



Equity story

March 2021

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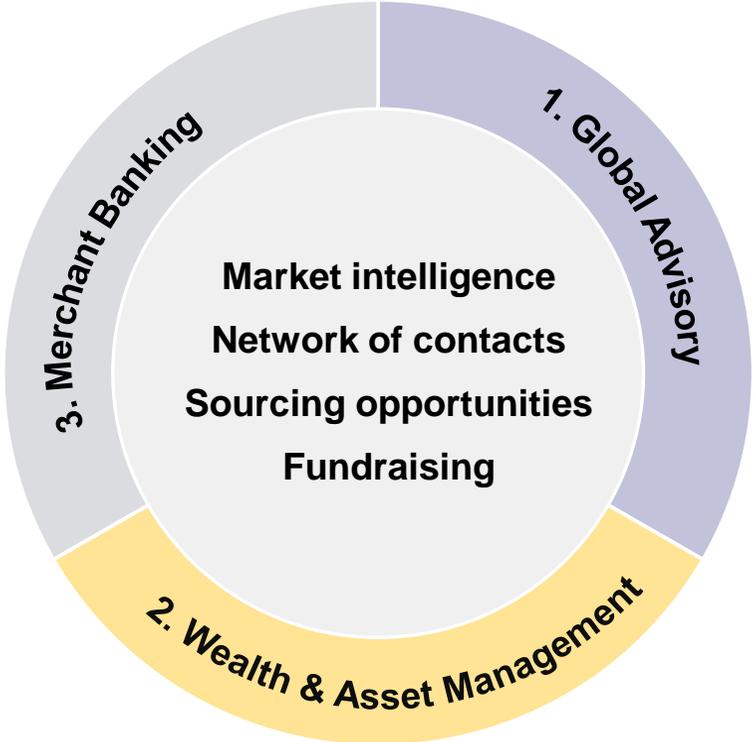
1

Investment case

High level of synergies across our businesses



1
Increased opportunities in client referrals to GA



2
10%-20% of asset inflows in Wealth Management from other businesses

3
36% of cumulative capital raised sourced through Wealth & Asset Management

One Group organised around three pillars



	Global Advisory	Wealth & Asset Management	Merchant Banking																								
Geography	Global	European	European / US																								
Offerings	<ul style="list-style-type: none"> • M&A and strategic advisory • Debt financing and debt restructuring advisory • Equity advisory 	<ul style="list-style-type: none"> • Wealth Management • Asset Management 	<ul style="list-style-type: none"> • Private equity • Private debt 																								
# Front office	<ul style="list-style-type: none"> • c.1,200 bankers in 53 offices over 40 countries 	<ul style="list-style-type: none"> • c.300 relationship managers and investment managers 	<ul style="list-style-type: none"> • c.100 professionals 																								
Size	<ul style="list-style-type: none"> • #8 globally by revenue 	<ul style="list-style-type: none"> • c.€78bn of AuM 	<ul style="list-style-type: none"> • c.€16bn of AuM 																								
Key figures (average last 2 years)	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>Revenue</p> <table border="1"> <tr><th>Category</th><th>Revenue (€m)</th><th>Percentage</th></tr> <tr><td>Global Advisory</td><td>€1,153m</td><td>63%</td></tr> <tr><td>Wealth & Asset management</td><td>€498m</td><td>27%</td></tr> <tr><td>Merchant Banking</td><td>€173m</td><td>9%</td></tr> </table> </div> <div style="text-align: center;"> <p>Profit before tax</p> <table border="1"> <tr><th>Category</th><th>Profit (€m)</th><th>Percentage</th></tr> <tr><td>Global Advisory</td><td>€180m</td><td>53%</td></tr> <tr><td>Wealth & Asset management</td><td>€73m</td><td>22%</td></tr> <tr><td>Merchant Banking</td><td>€84m</td><td>25%</td></tr> </table> </div> </div>			Category	Revenue (€m)	Percentage	Global Advisory	€1,153m	63%	Wealth & Asset management	€498m	27%	Merchant Banking	€173m	9%	Category	Profit (€m)	Percentage	Global Advisory	€180m	53%	Wealth & Asset management	€73m	22%	Merchant Banking	€84m	25%
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With 3,600 financial services employees in 40 countries across the world, we provide independent advice on M&A, strategy and financing, as well as investment and wealth management solutions to large institutions, families, individuals and governments

Our strategy



Focused	▶	<ul style="list-style-type: none">● Focus on our three core businesses● Global Advisory, Wealth & Asset Management and Merchant Banking
Grow scale	▶	<ul style="list-style-type: none">● Grow our businesses organically and through targeted acquisitions● Development of activity in existing and adjacent businesses, with a strong focus on cultural, strategic and financial fit
Create value	▶	<ul style="list-style-type: none">● Improve synergies between three core businesses● Focus on long term performance and value creation
Deliver strong returns	▶	<ul style="list-style-type: none">● Strong capital position● Tight cost controls● Focus on delivering consistent returns over time

Key drivers for building long-term value creation



Expand core businesses

- US organic investment in Global Advisory
- Ancillary advisory acquisitions
- Development of Investor advisory franchise
- Expand Merchant Banking platform outside Europe, notably in the US
- Bolt-on targeted European deals in Wealth Management

Grow private asset offering

- New initiatives and successor funds
- Make available to our Wealth & Asset Management clients

Human capital management

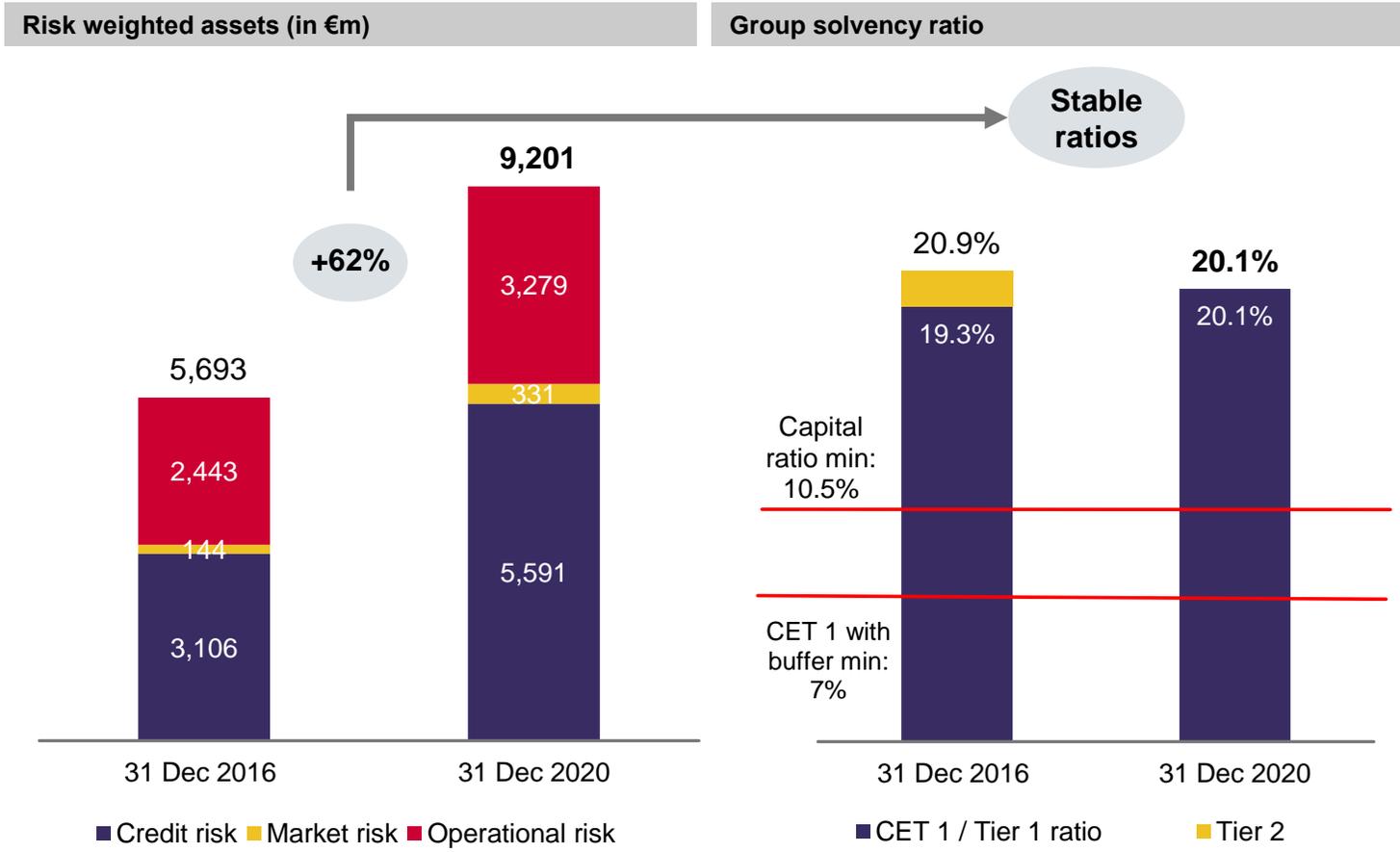
- Recruitment
- Retention
- Succession management



Strong capital position ...

Fully loaded solvency ratios around 20%

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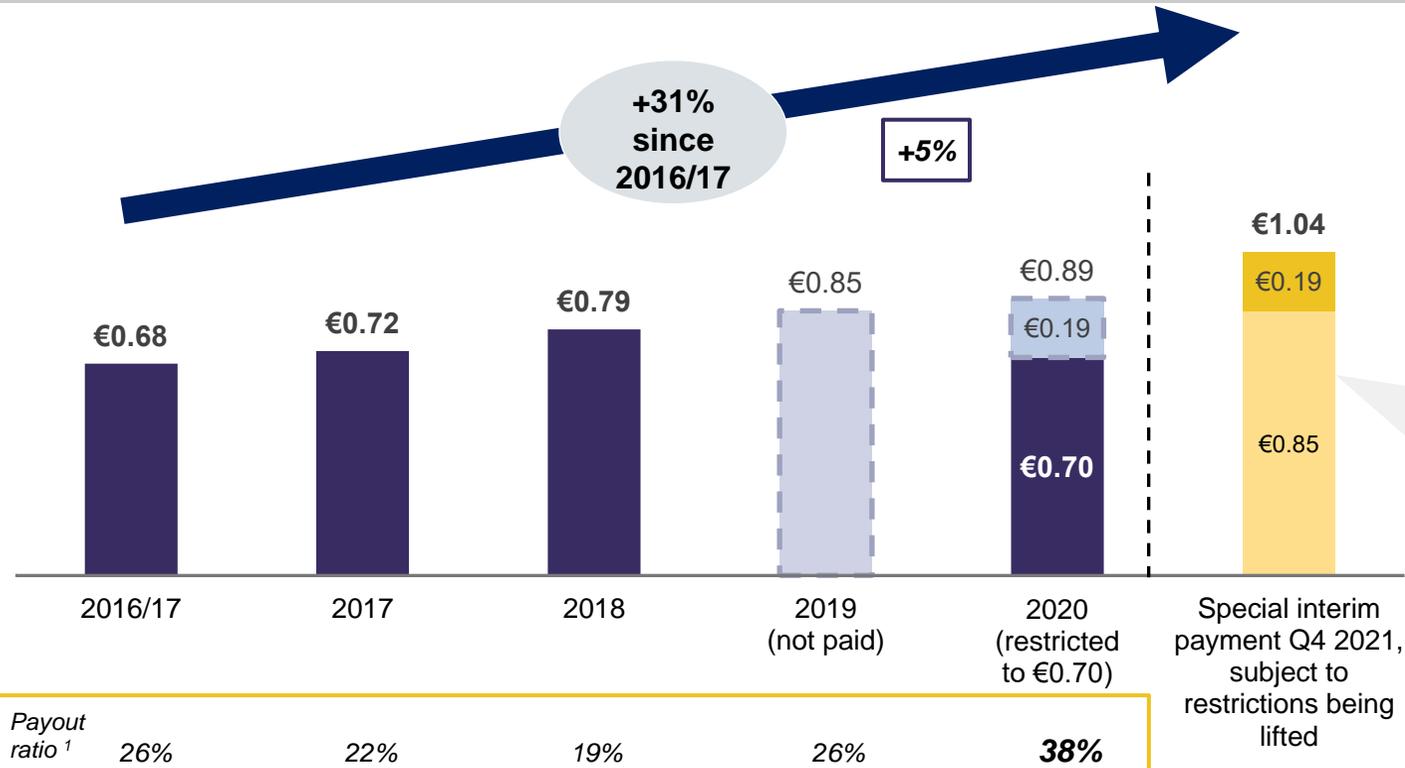
Strong capital position gives us the optionality around development opportunities and cash returns to shareholders

- 2019 and 2020 dividend catch up
- Acquisition of Banque P&B in the summer will reduce Rothschild & Co's CET 1 ratio by around 1%
- As a family controlled group, capital is managed in a conservative way but also reflects future needs regarding
 - Growth plans in MB and possible WAM acquisitions
 - Future regulatory requirements

Our progressive dividend policy



Dividend progression over 5 years



Steady increase of dividend over time

- 2020 dividend restricted to €0.70 per share (following the 2019 dividend of €0.85 being cancelled)
- To compensate shareholders, we expect to make a special interim payment in Q4 2021 of €1.04 per share, subject to restrictions being lifted

In addition to dividends shown above, in 2018 there was a share buy back of €132m as part of Edmond de Rothschild deal

Note
1 Pay-out ratio calculated excluding exceptional items

Our financial targets



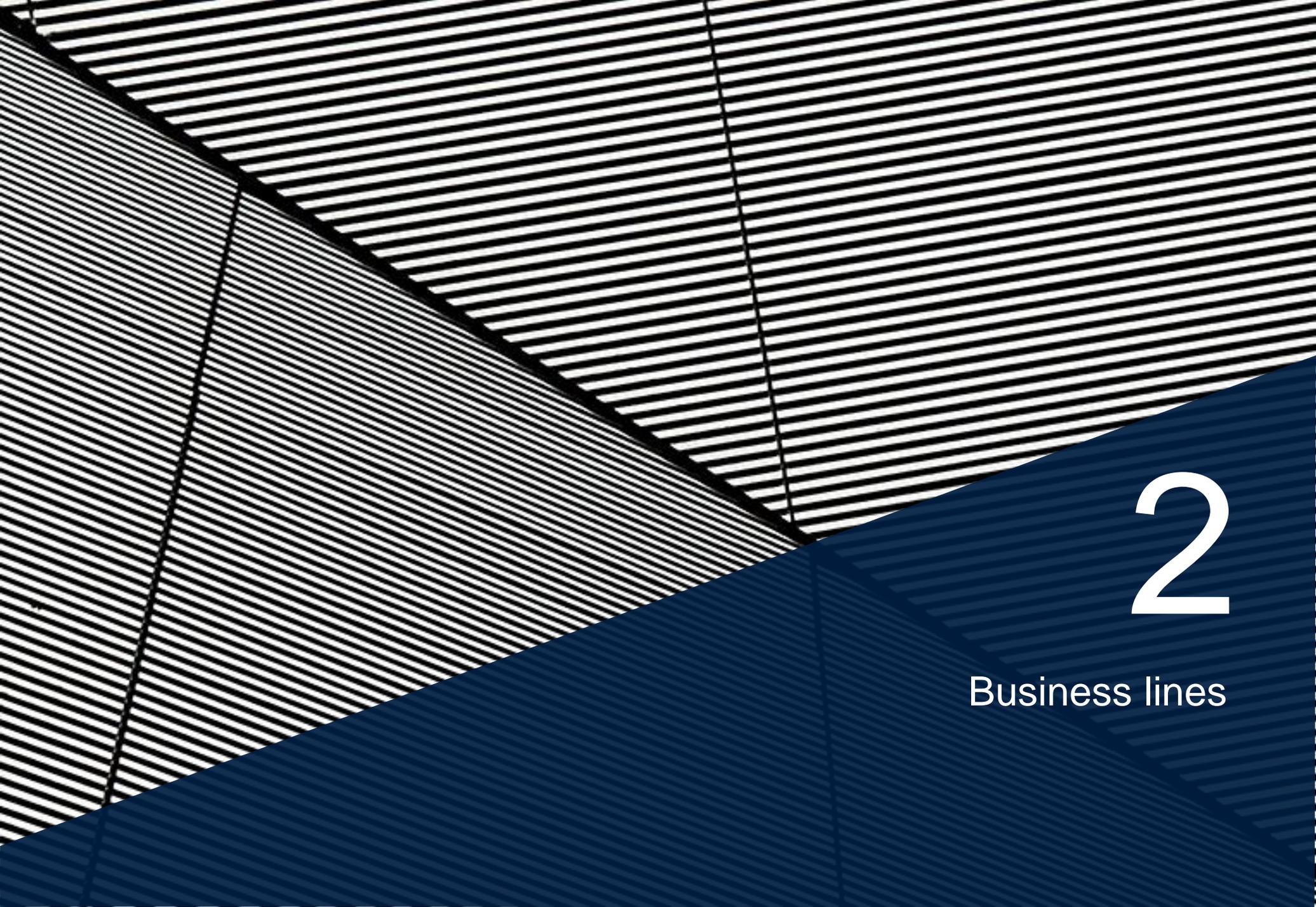
		Target	2020	2019
Group targets	Compensation ratio ¹	Low to mid 60's through the cycle	66.7%	61.8%
	Return on tangible equity ²	10 to 15% through the cycle	8.8%	12.6%
Businesses targets	Global Advisory: Profit before tax margin ³	Mid to high-teens through the cycle	16%	16%
	Wealth & Asset Management: Profit before tax margin ⁴	Around 18% ⁴ by 2022	15.6%	14.8%
	Merchant Banking: 3 years average RORAC ⁵	Above 15% through the cycle	20%	28%

