



Equity story

September 2020

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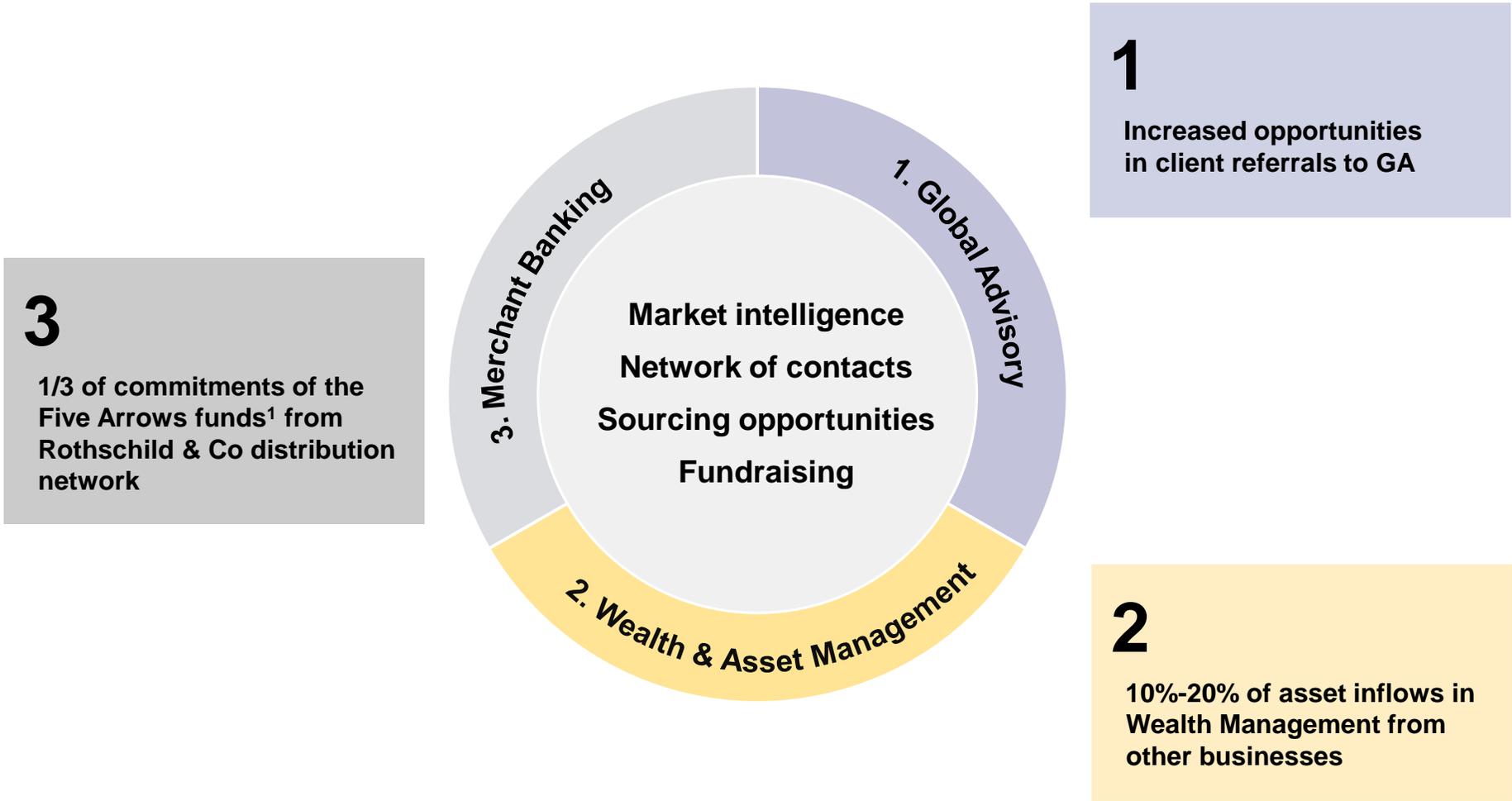


1

Investment case



High level of synergies across our businesses



Note

¹ Excluding CLOs and co-investments

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.1,160 bankers in 53 offices over 40 countries 	<ul style="list-style-type: none"> • c.280 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.€71bn of AuM 	<ul style="list-style-type: none"> • c.€14.5bn of AuM 																								
Key figures (LTM June 2020)	<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>€1,45m</td><td>64%</td></tr> <tr><td>Wealth & Asset management</td><td>€510m</td><td>28%</td></tr> <tr><td>Merchant Banking</td><td>€140m</td><td>8%</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>€171m</td><td>57%</td></tr> <tr><td>Wealth & Asset management</td><td>€78m</td><td>26%</td></tr> <tr><td>Merchant Banking</td><td>€53m</td><td>17%</td></tr> </table> </div> </div> <p style="text-align: center;"> ■ Global Advisory ■ Wealth & Asset management ■ Merchant Banking </p>			Category	Revenue (€m)	Percentage	Global Advisory	€1,45m	64%	Wealth & Asset management	€510m	28%	Merchant Banking	€140m	8%	Category	Profit (€m)	Percentage	Global Advisory	€171m	57%	Wealth & Asset management	€78m	26%	Merchant Banking	€53m	17%
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With 3,500 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

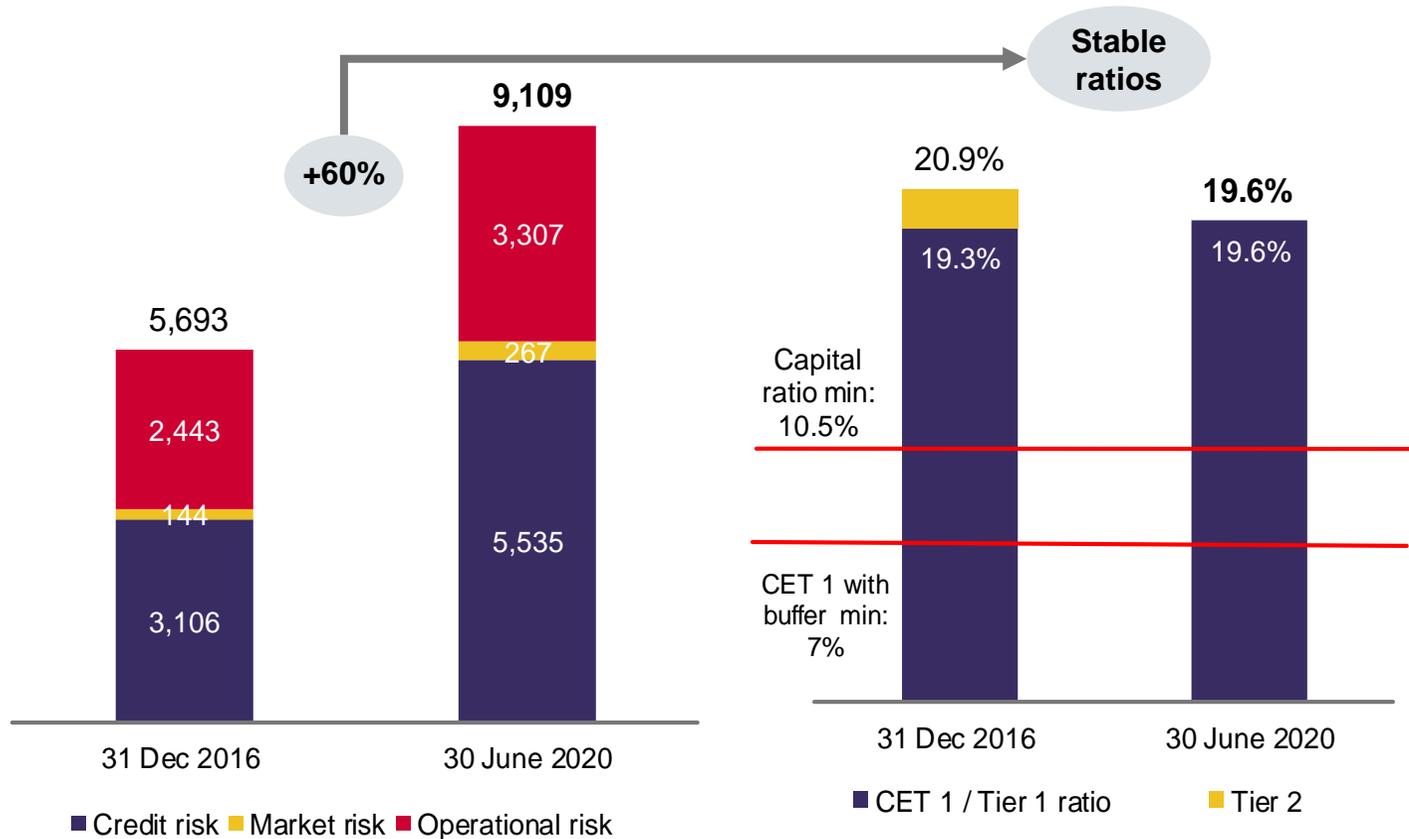
- Recruitment
- Retention
- Succession management



Strong capital position ...

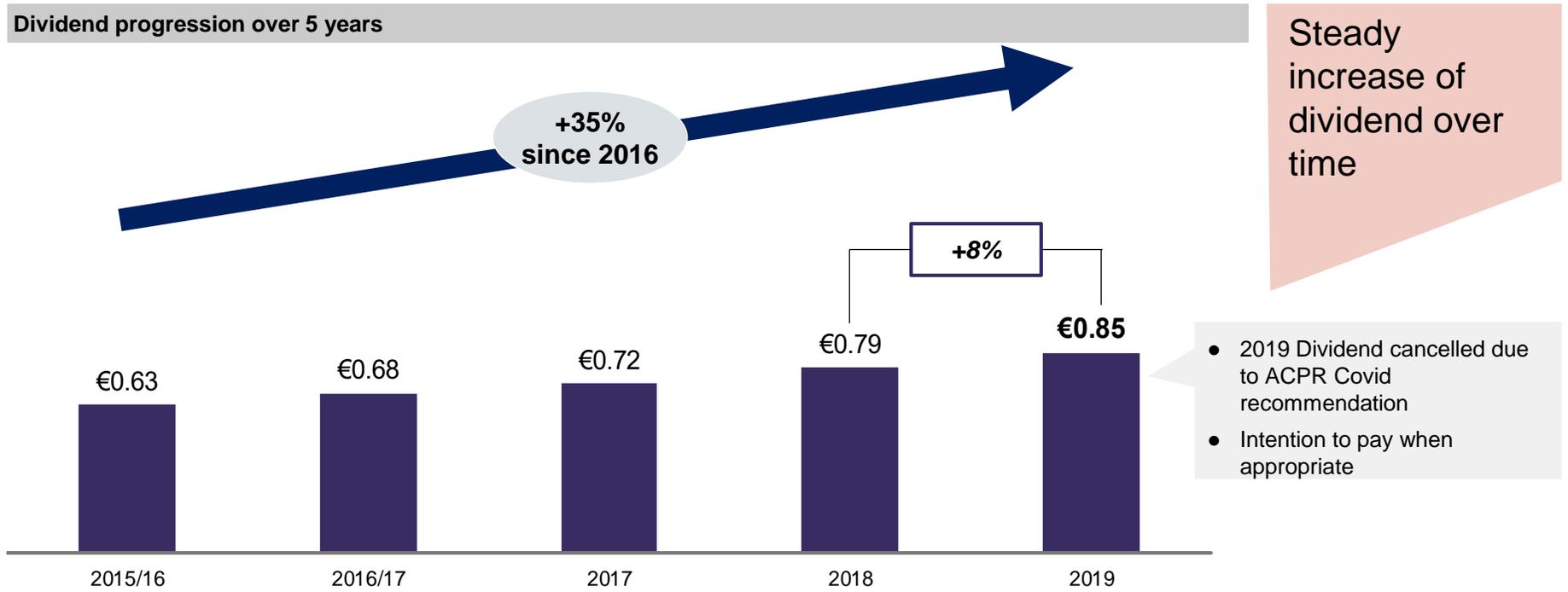
Fully loaded solvency ratios around 20%

Risk weighted assets (in €m) Group solvency ratio



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

... coupled with a progressive dividend policy



Year	2015/16	2016/17	2017	2018	2019
Payout ratio¹	32%	26%	22%	19%	26%

In addition in 2018, share buy back as part of Edmond de Rothschild deal of €132m

¹ Pay-out ratio calculated excluding exceptional items

Our financial targets



		Target	H1 2020	2019	2018	2017
Group targets	Compensation ratio ¹	Low to mid 60's through the cycle	67.3%	61.8%	60.8%	62.4%
	Return on tangible equity ²	10 to 15% through the cycle	6.8%	12.6%	18.0%	17.2%
Businesses targets	Global Advisory: Profit before tax margin ³	Mid to high-teens through the cycle	15%	16%	20%	18%
	Wealth & Asset Management: Profit before tax margin ⁴	Around 20% by 2022	17%	15%	18%	17%
	Merchant Banking: 3 years average RORAC	Above 15% through the cycle	25%	28%	28%	26%

