose by +14.2% to €379 million at constant Eurazeo scope. The contribution of companies net of finance costs rose by +33.8% to €291 million.

► CAPITAL GAINS ON DISPOSAL

Eurazeo recorded total pre-tax capital gains on disposal of €575 million at 100% in 2017, stemming for €73 million from the sale of Colisée, €61 million for Europcar (dilution gain following the share capital increase), €129 million for Elis (dilution gain following the share capital increase) and €204 million for Moncler (sale of shares and increase in the share price). In 2016, capital gains totaled €831.6 million mainly as a result of: i) two partial sales of Elis and Moncler securities, and ii) the sale of Foncia for €230 million.

► NON-RECURRING ITEMS

Non-recurring items totaled €263.8 million in 2017. They include €33 million in transaction costs relating to the investments of 2017, €39 million in external growth transaction costs in our investments, €29 million in other non-recurring costs relating to our investment activity, €47 million in carve-out and restructuring costs in various portfolio companies, €21 million in costs relating to the allocation of goodwill and €27 million in impairment.

► NET INCOME (LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY

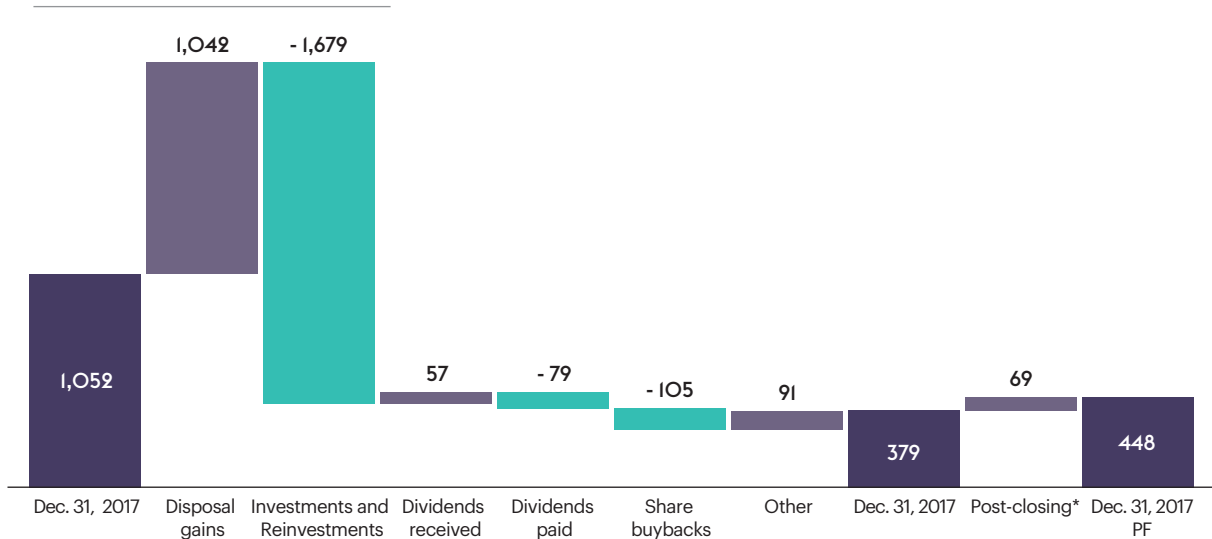
Net income attributable to owners of the company amounted to €441 million in 2017, compared with pro forma net income of €525 million in 2016.

A further strengthened financial structure

Eurazeo's financial robustness, a major asset, improved in 2017. Group equity remained high at €5.5 billion at the year-end. With new scope entries, consolidated debt increased. This debt was without recourse to Eurazeo SE.

EURAZEO CASH POSITION

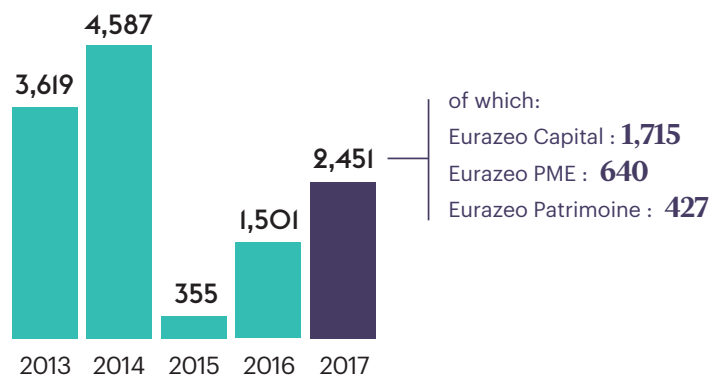
(In millions of euros)



(*) Taking into account the 30% acquisition of Rhône, the 70% stake in Idinvest, the exit of AccorHotels and the C2S investment

CHANGES IN CONSOLIDATED NET DEBT

(In millions of euros)



As of December 31, 2017, Group consolidated net debt stood at €2,451 million, taking into account the net debts of all consolidated investments (mainly acquisition debts) and the Eurazeo SA cash flow. The increase during the year reflects the high number of acquisitions in 2017, whose impact exceeded that of scope exits.