1 Calculation detailed slide [51](#)

2 Excluding exceptional items

3 Pre-US investments

4 Excluding Asset Management US



2

Business lines



1 **Global Advisory**

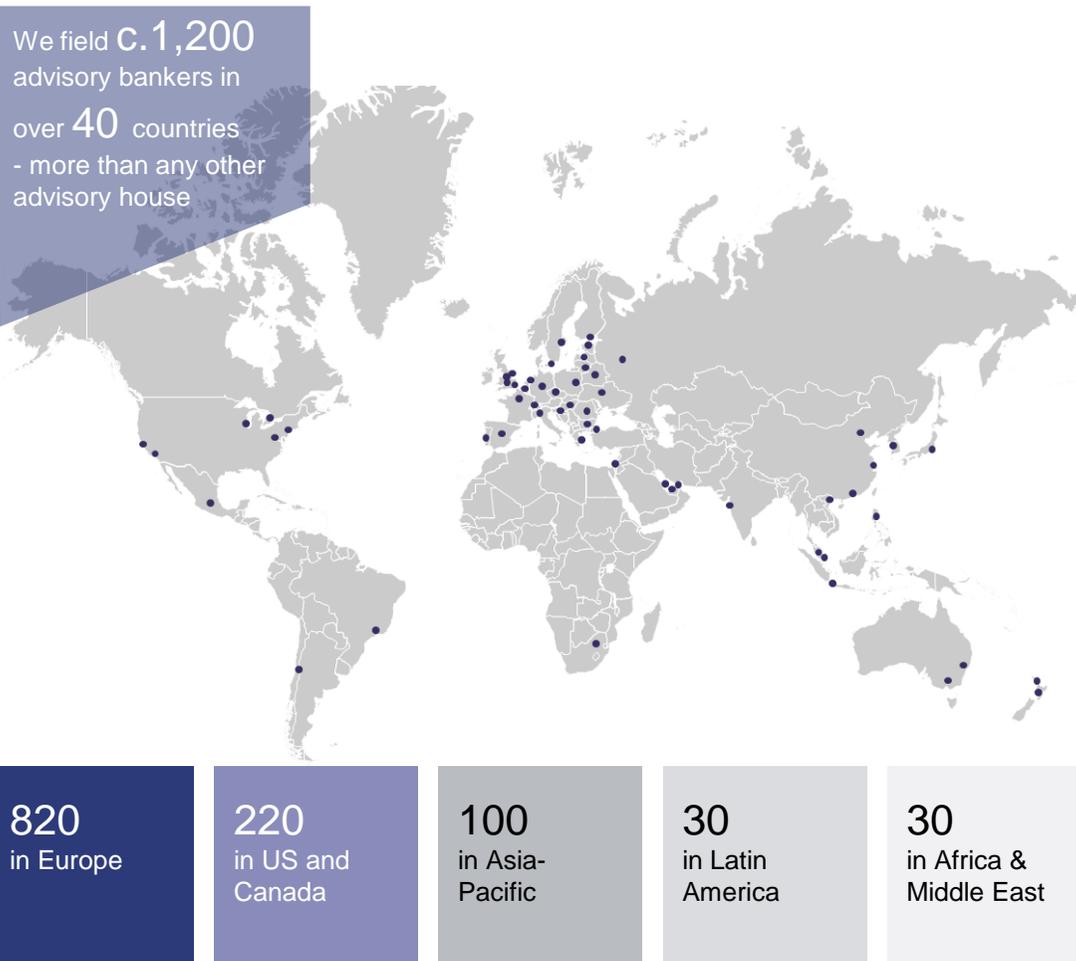
2 **Wealth & Asset Management**

3 **Merchant Banking**

Introduction to Global Advisory



Geography	Global	
Offerings	<ul style="list-style-type: none"> • M&A and strategic advisory • Debt and restructuring advisory • Equity advisory • Investor advisory • Rating advisory • Sovereign advisory 	
# Front office	<ul style="list-style-type: none"> • c.1,200 bankers of which c.250 MDs 	
Key numbers	#8 globally by revenue	#2 globally by number of completed transactions
	€1.15bn of revenue (64% of total 2020 revenue)	€178m of PBT (57% of total 2020 PBT)



A history of long-term value creation in the mid-cap segment



We provide our clients with deep knowledge of the dynamics of every sector, and unrivalled insight on capital markets. This is gained through the shared perspectives of our specialists and senior advisers across global markets.

Aerospace and Defence



Automotive



Business Services



Consumer, Retail and Leisure



Energy and Power



Financial Institutions



General Engineering and Capital Goods



Government and Public Sector



Healthcare



Industrial Materials



Mining and Metals



Real Estate



Transport and Infrastructure



Telecoms, Media and Technology



Our differentiators



Global scale

- Network of bankers in over 50 offices over 40 countries, pooling a wealth of local knowledge and sector expertise
- Advise on more transactions across both M&A and Financing than anybody in our core markets, ranking #2 by number of deals
- This provides us with a unique insight that helps us advise all clients

Sector and market knowledge

- Our network of sector specialists provides our clients with a global picture of industry dynamics and the current strategies of their participants
- The scale and reach of our financing and investor advisory offering give us deeper insight into capital markets than any other adviser

Advice only

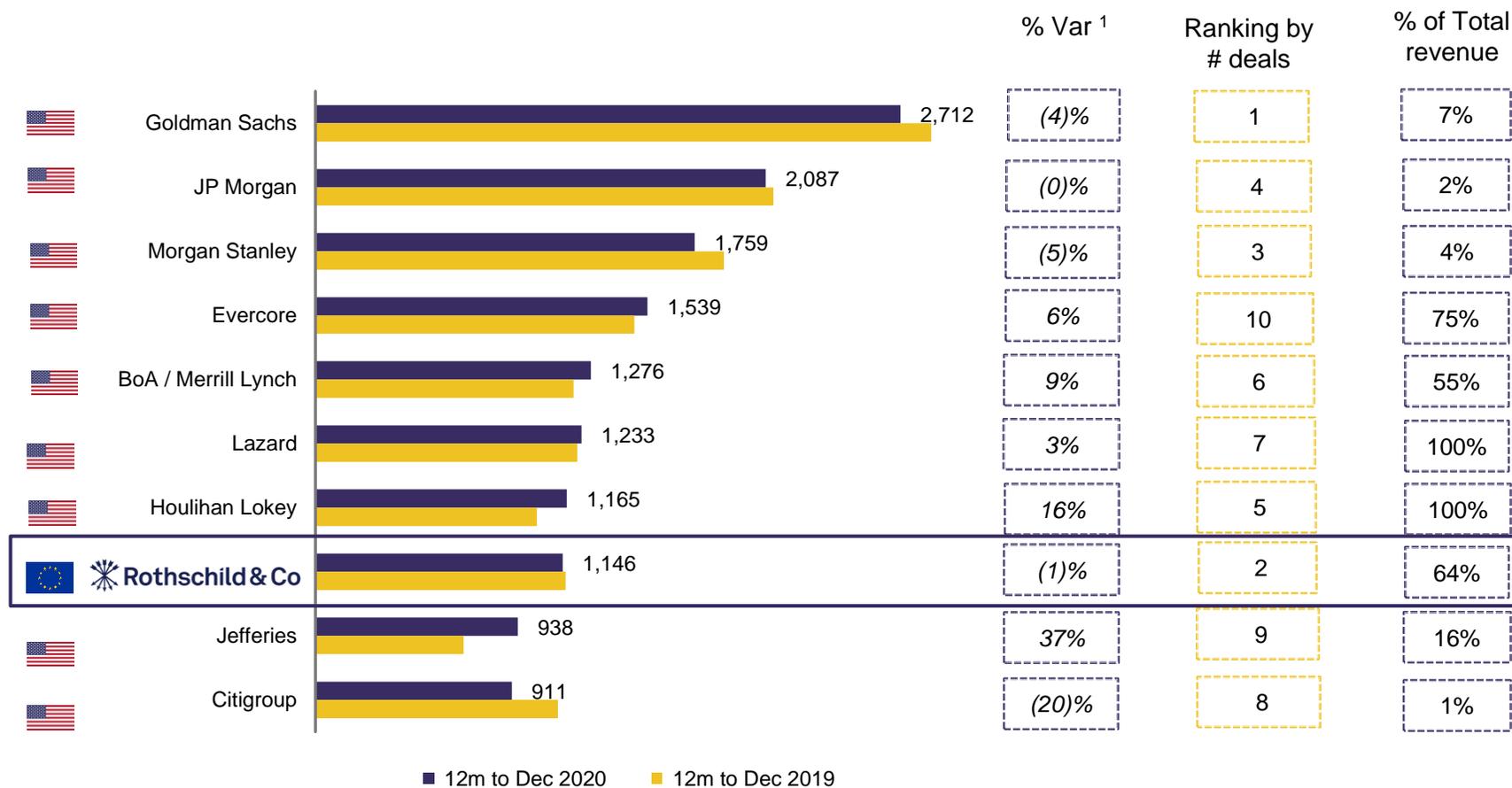
- Our advice is independent and unbiased, based on a long-term view to deliver each client's interests

We combine an advisory only platform with the scale and geographic reach of a global investment bank

Leading position: 8th position by revenue and 2nd by number of deals



Ranking of top 10 advisers by advisory revenue (in €m) – 12m to December 2020



Note

1: Variation calculated on local currency

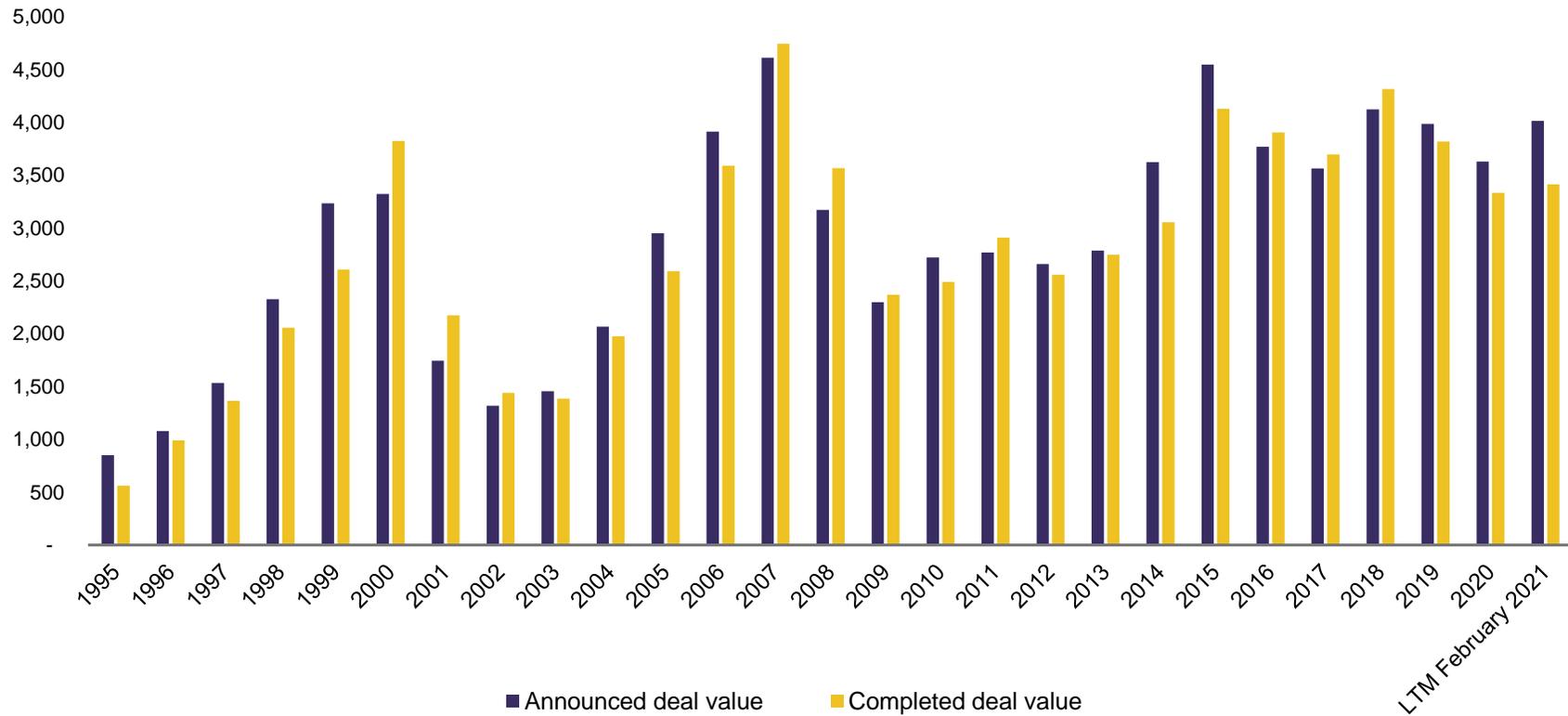
Source: Company's filings, Dealogic completed transactions



Global M&A market by deal values

The rise and fall of M&A

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	16 vs 15	17 vs 16	18 vs 17	19 vs 18	20 vs 19
% var Announced	(17%)	(5%)	16%	(4%)	(9%)
% var Completed	(5%)	(5%)	17%	(12%)	(14%)