1 Calculation detailed slide FP 32

2 Excluding exceptional items

3 Pre-US investments

4 Excluding the Trust business sold in February 2019

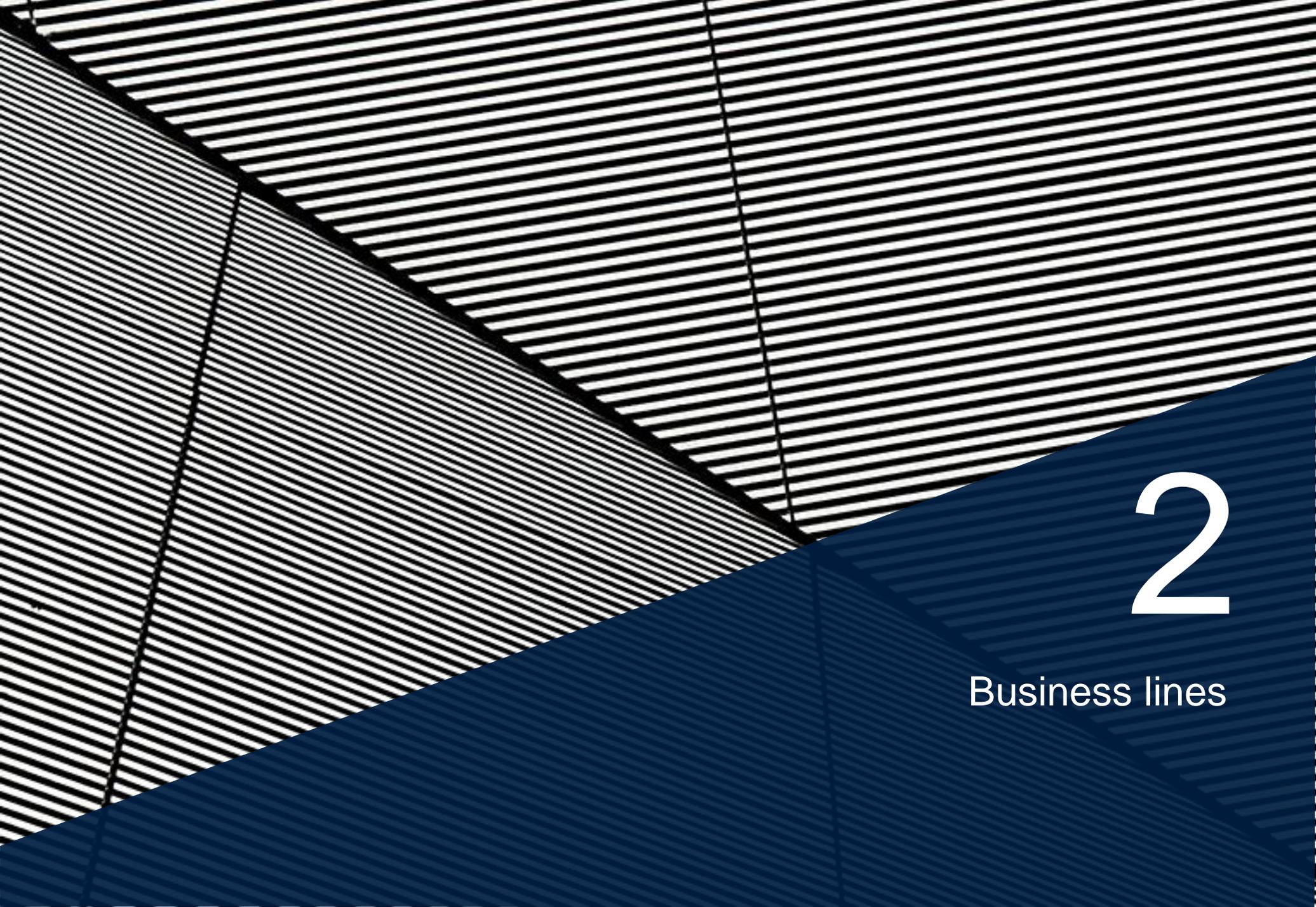
Encouraging a culture of responsible business



Our Corporate Responsibility strategy sets out our ambitions across five main pillars

Business practices	People	Investment solutions	Environment	Community investment
				
<ul style="list-style-type: none">● Safeguarding confidentiality● Effective compliance systems and technology● Stringent anticorruption and anti-bribery standards● Impactful governance and oversight	<ul style="list-style-type: none">● Talent development opportunities and assignments to support career● Balanced approach to work● Equal opportunities for all via development, an effective reward strategy and transparency in promotions	<ul style="list-style-type: none">● ESG integration in investment decisions to create long-term value for investors● Engagement policy for a constructive dialogue with companies on ESG issues● Innovative responsible investment solutions	<ul style="list-style-type: none">● Considering environmental risks and opportunities of our business activities● Responsibly managing greenhouse gas emissions and proactively reducing our impact● Championing responsible consumption and resource use	<ul style="list-style-type: none">● Financial support to charities, social enterprises and individuals● Professional expertise for social purpose organisations, helping to drive change for young people● Volunteering to help young people to succeed in life

Our commitment: we encourage a culture of responsible business and proactively take responsibility for the impact we have as a business on our people, our industry, our communities and our planet.



2

Business lines



1 **Global Advisory**

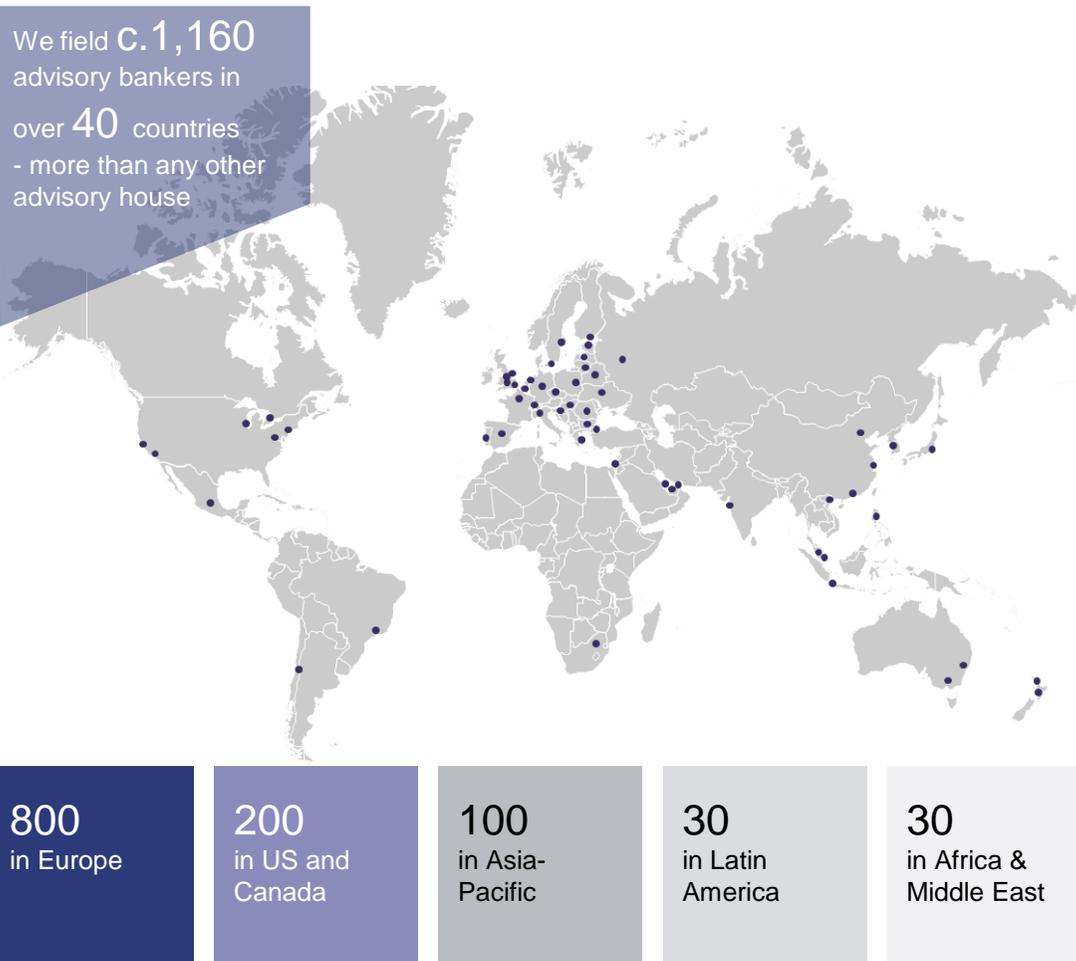
2 **Wealth & Asset Management**

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.1,160 bankers of which c.255 MDs 	
Key numbers	#8 globally by revenue ¹	#2 globally by number of completed transactions
	€1.14bn of revenue (64% of total revenue) ¹	€171m of PBT (57% of total PBT) ¹



1: LTM 2020 = last twelve months as at 30 June 2020

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 54 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

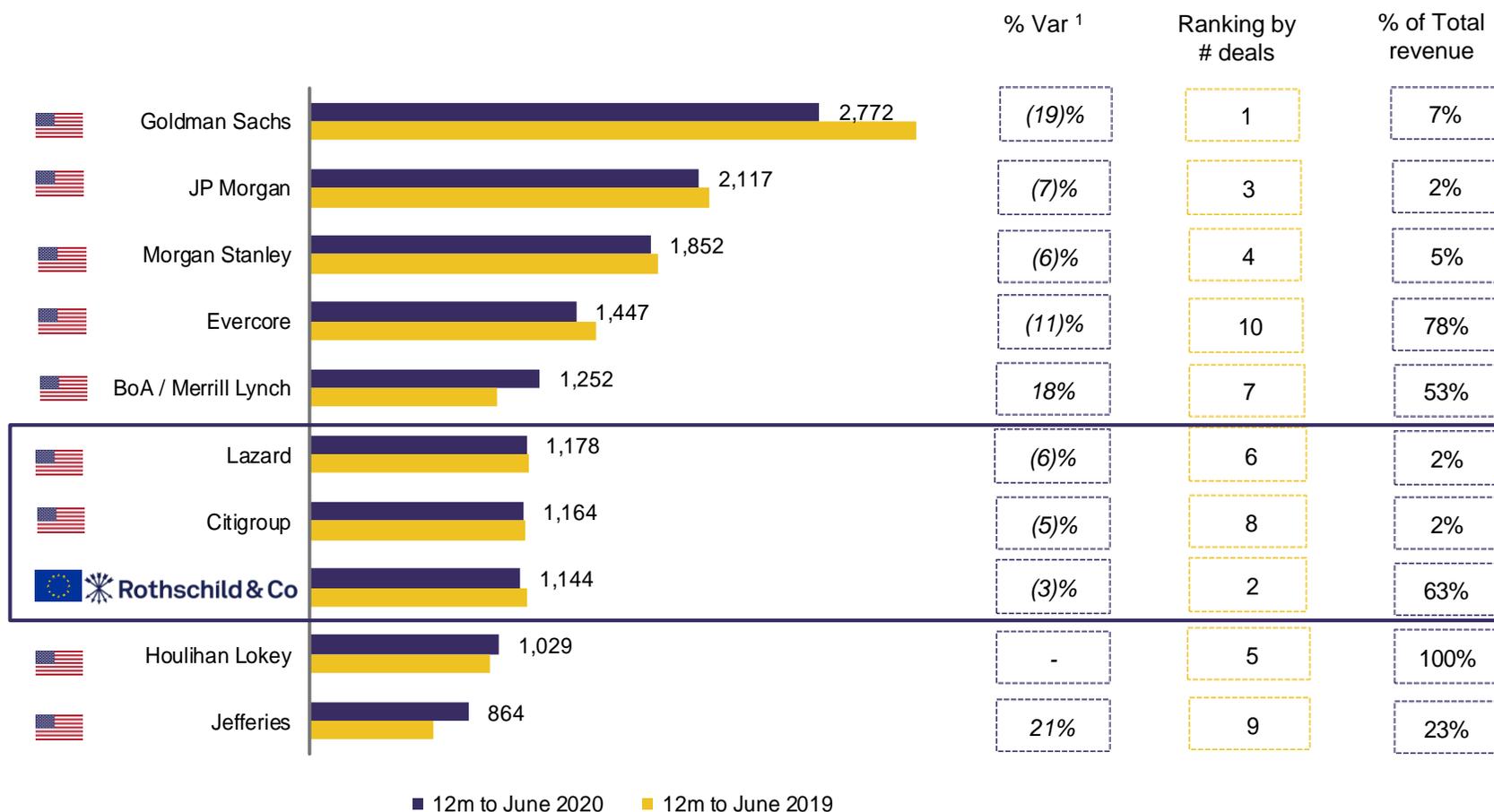
- Our advice is independent and unbiased, based on a long-term view to deliver each client's interests

