Tikehau Capital Strategic update

A new chapter of growth focused on profitability and long-term value creation

As part of today's 2025 full-year results, Tikehau Capital's co-founders and executive team will present an update of the Group's strategy and growth objectives.

"Over the past 22 years, we have shaped an entrepreneurial platform built on conviction and partnership. We are excited to embark upon the next chapter, dedicated to actively harvesting the embedded value we have built, and focused firmly on profitability and long-term value creation.

It is our continued commitment to delivering robust performance and consistent value to our clients, capitalizing on our balance sheet to support opportunities, and accelerating capital rotation.

We are confident that our trajectory will not only create value but should also lead to greater returns for our shareholders. Our strong entrepreneurial culture underpins our two distinct yet synergistic engines – Asset Management and Principal Investment platforms – offering significant optionality for us to seize opportunities ahead."

Antoine Flamarion and Mathieu Chabran, co-founders of Tikehau Capital

- From buildout to harvesting: Tikehau Capital aims to accelerate profitability generation for its Asset Management platform, building on its strong foundations
- Compounding effect and velocity focus: The Group's balance sheet will be allocated with greater strategic selectivity, supporting improved portfolio velocity and returns generation
- Unlocking optionality: With its two distinct, complementary growth engines, the Group is well-positioned to maximize significant growth opportunities
- Tikehau Capital is entering a harvesting phase focused on profitability and long-term value creation with the following objectives:
  - **Cumulative net inflows to exceed €34bn** over 2026-2029 (+22% vs. €28bn raised between 2022-2025)
  - **Core FRE margin to reach between 45-50%** by 2029 (vs. 41% in 2025)
- In addition, Tikehau Capital remains committed to:
  - **Maintaining its Investment Grade rating**, illustrating the Group's solid financial structure,
  - **Distributing over 80% of its Asset Management EBIT** to its shareholders.

Company presentation

A presentation for investors and analysts will be held at 9:00am GMT today and will be broadcast live.

To watch the presentation, please connect via the following link.

A recording of the presentation will be available on Tikehau Capital's website.

Well-positioned to pursue transformative opportunities in growing markets

Private markets are scaling rapidly, with global AuM expected to grow from approximately $26 trillion in 2022 to about $61 trillion by 2032[1]. The industry has moved into a phase defined by institutionalization, consolidation, and platform convergence between traditional and alternative managers. Increased M&A, strategic partnerships, and the rise of co-investments and bespoke solutions are reshaping expectations. Winning now requires scaled proprietary origination, rigorous portfolio construction and global distribution.

A multi-year capex surge – an estimated $130 trillion between 2022 and 2027[2] – driven by resilience and transformation is creating wide opportunity sets across equity, credit, and special situations. Europe, supported by policy tailwinds, more attractive valuations, and lower average leverage than the US, offers compelling entry points amid rising dispersion.

Tikehau Capital is well-positioned to address the changing dynamics and emerging trends in private markets. With our deep European expertise, multi-local presence, rigorous underwriting and a partnership DNA, we are strategically positioned to convert market dispersion into durable outcomes for our investors.

From buildout to harvesting: accelerating profitability generation for our Asset Management platform

Since its IPO, Tikehau Capital has grown from less than €10bn AuM to a €53bn global alternative asset manager generating €150m of Asset Management EBIT as of 31 December 2025. This progress is the result of our teams' dedication, our entrepreneurial spirit, strong skin in the game, our multi-local platform, global strategic partnerships and a balance sheet supporting growth.

Over the past eight years, we have expanded the breadth and diversity of our investment strategies, launching 12 new strategies since IPO, and expanded our client base, with international investors now representing 46% of our AuM, compared to 20% at end-2016. Each step forward reaffirms our commitment to delivering sustainable value to our clients.

Looking ahead, we aim to harvest the embedded value within our Asset Management platform by accelerating scalability and profitability generation, building on the strong foundations we have established.

Our strategy concentrates on three key areas: enhancing scale, accelerating revenue generation and strategically allocating our resources.

1. Enhance scale

Broaden our distribution network globally: We have built a strong platform with differentiated solutions designed to serve our clients' evolving needs. Our objective is to capitalize on this foundation to address the needs of **institutional investors**. Our emphasis is particularly on high growth and under-penetrated regions such as APAC, the Middle East and North America, while continuing to strengthen our presence in Continental Europe. Moving forward, our focus will be on scaling our flagship strategies and further developing multi-asset mandates as well as unlocking co-investment potential. **Private Wealth** is a strategic growth driver for Tikehau Capital. We remain committed to broadening access for private clients to private markets, leveraging a suite of solutions including unit-linked products, feeder funds, semi-liquid vehicles, and digital platforms.