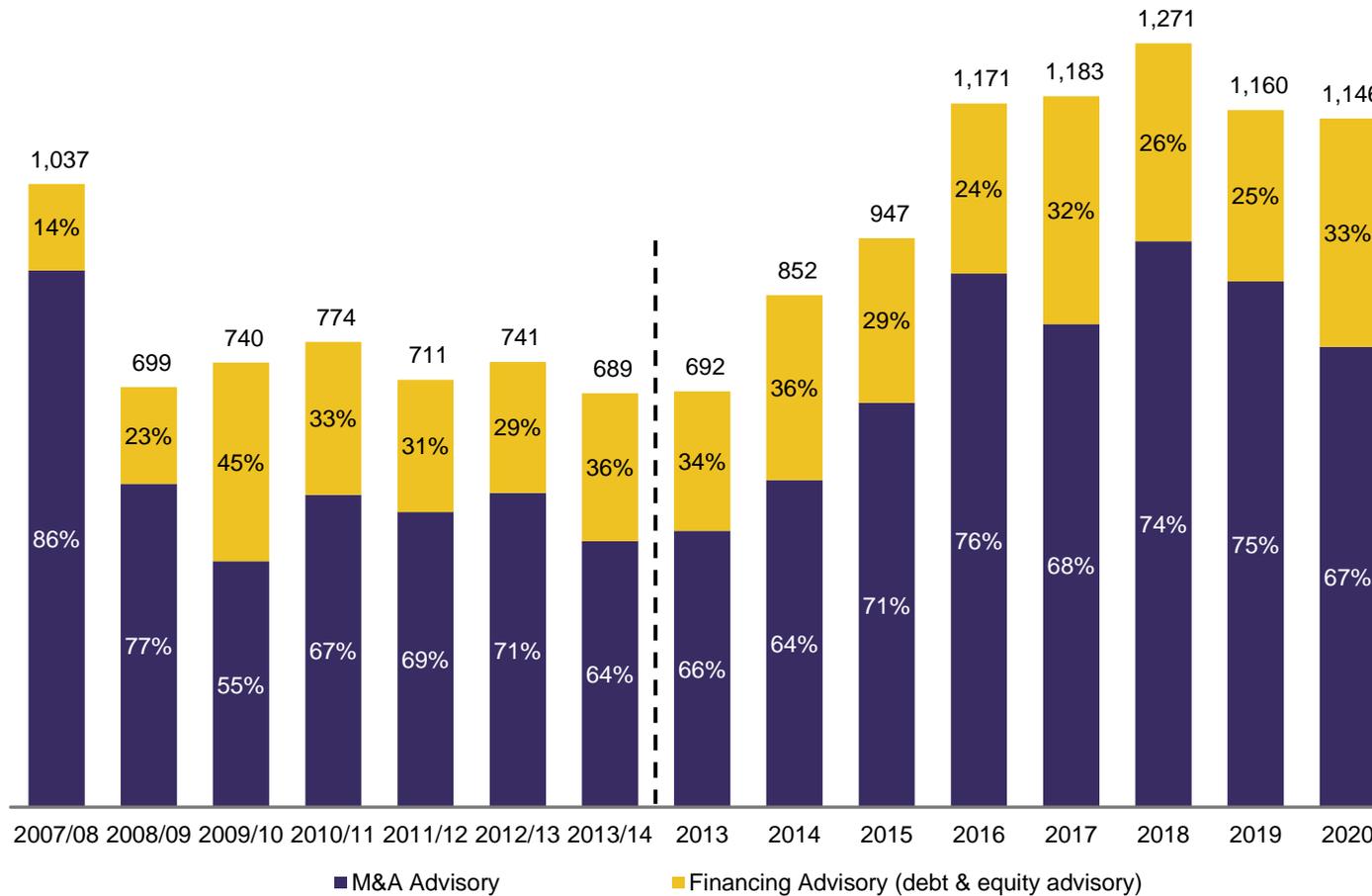
Source: Dealogic

Resilient model over the cycle



Complementary mix of M&A and Financing Advisory

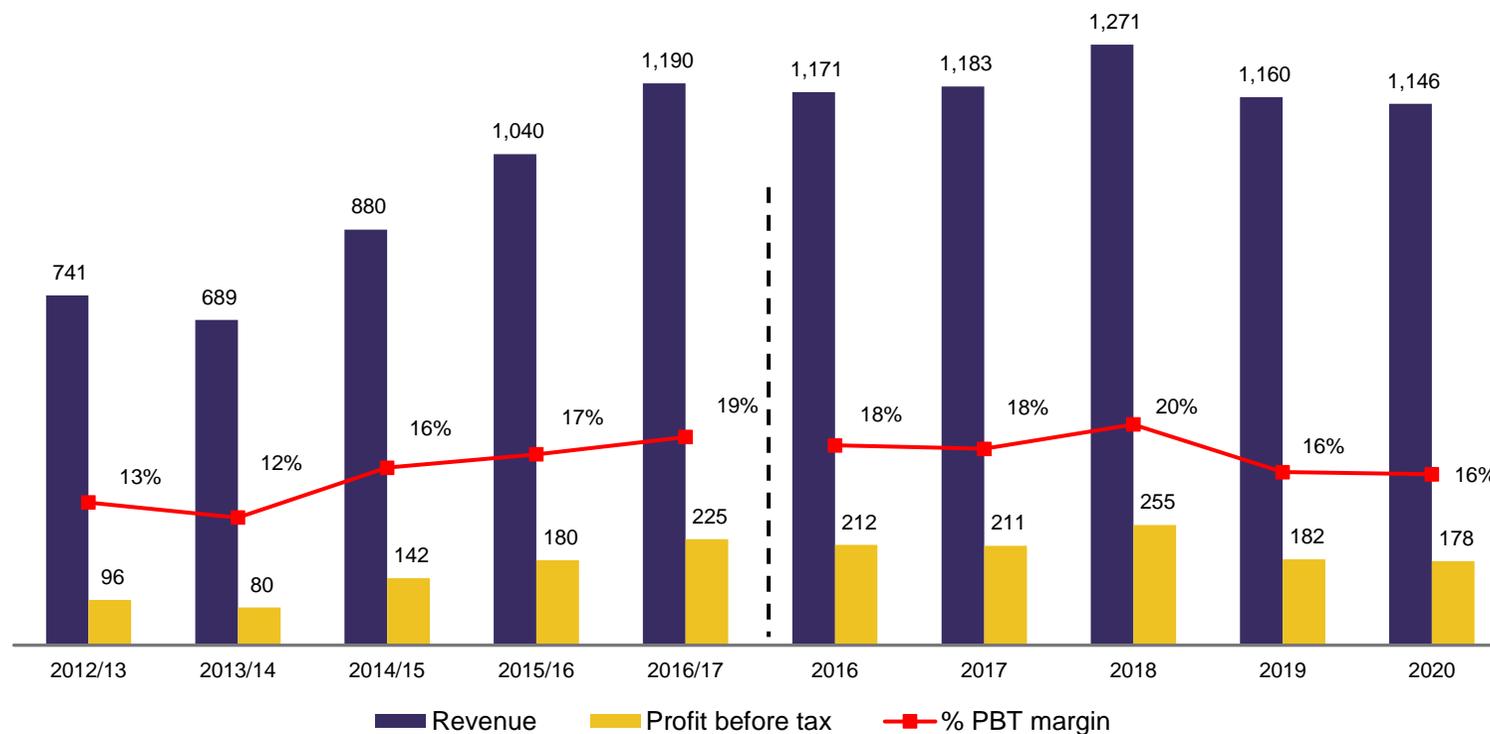
Revenue progression (in €m)



Profits through the cycle



Profit Before Tax (in €m) and PBT margin - pre US investment costs ¹



Compensation ratio ²	65.1%	65.9%	65.0%	64.8%	64.6%	65.6%	65.0%	63.4%	64.9%	67.3%
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Notes

¹ US investment costs were €23m in 2016, €25m in 2017, €22m in 2018, €16m in 2019 and €9m in 2020. Our US investment costs are expected to be around 2% of revenue subject to the right opportunities

² On an awarded basis and pre US investment costs

Our response to market changes



Fully integrated investor engagement business

Disruption of traditional equity markets

- Governance matters

90%

of active funds integrate ESG considerations into investments decisions

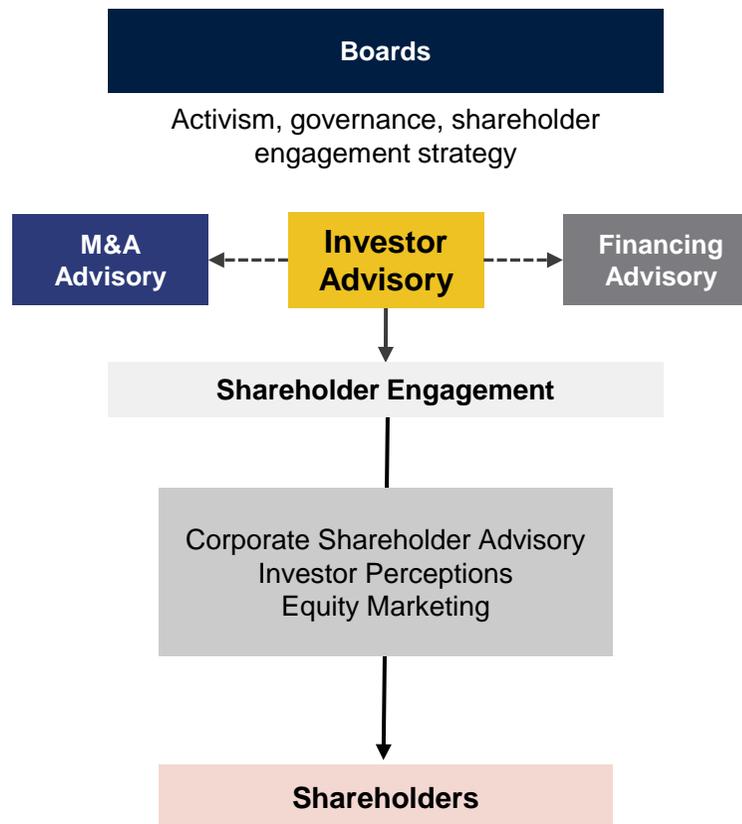
- Rise of passive investors
- Activists see these changes as an opportunity
- De-equitisation of listed market, since 2000

c.50% decline in LSE listed companies

c.36% decline in US listed companies

- Private Equity companies chose ECM exits less often in 2018 and 2019 versus previous years
- Structural shift amongst long-term capital providers
 - Recent pivot towards direct investing: sovereign wealth, pension fund and family office

Our response: New investor advisory franchise



Our North America development



Strong activity in both M&A and restructuring in 2020

Overview

6 offices

New York, Washington and Toronto and more recently Los Angeles (2014), Chicago (2016), Palo Alto (2018)

c.220

advisory bankers

42

MDs

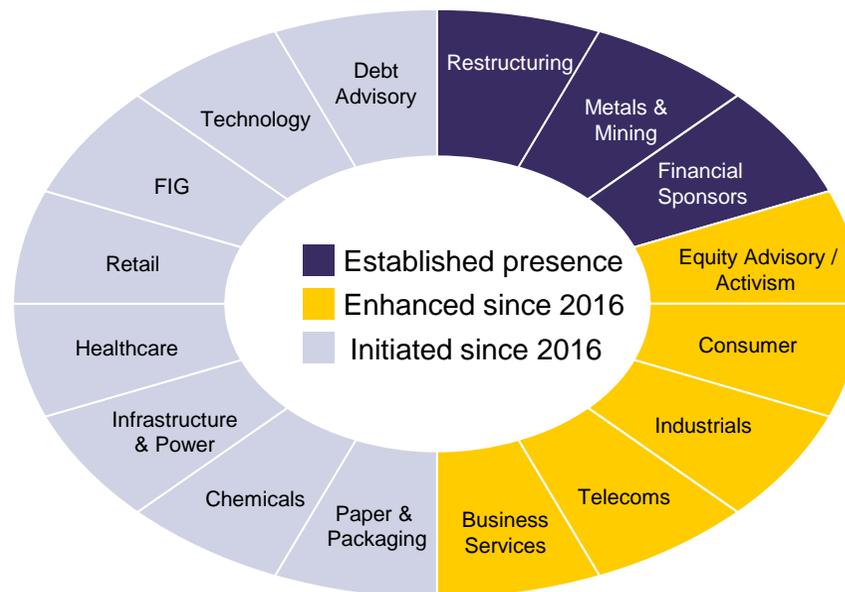
29

newly hired MDs since 2014

4

new MDs in 2020¹

¹ Inclusive of 2 promotions



R&Co North American progression

Objective to build a comprehensive platform in North America consistent with global capabilities

	2014	2020	
Deal value	\$45bn	\$97bn	+114%
Deal number	80	130	+63%
Market share	2.5%	5.0%	+100%

- As recruits begin to mature, we are starting to see the payoff
- Rothschild & Co North America has demonstrated its strong and growing coverage presence
- Successful track record in NA restructurings deals (#5 by announced deal value in 2020)

Source Refinitiv, any North America involvement on announced transactions

Strategy of Global Advisory



1	Enhance our leading position in Europe	Maintain leading global position Resilient business model while adapting to market evolution
2	Grow market share in North America	
3	Deliver considered growth in Rest of World	
4	Develop ancillary business areas, including Investor facing activities	
5	Enhance cross-selling synergies between the businesses	



1 Global Advisory

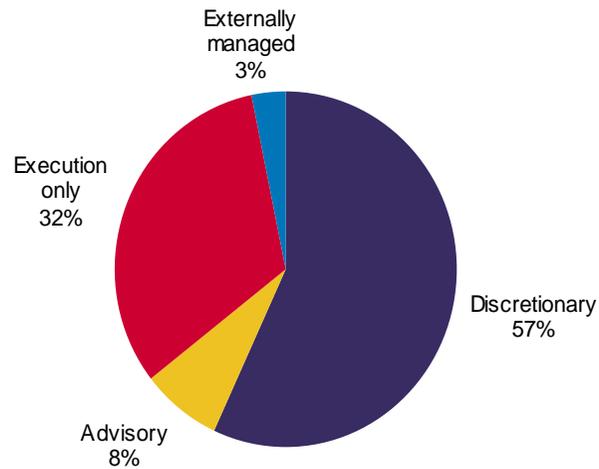
2 Wealth & Asset Management

3 Merchant Banking

Our offering

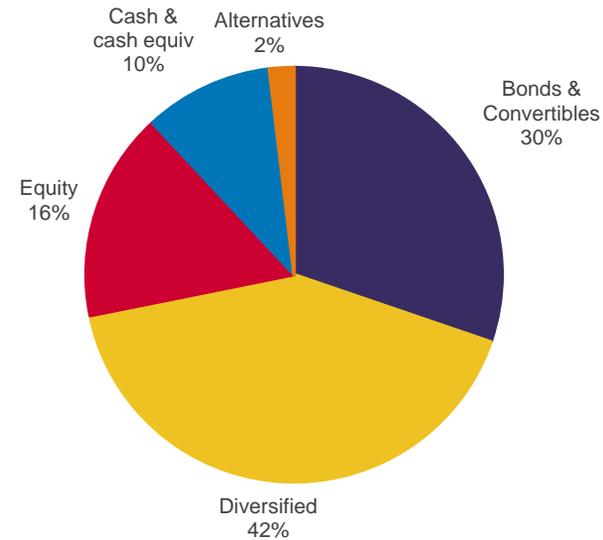


Wealth Management



- Focus more on high net worth individuals (>€1m in France and >€5m in other geographies)
- Transforming the business mix to increase AuM under discretionary management

Asset Management Europe



- 4 brands:
 - **Conviction**: actively managed funds
 - **Valor**: diversified solutions without any benchmark
 - **Thematic**: identifying durable themes (ie. real estate, ageing population, gold mines funds)
 - **4change**: coupling responsibility and performance

Note
1 Data as at 31 December 2020

Introduction to Wealth and Asset Management



Geography	<ul style="list-style-type: none"> European 	Wealth Management	€56bn	Asset Management	€27bn¹
Main locations	<ul style="list-style-type: none"> France, UK, Switzerland, Belgium, Italy, Monaco and Germany 	<ul style="list-style-type: none"> France €19bn UK €14bn Switzerland €13bn Belgium €4bn Germany €4bn Monaco €1bn Italy €1bn 	c.245 # Client Advisors	<ul style="list-style-type: none"> Europe €19bn¹ USA €8bn 	c.50 # Portfolio Managers
Offerings	<ul style="list-style-type: none"> Wealth Management Asset Management 				
# clients	<ul style="list-style-type: none"> c.20,000 				
# Front office	<ul style="list-style-type: none"> c.300 clients advisors and portfolio managers 				
Key numbers	c.€78.1bn of AuM as at 31 December 2020				
	€499m of revenue (28% of total 2020 group revenue)	€74m of PBT (24% of total group 2020 PBT)	+€2.9bn of NNA in Wealth Management in 2020 -€2.2bn of NNA in Asset Management in 2020		

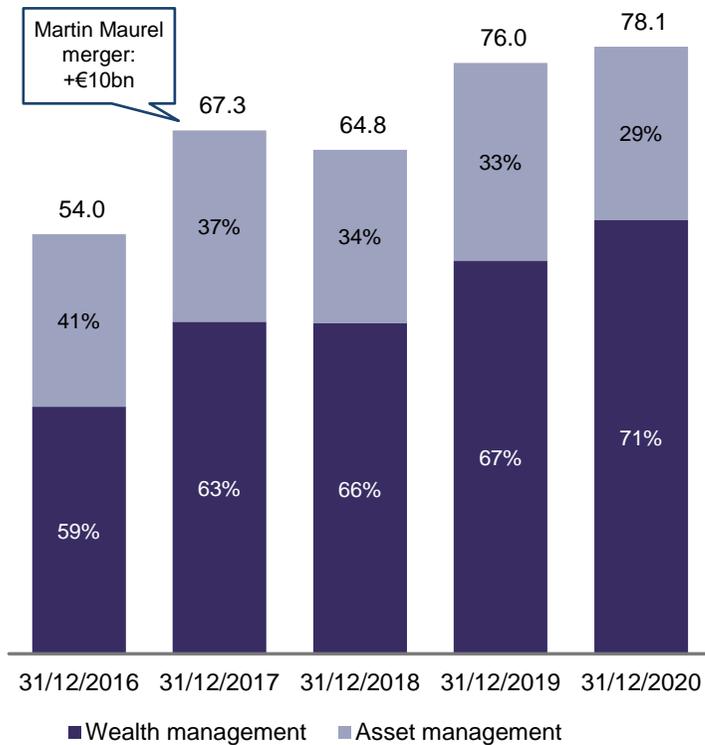
Note

1: Of which €5bn managed on behalf of Wealth Management clients

Strong growth in AuM over time and track record of attracting new business

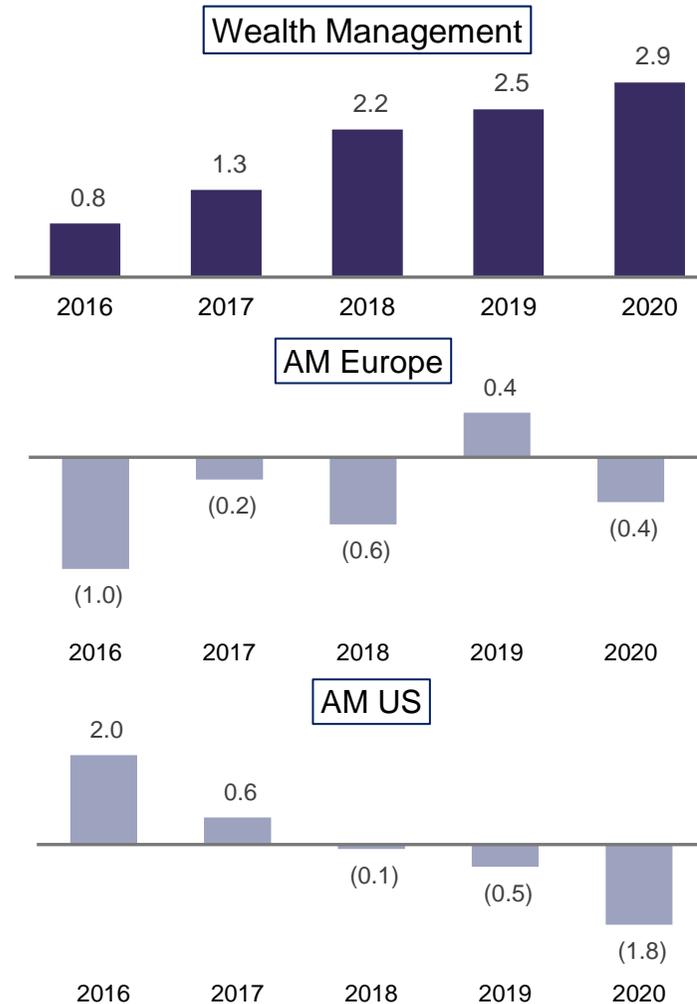


Wealth vs. Asset Management AuM split



Note
 1 2020 AuM includes €1.7bn which relates to a new definition of AuM alignment within the Group