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 June 2020



1: Variation calculated on local currency

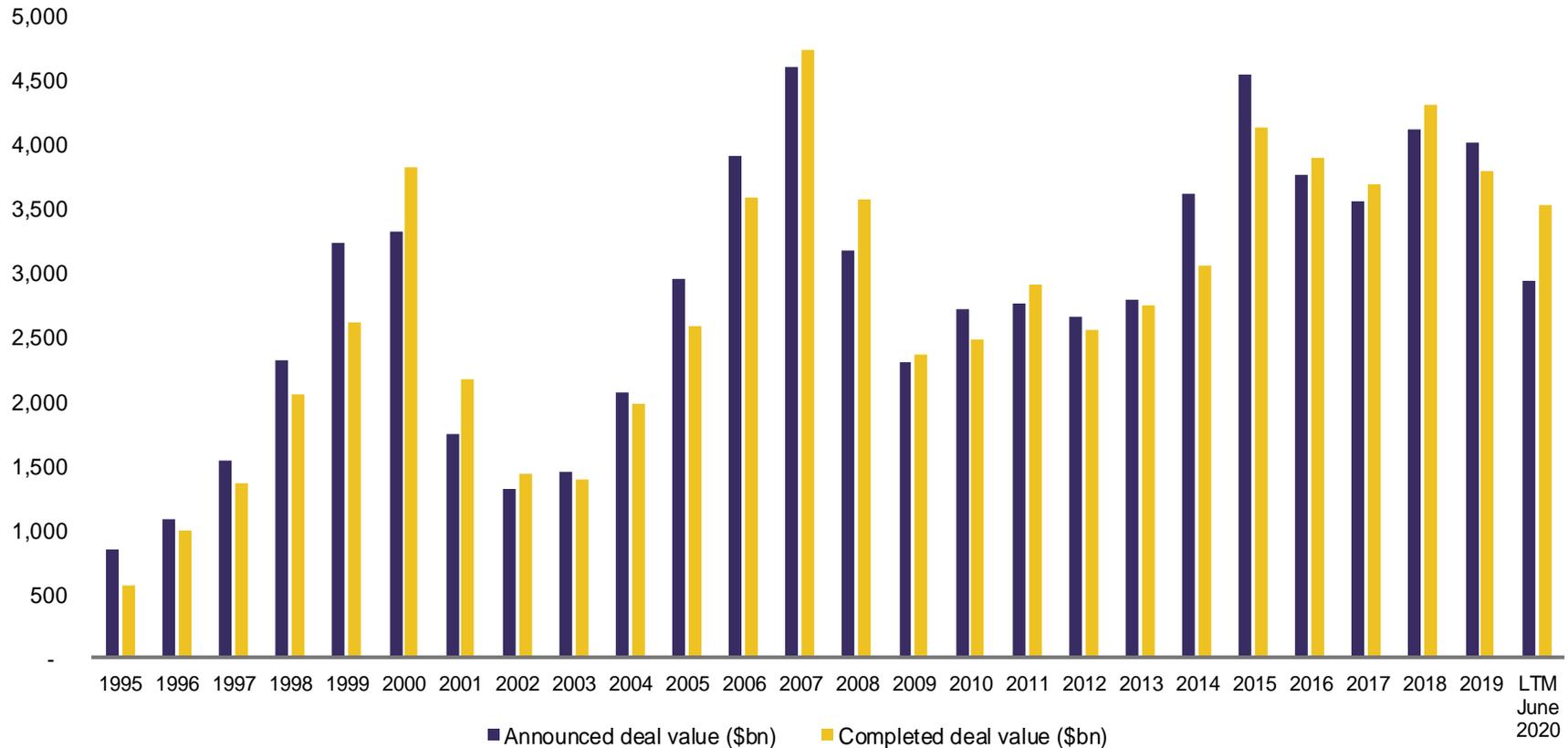
Source: Company's filings, Dealogic completed transactions



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	H1 20 vs H1 19
% var Announced	(17%)	(6%)	16%	(3%)	(49%)
% var Completed	(5%)	(5%)	17%	(12%)	(14%)

Source: Dealogic

Annualised data for 2020 based on June data

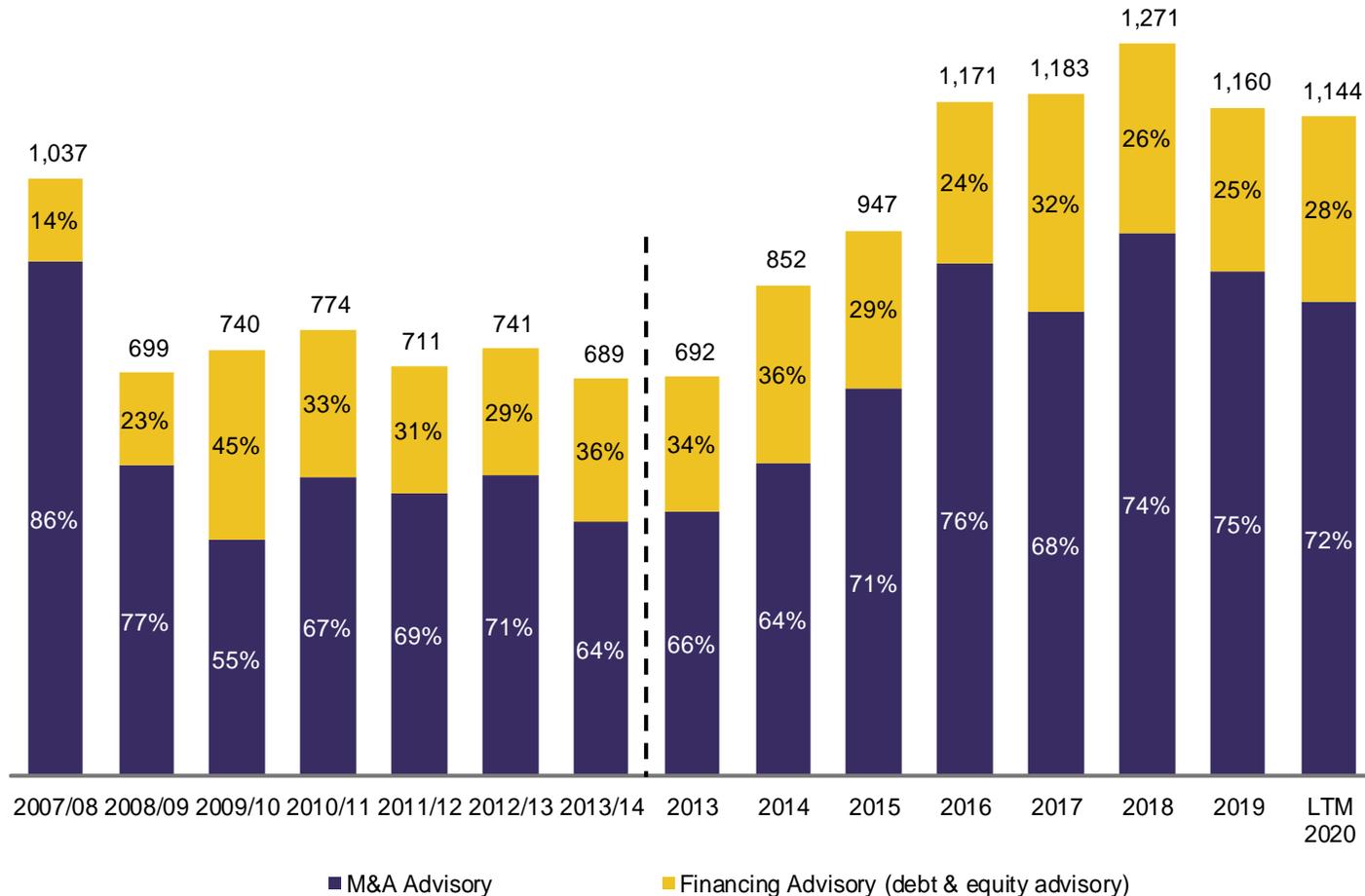
Note: Q2 20 completion includes 4 deals totalled \$260bn (3 US domestic) all announced in 2019 or 2018; Allergan (US) / Abbvie (US) \$86bn; Saudi Basic Industries (SA) / Saudi Aramco (SA) \$69bn; Sprint (US / T-Mobile (US) \$68bn; United Technologies (US) / Raytheon (US) \$36bn

Resilient model over the cycle



Complementary mix of M&A and Financing Advisory

Revenue progression (in €m)

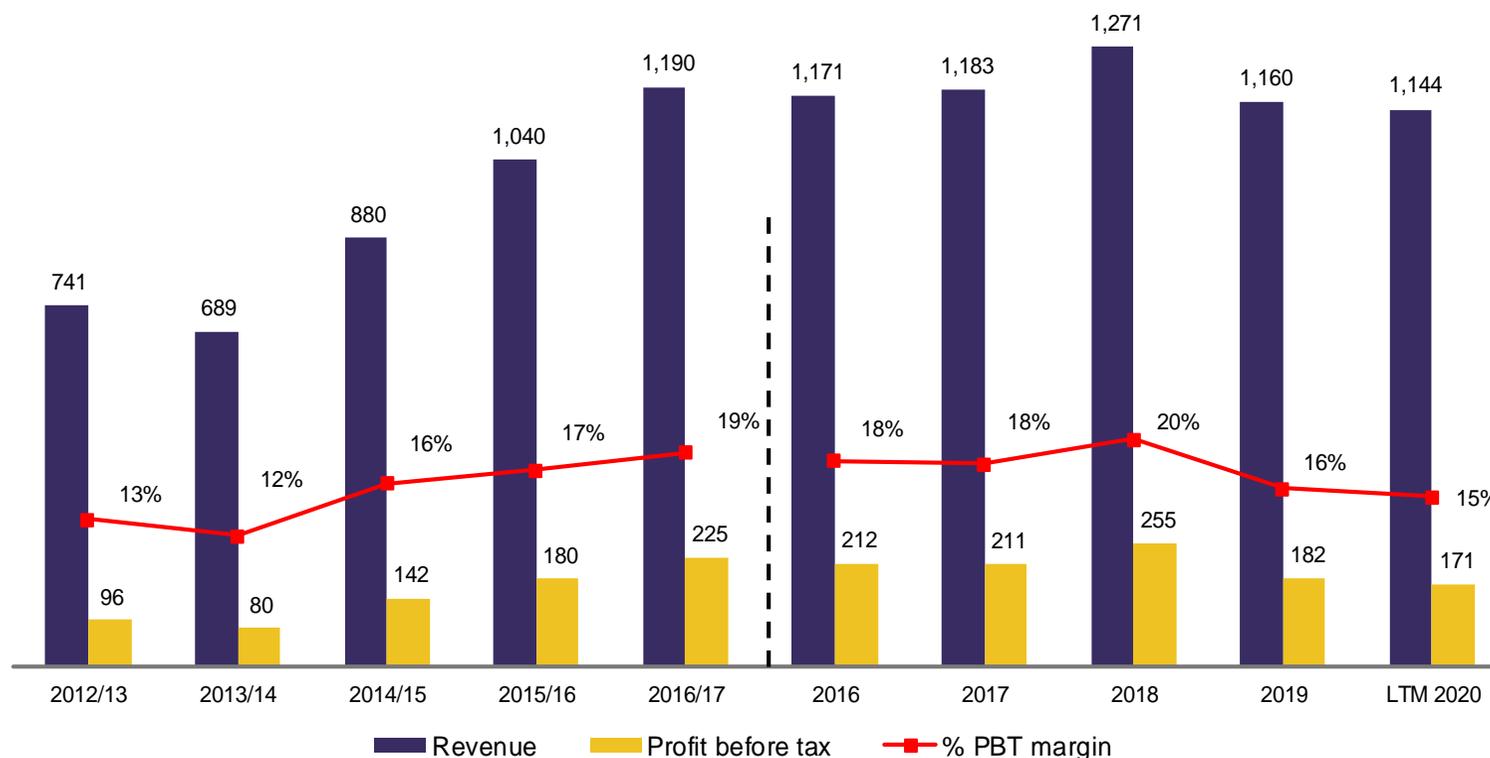


1 LTM 2020 = last twelve months as at 30 June 2020

Profits through the cycle



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



Year	2012/13	2013/14	2014/15	2015/16	2016/17	2016	2017	2018	2019	LTM 2020
Compensation ratio ²	65.1%	65.9%	65.0%	64.8%	64.6%	65.6%	65.0%	63.4%	64.9%	

Notes
¹ US investment costs were €23m for 2016, €25m for 2017, €22m for 2018, €16m for 2019 and €7m in H1 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

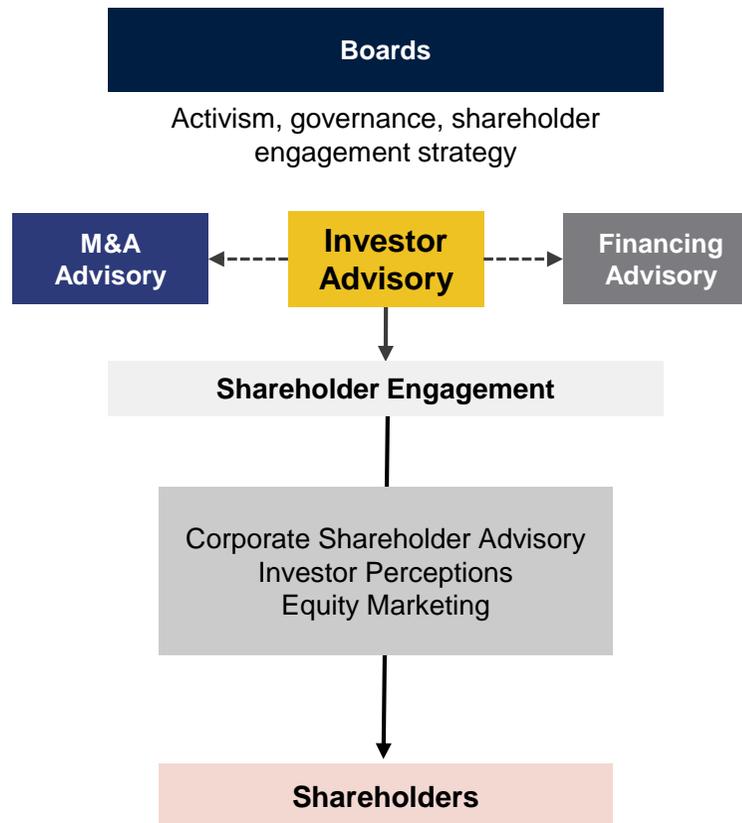
- Rise of passive investors
- Activists see these changes as an opportunity
- De-equitisation of listed market, since 2000

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



Resilient through H1 2020 despite the slowing-effects of Covid-19 on the M&A market