[1] *Source: Bain Global Private Equity Report 2023.*
[2] *Source: "Capital Investment is about to surge: are your operations ready?" McKinsey April 2022.*

Our ambition is to expand product referencing through private banks and insurance partners, particularly in Continental Europe, always guided by a careful approach to asset-liability management for private clients.

Scale up investments with focused discipline: Leveraging our multi-local franchise and conviction-led investing, we have built a strong origination engine. Since the last Capital Markets Day, we have successfully increased the average investment size across our flagship investment strategies, demonstrating the scalability of our platform. Our aim is to keep scaling our investments in high-growth, strategic sectors to maximize exit prospects for our portfolio companies.

Deliver strong investment performance: Our deployment has been consistently selective (>95% exclusion rate since IPO) to offer downside protection: limited use of leverage in funds and portfolio companies, disciplined entry multiples, granular portfolios, and a conviction-based approach. This has supported resilient performance across vintages. We aim to maintain this discipline, intensify value creation at portfolio company and asset level, and remain focused on delivering performance through cycles.

2. Accelerate revenue generation

Enhance business mix: Since our IPO in 2017, we have significantly improved our business mix with value-add strategies reaching ~25% of our AuM as of end-2025, compared to less than 1% at IPO. We plan to continue enhancing our business mix by scaling higher-fee, value-add strategies alongside our yield solutions. This will allow us to optimize both our revenue mix and overall margins.

Harvest strong Performance-Related Earnings (PRE) potential: We expect PRE to become a more material driver of profitability going forward. Our high selectivity in deployment and ongoing focus on disciplined portfolio management is expected to intensify value creation. As assets mature, we are well-positioned to crystallize greater levels of PRE and further strengthen our profitability through the cycle.

3. Strategically allocate resources

Streamline our offering and selectively launch new funds: Over the institutionalization and platform buildout of the Group, we have launched initiatives which helped us identify which products resonate most with our clients. Some initiatives, while grounded in strong convictions, did not achieve the expected commercial traction. We have implemented a clear framework to streamline our offering, rationalizing strategies and merging duplicative funds. Capital, resources and focus will be concentrated on distinctive and high-conviction strategies that deliver alpha and differentiation to our clients.

Accelerate operating leverage: Since early 2024, we have reinforced cost discipline to support scalable growth:

- Prioritizing markets and asset classes with the highest strategic potential,
- Reallocating resources to high-impact initiatives and high-growth regions,
- Hiring selectively for key roles,
- Pursuing partnerships with clear mutual benefits.

Our objective is to enhance cost efficiency while scaling our strategies, thereby driving sustained operating leverage.

We have the following ambitions across our asset classes:

- In **Credit**, we will scale our mature strategies, complement our offering with value-creating adjacencies, deepen partnerships to address new strategies, and maintain strict underwriting and rigorous portfolio monitoring,
- In **Private Equity**, we aim to strengthen our positioning as the go-to-partner for thematic investing. We will scale flagship thematic platforms, expand co-investments and bespoke solutions for larger transactions, accelerate value creation and execute disciplined exits,
- In **Real Assets**, our objective is to capture dislocated value through targeted investments and active management. We will prioritize defensive segments, continue to seize off-market investment opportunities, expand in North America through local partnerships, deepen retail distribution with IFAs, private banks and digital platforms, and enhance asset management,
- In **Capital Markets Strategies**, we will scale high-conviction fixed income and broaden our equity offering, strengthen private wealth and European institutional channels, and maintain robust performance across our funds.

Compounding effect and velocity focus: allocating our balance sheet with greater strategic selectivity

Since our IPO, we have significantly strengthened our balance sheet investment portfolio, growing its fair value from €1.6bn at end-2017 to €4.4bn at end-2025. Over this period, we have also significantly rebalanced its breakdown, with exposure to our Asset Management strategies rising from 33% as of 31 December 2017 to 69% as of 31 December 2025.

Our balance sheet investments have meaningfully contributed to the expansion and globalization of our Asset Management platform. They have also allowed us to complement our expertise and forge strategic partnerships across our ecosystem, through external fund investments, GP stakes or co-investment alongside external funds.