The companies' debts are without recourse against Eurazeo SE.

CONSOLIDATED BALANCE SHEET

(As of December 31, 2017)

(In millions of euros)	2017 /12/31	2016/12/31
Goodwill	3,255.6	1,461.7
Intangible assets	1,467.0	1,232.5
Associates and financial assets	2,882.9	2,745.1
Other non-current assets	1,576.1	2,423.0
Non-current assets	9,181.6	7,862.3
Inventories and receivables	1,417.9	935.9
Cash assets	908.1	1,580.3
Current assets	2,326.0	2,516.1
Assets classified as held for sale	1.0	1.8
TOTAL ASSETS	11,508.6	10,380.3

(In millions of euros)	2017 /12/31	2016/12/31
Equity attributable to owners of the Company	4,722.1	4 487.0
Minority interests	756.6	748.7
Total equity	5,478.7	5 235.7
Long-term borrowings	3,216.8	2,800.4
Other non-current liabilities	1,041.3	900.5
Non-current liabilities	4,258.1	3,700.9
Short-term borrowings	142.5	280.7
Other current liabilities	1,628.7	1 162.4
Current liabilities	1,771.3	1,443.1
Liabilities directly associated with assets classified as held for sale	0.5	0.6
TOTAL EQUITY AND LIABILITIES	11,508.6	10,380.3

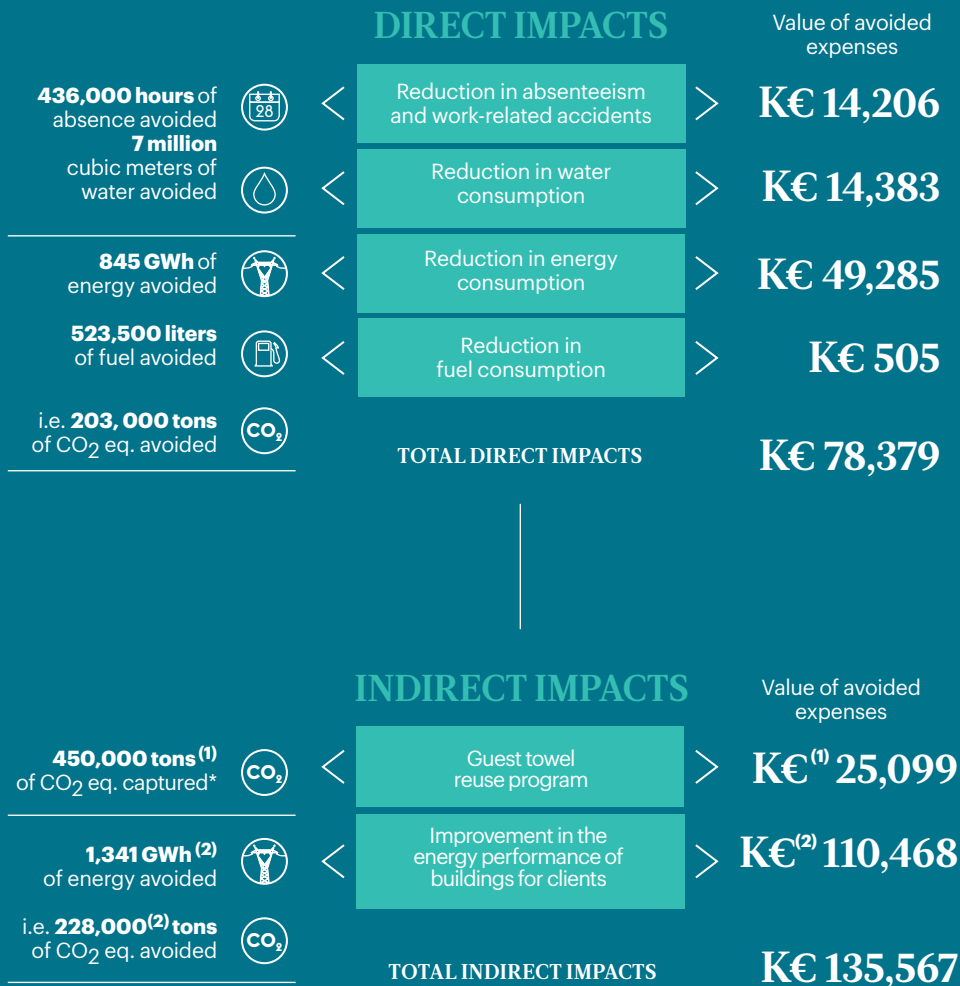
The goodwill amount reflects the acquisitions carried out in 2017.