Overview

6 offices

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

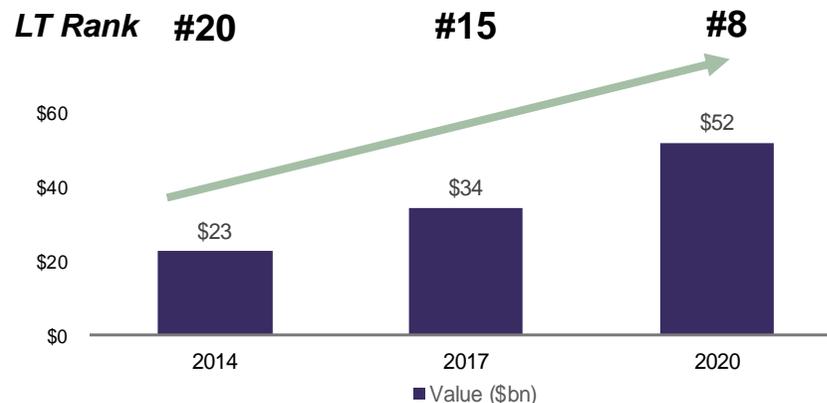
c.200
advisory bankers

44
MDs

31
newly hired MDs since 2014

4
new MDs in H1 2020¹

Rothschild & Co North America H1 progression since buildout



- As recruits begin to mature, we are starting to see the payoff
- Rothschild & Co North America has demonstrated its strong and growing coverage presence

Selection of landmark deals advised by Rothschild & Co North America (NA) in H1 2020

#2
NA
Announced
Restructuring
by Value

Restructuring Deals

Tupperware
Bond Holders
Tupperware®
~US\$600m
Current

Chesapeake
Energy
CHESAPEAKE
ENERGY
~US\$9bn
Current

PG&E
Group of Insurance Claims
PG&E
~US\$23bn
Current

#8
Any NA
Announced
M&A Deals
by Value

M&A Deals

LytX
lytx.
US\$2.5bn
+ sale to a
consortium
2020

Aflac
Aflac.
Value
confidential
2020

Alstom
ALSTOM
US\$8.2bn
Acquisition of Bombardier
Transportation &
cornerstone investment
from CDPQ
2020

Source: Refinitiv, any US or Canadian involvement for H1 2020

Note

¹ Inclusive of 2 promotions

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**

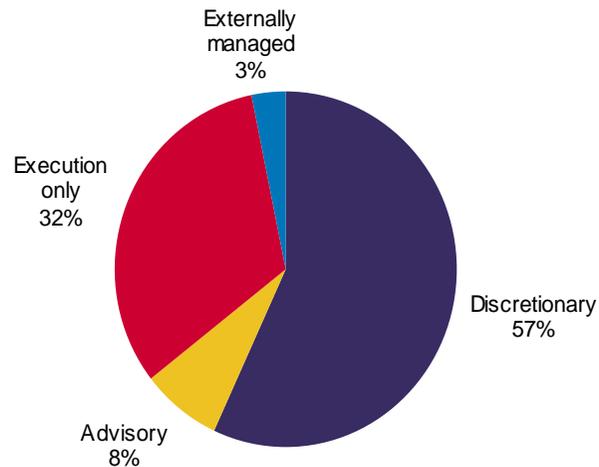
2 **Wealth & Asset Management**

3 **Merchant Banking**

Our offering

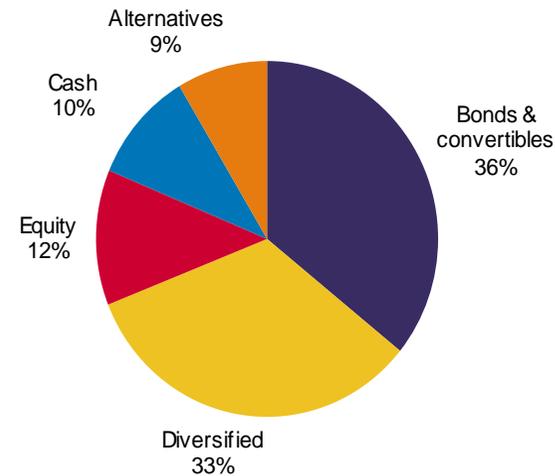


Wealth Management



- 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 30 June 2020

Introduction to Wealth and Asset Management



Geography	<ul style="list-style-type: none"> European 	Wealth Management	€50bn	Asset Management	€26bn¹
Main locations	<ul style="list-style-type: none"> France, UK, Switzerland, Belgium, Italy, Monaco and Germany 	<ul style="list-style-type: none"> France €19bn Switzerland €12bn UK €11bn Belgium €3bn Germany €3bn Monaco €1bn Italy €1bn 	c.230 # Client Advisors	<ul style="list-style-type: none"> Europe €19bn¹ USA €7bn 	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.275 clients advisors and portfolio managers 				
Key numbers	c.€71bn of AuM as at 30 June 2020				
	€510m of revenue (28% of total group revenue) ²	€78m of PBT (26% of total group PBT) ²	+€1.8bn of NNA in Wealth Management in H1 2020 -€1.5bn of NNA in Asset Management in H1 2020		

Notes

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

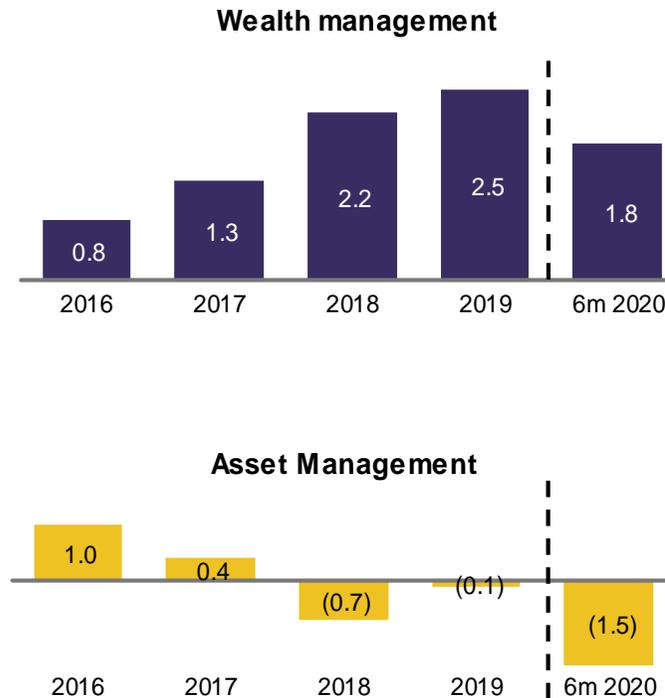
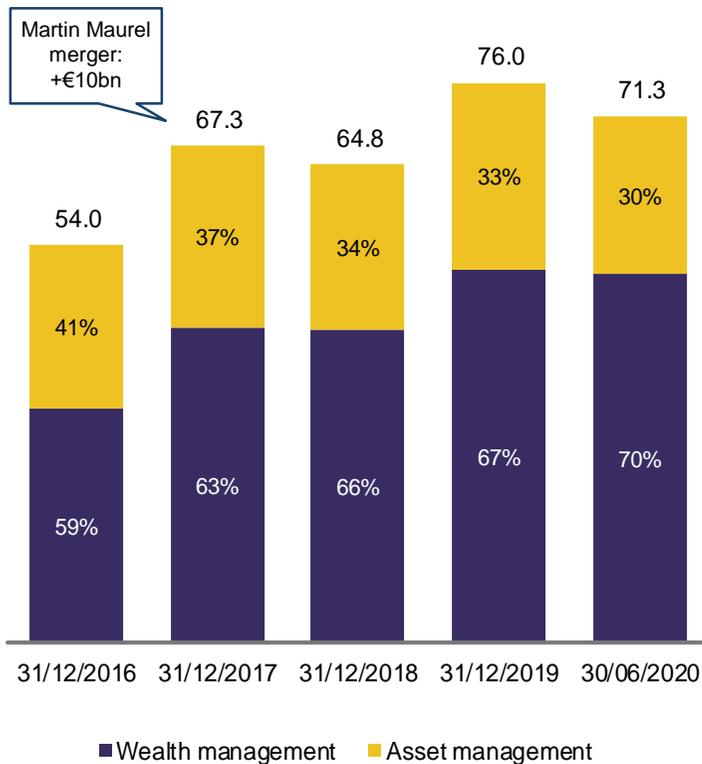
2: LTM 2020 = last twelve months as at 30 June 2020

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



Wealth vs. Asset Management AuM split

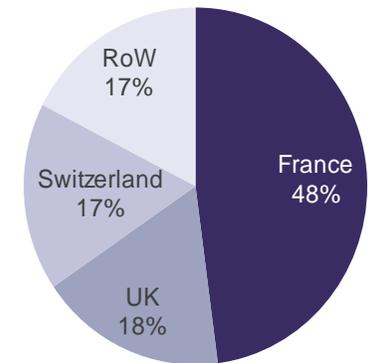
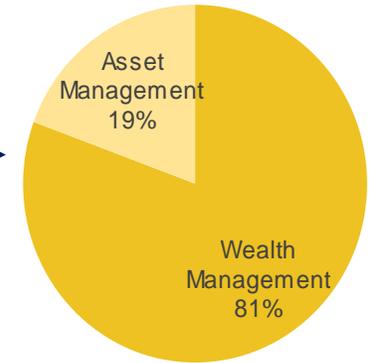
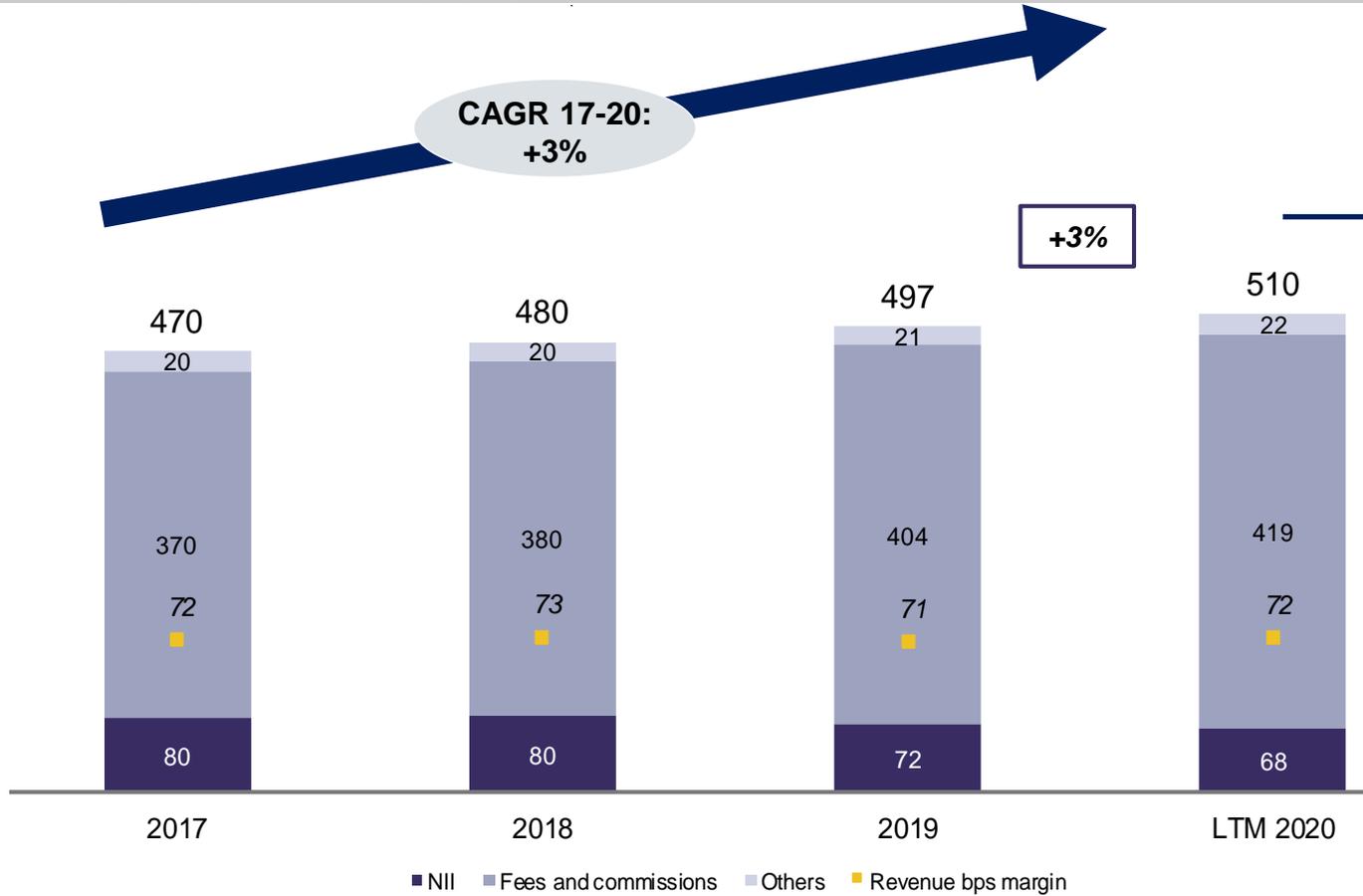
Net new Assets (in €bn)





Steady growth of revenue...