Net new Assets (in €bn)

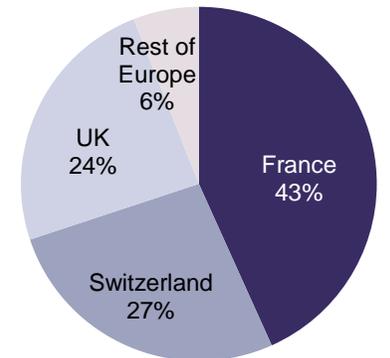
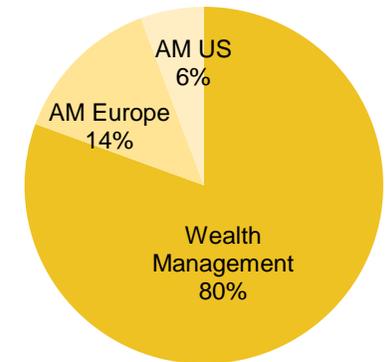
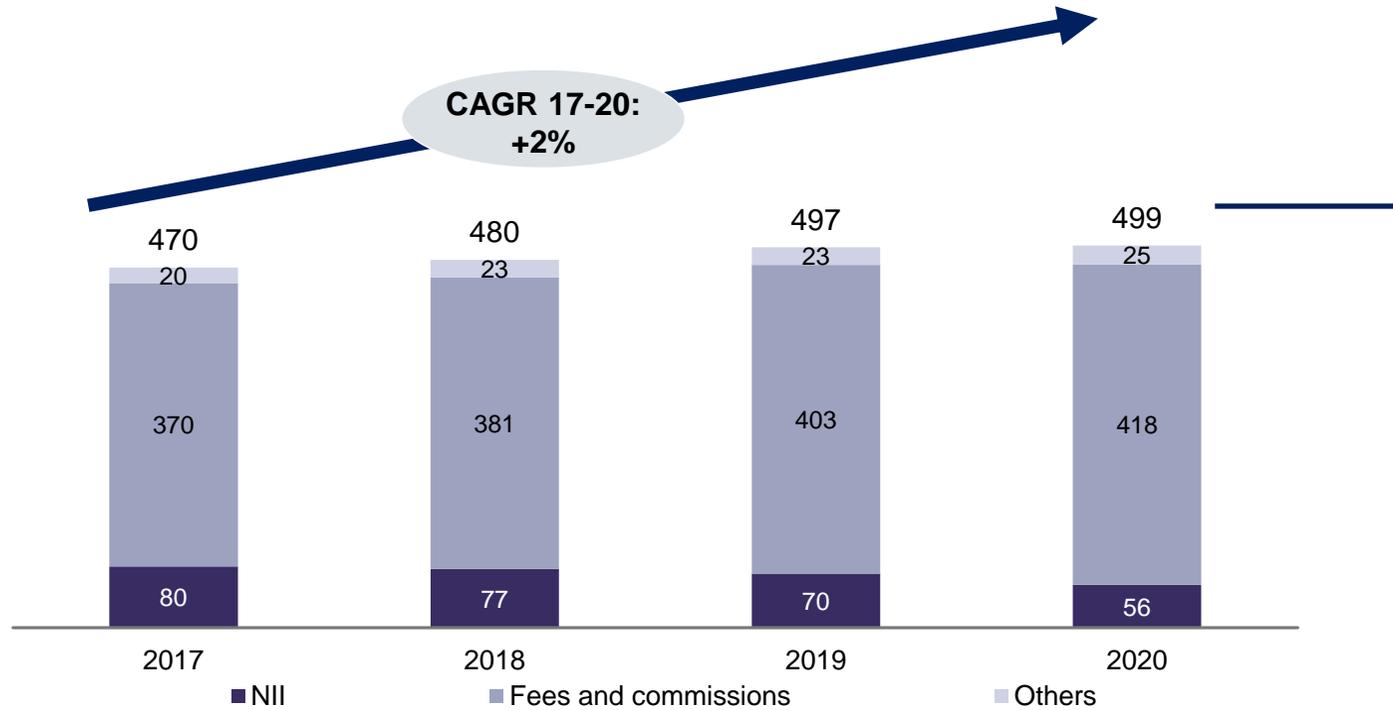




Steady growth of revenue...

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Revenue¹ (in €m) and annualised bps progression



Revenue bps margin	72bps	73	71	65
% NII / total Revenue	17%	16%	14%	11%

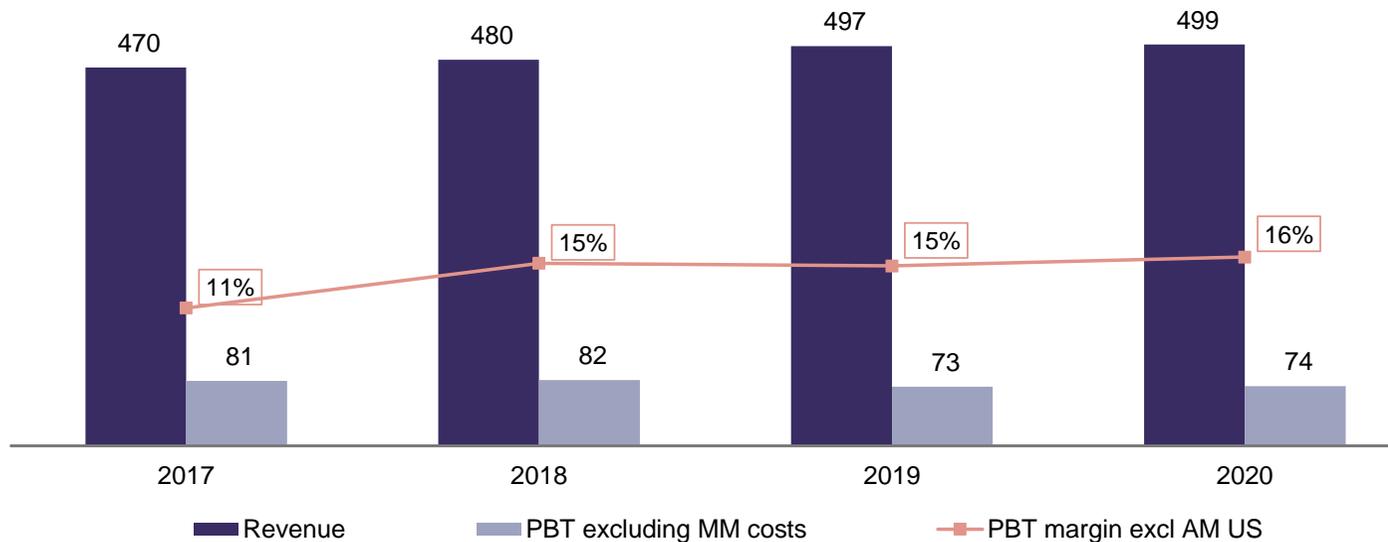
Notes

- 1 Revenues are calculated excluding Trust business following its sale in February 2019
- 2 France includes France, Belgium and Monaco

... while maintaining a healthy PBT



Profit Before Tax (in €m) and PBT margin



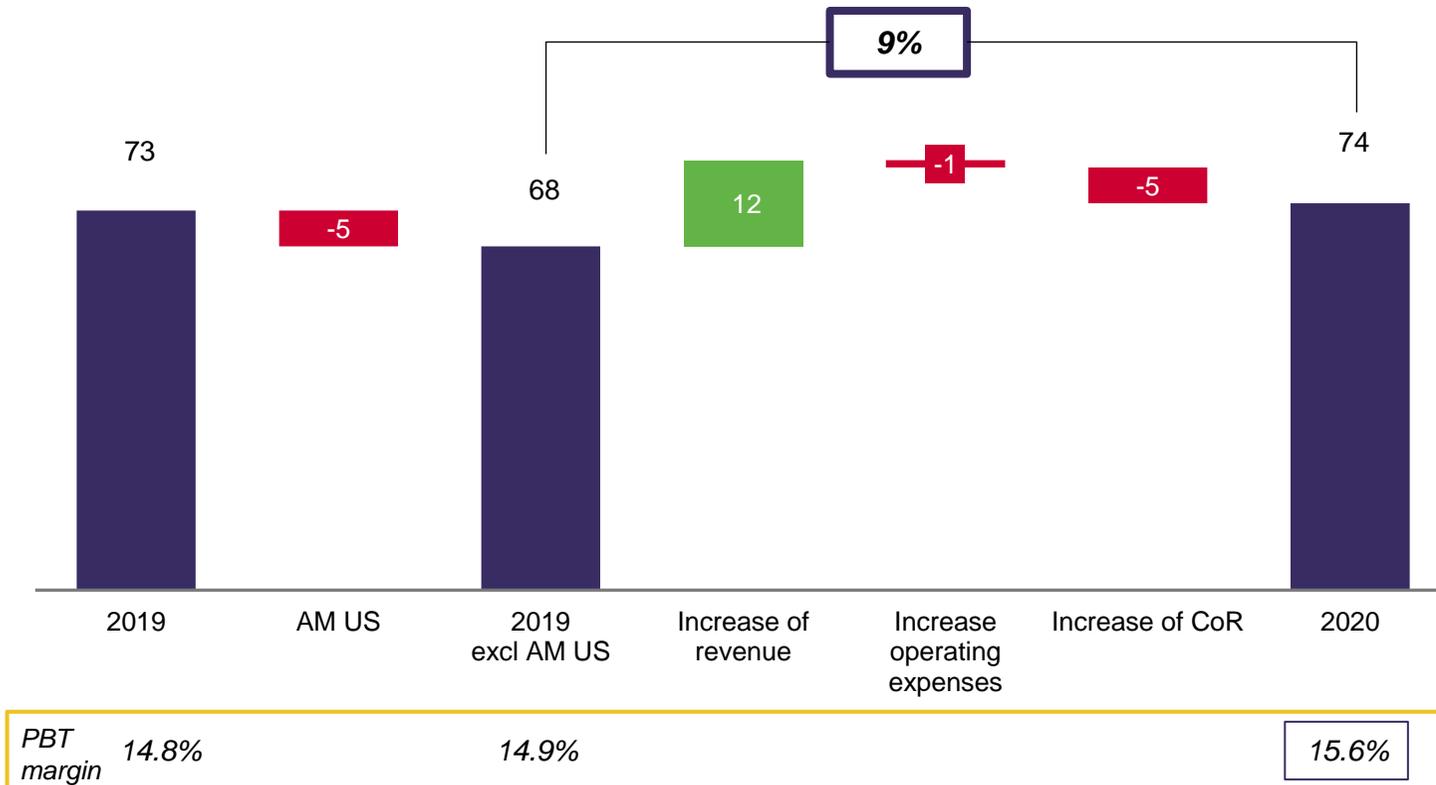
PBT margin expected to be around 18% (excluding AM US) instead of 20% target by 2022, due to the accelerated decline in interest rates and no increase expected in the foreseeable future

Zoom on 2020 profits



Strong improvement of PBT excluding our AM US business

Profit Before Tax (in €m) and PBT margin



Strategy of Wealth & Asset Management



1	Growth our Wealth Management in core markets in Europe	Build a strong European Wealth management platform
2	Cost control and improving profitability: around 82% CIR by 2022 (excluding AM US) in a low interest rate environment	
3	Refocus Asset Management on France	
4	Strive to maximise synergies across the division and between the division and group	



1 Global Advisory

2 Wealth & Asset Management

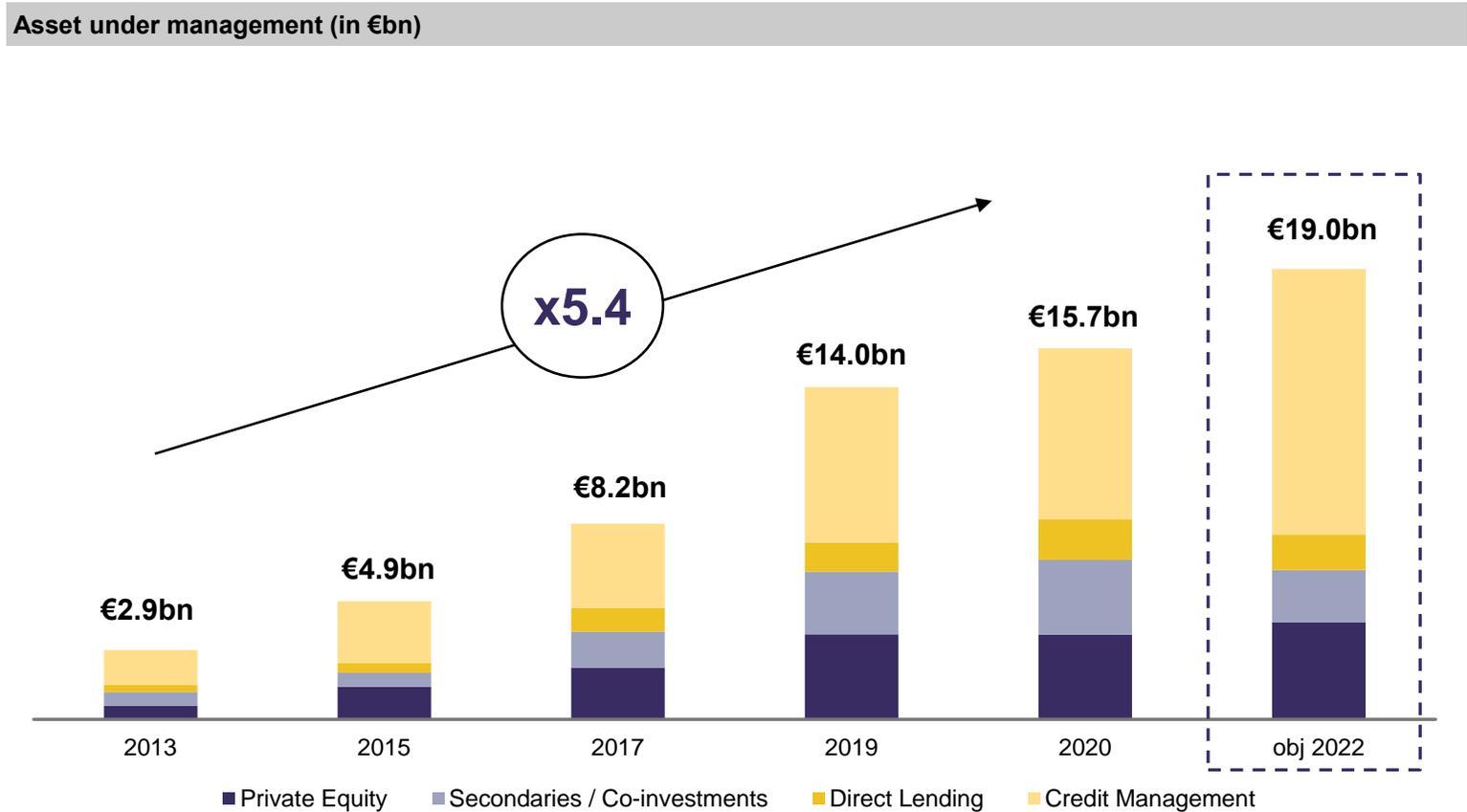
3 Merchant Banking



Strong AuM growth

Merchant Banking continues to scale across all strategies

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Note
For illustrative purposes only. The above information is based on a variety of assumptions including that fundraising efforts will reach multi-year targets. Actual results may differ.