It rose from €1.5 billion to €3.2 billion, comprising the goodwill of WorldStrides and Iberchem, as well as the goodwill recorded by investments following their external growth transactions.

The increase in consolidated net debt from €1.5 billion to €2.5 billion also reflects the year's acquisitions.

Equity remained high at €5.5 billion.

Measurement of avoided CSR impacts



TOTAL DIRECT + INDIRECT IMPACTS



TOTAL DIRECT + INDIRECT IMPACTS
K€ 213,946

⁽¹⁾ Programs specific to AccorHotels sold in 2018

⁽²⁾ Programs specific to Foncia sold in 2016

* Measured in 2014, over a reference period of 100 years

METHODOLOGY: The scope covered by the measurement of avoided impacts includes AccorHotels (sold in 2018), Asmodee, Colisée Group (sold in 2017), Dessange International, Elis, Fintrax, Groupe Flash, Foncia (sold in 2016), Léon de Bruxelles, Novacap, Péters Surgical and Vignal Lighting Group. The calculations were carried out over a period extending from the year of Eurazeo's investment until 2017 inclusive (except for the sold companies). **The detailed methodology is available on page 100 of the Eurazeo Registration Document, and on the Eurazeo website, under the heading Responsibility.**

CSR non-financial indicators

Eurazeo has set ambitious CSR improvement targets for 2020 and undertaken to publish its annual results.

AMBITIONS	2020 OBJECTIVES	2017 RESULTS
1. INVEST RESPONSIBLY Integrate CSR at all stages of the investment cycle.	100% of due diligence in the advanced study phase of acquisitions to incorporate a CSR Section ⁽¹⁾	100%
	100% of companies to perform CSR reporting	100%
	100% of divestment operations to incorporate CSR information	50%
2. ESTABLISH EXEMPLARY GOVERNANCE Ensure that all companies have exemplary governance bodies	100% of companies to have at least 40% women directors on the Board ⁽²⁾	24%
	100% of controlled companies to have at least 30% independent Directors on the Board ⁽²⁾	33%
	100% of companies to have an Audit Committee and a Compensation Committee	67%
3. CREATE SUSTAINABLE VALUE Ensure that all companies have a CSR progress plan	100% of companies to have deployed Eurazeo's "CSR essentials" ⁽³⁾	61%
	The 7 "CSR essentials" ⁽⁴⁾ :	
	• Appoint a CSR manager	81%
	• Establish annual CSR reporting	100%
	• Create an operational CSR committee	57%
	• Include CSR issues on the agenda of Board meetings at least once a year	67%
	• Conduct an environmental and/or greenhouse gas assessment every three years	50%
	• Perform a social barometer every three years	52%
	• Conduct CSR audits of priority suppliers	18%
	100% of portfolio companies to have quantified CSR progress targets	36%
100% of portfolio companies to be involved in at least one CSR acceleration program ⁽⁴⁾	91%	
4. BE A VECTOR OF CHANGE IN SOCIETY Ensure that all companies improve their societal footprint	100% of portfolio companies to improve the protection and well-being of employees	86%
	100% of portfolio companies to share value created or company profits with employees	81%
	100% of portfolio companies to reduce their environmental impact	72%

(1) Due diligence is deemed to be in the advanced study phase when a firm offer has been made.

The indicator covers all companies reviewed, including those that were not ultimately acquired.

(2) On Supervisory Boards (SB) or Boards of Directors (BD).

(3) The result is expressed as an average percentage of actions put in place by the companies.