Revenue¹ (in €m) and annualised bps progression



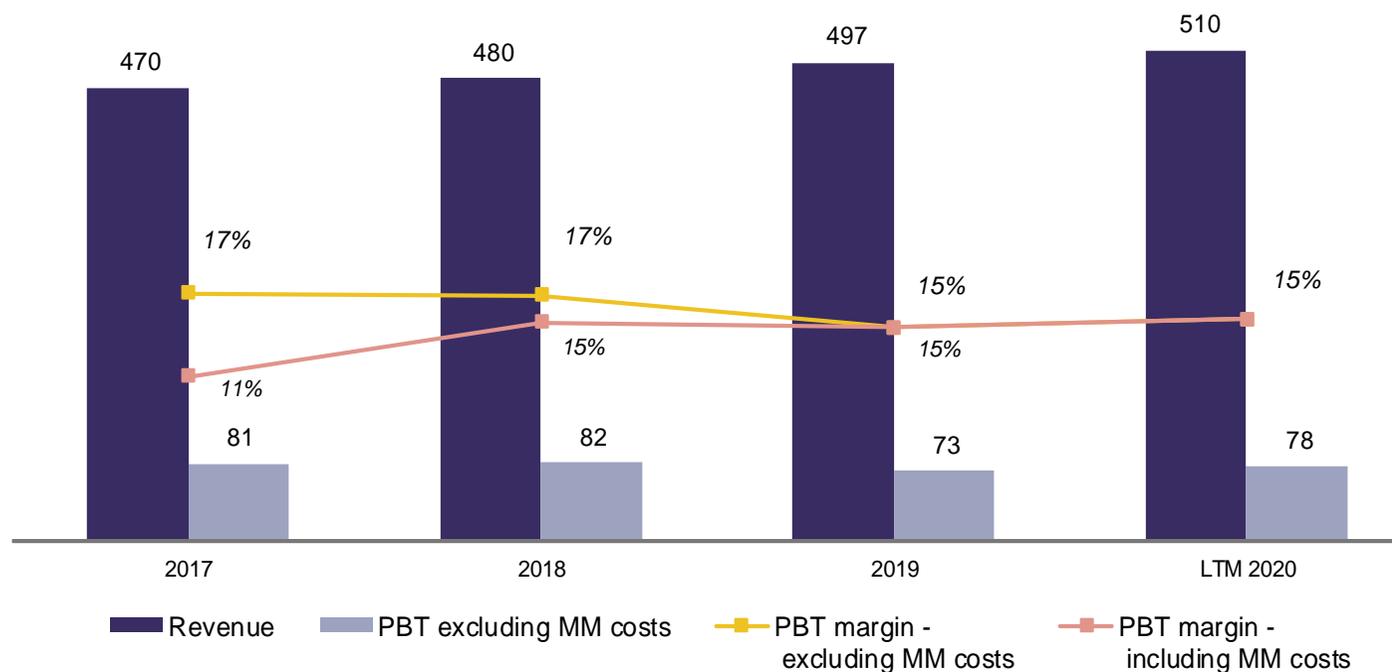
Notes

- 1 Revenues are calculated excluding Trust business following its sale in February 2019
- 2 France includes France, Belgium and Monaco
- 3 LTM 2020 = last twelve months as at 30 June 2020

... while maintaining a healthy PBT thanks to cost control



Profit Before Tax (in €m) and PBT margin



Revenue bps margin	72bps	73	71	72
% NNI / total Revenue	15%	17%	15%	13%

Notes

1. PBT are calculated excluding Trust business following its sale in February 2019
2. Martin Maurel integration costs were €27m in 2017 and €9m in 2018
3. LTM 2020 = last twelve months as at 30 June 2020

Strategy of Wealth & Asset Management



1	Growth in core markets	Build a strong European Wealth management platform
2	Cost control and improving profitability: around 80% CIR by 2022 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

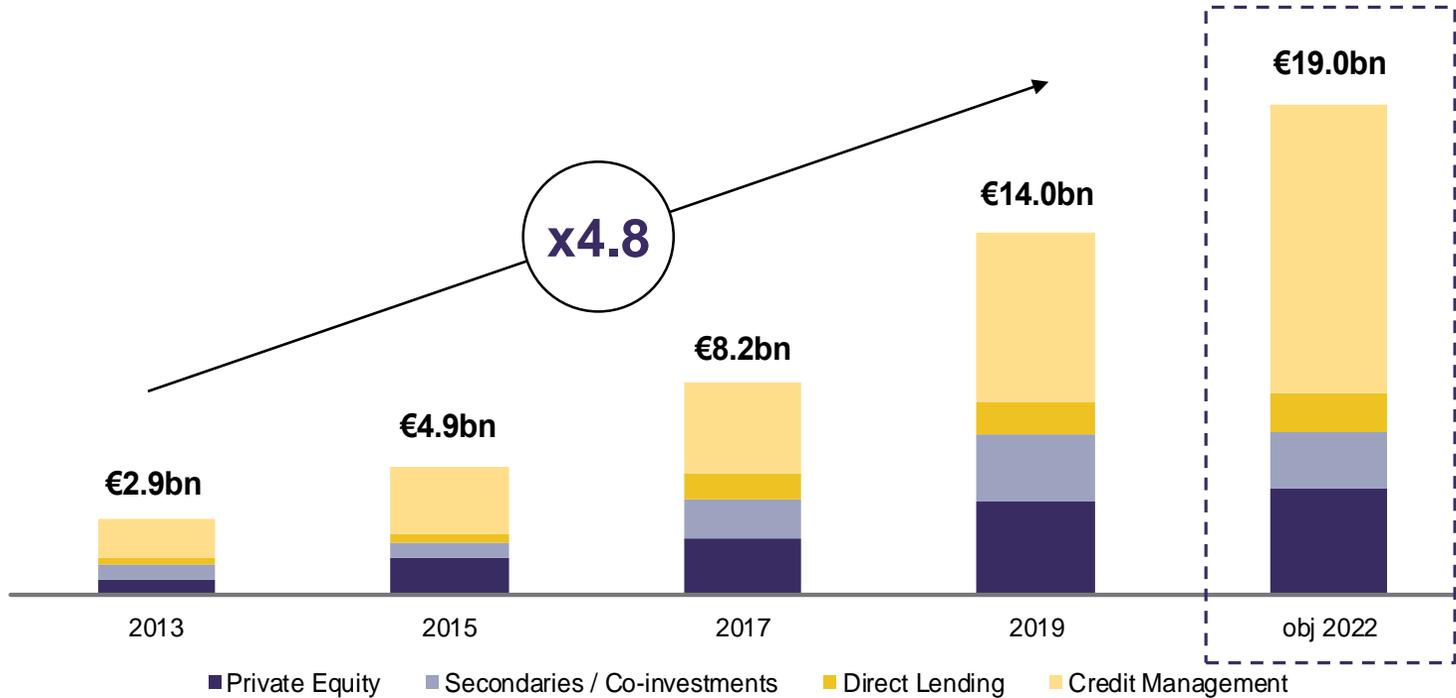


Strong AuM growth

Merchant Banking continues to scale across all strategies

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Asset under management (in €bn)



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 	 €6.2bn Private Equity
	<ul style="list-style-type: none"> Direct lending Credit management 	 €8.3bn Private Debt
Key numbers	c.€14.5bn of AuM of which 8% from Rothschild & Co	
	c.100 investment professionals	
	€140m of revenue (8% of total group revenue) ¹	
	€52m of PBT (17% of total group PBT) ¹	

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

155 professionals
24 nationalities

Note
1: LTM 2020 = last twelve months as at 30 June 2020



Private Equity offering

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

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Corporate Private Equity			Multi-Strategies (FAMS)		
€3.3bn			€2.9bn		
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): <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): <i>fundraising</i>
34 investments in 10 countries			15+ years track record across more than 50 transactions		
40 investment professionals			25 investment professionals		

Private Debt offering



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

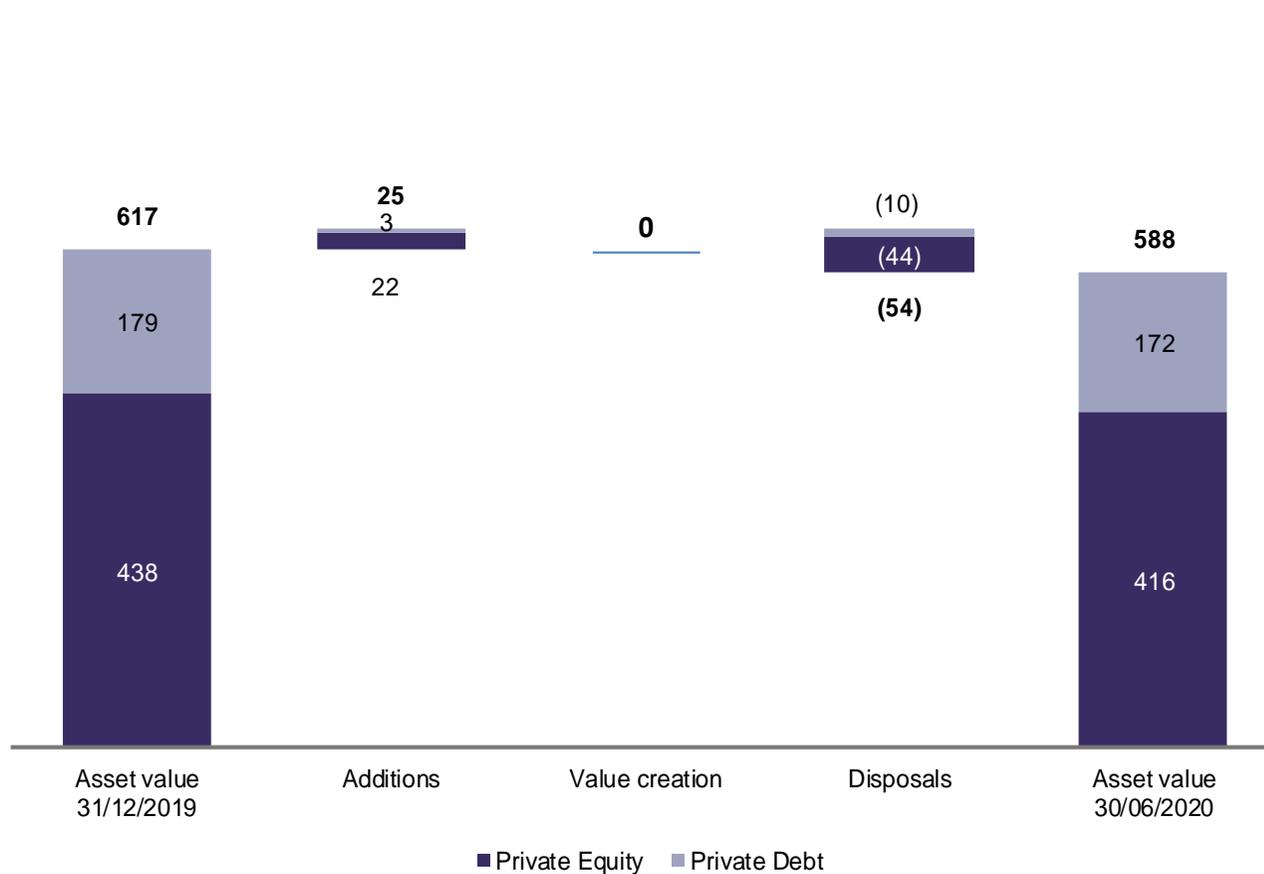
Direct Lending			Credit Management			
€1.6bn			€6.7bn			
FACS Five Arrows Credit Solutions 	FADL Five Arrows Direct Lending 	FADP Five Arrows Debt Partners 	Oberon & managed accounts 	Elsinore & managed accounts 	GLI Five Arrows Global Loan Investments 	CLO management 
Debt financing solutions to privately-owned 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: <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: 7 CLOs (Contego) North America: 6 CLOs (Ocean Trails)
35 investments across Europe						
12 investment professionals			23 investment professionals			

Net asset value (NAV)



NAV remains stable with December 2019 position which reflects the robustness of our portfolio approach

Net asset value (in €m)



NAV of €588m for a total commitment of c.€1.2bn (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



58% on core sectors focus in 2019

Our core sector focus²

Healthcare

Data & Software

Technology-Enabled Business Services

Notes

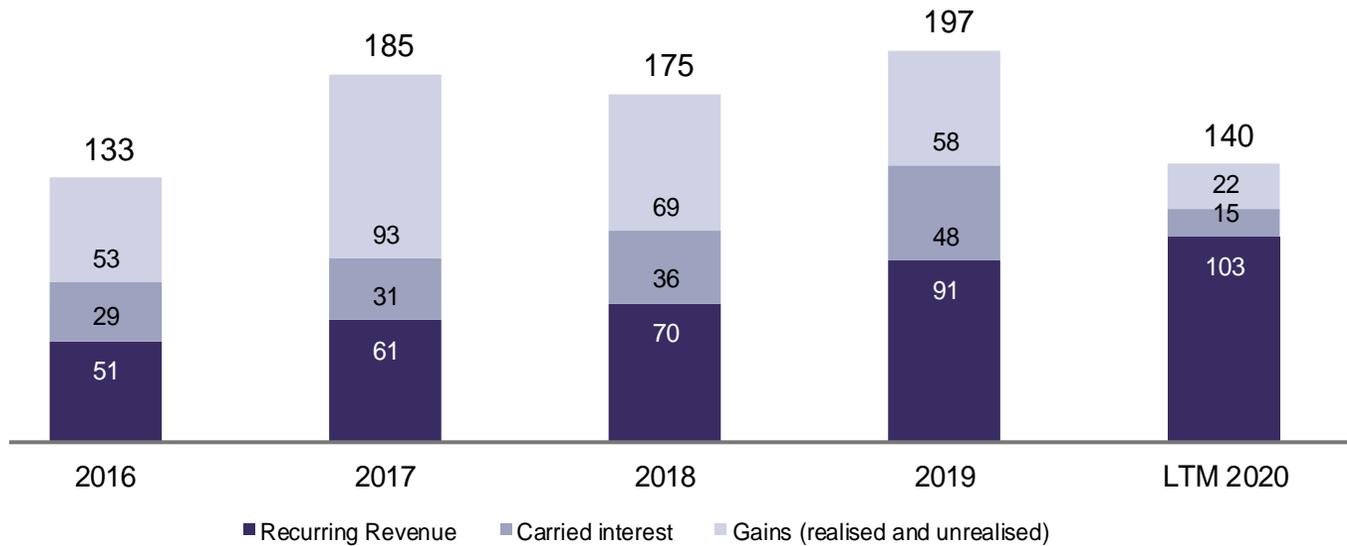
¹ Calculation based on NAV, excluding carried interest shares

