

ENACTION

EDITORIAL by **Virginie Morgon**, CEO of Eurazeo

A more global Group, higher performing and increasingly the go-to choice



Virginie Morgon,
CEO of Eurazeo

We simultaneously strengthened our international presence – a prerequisite to accompanying our companies' growth beyond their original borders. It was also a strategic necessity, allowing us to position each of our divisions in the relevant markets, and enabling their international development supported by the drivers, expertise and networks of a Group now present across three continents and nine countries.

“ On the equity investor podium in France and one of the most dynamic investors in Europe ”

Since the beginning of 2018, €2.6 billion have been invested or reinvested. 89 new companies have joined the Group. 140 external growth transactions have also been completed by the investment divisions.

We have also successfully implemented our asset rotation strategy. Total or partial divestments signed or completed within the Group since January total nearly €2.7 billion. The Asmodee divestment, in particular, created significant value for Eurazeo, generating an investment multiple of 4x and an average IRR of 35%.

This momentum is expected to step up a gear in the coming months. The alliances forged with Rhône and Idinvest will further strengthen our business volumes, accelerate our international development and make us even more attractive to third-party investors. The €1.5 billion in funds entrusted by these investors in 2018 demonstrates our attractiveness.

Dear Shareholders,

During our Shareholders' Meeting last May, we discussed the transformation of our Group, focusing on three strategic pillars.

We have diversified our businesses, and as such our sources of growth, moving from a company specializing in majority investments in large companies to a comprehensive private equity player, accompanying the transformation of companies at all stages of their development. This shift began in 2011 with the acquisition of OFI Private Equity, renamed Eurazeo PME, and continued last April with the acquisition of Idinvest, a European leader in venture capital, private debt and funds of funds.

We have also expanded our resources by developing third-party management on behalf of partner investors. Alongside our own funds, which guarantee our independence and a long-term investment outlook, these funds allow us to increase the size of our investments and guarantee the Group a recurring and predictable revenue stream. This perfect alignment of Eurazeo's interests forms the foundation for its future growth.

The business model proposed by the new Group we are building - €17 billion in assets under management, 235 professionals, 9 countries - is extremely rare on the market. Eurazeo group's intense activity this year perfectly illustrates the high performance and value creation capabilities of this model.

On the equity investor podium in France and one of the most dynamic investors in Europe in recent years, **Eurazeo continues its growth strategy, while constantly seeking the best performance for our shareholders.**

I would like to warmly thank you for your support and loyalty to Eurazeo and I take this opportunity to wish you and yours an excellent holiday season •

A look back at the Eurazeo group's performance

Before the upcoming presentation of our 2018 results on March 9, 2019, I would like to look back at the publication of our Q3 results, an excellent quarter, both for our companies' activities and at an investment level.

Eurazeo confirmed the growth momentum of its portfolio companies. At €1,373 million, our economic revenue recorded a further surge this quarter of +11.5% at constant Eurazeo scope, that is restated for divestments, and of +9.9% at constant exchange rates. Over the first nine months of the year, consolidated revenue grew +14.5% at constant scope and exchange rates, demonstrating yet again our ability to stimulate growth and therefore create value in the companies we accompany.

Eurazeo has also been extremely active on the investor side since the beginning of the year, particularly as regards divestments. During the first nine months of 2018, total or partial divestments signed or completed within the Group⁽¹⁾ reached nearly €2.7 billion, including the share due to our partner investors. Eurazeo's share is €1.4 billion, directly impacting its balance sheet; of particular note is the sale of Asmodee after a very successful transformation, at a price generating a return of 4x our initial investment in 4 years (see article on the next page).

While the period was conducive to divestments, we also performed several investments and reinvestments. Total deals signed amounted to €2.6 billion, including €1.1 billion for Eurazeo.