Looking ahead, we intend to adapt the use of our balance sheet from a growth enabler to a more strategic allocator. Its revised allocation framework is guided by the following priorities:

For Tikehau Capital strategies:

- Ensure continued alignment of interests with our clients,
- Reduce capital intensity in flagship and mature strategies,
- Make more selective commitments in our funds, with a focus on Value-Add strategies and Credit strategies with >15% expected returns,
- Preserve greater flexibility for co-investment opportunities alongside our funds, accelerating returns generation

For ecosystem investments:

- Target strategic transactions with double-digit capital-mobilization multiplier,
- Focus on high-performing investments with increased velocity potential,
- Focus on investments that generate ancillary business, such as co-investments alongside external funds and business partners, etc.

This revised allocation framework is designed to improve portfolio velocity, support profitability and generate increased returns for shareholders.

Entering a harvesting phase focused on profitability and long-term value creation

We have delivered significant growth since our IPO in 2017 and we remain firmly committed to delivering long-term value creation for our stakeholders.

Since the end of October 2025, we have noted a continued change in the environment in which we evolve, characterized by uncertainties from macroeconomic and geopolitical standpoints.

As a result, we have defined a new 2026 milestone – an intermediary step in our journey towards future profitable growth – focused on reaching:

- **At least €60bn of AuM**, a 14% growth vs. 2025 and 3% above market expectations[3]
- **Between €175m and €225m of FRE**, a 37-76% growth vs. 2025, and ~20-50% above market expectations
- **Between €420m and 520m of Net result, Group share**[4], compared to €136m in 2025, ~50-80% above market expectations
- **Between 13% and 16% of return on equity[5]**, compared to market expectations of 8%[6].

Aligned with our 2026-2029 roadmap, we have retained the two following objectives to measure our performance going forward:

- **Cumulative net inflows to exceed €34bn** over 2026-29 (+22% vs. €28bn raised between 2022-2025), supported by scaling our flagships funds, selectively launching and growing new initiatives, deepening institutional relationships and broadening distribution channels to capture private wealth opportunities,
- **Core FRE margin to reach between 45-50%** by 2029 (vs. 41% in 2025), driven by an enhanced business mix, stronger operating leverage and continued disciplined cost management.

Given our conservative recognition policy in the P&L and the relative youth of our large flagship funds, **performance-related earnings (PRE)** have not been a material contributor to Asset Management profitability since IPO. As these funds mature, PRE are expected to represent a growing share of Asset Management EBIT. As of 30 September 2025, unrealized PRE[7] reached €220m, with approximately €160m expected to mature by 2029.

In addition, Tikehau Capital remains committed to:

- **Maintaining its Investment Grade rating**, illustrating the Group's solid financial structure,
- **Distributing over 80% of its Asset Management EBIT** to its shareholders.

[3] *"Market expectations" refers to average analysts' estimates.*
[4] *Based on Management Accounts, on a similar basis to prior years. Excluding currency effects.*
[5] *Excluding currency effects.*
[6] *As of 18 February 2026.*
[7] *Provisioned within the Group's funds.*

With our two distinct and complementary growth engines, we are strategically positioned to capture opportunities ahead:

- First, we have unified all our **Asset Management activities** into a single integrated platform, enabling us to fully leverage scale, drive efficiency and accelerate value creation,

- Second, our sizable **Principal Investment arm** acts as a powerful driver, supporting further expansion and strategic partnerships.

Together, these two engines create meaningful optionality and reinforce the relevance of our model, positioning us to capture long-term growth.

ABOUT TIKEHAU CAPITAL

Tikehau Capital is a global alternative asset management group managing €52.8 billion of assets (as of 31 December 2025). The Group has developed a wide range of expertise across four asset classes: credit, real assets, private equity, and capital markets strategies. Capitalizing on its strong equity base (€3.1 billion as of 31 December 2025), Tikehau Capital invests its own capital alongside its investor-clients. The Group is guided by a strong entrepreneurial spirit and DNA, shared by its 717 employees (as of 31 December 2025) across 17 offices in Europe, Asia, and North America.

PRESS CONTACTS:

Tikehau Capital: Valérie Sueur – +33 1 53 59 03 64
UK – Prosek Partners: Philip Walters – +44 (0) 7773 331 589
USA – Prosek Partners: Trevor Gibbons – +1 646 818 9238
press@tikehaucapital.com

SHAREHOLDER AND INVESTOR CONTACTS:

Théodora Xu – +33 1 40 06 18 56
Julie Tomasi – +33 1 40 06 58 44
shareholders@tikehaucapital.com

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