² Excluding FAMS (multi-strategies) and Credit Management



Strong revenue growth with increasing contribution of recurring revenue

Breakdown of revenue (in €m)

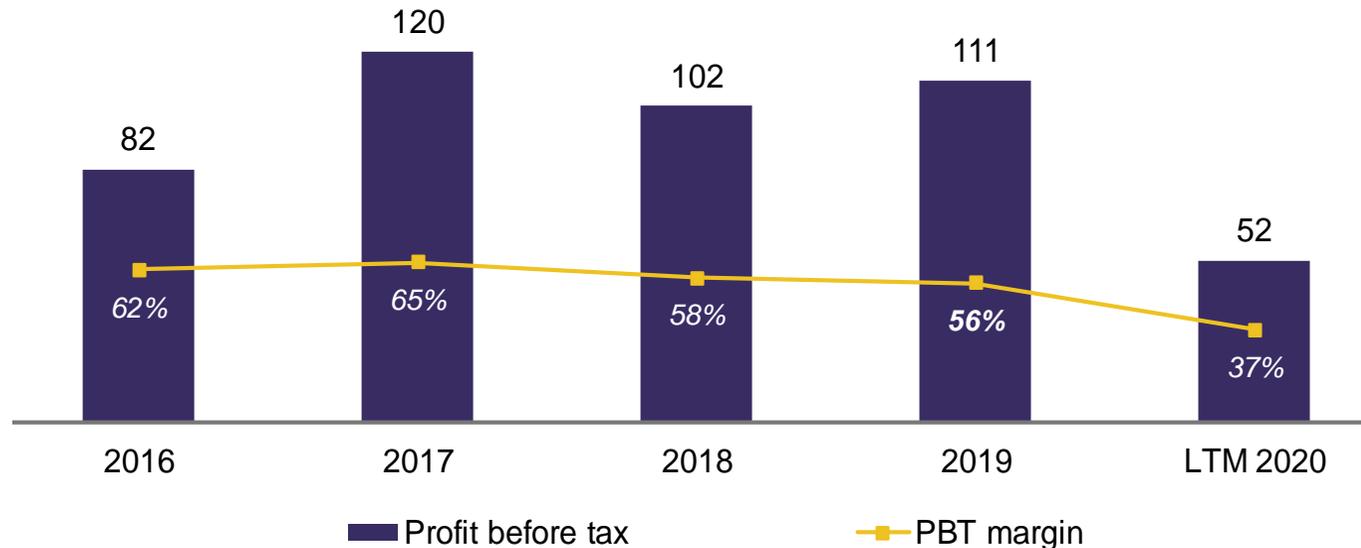


Revenue – 3 years average	131	145	164	186	171
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Good return on capital tied to successful business growth, investment performance and delivery of strategic priorities



Profit Before Tax (in €m) and RORAC¹



RORAC ¹ – 3 years average	25%	26%	28%	28%	25%

Notes

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

2 LTM 2020 = last twelve months as at 30 June 2020

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

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 style="background-color: #d9e1f2;"> <th></th> <th style="text-align: center;">2016</th> <th style="text-align: center;">2017</th> <th style="text-align: center;">2018</th> <th style="text-align: center;">2019</th> <th style="text-align: center;">H1 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;">5</td> </tr> <tr style="background-color: #d9e1f2;"> <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;">5</td> </tr> </tbody> </table>		2016	2017	2018	2019	H1 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)	5	Total exceptionals (gains) / costs	4	11	17	(10)	5
	2016	2017	2018	2019	H1 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)	5																				
Total exceptionals (gains) / costs	4	11	17	(10)	5																				
Non-controlling interests	<ul style="list-style-type: none"> • Comprise the profit share distributed to French partners and interest on perpetual debt 																								

Summary P&L



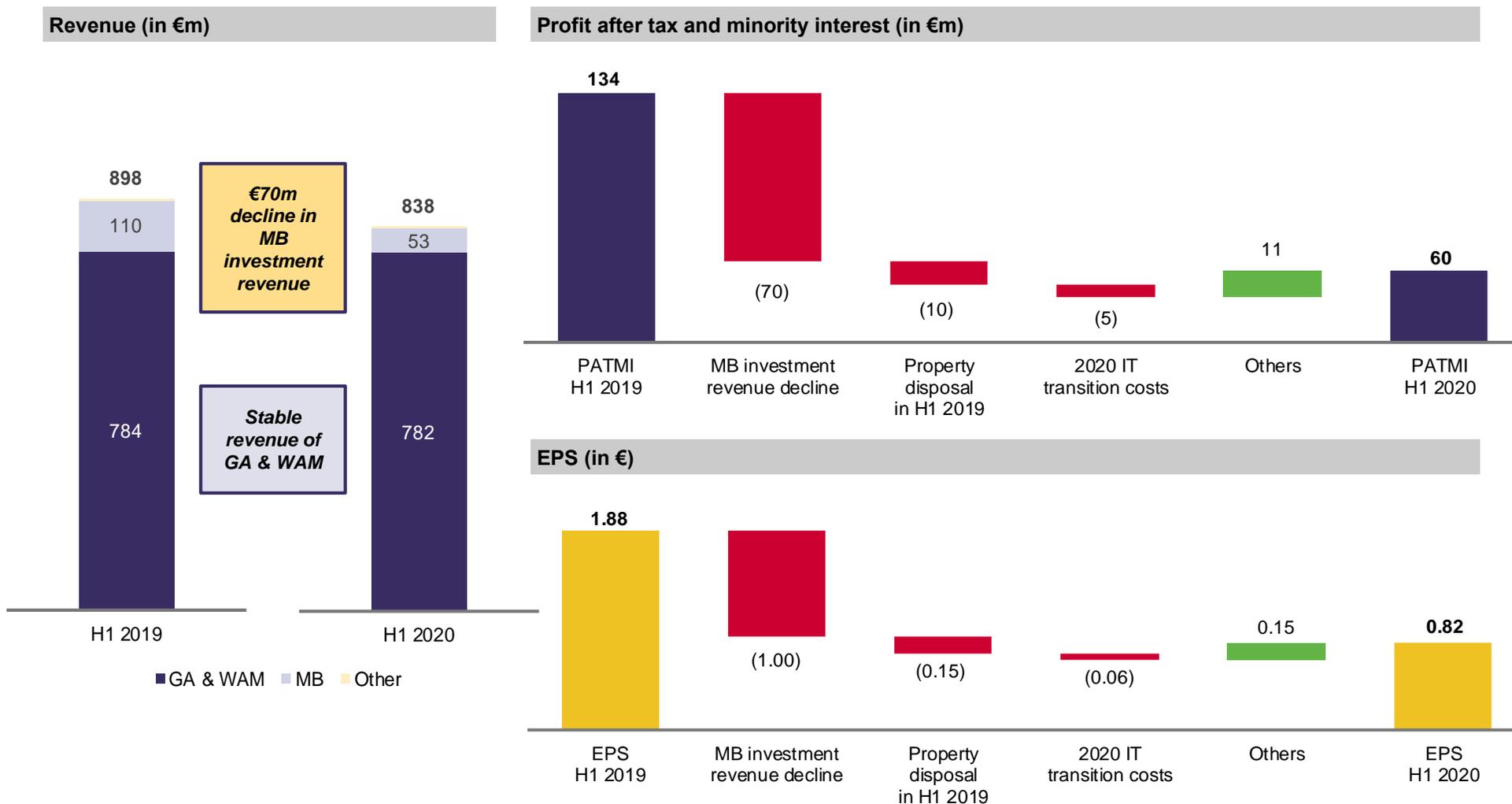
Strong momentum over recent financial years

In €m	2016	2017	2018	2019	H1 2020
Revenue	1,713	1,910	1,976	1,872	838
Staff costs	(1,013)	(1,087)	(1,098)	(1,065)	(523)
Administrative expenses	(268)	(320)	(309)	(289)	(122)
Depreciation and amortisation	(32)	(34)	(30)	(66)	(34)
Impairments	(14)	(13)	(4)	(6)	(8)
Operating Income	386	456	535	446	151
Other income / (expense) (net)	7	21	(4)	19	(1)
Profit before tax	393	477	531	465	150
Consolidated net income	331	412	454	397	122
Net income - Group share	179	236	286	243	60
<i>Earnings per share</i>	€ 2.60	€ 3.18	€ 3.88	€ 3.38	€ 0.82
Net income - Group share excl. exceptionals	183	247	303	233	65
<i>EPS excl. exceptionals</i>	€ 2.66	€ 3.33	€ 4.10	€ 3.24	€ 0.88
<i>ROTE (excluding exceptional items)</i>	14.4%	17.2%	18.0%	12.6%	6.8%

Profit bridge between H1 2019 and H1 2020



Lower profits predominantly explained by the decline of investment revenue in Merchant Banking which directly impacts Group net income





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

(in €m)	2016	2017	2018	2019	H1 2020
Revenue	1,713	1,910	1,976	1,872	838
Total staff costs ¹	(1,119)	(1,211)	(1,225)	(1,176)	(570)
Compensation ratio	65.3%	63.4%	62.0%	62.8%	68.0%
Adjusted accounting Compensation ratio (INCLUDING deferred bonus accounting)²	64.0%	62.4%	60.8%	61.8%	67.3%
Adjusted awarded Compensation ratio (EXCLUDING deferred bonus accounting)	65.0%	62.1%	62.3%	61.6%	66.3%
Headcount	2,946	3,502	3,633	3,559	3,557

- 50% of personnel costs within Rothschild & Co is discretionary
- **If we assume the same level of MB investment performance revenue in H1 2020 as in H1 2019:**
 - Adjusted accounting compensation ratio would be **62.1% (vs 61.4%)**
 - Adjusted awarded compensation ratio would be **61.1% (vs 59.9%)**

Notes

- ¹ Total staff costs include profit share 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 Ratio adjusted with FX effects, UK Guaranteed minimum pension provision and GA US investments costs

Performance by business – 12 months



(in €m)	Global Advisory	Wealth & Asset Management	Merchant Banking	Corporate centre	IFRS reconciliation ¹	2019
Revenue	1,160	497	197	24	(6)	1,872
Operating expenses & impairments	(994)	(424)	(86)	(53)	131	(1,426)
Operating income	166	73	111	(29)	125	446
Operating income excl. exceptional charges / profit	166	73	111	(29)	126	447
<i>Operating margin %</i>	14%	15%	56%	-	-	24%

(in €m)	Global Advisory	Wealth & Asset Management	Merchant Banking	Corporate centre	IFRS reconciliation ¹	2018
Revenue	1,271	480	175	58	(8)	1,976
Operating expenses & impairments	(1,038)	(404)	(73)	(92)	166	(1,441)
Operating income	233	76	102	(34)	158	535
Operating income excl. exceptional charges / profit	233	85	102	(34)	165	551
<i>Operating margin %</i>	18%	18%	58%	-	-	28%

Notes

¹ IFRS reconciliation mainly reflects: the treatment of profit share 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 impairments and certain operating income and expenses for presentational purposes

² Wealth & Asset Management numbers are calculated excluding Trust business following its sale in February 2019

Non-controlling interests



P&L			Balance sheet		
<i>(in €m)</i>	H1 2020	HY 2019	<i>(in €m)</i>	30/06/2020	31/12/2019
Interest on perpetual subordinated debt	8	9	Perpetual subordinated debt	288	303
Preferred shares ¹	55	55	Preferred shares ¹	46	138
Other Non-controlling interests	(1)	(1)	Other Non-controlling interests	4	5
TOTAL	62	63	TOTAL	338	446

Note

¹ Mainly relates to the profit share distributed to French partners

Summary balance sheet



<i>(in €bn)</i>	30/06/2020	31/12/2019	Var
Cash and amounts due from central banks	3.9	4.4	(0.5)
Loans and advances to banks	2.4	2.0	0.4
Loans and advances to customers	3.3	3.3	0.0
<i>of which Private client lending</i>	2.9	2.8	0.1
Debt and equity securities	2.8	2.8	-
Other assets	1.6	1.7	(0.1)
Total assets	14.0	14.2	(0.2)
Due to customers	9.7	9.5	0.2
Other liabilities	1.8	2.1	(0.3)
Shareholders' equity - Group share	2.2	2.2	-
Non-controlling interests	0.3	0.4	(0.1)
Total capital and liabilities	14.0	14.2	(0.2)
<i>Private client lending / Deposits %</i>	30%	29%	
<i>Net book value per share</i>	€30.60	€31.23	
<i>Net tangible book value per share</i>	€26.33	€27.08	



