

Paris, April 27, 2020

Faced with the economic challenges of the COVID-19 pandemic, Eurazeo affirms its business model relevance with a diversified and resilient portfolio, combined with a robust balance sheet

As the COVID-19 pandemic continues to have a significant impact on the global economic outlook, Eurazeo provides an update on the measures implemented to ensure business continuity and the main expected impacts of the crisis on its business.

Eurazeo believes it remains well-positioned due to its significant asset management activities and affiliated recurring revenues, the quality of its diversified and resilient investment portfolio and a solid financial position unique to its long-term shareholder model.

Asset management activity continues to generate significant recurring cash flows

Eurazeo continues to develop its third-party asset management activities for limited partners, and had €12.5 billion under management at the end of 2019 out of a total of €18.8 billion in AUM. This business provides the Group with foreseeable recurring revenue. Almost all assets managed on behalf of third-party limited partners are subject to long-term commitments in closed funds (5 to 10 years).

The Group raised over €250 million in the first quarter (compared to around €150 million in Q1 2019, excluding Eurazeo Capital IV fundraising). This demonstrates the confidence of Eurazeo's French and international limited partners, despite a marked global slowdown in fundraising since mid-March, mainly due to macroeconomic uncertainties and difficulties for new investors in performing due diligence procedures. In addition, the Group will continue to benefit from the embedded impact of strong fundraising activity in 2019 in Private Equity, Private Debt and Private Funds.

External management fees from asset management activity will therefore again demonstrate resilience in 2020.

Planned divestitures in 2020 will likely be delayed to benefit from more favorable market conditions. Performance fees and capital gains might therefore be limited in 2020.

Diversified and resilient portfolio of balance sheet investments

Across its activities, Eurazeo supports over 430 companies, and invests its balance sheet directly in a diversified portfolio of around 50 companies. At the end of 2019, no single investment represented more than 10% of Eurazeo's Net Asset Value (NAV) of €6.3 billion, and publicly-listed companies represented less than 4% of this amount. These companies are active in a large number of business sectors and geographies.

From the beginning of the COVID-19 pandemic, the Group has taken the necessary steps to protect the employees of these companies and enable them to continue their business in safe conditions. In a volatile and uncertain environment, the Group also immediately set about implementing information reporting and forecasting tools to measure how the lockdown and an overall slowdown in activity would impact revenue, costs and cash flows, as well as to monitor the liquidity and covenants for each of its investments.

Eurazeo has classified its investments in four categories defined in relation to the current and potential impact of the crisis on their business and the value of its portfolio:

1. **Resilient activities** (about 35-40% of Net Asset Value): Little impact expected in the short term due to a high level of recurring income or limited exposure to the consequences of the pandemic. These businesses mainly include companies in Eurazeo Capital portfolio companies with resilient sectors (e.g. staples) and business models (digital platforms, etc.), the vast majority of Eurazeo Growth portfolio companies which benefit from their digital-native environment, the solar farms for Eurazeo Patrimoine or the bulk of the Group's asset management activities as mentioned earlier;
2. **Companies indirectly impacted by the lockdown as a result of the economic environment** (c. 20-25% of NAV), includes B2B service companies that can continue to run certain business operations remotely, hospitality schools, clinics and residential and commercial real estate;
3. **Companies directly impacted by the widespread lockdown but are expected to recover fairly quickly once the lockdown is lifted** (c. 15-20% of NAV), including those directly providing consumer activities or receiving the public;
4. **Companies directly impacted by the widespread lockdown, whose business recovery is expected to be more gradual** (c. 20-25% of NAV), encompassing companies exposed to international travel.

Our portfolio includes an extremely high proportion of resilient companies (category 1) and companies where the impact should be measured (category 2) or limited in time (category 3), even if we do not expect a rapid business recovery at macroeconomic level.

This classification assumes a gradual lifting of lockdowns internationally during the month of May and is based on our analysis of the impacts of the crisis at the date of publication of this press release.

Under these circumstances, the Group considers that the majority of portfolio companies subject to a balance sheet investment should be able to continue their business operations using their own cash flow and financing resources. Eurazeo may selectively provide certain companies with temporary additional support.

In this respect, as a minority shareholder of Europcar Mobility Group since 2015, Eurazeo has undertaken to participate in a comprehensive support plan, alongside the French State and a bank consortium.

Experienced team and strong balance sheet to navigate the coming period

The Eurazeo Group can rely on its experienced Management, investment and corporate teams in tackling the current health crisis and the future economic crisis and to provide responsive and effective support to portfolio companies in various areas (e.g. Finance, HR, Legal, etc.).

2019 was an excellent year and the Group can also count on its solid balance sheet which has consolidated equity in excess of €5 billion and positive net cash of more than €533 million at the end of 2019. In addition, Eurazeo has access to an additional €1.5 billion from its syndicated credit facility, which was renewed in December 2019 for an additional five years, with the option to extend for a further two years (total of 7 years). Eurazeo has no structural debt and benefits from €3.8 billion of dry powder (uncalled commitments from its limited partners).

Together, these liquid assets will enable the Group to support its portfolio companies where appropriate, and seize any direct or indirect (build-up) investment opportunities that may arise.

Virginie Morgon, Eurazeo CEO, stated: *"In the context of this unprecedented pandemic, which is generating significant global uncertainty, I would like to pay tribute to the considerable responsiveness of all Eurazeo teams, both at the Company level and in our portfolio companies. I thank them for their daily commitment to protect our employees and ensure the continuity of our activities under the best possible conditions. During the coming months, we will call on the strength and resilience of our model, two key assets which are all the more relevant in this period. In addition, Eurazeo intends more than ever to reiterate its full support for fighting this pandemic. Beyond the tremendous effort launched by its portfolio companies, Eurazeo has therefore decided to suspend its dividend for fiscal year 2019 and has created a solidarity fund with the support of its Supervisory Board, the Executive Board and the Executive Committee. As a responsible company, Eurazeo reiterates its commitment and that of its teams to provide concrete and immediate solutions to those most affected by this crisis."*

Upcoming events:

- The Shareholders' Meeting will be held on Thursday, April 30, 2020 at 4 p.m. CET, behind closed doors. A live webcast of the event will be available on the company's website.
- The Group will announce its Q1 2020 revenue on May 19.
- The Group will announce its H1 2020 results on July 29, including an update on the valuation of unlisted investments included in Eurazeo's Net Asset Value.

ABOUT EURAZEO

- > Eurazeo is a leading global investment company, with a diversified portfolio of €18.8 billion in assets under management, including €12.5 billion from investment partners, invested in over 430 companies. With its considerable private equity, real estate, private debt and fund of funds expertise, Eurazeo accompanies companies of all sizes, supporting their development through the commitment of its nearly 300 professionals and by offering deep sector expertise, a gateway to global markets, and a responsible and stable foothold for transformational growth. Its solid institutional and family shareholder base, robust financial structure free of structural debt, and flexible investment horizon enable Eurazeo to support its companies over the long term.
- > Eurazeo has offices in Paris, New York, Sao Paulo, Seoul, Shanghai, London, Luxembourg, Frankfurt, Berlin and Madrid
- > Eurazeo is listed on Euronext Paris
- > ISIN: FR0000121121 - Bloomberg: RF FP - Reuters: EURA.PA

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