Introduction to Merchant Banking



Geography	Europe and US	
Offerings	<ul style="list-style-type: none"> Corporate private equity Multi-strategies 	<p>€6.8bn Private Equity</p>
	<ul style="list-style-type: none"> Direct lending Credit management 	<p>€8.9bn Private Debt</p>
Key numbers	<p>c.€15.7bn of AuM of which 8% from Rothschild & Co</p>	<p>c.100 investment professionals</p>
	<p>€148m of revenue (8% of total 2020 group revenue)</p>	<p>€57m of PBT (19% of total 2020 group PBT)</p>

5 offices
Paris, London, Luxembourg, New York, Los Angeles

176 professionals
24 nationalities



Private Equity offering

Mid-market focus through directs, secondaries, co-investments and multi-managers

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Corporate Private Equity			Multi-Strategies (FAMS)		
€3.8bn			€3.0bn		
FAPI Five Arrows Principal Investments 	FAGC Five Arrows Growth Capital 	FACP Five Arrows Capital Partners 	FASO Five Arrows Secondary Opportunities 	FAMI Five Arrows Minority Investments 	FAPEP Five Arrows Private Equity Programme 
Mid-market buyouts	Small-cap buyouts	Mid-market buyouts	Mid-cap direct Secondaries	Co-investments	Multi-managers & FoF platform
FAPI I (2010): €583m FAPI II (2015): €781m FAPI III (2019): €1.3bn	FAGC (2020): €220m <i>fundraising</i>	FACP (2018): \$655m	FASO III (2012): €259m FASO IV (2016): €459m FASO V (2019): €1.0bn	FAMI I (2013): €100m FAMI II (2016): €155m	FAPEP I (2017): €195m FAPEP II (2020): €445m
34 investments in 10 countries			15+ years track record across more than 50 transactions		
38 investment professionals			24 investment professionals		

Private Debt offering



Credit solutions across the capital structure for mid-cap and large companies

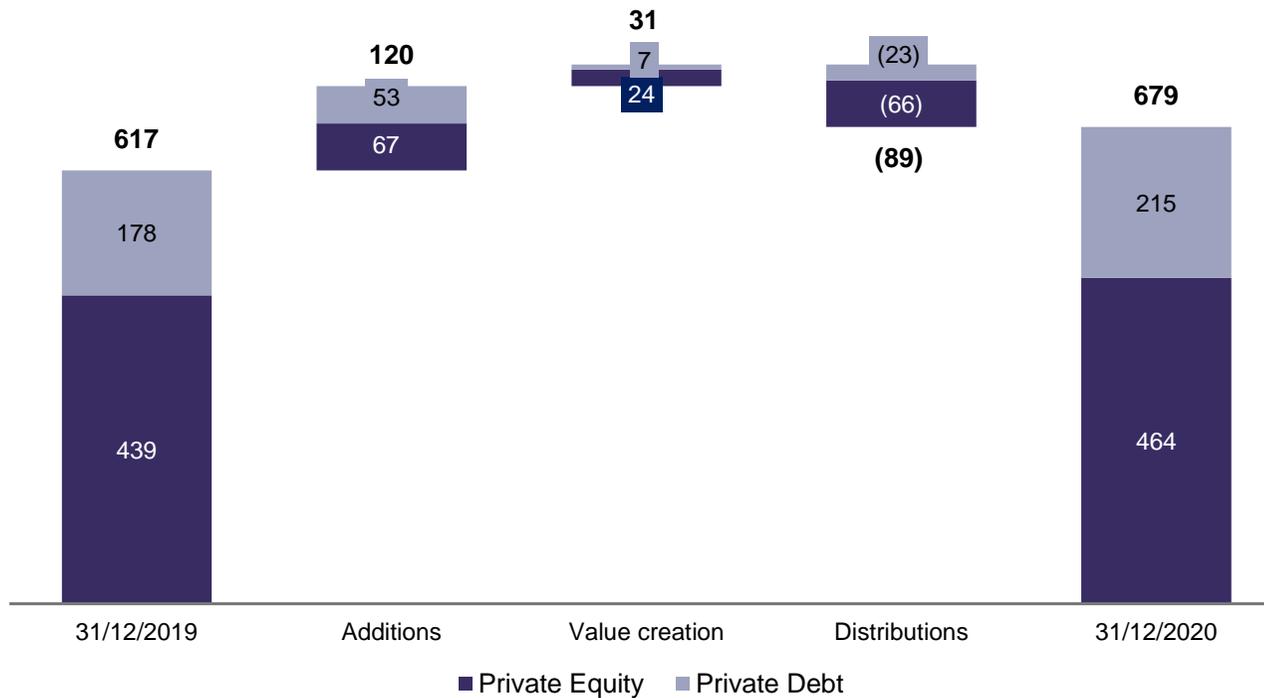
Direct Lending			Credit Management			
€1.7bn			€7.2bn			
FACS Five Arrows Credit Solutions 	FADL Five Arrows Direct Lending 	FADP Five Arrows Debt Partners 	Oberon & managed accounts 	Elsinore & managed accounts 	GLI Five Arrows Global Loan Investments 	CLO management 
Debt financing solutions to privately-owned businesses across the European mid-market			Unlevered senior secured credits	Senior, subordinated and CLO credits	CLO Equity	CLO vehicles
FACS: €415m (2014) FADL: €657m (2018) FADP III: €640m <i>fundraising</i>			Oberon I-III (2013-17): €965m Oberon IV (2018): <i>fundraising</i> Oberon USA (2018): open-ended Managed Accounts: €1.9bn	Elsinore I (2018): €85m Managed Account: €117m	FA GLI (2019): €230m	€3.7bn Europe: 8 CLOs (Contego) North America: 10 CLOs (Ocean Trails)
35 investments across Europe						
12 investment professionals			23 investment professionals			

Net asset value (NAV)



Net asset value (in €m)

NAV of €679m
for a total
commitment of
c.€1.3bn (c.8% of
AuM)



A disciplined investment philosophy



We base our asset selection on stringent criteria centred on risk-adjusted returns

Key investing principles

- Attractive and durable returns on invested capital
- High and sustainable barriers to entry
- Strong free cash flow conversion and yield
- Superior long-term organic growth
- Multiple value creation levers and active portfolio engagement

Key product & company themes

- “Mission critical” products
- “Installed base” of customers (recurring sales)
- “Asset-lite” businesses with disproportionate profit scaling
- Secular growth prospects driven by sustainable tail winds
- Dominant domestic franchises and/or export champions

Views on managing risks

- Input price volatility can be a killer
- Understand business performance through several cycles
- Operating leverage and financial leverage is a dangerous combination
- Beware of the impact of regulatory change

46% on core sectors focus in 2015¹



62% on core sectors focus in 2020

Our core sector focus²

Healthcare

Data & Software

Technology-Enabled Business Services

Notes

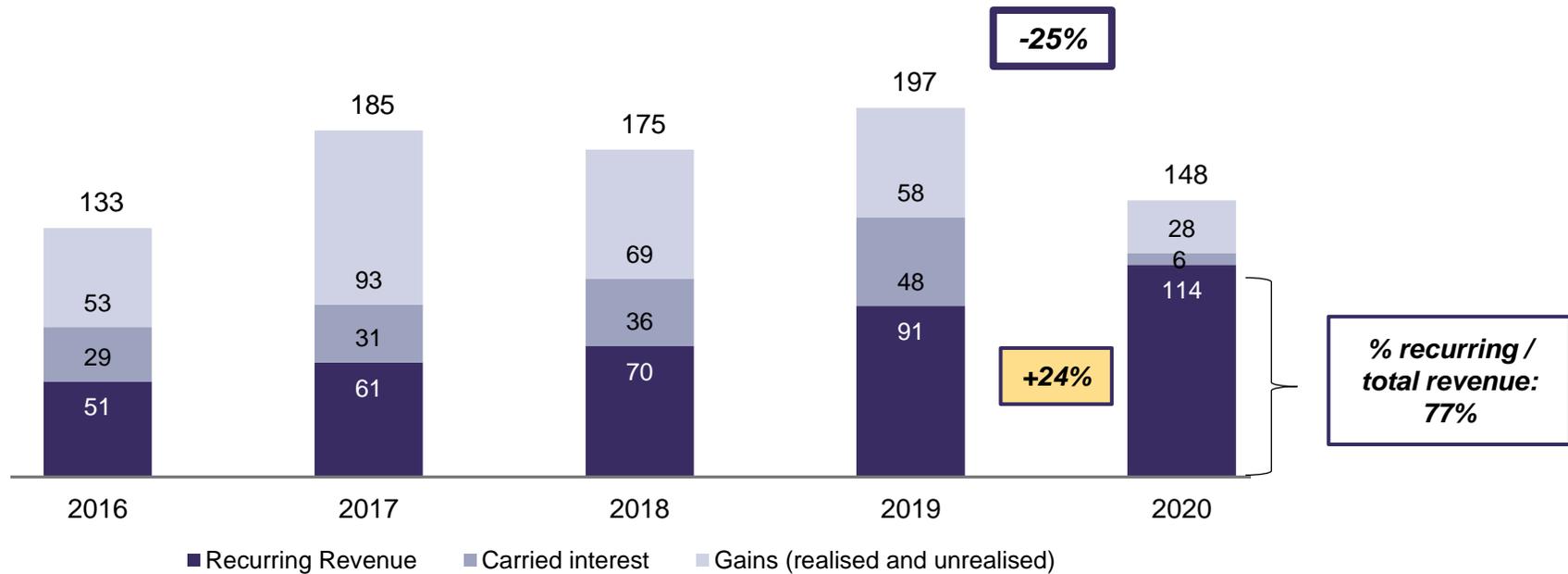
¹ Calculation based on NAV, excluding carried interest shares

² Excluding FAMS (multi-strategies) and Credit Management



Strong revenue growth with increasing contribution of recurring revenue

Breakdown of revenue (in €m)

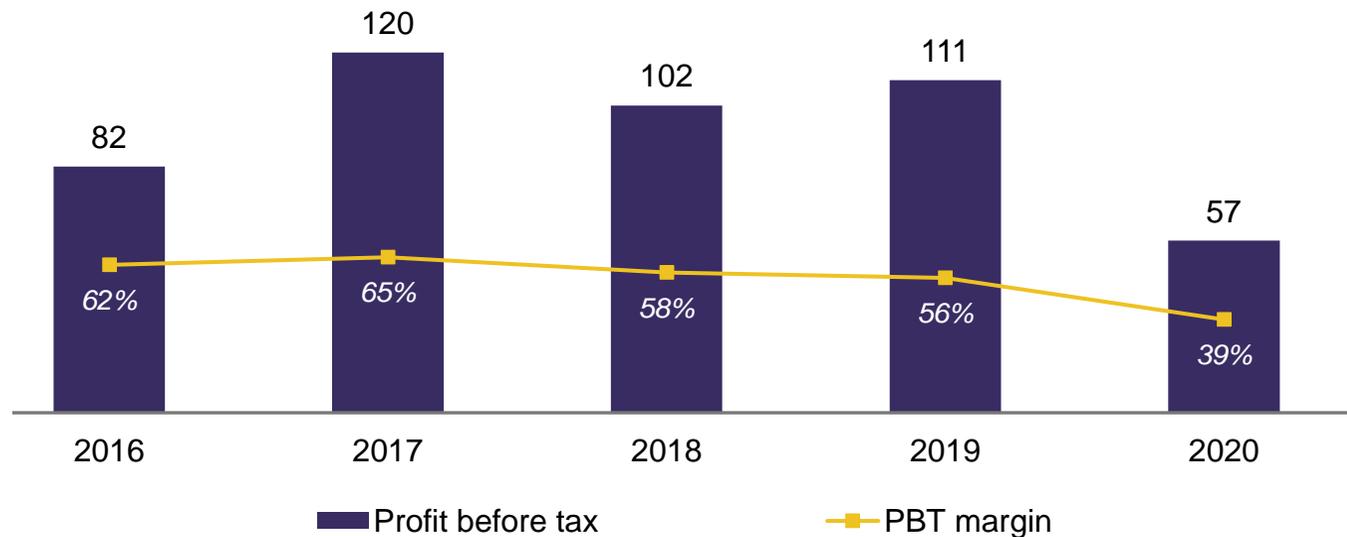


3y average revenue (in €m)	2016	2017	2018	2019	2020
	131	145	164	186	173

Good return on capital tied to successful business growth, investment performance and delivery of strategic priorities



Profit Before Tax (in €m) and RORAC¹



3 year average RORAC ¹	2016	2017	2018	2019	2020
	25%	26%	28%	28%	20%

Note

¹ RORAC stands for Return On Risk Adjusted Capital – an internal measure of risk capital invested in the business, being profit before tax divided by risk weighted capital

Strategy of Merchant Banking



1

Grow Assets under Management as a multi-asset manager

- Accelerate the roll out of core multiple products in Europe and the US
- Raise new funds targeted at specific opportunities, where we believe we have a distinct investment advantage

2

Pursue attractive risk reward propositions

- Focus on 3 core sectors “asset light” (healthcare, business services and data services) with high visibility on future revenues and earnings
- Strong organic growth coupled with multiple opportunities for value creation
- Sustainable returns on invested capital with strong free cash flow generation

3

Continue to grow profitability for the group

- A mix of management fees, carry and capital gains
- Increasing share of recurring revenue from management fees and lowering “invested assets-to-AuM” ratio

A niche player in private assets in Europe and US with a growing contribution to group profits and return on capital



3

Corporate responsibility

Corporate responsibility (1/2)



Key highlights 2020

Priorities

- Governance:
 - new CR Committee of the Supervisory Board;
 - new Group Responsible Investment Team
- Signatory of the UN Global Compact
- Active engagement with ESG rating agencies and other stakeholders

Businesses

- Group-wide ESG investment integration framework
- All investment business lines UNPRI signatory
- Increase in dedicated responsible investment solutions

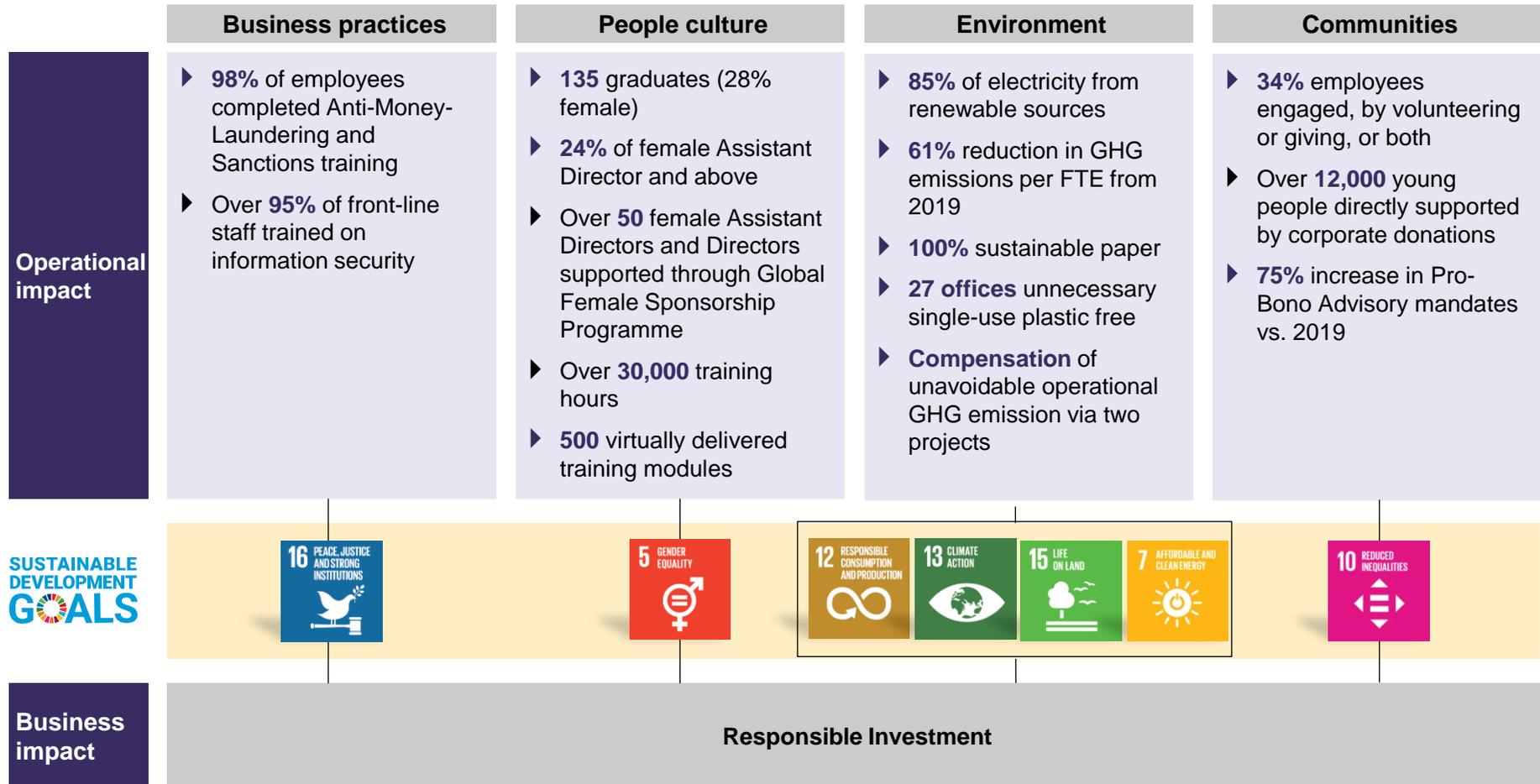
Operations

- Supporting employee wellbeing and productivity in a remote working environment
- Focus on gender and ethnic minority inclusion
- Reduction in Greenhouse gas emissions and compensation of unavoidable emissions