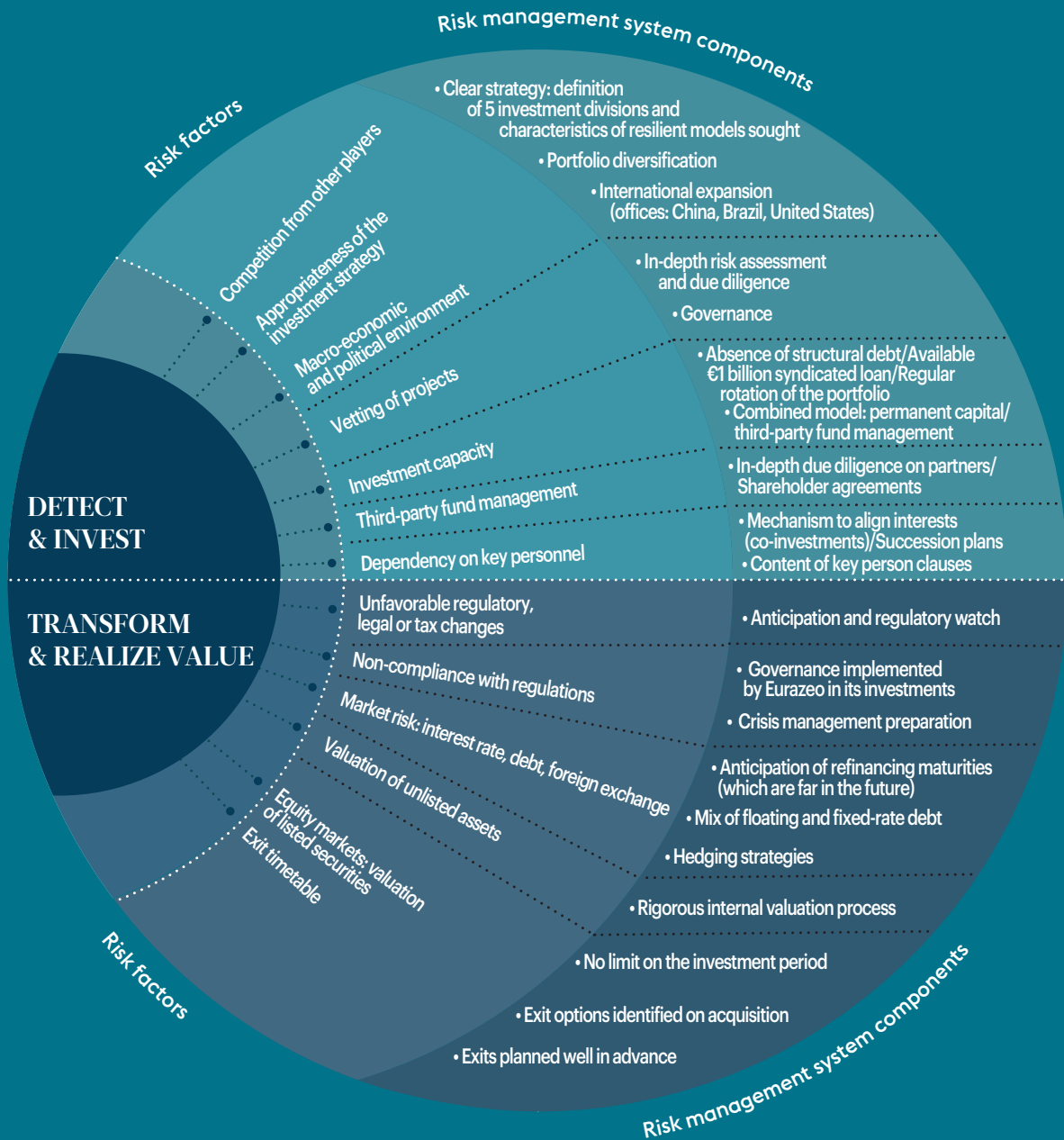
(4) Eurazeo has three CSR acceleration programs: environmental footprint, gender equality and responsible purchasing.

Environmental footprint (or life-cycle assessment, LCA) is a measurement of energy consumption, raw material use and discharges into the environment, as well as potential environmental impacts associated with a product, process or service over its entire life cycle (ISO 14040 definition).

METHODOLOGY: The scope covered by the CSR strategy includes Eurazeo and all fully consolidated and equity-accounted companies. These companies are included in the calculation of indicators no later than the end of the second full year of ownership. The first full year of ownership determines when necessary a baseline derived from initial CSR reporting, from which subsequent variations are measured. The companies reviewed in respect of Eurazeo's CSR strategy in 2017 are as follows (those with an asterisk are part of the regulatory reporting scope under the Grenelle II law): Asmodee*, AssurCopro*, CIFA*, Desigual, Dessange International*, Elis, Eurazeo PME*, Eurazeo*, Europcar, Groupe Flash*, Fintrax*, Grape Hospitality*, Léon de Bruxelles*, Les Petits Chaperons Rouges, MK Direct*, Neovia, Novacap*, Orolia*, Péters Surgical*, Vignal Lighting Group*, Reden Solar, Sommet Education*

Risk management

As an equity investor operating in an environment surrounded by uncertainties, Eurazeo is faced with a set of risks that may hinder the achievement of its objectives. At each of the key phases of its investment business, Eurazeo has implemented processes designed to identify and prevent the main risks. This system is effective due to the extensive involvement of corporate executive officers and employees, at their respective levels of responsibility and power, and a strong risk management culture.



PHOTOGRAPHIC CREDITS

Gilles Coulon, William Beaucardet, Stéphane de Bourgies,
Peter Allan, Shutterstock

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