“The increase in consolidated revenue to September 30, demonstrates yet again our ability to stimulate growth”



In addition to its strategic investments in Rhône and Idinvest, we have invested some €660 million since the beginning of the year in nine companies for the Eurazeo portfolio.

Our solid financial structure, one of the strengths that sets Eurazeo apart, was further enhanced.

The Group has cash of €740 million pro forma of deals signed and share buybacks performed up to the end of October. Eurazeo SE's balance sheet also remains free of structural debt.

At September 30, 2018, assets under management totaled €17 billion, up 8.7% on December 31, 2017. This increase is due to both a rise in Net Asset Value to €77.7 per share (+6.1% over the period, including dividends) and successful fund raisings with partner investors, with Idinvest contributing over €1.2 billion •

► **+14.8% growth over the first 9 months of 2018**

Economic revenue at constant scope and exchange rates

► **€2.7 bn in divestments**

Completed or signed as of September 30, 2018

► **NAV: €77.7 per share**

As of September 30, 2018

(1) Figure including Eurazeo, Idinvest at 100% and Rhône at 30%.



Events

Divestment of Asmodee, a leading international player in the board games sector



In October 2018, Eurazeo sold its entire stake in Asmodee, which is now a leading international games publisher and distributor. With this deal, Eurazeo generated a multiple of nearly 4x its initial investment, thanks to considerable transformation work undertaken alongside the company's management team.

A winning strategy

As a shareholder since 2014, Eurazeo helped Asmodee implement a three-pronged development strategy: ownership and enrichment of its catalogue, international expansion of the customer base through external growth

and digitalization of its games. Overall, Asmodee completed 20 acquisitions in Europe and the USA for a total of €140 million. In four years, it tripled its revenue to €442 million. Generated 75% outside France, this represents an average annual growth rate of 37%.

Divestment proceeds of €426 million for Eurazeo

This performance enabled the sale of Asmodee under excellent conditions: Eurazeo and its partner investors realized divestment proceeds of €565 million, with a Eurazeo share of €426 million. The Internal Rate of return (IRR) was approximately 35% •

2018: ROBUST DIVESTMENT/ACQUISITION ACTIVITY

With 11 deals completed or signed* since the beginning of the year, investment momentum has been particularly robust.

DIVESTMENTS



- ▶ **Asmodee**, global leader in games publishing and distribution.
- ▶ **Desigual**, international fashion company created in Barcelona.
- ▶ **Neovia**, international company specializing in animal nutrition.



- ▶ **Odealim**, French insurance brokerage firm for real estate professionals.
- ▶ **Vignal Lighting Group**, European leader in signaling lights for industrial and commercial vehicles.



- ▶ **People Doc**, pioneer in HR software.

6*
total or partial divestments totaling €2.7 billion, including a Eurazeo share of €1.4 billion

11*
investments or reinvestments totaling €2.6 billion, including a Eurazeo share of €1.1 billion

INVESTMENTS



- ▶ **Albingia**, insurance company specializing in corporate risks.



- ▶ **2RH**, French specialist in motorbike and outdoor gear.
- ▶ **Vitaprotech**, French leader in securing physical access to sensitive areas.



- ▶ **Pat McGrath Labs**, makeup brand.



- ▶ **C2S**, 8th largest private clinic operator in France.
- ▶ **Dazeo**, joint venture with Dazia Capital.
- ▶ **Highlight**, real estate complex near La Défense.



- ▶ **Content Square**, user experience analytics and optimization platform for brands.
- ▶ **Back Market**, first marketplace dedicated to refurbished electronic equipment •

(*) Scope: Eurazeo Capital, Eurazeo PME, Eurazeo Patrimoine, Eurazeo Croissance and Eurazeo Brands.