Corporate responsibility (2/2)



Progress made across strategy spectrum



Responsible Investment



Key achievements in 2020

ESG integration

- All investment lines are now UN PRI Signatories
- 3 investment exclusion policies agreed covering investment businesses:
 - Controversial Weapons
 - Thermal Coal
 - Fundamental Principles
- One common ESG data provider adopted across all WAM entities (€78.1bn AuM) allowing a consistent and harmonised view

Engagement policy

- Target: high voting coverage ratio among all investment lines:
 - 96% of voting coverage for AM Europe (priority scope) and 100% of voting coverage for WM UK in 2020
 - WM Switzerland targets 100% voting coverage by 2021 on its flagship Mosaïque funds
- UN PRI Governance & Strategy score: “A+” for AM Europe, “A” for MB and WM UK
- Investment businesses joined new Responsible & Impact Investment initiatives:
 - “Swiss Sustainable Finance Initiative” for WM Switzerland
 - “Global Impact Investing Network” for Merchant Banking

Services and Products Offering

- Dedicated RI products among most of investment businesses:
 - 4Change range funds for AM Europe, 4Change mandate for WM France & Belgium, Exbury strategy for WM UK, Gender Diversity strategy for AM US
- SFDR classification objective¹ by 2021:
 - More than 85% of WM discretionary assets² classified as article 8 or 9
 - More than 95% for AM Europe

Notes

¹ According to available information and our own analysis of SFDR's constraints

² Excluding funds dedicated to one client, US and UK



4

Financials

Comments on P&L



Improving operating margin	<ul style="list-style-type: none"> • Revenue growth • Cost control • Targeted headcount optimisation 																								
Compensation costs	<ul style="list-style-type: none"> • Target of an adjusted compensation ratio: in low to mid 60%'s through the cycle 																								
Exceptionals impact on Net Income – Group share	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 10%; text-align: center;">2016</th> <th style="width: 10%; text-align: center;">2017</th> <th style="width: 10%; text-align: center;">2018</th> <th style="width: 10%; text-align: center;">2019</th> <th style="width: 10%; text-align: center;">2020</th> </tr> </thead> <tbody> <tr> <td>Martin Maurel integration costs</td> <td style="text-align: center;">4</td> <td style="text-align: center;">18</td> <td style="text-align: center;">7</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Others (pensions credit, swap settlement cost, special tax credit, provision, legacy assets and IT transition costs)</td> <td style="text-align: center;">-</td> <td style="text-align: center;">(7)</td> <td style="text-align: center;">10</td> <td style="text-align: center;">(10)</td> <td style="text-align: center;">12</td> </tr> <tr> <td>Total exceptionals (gains) / costs</td> <td style="text-align: center;">4</td> <td style="text-align: center;">11</td> <td style="text-align: center;">17</td> <td style="text-align: center;">(10)</td> <td style="text-align: center;">12</td> </tr> </tbody> </table>		2016	2017	2018	2019	2020	Martin Maurel integration costs	4	18	7	-	-	Others (pensions credit, swap settlement cost, special tax credit, provision, legacy assets and IT transition costs)	-	(7)	10	(10)	12	Total exceptionals (gains) / costs	4	11	17	(10)	12
	2016	2017	2018	2019	2020																				
Martin Maurel integration costs	4	18	7	-	-																				
Others (pensions credit, swap settlement cost, special tax credit, provision, legacy assets and IT transition costs)	-	(7)	10	(10)	12																				
Total exceptionals (gains) / costs	4	11	17	(10)	12																				
Non-controlling interests	<ul style="list-style-type: none"> • Comprise the profit share (préciput) distributed to French partners and interest on perpetual debt 																								

Summary P&L



Strong momentum over recent financial years

In €m	2016	2017	2018	2019	2020
Revenue	1,713	1,910	1,976	1,872	1,799
Staff costs	(1,013)	(1,087)	(1,098)	(1,065)	(1,096)
Administrative expenses	(268)	(320)	(309)	(289)	(255)
Depreciation and amortisation	(32)	(34)	(30)	(66)	(67)
Cost of risk	(14)	(13)	(4)	(6)	(7)
Operating Income	386	456	535	446	374
Other income / (expense) (net)	7	21	(4)	19	(5)
Profit before tax	393	477	531	465	369
Consolidated net income	331	412	454	397	309
Net income - Group share	179	236	286	243	161
<i>Earnings per share</i>	€ 2.60	€ 3.18	€ 3.88	€ 3.38	€ 2.20
Net income - Group share excl. exceptionals	183	247	303	233	173
<i>EPS excl. exceptionals</i>	€ 2.66	€ 3.33	€ 4.10	€ 3.24	€ 2.37
<i>ROTE (excluding exceptional items)</i>	14.4%	17.2%	18.0%	12.6%	8.8%

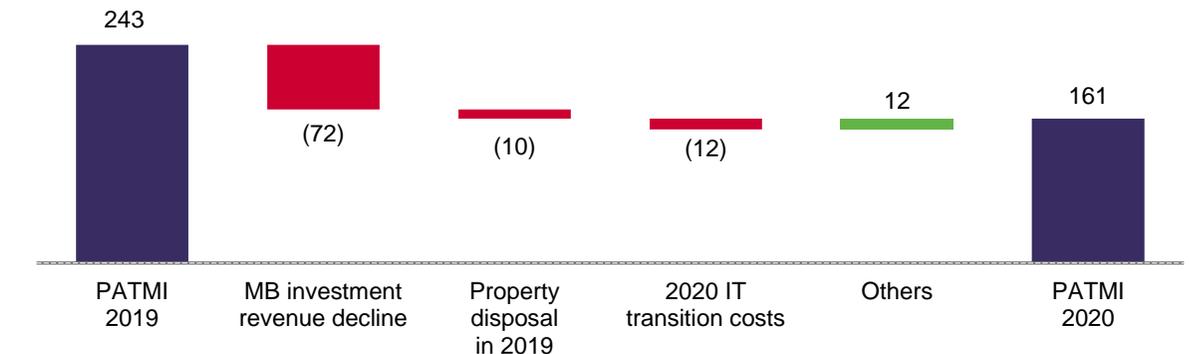
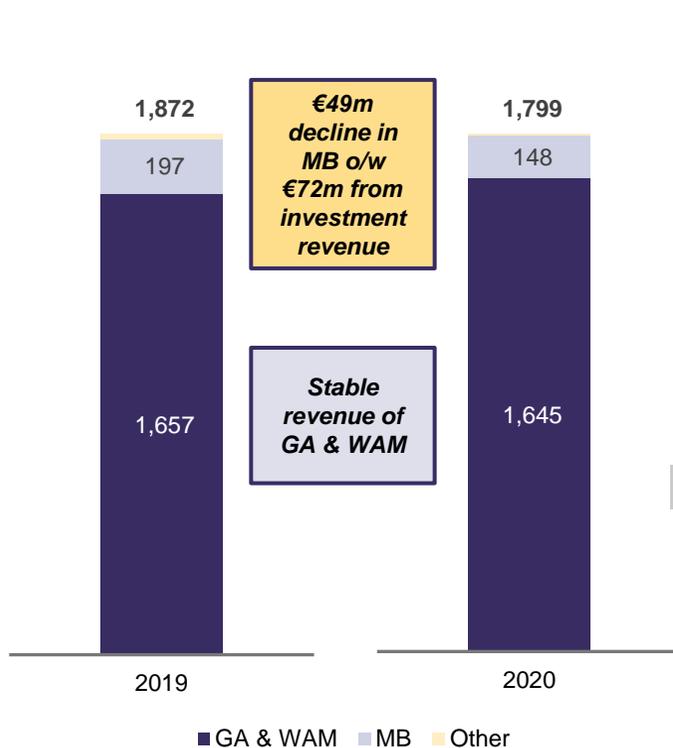


Profit bridge between 2019 and 2020

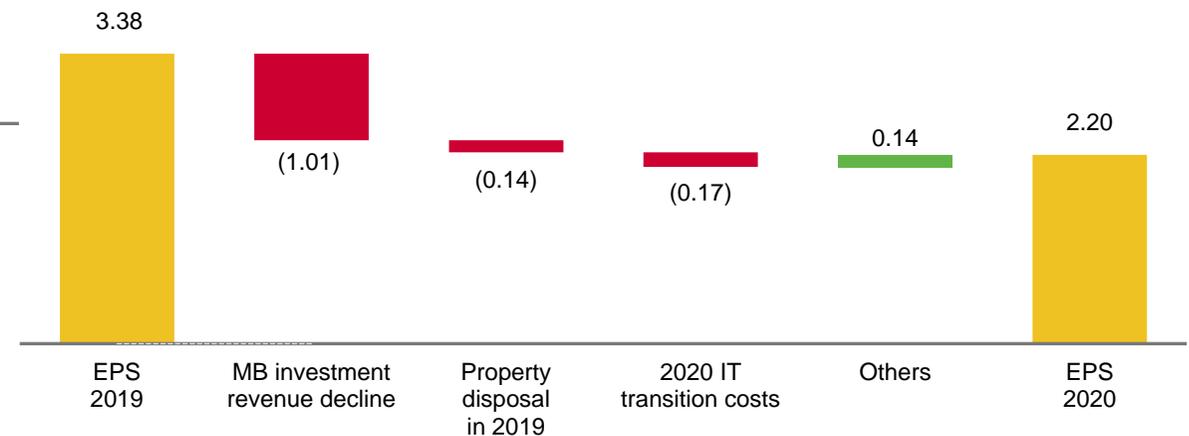
Lower profits predominantly explained by decline of investment revenue in MB, which directly impacts Group net income

Revenue (in €m)

Profit after tax and minority interest (in €m)



EPS (in €)



Compensation ratio target: low to mid 60%'s through the cycle



(in €m)	2016	2017	2018	2019	2020
Revenue	1,713	1,910	1,976	1,872	1,799
Total staff costs ¹	(1,119)	(1,211)	(1,225)	(1,176)	(1,207)
Compensation ratio	65.3%	63.4%	62.0%	62.8%	67.1%
Adjusted accounting Compensation ratio (INCLUDING deferred bonus accounting)²	64.0%	62.4%	60.8%	61.8%	66.7%
Adjusted awarded Compensation ratio (EXCLUDING deferred bonus accounting)	65.0%	62.1%	62.3%	61.6%	66.6%
Headcount	2,946	3,502	3,633	3,559	3,589

- 50% of personnel costs within Rothschild & Co is discretionary
- **If we assume the same level of MB investment performance revenue in 2020 as in the last 3 years (€112 million):**
 - Adjusted accounting compensation ratio would be **63.8% (vs 61.8%)**
 - Adjusted awarded compensation ratio would be **63.7% (vs 61.6%)**

Notes

¹ Total staff costs include profit share (préciput) paid to French Partners and effects of accounting for deferred bonuses over the period in which they are earned, as opposed to "awarded" basis but exclude redundancy costs, revaluation of share-based employee liabilities and acquisition costs treated as employee compensation under IFRS

² GA US investment costs are defined as compensation earned in respect of the first 12 month period of employment plus any make-wholes payable in the reporting period

Non-controlling interests



P&L			Balance sheet		
<i>(in €m)</i>	2020	2019	<i>(in €m)</i>	31/12/2020	31/12/2019
Interest on perpetual subordinated debt	14.5	17.3	Perpetual subordinated debt	285	3,030
Preferred shares ¹	134.7	136.7	Preferred shares ¹	118	138
Other non-controlling interests	(0.5)	(0.2)	Other Non-controlling interests	2	5
TOTAL	148.7	153.8	TOTAL	405	446

Note

¹ Mainly relates to the profit share (préciput) distributed to French partners

Performance by business – 12 months



(in €m)	Global Advisory	Wealth & Asset Management	Merchant Banking	Other businesses and corporate centre	IFRS reconciliation ¹	2020
Revenue	1,146	499	148	11	(5)	1,799
Operating expenses	(977)	(422)	(91)	(53)	125	(1,418)
Cost of risk	-	(3)	-	-	(4)	(7)
Operating income	169	74	57	(42)	116	374
Other income / (expense)	-	-	-	-	(5)	(5)
Profit before tax	169	74	57	(42)	111	369
Exceptional (profits) / charges	-	-	-	-	15	15
PBT excluding exceptional charges / profits	169	74	57	(42)	126	384
<i>Operating margin %</i>	15%	15%	39%	-	-	21%

(in €m)	Global Advisory	Wealth & Asset Management	Merchant Banking	Other businesses and corporate centre	IFRS reconciliation ¹	2019
Revenue	1,160	497	197	24	(6)	1,872
Operating expenses	(994)	(426)	(86)	(53)	139	(1,420)
Cost of risk	-	2	-	-	(8)	(6)
Operating income	166	73	111	(29)	125	446
Other income / (expense)	-	-	-	-	19	19
Profit before tax	166	73	111	(29)	144	465
Exceptional profits	-	-	-	-	(18)	(18)
PBT excluding exceptional charges / profits	166	73	111	(29)	126	447
<i>Operating margin %</i>	14%	15%	56%	-	-	24%

Note

¹ IFRS reconciliation mainly reflects: the treatment of profit share (préciput) paid to French partners as non-controlling interests; accounting for deferred bonuses over the period that they are earned; the application of IAS 19 for defined benefit pension schemes; adding back non-operating gains and losses booked in "net income/(expense) from other assets" or administrative expenses; and reallocating cost of risk and certain operating income and expenses for presentational purposes

Summary Balance sheet



(in €bn)	31/12/2020	31/12/2019
Banks	12.3	11.7
Credit exposures	3.5	3.2
<i>o/w Private client lending (PCL)</i>	3.1	2.8
Cash and treasury assets	7.9	7.4
Other current and non-current assets	0.9	1.1
Non-Banks	2.4	2.5
Merchant Banking investments	0.7	0.6
Cash and treasury assets	0.8	1.0
Other current and non-current assets	0.9	0.9
Total assets	14.7	14.2
Banks	11.3	10.7
Due to customers	9.9	9.5
Due to banks	0.3	0.2
Other current and non-current liabilities	1.1	1.0
Non-Banks	0.7	0.9
Long term borrowing - central Group	0.2	0.3
Other current and non-current liabilities	0.5	0.6
Capital	2.7	2.6
Shareholders' equity - Group share	2.3	2.2
Non-controlling interests	0.4	0.4
Total capital and liabilities	14.7	14.2

Of which €0.4bn (2019 €0.3bn) is held on behalf of non-bank Group entities

	31/12/2020	31/12/2019
<i>Loans / Deposits</i>	35%	34%
<i>Liquid assets / Total assets</i>	59%	59%
<i>Net book value / share</i>	€31.90	€31.23
<i>Net tangible book value / share</i>	€27.67	€27.07

Operating cash flow



	12m to Dec 18	12m to Dec 19	12m to Dec 20
Consolidated Profit before tax	531	465	369
Non cash items	(65)	(55)	38
Profit before tax and non cash items	466	410	407
Acquisition of MB investments	(81)	(126)	(120)
Disposal of MB investments	200	104	89
Net (acquisition)/disposal of PPE and intangible assets	(21)	26	(22)
Tax paid	(64)	(69)	(52)
Net cash inflow/(outflow) relating to other operating activities ⁽¹⁾	(185)	(229)	(212)
Operating cash flow (OCF)	315	116	90
OCF excl. MB investment activities	196	138	121
OCF as a % of Net income - Group share excl. MB investment activities and investment revenue	108%	101%	96%

3y average: €174m

¹ includes payment in respect of French profit share (préciput), rental payments, movement in working capital and interest on perpetual debts



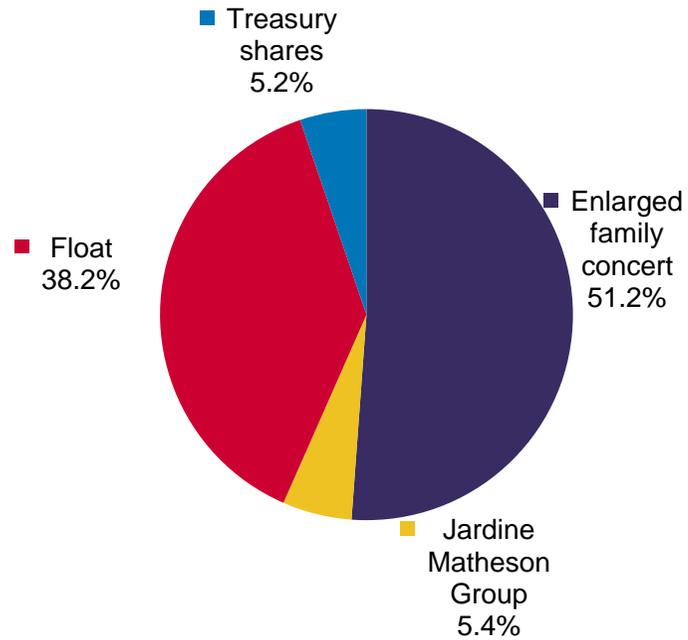
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Shareholding structure and
governance