4

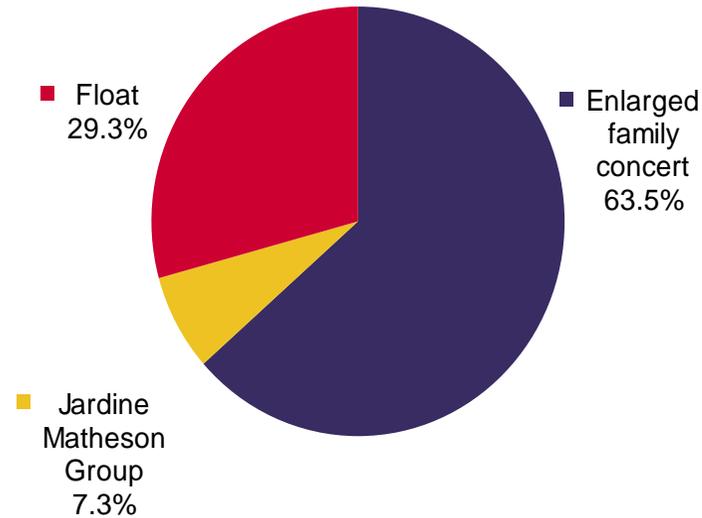
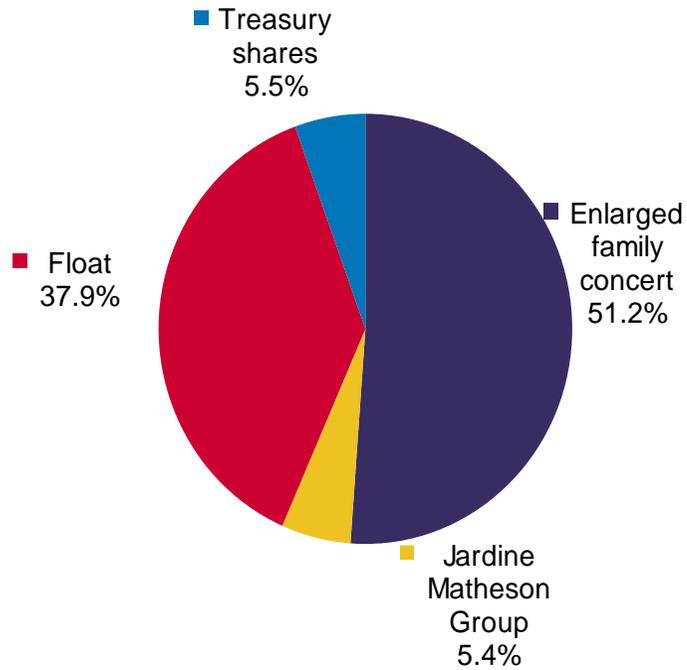
Shareholding structure and
governance

Shareholding structure as at 31 August 2020



Share capital

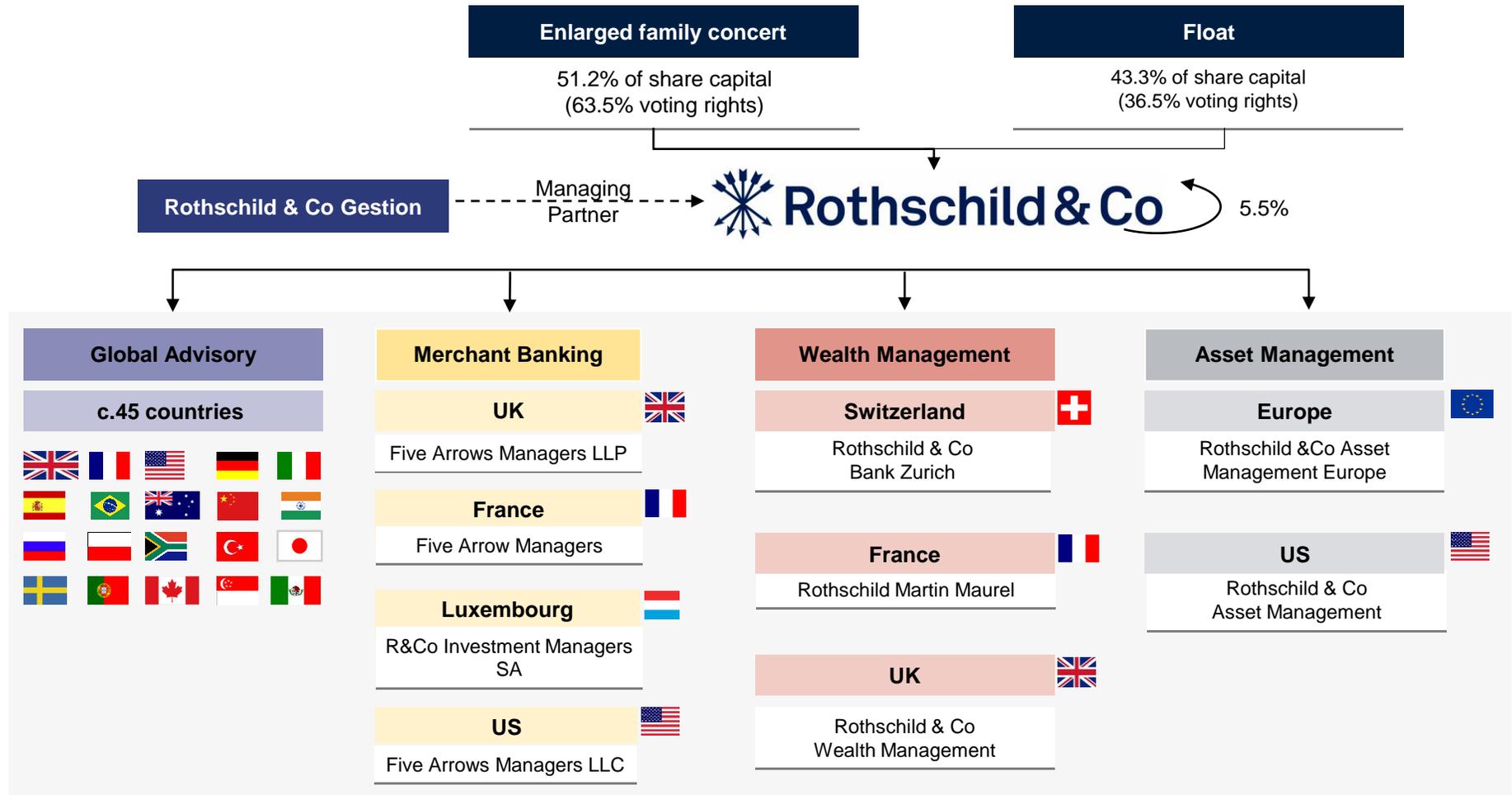
Voting rights



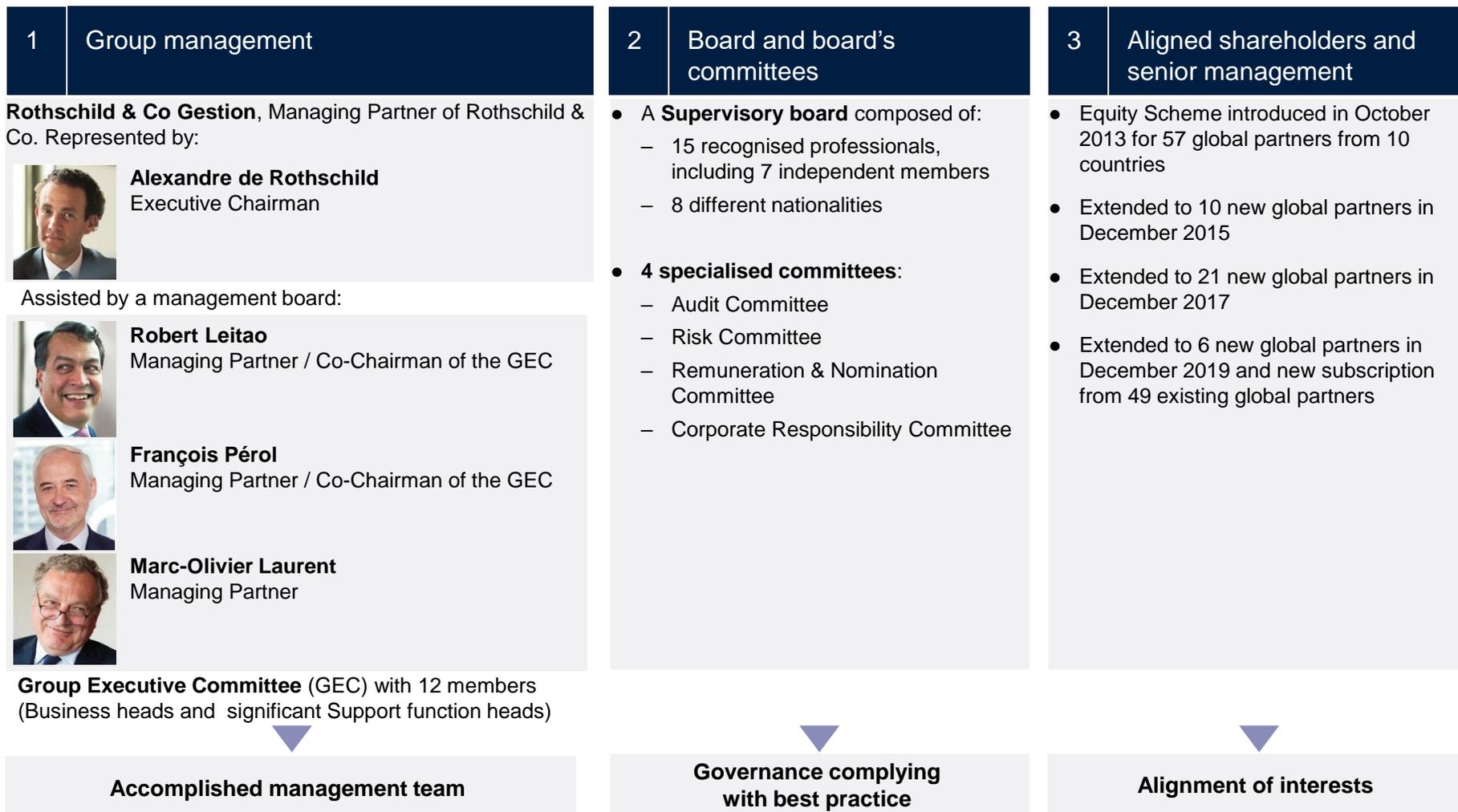
Rothschild & Co at a glance



As at 30 August 2020



Strong corporate governance



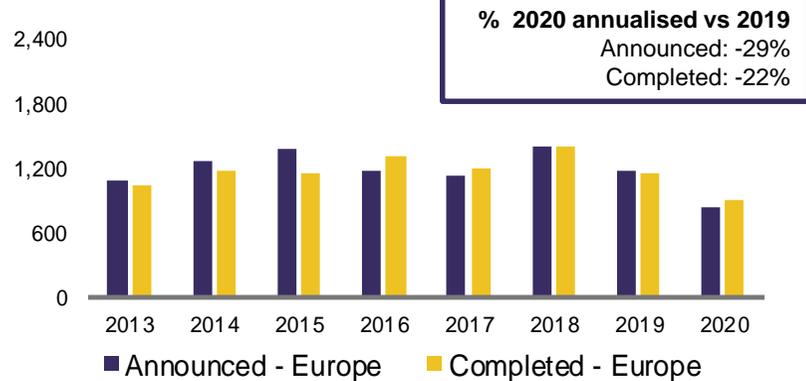


Appendices

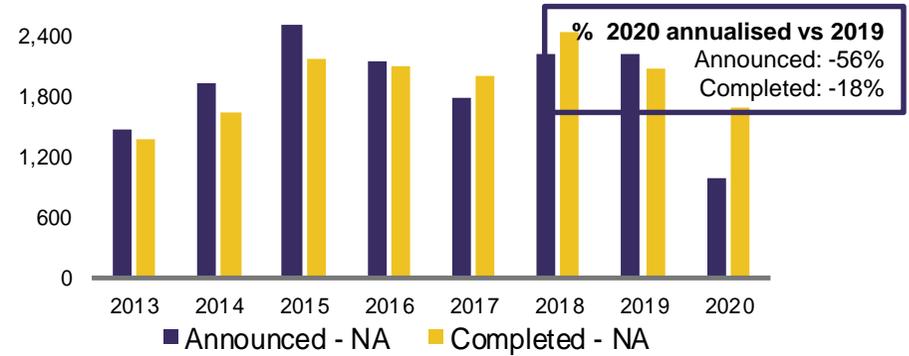


Regional M&A market by deal values (US\$bn)