Focus



Eurazeo invests in Albingia, a jewel in the insurance sector

In July, Eurazeo entered into exclusive discussions with the Chevrillon and IDI groups to acquire the insurance company Albingia, alongside Financière de Blacailoux (controlled by Bruno Chamoin, Chairman and CEO of Albingia) and the management team. Founded in Germany in 1901 and established in France since 1963, Albingia specializes in corporate risk insurance. Its extensive range of insurance services covers equipment and machines, worksites and merchandise as well as events and valuables. The only independent player on the French market, Albingia distributes its products via a nationwide network of partner brokers.

A unique model focusing on brokerage and proximity

This business model guarantees exemplary service quality through the company's regional decision-making teams, combining responsiveness, proximity and technical expertise for all industrial risks, producing solid results.

With total assets of around €1 billion, the company collected premiums of over €220 million in 2017, with a net combined ratio well below 85%. Its solvency ratio greatly exceeds regulatory requirements set by the European Solvency II Directive, making it one of the top names in the French insurance market.

With Eurazeo's backing, Albingia will speed up its growth while safeguarding the key to its success: an independent company renowned for its service quality. "This is a major step in the group's development and a catalyst for its growth", declared Bruno Chamoin, its Chairman and CEO •



Close-up

Successful IPO for Farfetch

Founded in 2008, Farfetch is an online luxury goods and fashion marketplace, retailing products from nearly 1,000 independent boutiques and partner brands, in 190 countries. Under the impetus of Eurazeo Croissance, a minority shareholder since 2016, and other investors, the company

has quickly gone from strength to strength. In 2017, Farfetch generated a business volume of \$910 million, up 55% compared to 2016, on behalf of 936,000 customers (a 44% increase year-on-year).

\$7 billion valuation

In September 2018, exactly ten years after its creation, Farfetch celebrated its

IPO on the New York Stock Exchange, providing fresh impetus for the years to come. A sign of the company's solidity and investor confidence, the share, initially set at \$20, opened at \$27, climbing to \$28.45 during its market debut, i.e. a surge of 42.25%.

This valued Eurazeo Croissance's investment at \$106 million •

FARFETCH

EURAZEO GROUP IN CHINA



At the ICC conference organized in November in Beijing, Eurazeo and Idinvest announced they were joining forces in China. A joint team, a first-rate network and top-notch partners will fulfil the Group's ambition in China, a vital global private equity market.

IDINVEST HIGHLIGHTS

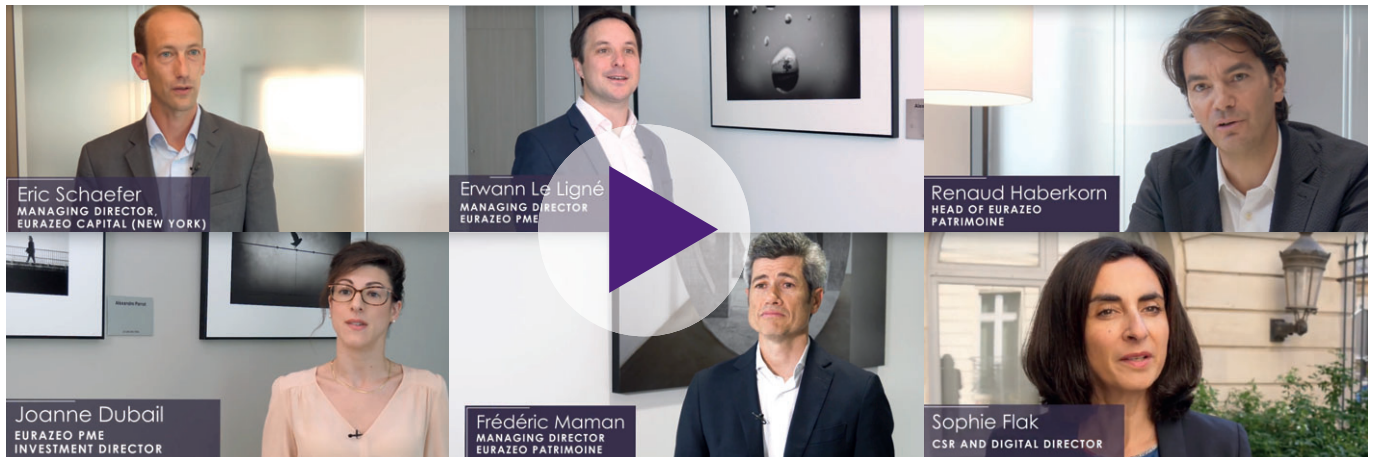
► more than €350 million invested in 23 European companies and €69 million distributed to investors.