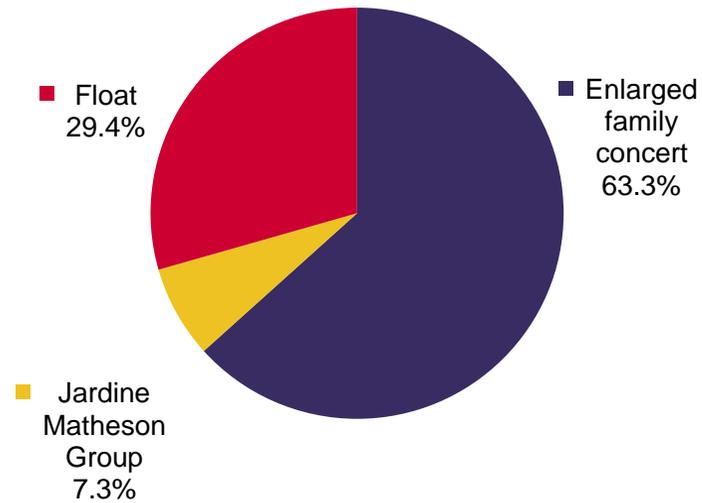
Shareholding structure as at 31 December 2020



Share capital



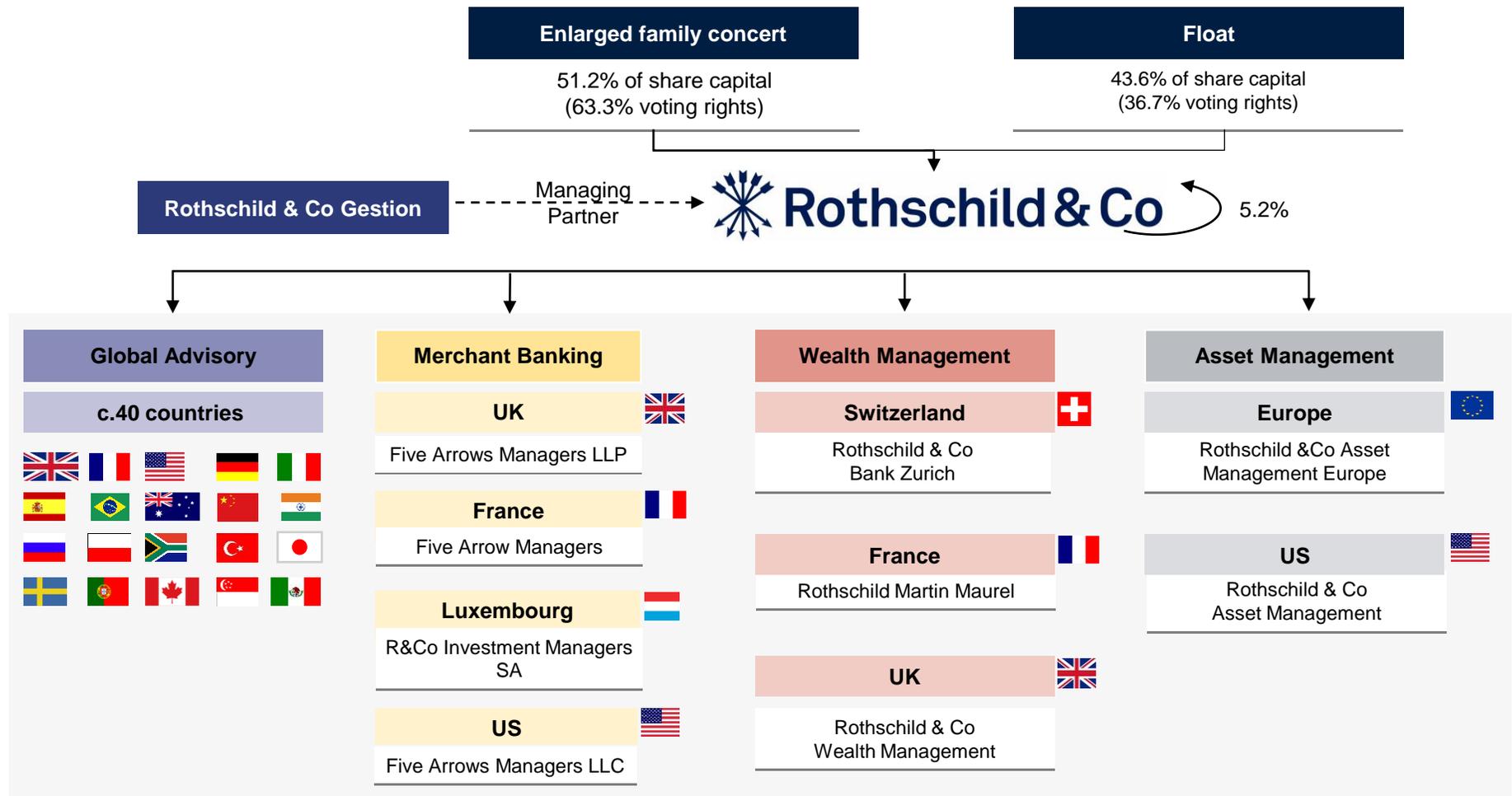
Voting rights



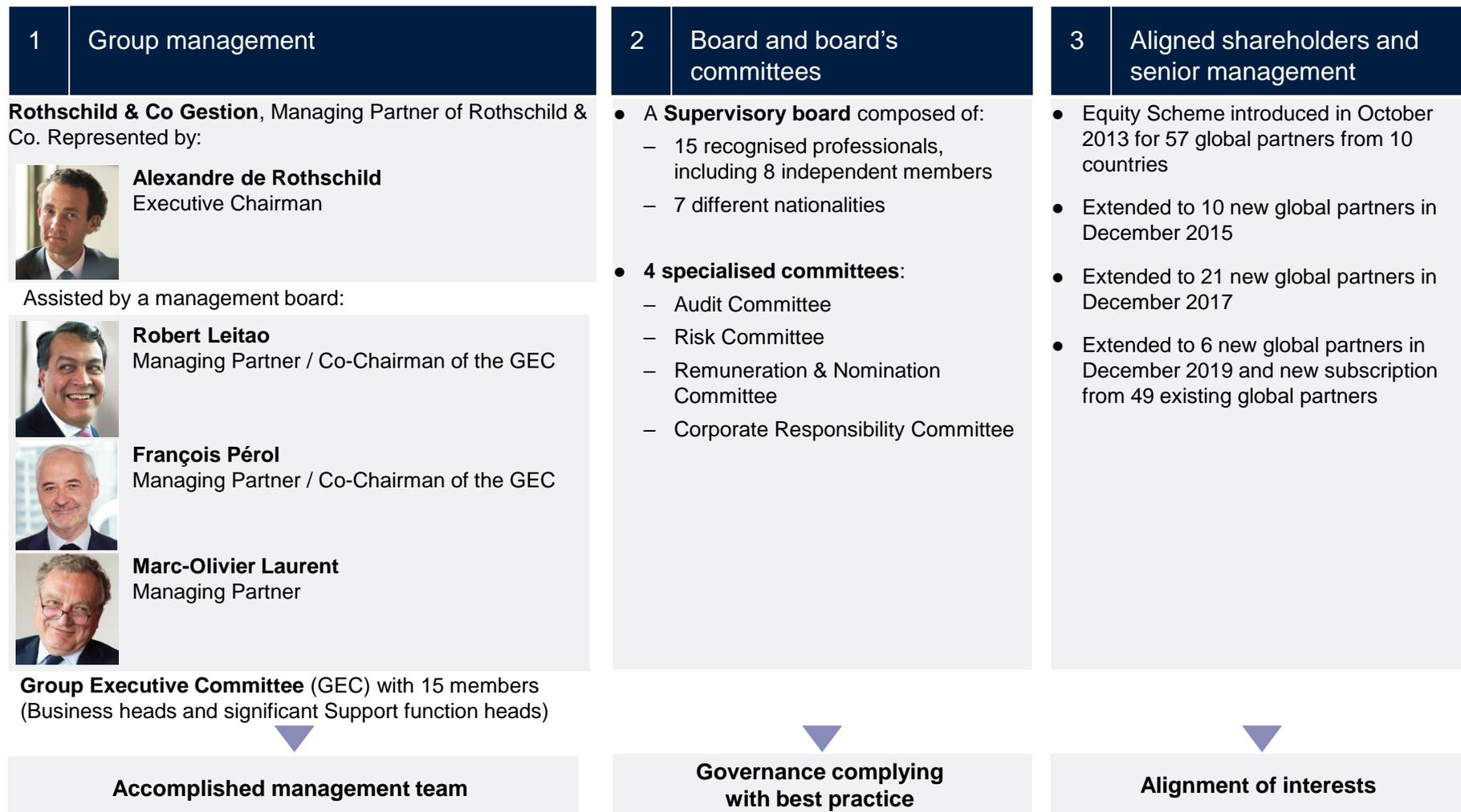
Rothschild & Co at a glance



As at 31 December 2020



Strong corporate governance



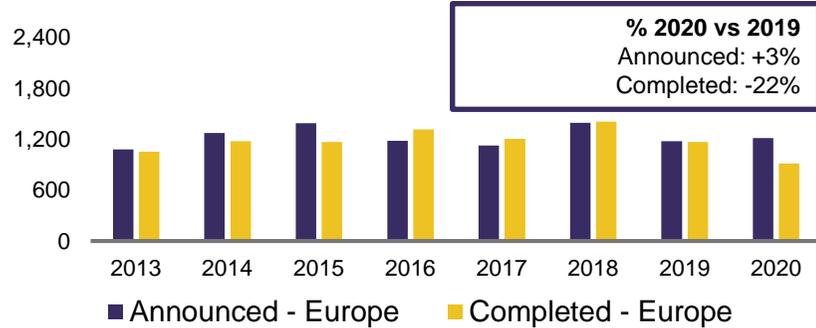


Appendices

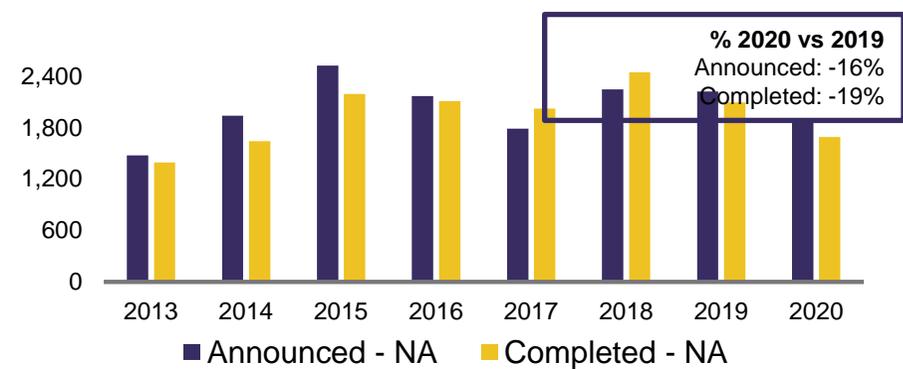


Regional M&A market by deal values (US\$bn)

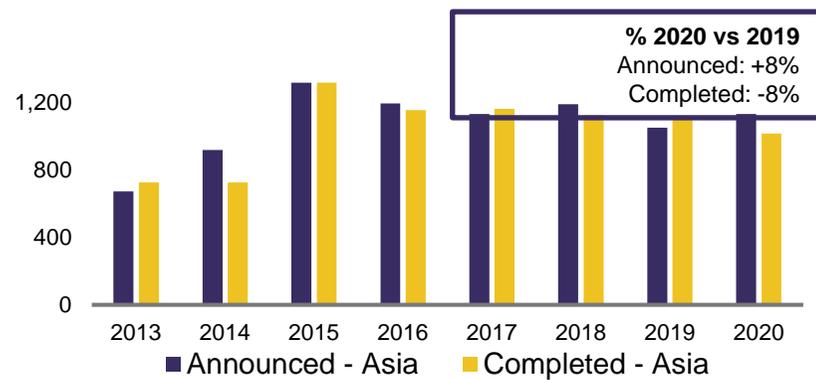
Europe



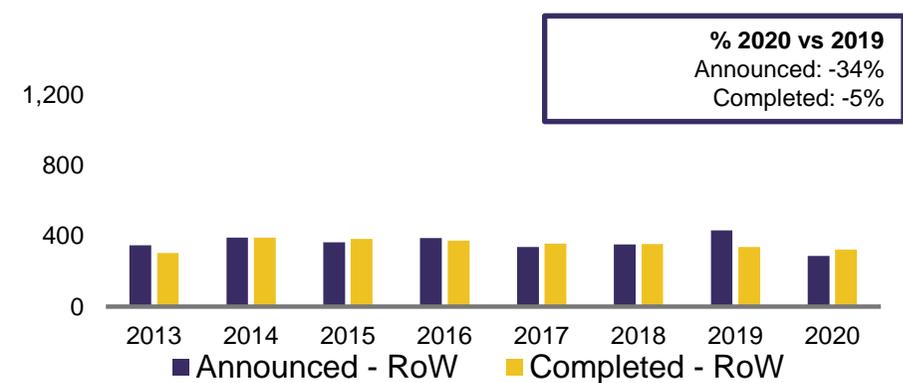
North America



Asia



Rest of the world

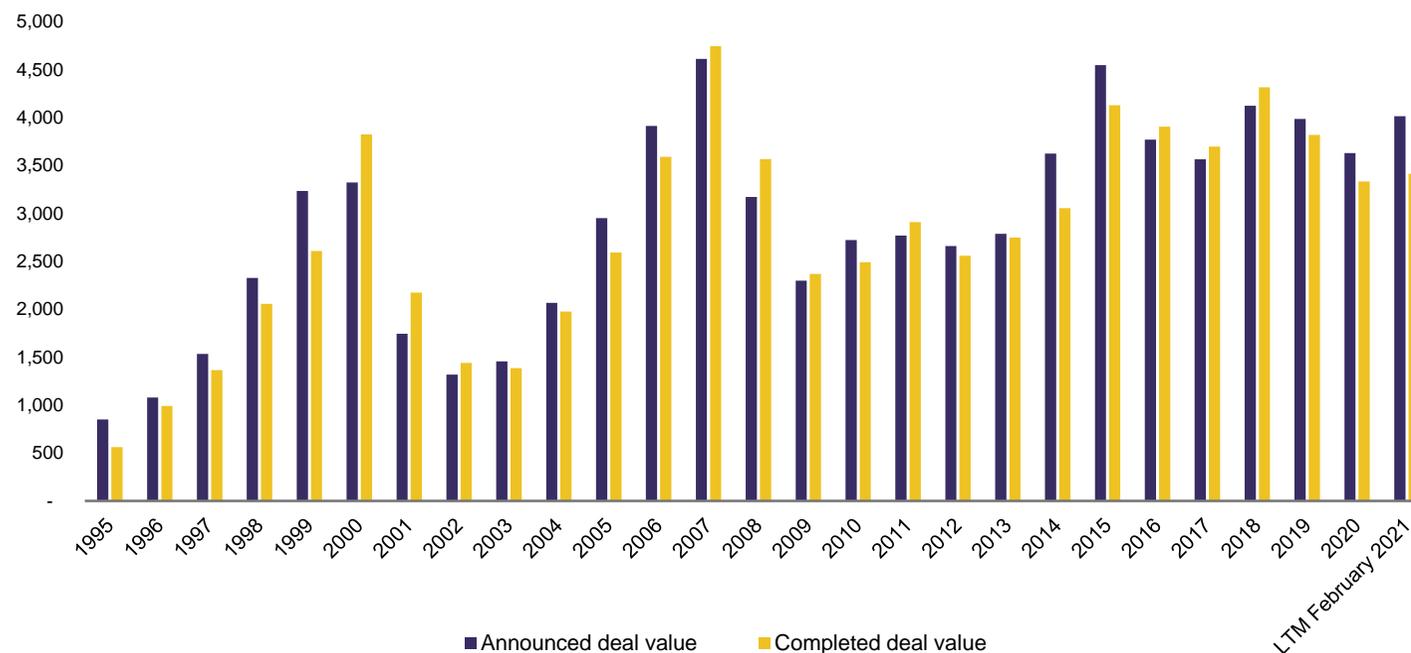


Source: Dealogic - Annualised data for 2020 based on June data

M&A market by deal values



Global M&A by deal values (US\$bn)