- **The Venture/ Growth Capital activity**
invested over €70 million in 29 companies, including 5 new companies (in the digital, Smart City and environment sectors) and completed two divestments, one in the healthcare industry, the other in the Smart City sector.
- **Idinvest's Private Debt activity**
Seven investments were completed over the period, including R2P (technological systems provider for the transport sector), Technicis (translation agency) and Burger King France (major US fast food restaurant chain). At the same time, 11 of its portfolio companies were repaid, including Europe Snacks (savory snacks supplier), Axelliance (multi-sector insurance broker), and Stanz-und LaserTechnik Jessen GmbH (metal transformation company specializing in metallic foil).

BETWEEN YOU & US

New information and dialogue channels are now available to shareholders.

Using videos-news and Web conferences, we aim to better meet your expectations. Accessible on our website via the “Keeping you informed” section of the Shareholders Corner under the Shareholders/Investors heading, you can directly benefit from these tools if we have your e-mail address.



Videos-news in the spotlight

Our press releases now include short video reports that provide further information on Eurazeo group's teams, investments, companies and achievements.



Consult all the news-videos
using this QR Code.

► Web conferences, real-time discussions on the publication of the financial statements

On July 26, 2018, the Shareholders' Channel broadcast an interactive web conference on the presentation of the financial statements. Around 200 individual shareholders logged in and asked questions. The next conference will be held on March 11, 2019 at 6:30 pm to present the 2018 annual financial statements.

► Regional meetings

Several times a year, an Executive Board member holds information and dialogue meetings with shareholders from a specific region. Following meetings in Lyon and Marseille on October 11 & December 10, 2018, respectively, Eurazeo will meet individual shareholders in Annecy and Bordeaux.



Actionaria, a wider coverage

Each year, Eurazeo organizes a meeting with individual shareholders in Paris as part of the Actionaria trade fair. This year, we partnered the *Investir Pour Changer le Monde* (“Invest to change the world”) stand. This commitment extends our ground-breaking and avant-garde CSR initiative, recently praised by Vigeo Euronext, which ranked Eurazeo among the world's 120 most advanced companies in terms of CSR •

A distinction for Shareholders' Relations

Among the shareholder relation prizes attributed by Le Revenu magazine this year, the Eurazeo group was awarded **the Bronze Award for the best digital communications in the SBF 120.**



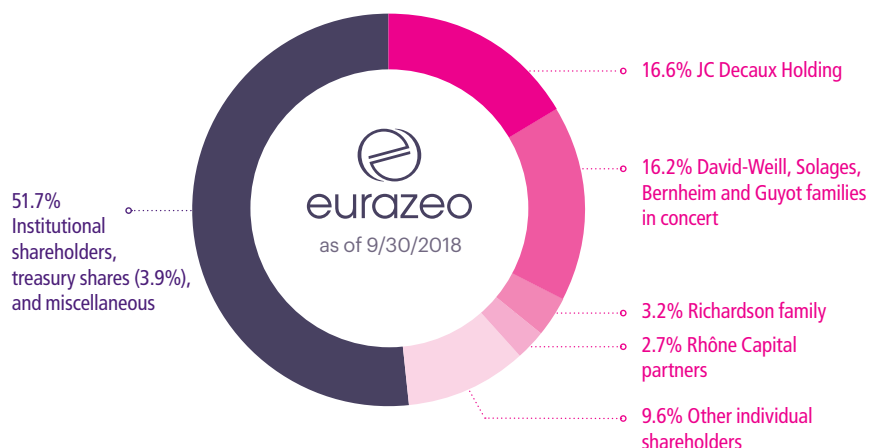
LET'S GO DIGITAL

If you wish to be informed directly of Eurazeo news and meetings, write to the following e-mail address:
actionnaires@eurazeo.com.

The protection of your personal data is particularly important to Eurazeo.

For further information on how Eurazeo processes your personal data as well as your rights, consult our data protection policy at the following address <https://www.eurazeo.com/fr/politique-de-protection-des-donnees> or request a paper copy by sending a letter to the legal department at the following address: 1 rue George Berger, 75017 Paris.

SHAREHOLDING STRUCTURE: the importance of individuals



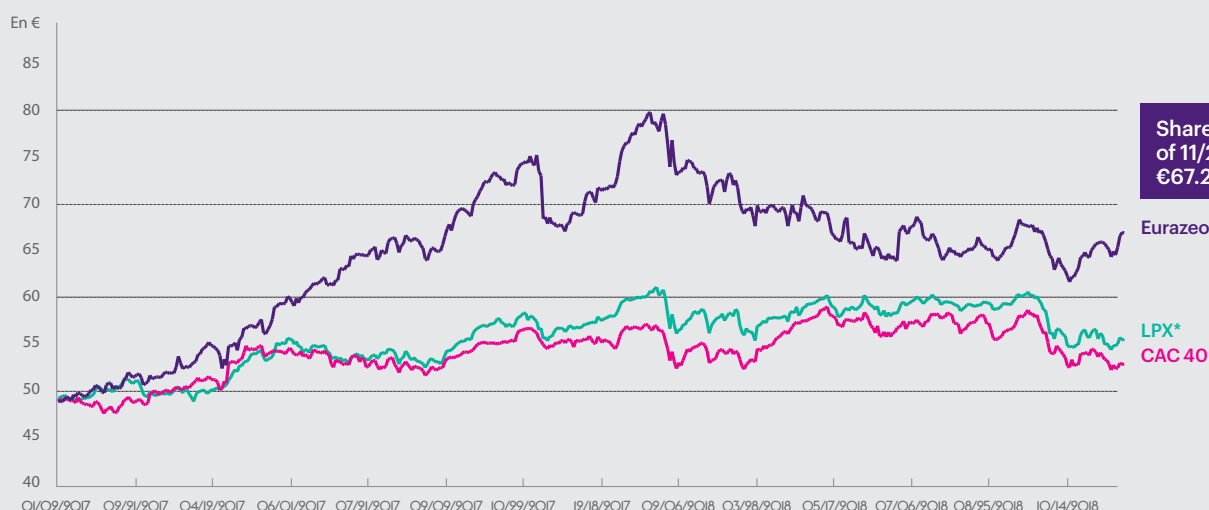
With 48% of share capital held by individuals,

Eurazeo enjoys a privileged position, resulting from a shared vision of long-term investment and sustainable value creation over the long term. Our company has numerous features that are distinctive of family-run entities such as management rigor, our financial robustness and our commitment to creating return for shareholders. 21,000 individual shareholders have already placed their trust in us. For them, we are committed to doing more or doing better.

Our goal: be one of the top share picks of individual shareholders •

EURAZEO STOCK MARKET PERFORMANCE

since 01/02/2017 (100 base, adjusted price)



* LPX (Listed Private Equity): index comprising private equity companies listed on a stock exchange.



YOUR AGENDA

- ▶ **FRIDAY, MARCH 8**
2018 annual results
- ▶ **MONDAY, MARCH 11, 6:30 PM**
Interactive web conference for shareholders
- ▶ **FRIDAY, APRIL 25**
General Shareholders' Meeting
- ▶ **THURSDAY, MAY 16**
Q1 2019 revenue



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