Deal Values > \$10bn	2019	2020	Var %
Announced	1,170	855	-27%
Completed	1,037	862	-17%
o/w USA			
Announced	932	506	-46%
% USA / Global	80%	59%	
Completed	740	531	-28%
% USA / Global	71%	62%	

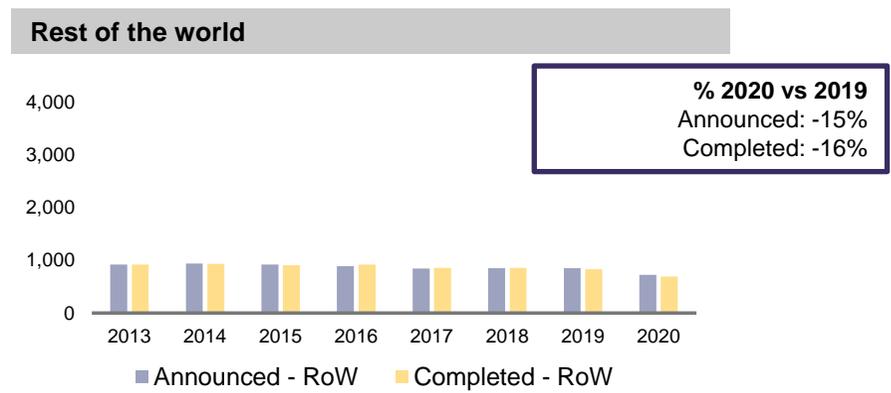
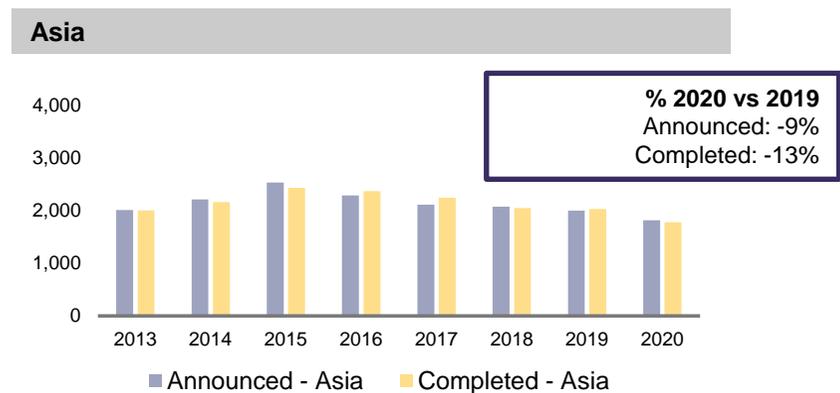
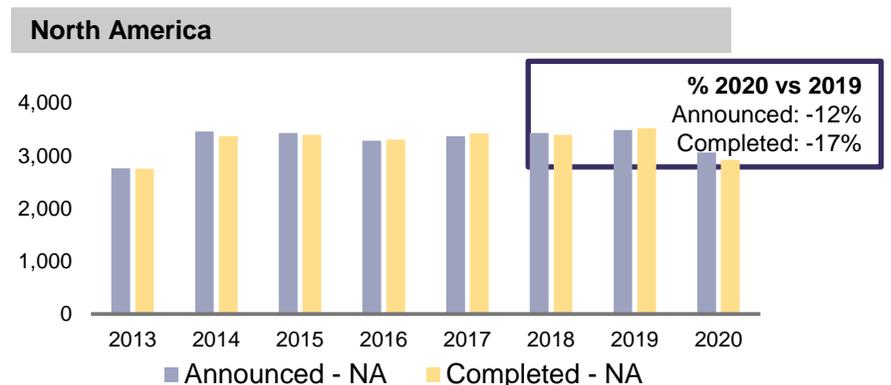
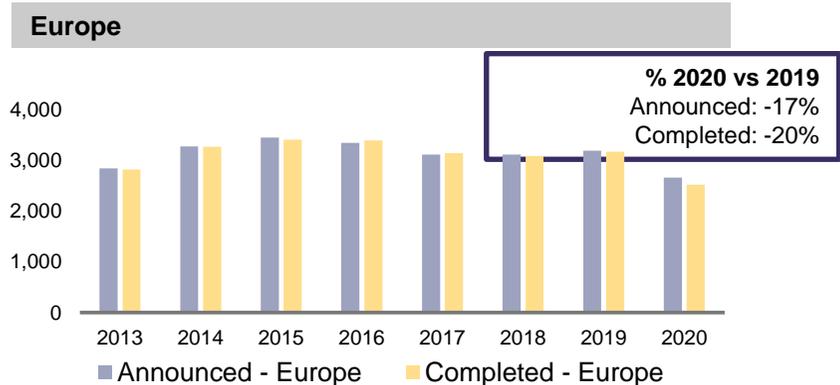
	16 vs 15	17 vs 16	18 vs 17	19 vs 18	20 vs 19
% var Announced	(17%)	(5%)	16%	(4%)	(9%)
% var Completed	(5%)	(5%)	17%	(12%)	(14%)

Source: Dealogic



Regional M&A market by deal number

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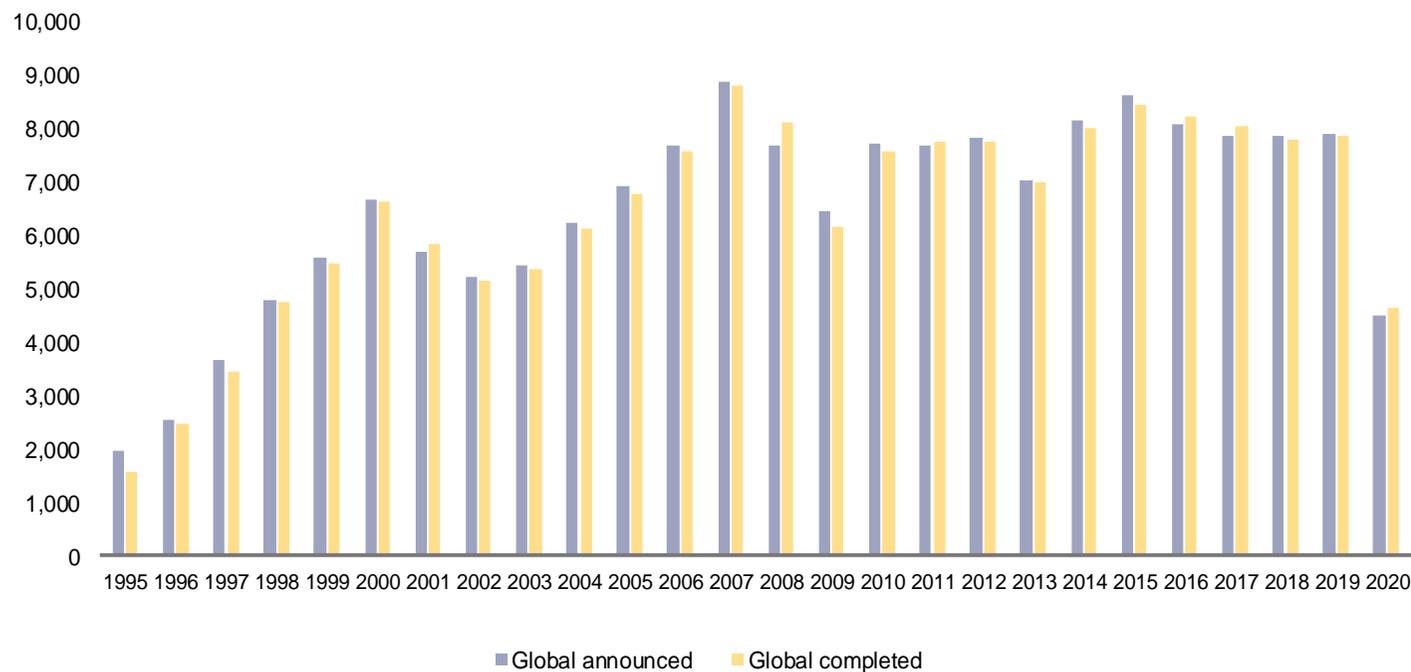


Source: Dealogic - Annualised data for 2020 based on June data

M&A market by deal number



Global M&A by deal number



Deal nb > \$10bn	2019	2020	Var %
Announced	44	41	-7%
Completed	35	36	3%
o/w USA			
Announced	35	26	-26%
% USA / Global	80%	63%	
Completed	26	24	-8%
% USA / Global	74%	67%	

	16 vs 15	17 vs 16	18 vs 17	19 vs 18	20 vs 19
% var Announced	(6%)	(2%)	(0%)	1%	(2%)
% var Completed	(3%)	(2%)	(3%)	2%	(12%)

Source: Dealogic - Annualised data for 2020 based on June data



M&A and Strategic Advisory – example of transactions

Company	Deal	Country	Sector	Value
	US\$20bn asset contribution to TAQA in exchange for shares		Energy & Power	US\$55bn
	Acquisition, together with GIP, Brookfield, GIC, OTPP and NH of a 49% stake in ADNOC's gas pipelines, at an implied EV of US\$20.7bn		Energy & Power	US\$20.7bn
	Consortium led by Advent, Cinven and RAG's acquisition of thyssenkrupp's Elevator Technology business		Industrial Materials	€17.2bn
	Acquisition of Carlton & United Breweries from AB InBev		Consumer	US\$11.3bn
	Mixed tender offer by Worldline		TMT	€9.6bn
	£4.2bn recommended cash offer from Advent		Aerospace and Defence	£4.2bn
	Acquisition of Nestle's U.S. ice cream business		Consumer	US\$4bn
	Recommended Cash Offer for a 19.5% stake from Port & Free Zone World, a subsidiary of Dubai World		Transport and Infrastructure	US\$2.7bn



Long-term clients

 <ul style="list-style-type: none"> • 16 deals • 20 years 	 <ul style="list-style-type: none"> • 36 deals • 22 years 	 <ul style="list-style-type: none"> • 18 deals • 20 years 	 <ul style="list-style-type: none"> • Multiple assignments over 100+ years 	 <ul style="list-style-type: none"> • 8 deals • 11 years
 <ul style="list-style-type: none"> • 19 deals • 14 years 	 <ul style="list-style-type: none"> • 7 deals • 20 years 	 <ul style="list-style-type: none"> • 9 deals • 26 years 	 <ul style="list-style-type: none"> • Multiple assignments over 100+ years 	 <ul style="list-style-type: none"> • 8 deals • 13 years
 <ul style="list-style-type: none"> • 20 deals • 14 years 	 <ul style="list-style-type: none"> • 16 deals • 10 years 	 <ul style="list-style-type: none"> • 8 deals • 12 years 	 <ul style="list-style-type: none"> • 13 deals • 21 years 	 <ul style="list-style-type: none"> • 8 deals • 19 years
 <ul style="list-style-type: none"> • 15 deals • 16 years 	 <ul style="list-style-type: none"> • 18 deals • 28 years 	 <ul style="list-style-type: none"> • 16 deals • 24 years 	 <ul style="list-style-type: none"> • 14 deals • 22 years 	 <ul style="list-style-type: none"> • 16 deals • 25 years

Global Advisory



Financing advisory – example of transactions

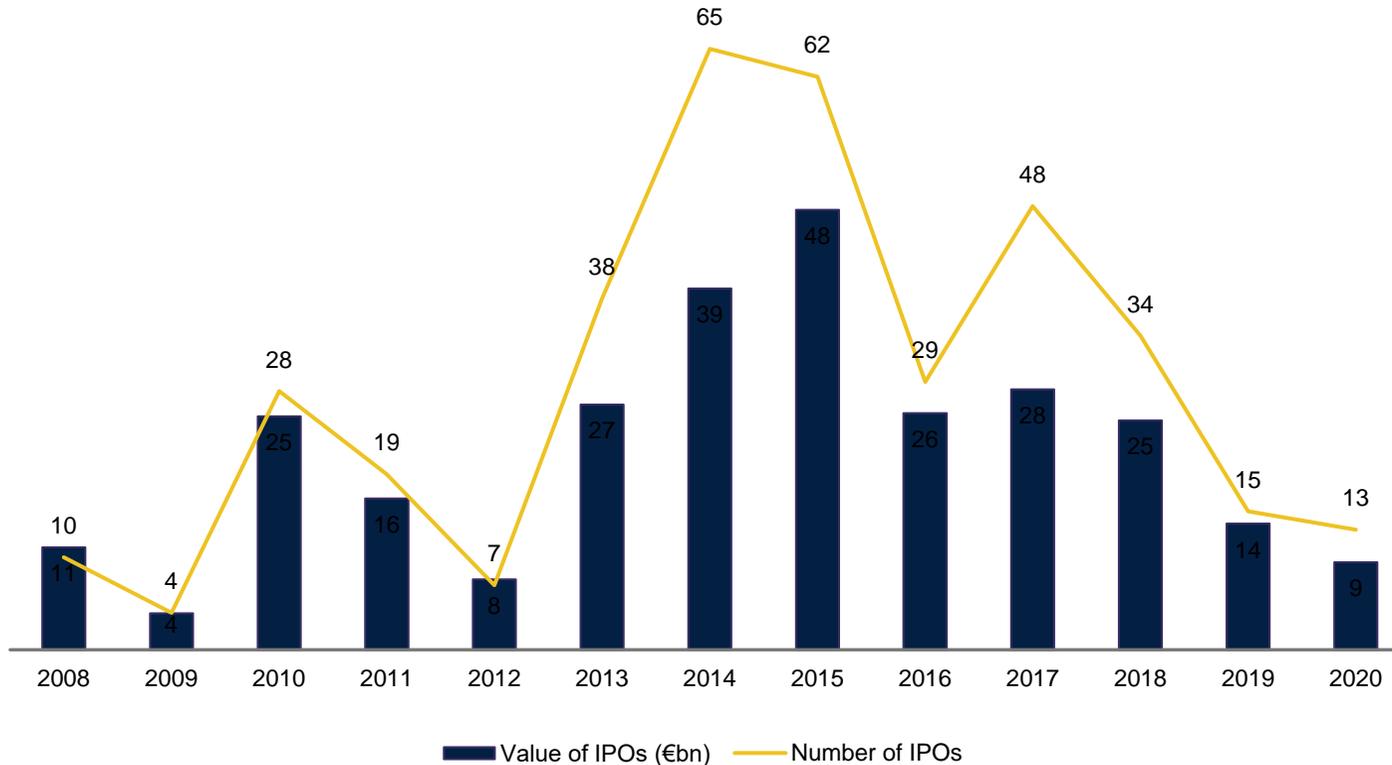
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Company	Deal	Country	Sector	Value
	Advised Ad Hoc Group of Insurance Subrogation Claimholders		Energy & Power	US\$20bn
	SEK14.25bn recapitalisation of SAS		Government/ Public Sector	US\$1.63bn
	€9bn stabilisation package for Deutsche Lufthansa		Transport & Infrastructure	€9bn
	US\$5.9bn restructuring		FIG	US\$5.9bn
 Melrose	Debt advice on the 12 month waiver of its financial covenants		General Engineering/ Capital Goods	£4.1bn
	Debt advice on the €3.6bn restructuring and signature of a €233m back-up facility		Retail	€3.9bn
	Rights Issue of up to €2.74bn		Aerospace and Defence	€2.74bn
	£1.9bn IPO on the London Stock Exchange		Retail	£1.9bn
	Restructuring of €1.8bn existing capital structure and raise of €350m state-guaranteed RCF		General Engineering/ Capital Goods	€1.8bn

European IPO market



IPO volumes in Europe since 2008 (>€200m)



	17 vs 16	18 vs 17	19 vs 18	20 vs 19
% Value	10%	(12)%	(45)%	(30)%
% Number	66%	(29)%	(56)%	(13)%

Source Dealogic

Selected sample of transactions in Merchant Banking



A history of long-term value creation in the mid-cap segment

Sample of recent transactions

Private Equity

Leading player on the privately managed nurseries market

France

Developer of high quality tests for medical diagnosis

United Kingdom

Provider of legal and tax information and publications

Denmark

Provider of patient safety and risk management software

United Kingdom

Benchmarking and technical data in the automotive sector

France

Provider of Repair and Maintenance Information for garages

United Kingdom

Healthcare tech-enabled procurement platform

Germany

Technology-enabled insurance distribution platform and service provider

Netherlands

Digital platform for the real estate intermediation market

France

Software company focused on the banking sector

United Kingdom

Education sector (kindergartens and primary schools)

China

leading provider of educational travel in the US

USA

Private Debt

Nuclear measurement tools

Global

Specialist systems and outsourcing services

UK

IT support and technology services provider

UK

Specialized education and care

UK

Fast-food restaurant chain

France

Multi-regional chain for routine laboratory

France

Global computer products and services

USA

Generic pharmaceuticals company

Germany

Leading European petrol forecourt operator

Europe

Dutch cable operator

Netherlands

Leading Global hospitality service provider

USA

Nordic payment processor

Scandinavia

Rothschild & Co volume by trading platforms



As at 31 December 2020

Base 100 Volume