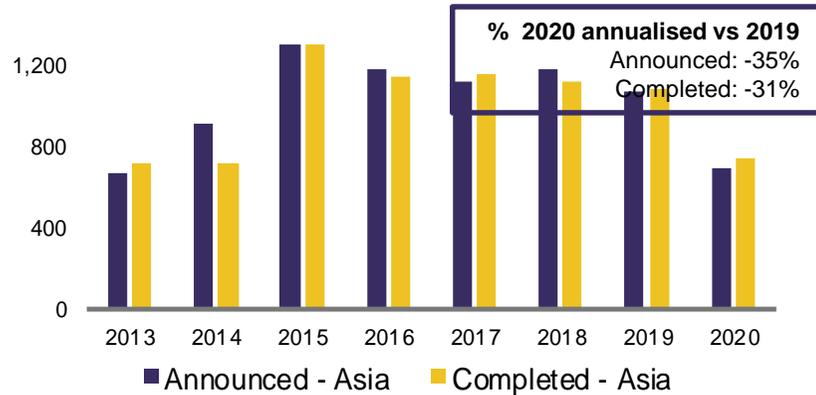
Europe



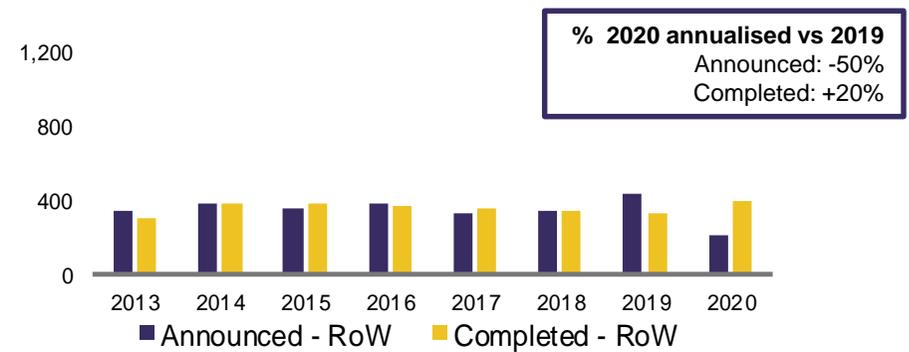
North America



Asia



Rest of the world

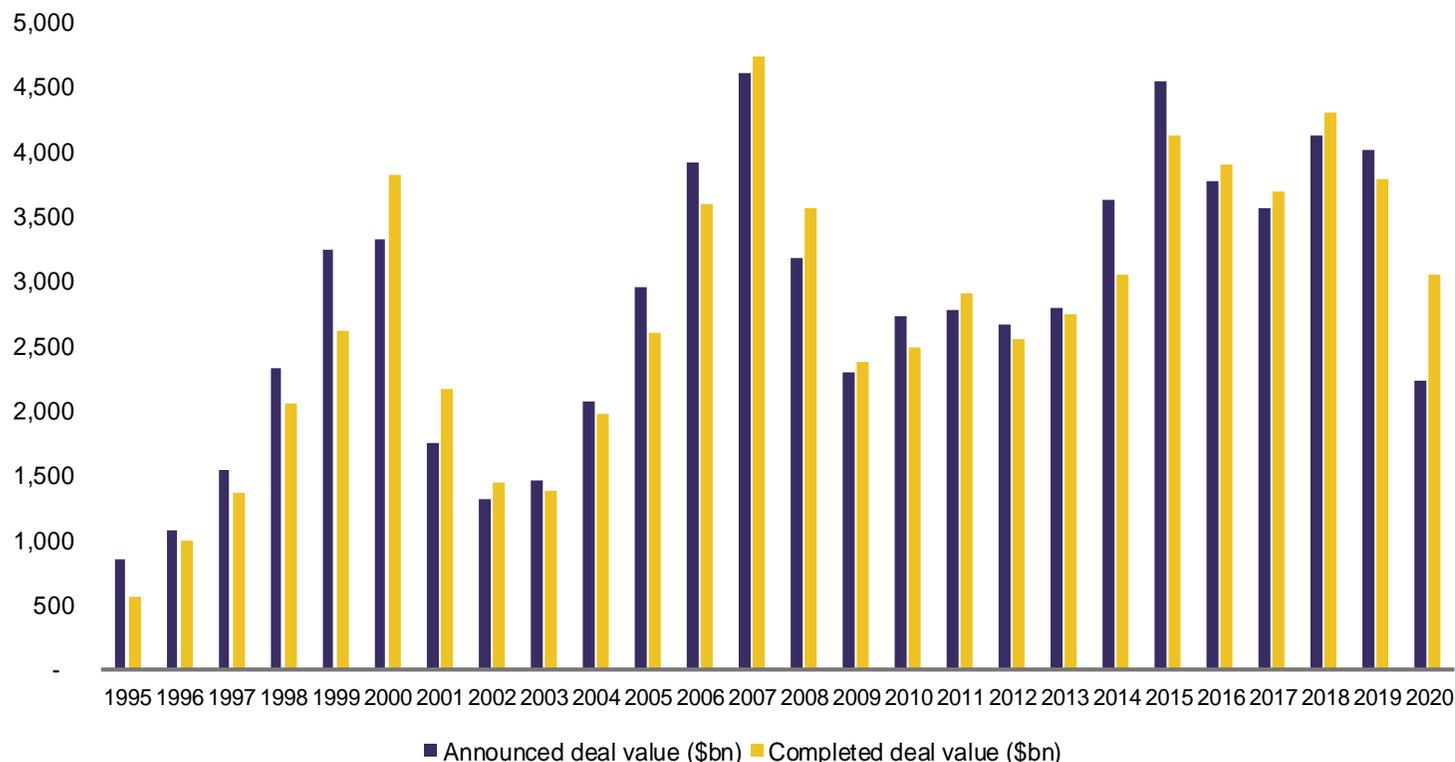


Source: Dealogic - Annualised data for 2020 based on June data

M&A market by deal values



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



Deal Values > \$10bn	2019	2020 annualised	Var %
Announced	1,196	447	-63%
Completed	1,037	924	-11%
o/w USA			
Announced	942	234	-75%
% USA / Global	79%	52%	
Completed	740	678	-8%
% USA / Global	71%	73%	

	16 vs 15	17 vs 16	18 vs 17	19 vs 18	20 annualised vs 2019
% var Announced	(17%)	(6%)	16%	(3%)	(44%)
% var Completed	(5%)	(5%)	17%	(12%)	(19%)

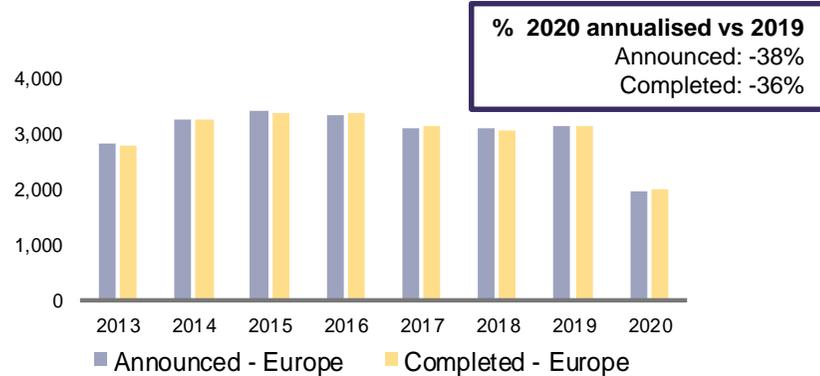
Source: Dealogic - Annualised data for 2020 based on June data



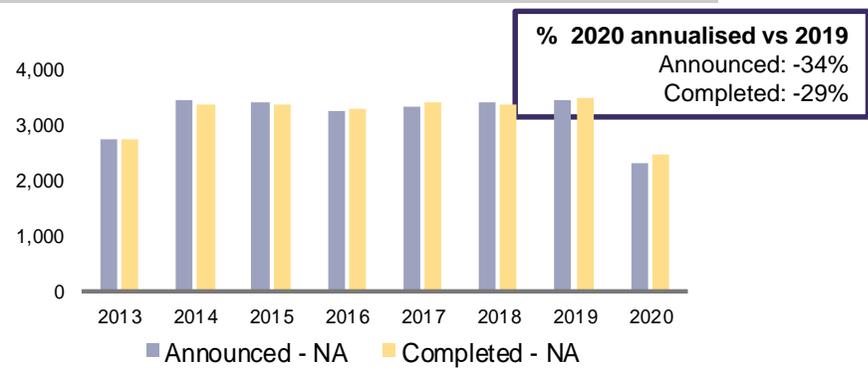
Regional M&A market by deal number

Facing Page 39

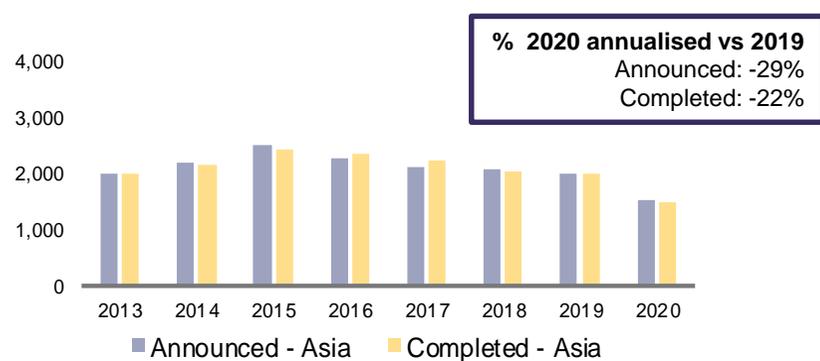
Europe



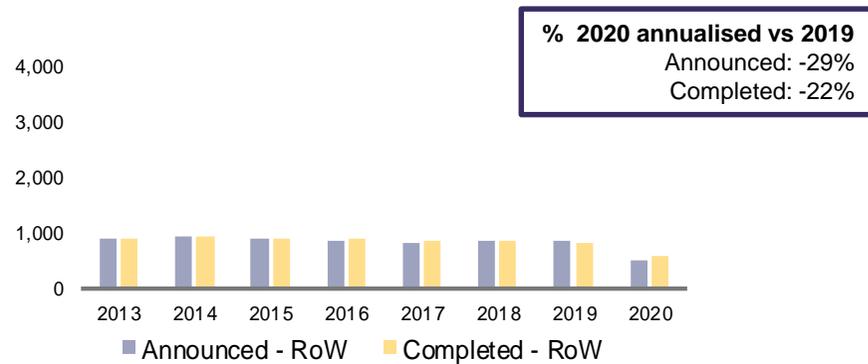
North America



Asia



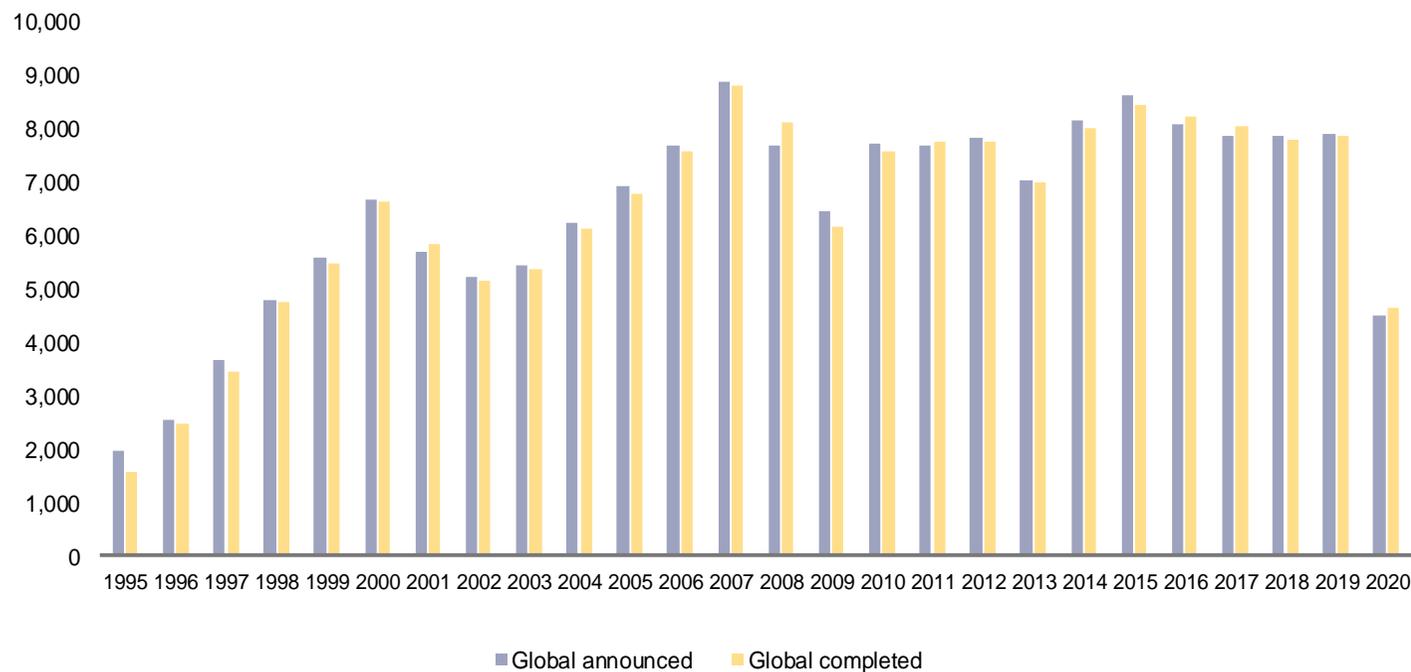
Rest of the world



M&A market by deal number



Global M&A by deal number



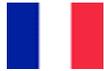
Deal nb > \$10bn	2019	2020 annualised	Var %
Announced	45	22	-51%
Completed	35	30	-14%
o/w USA			
Announced	35	10	-71%
% USA / Global	78%	45%	
Completed	26	24	-8%
% USA / Global	74%	80%	

	16 vs 15	17 vs 16	18 vs 17	19 vs 18	20 annualised vs 2019
% var Announced	(6%)	(3%)	(0%)	0%	(43%)
% var Completed	(3%)	(2%)	(3%)	1%	(41%)

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



M&A and Strategic Advisory – example of transactions

Company	Deal	Country	Sector	Value
	Ingenico <ul style="list-style-type: none"> Mixed tender offer by Worldline 		General Engineering	€9.6bn
	Asahi Group <ul style="list-style-type: none"> US\$11.3bn acquisition of Carlton & United Breweries from AB InBev 		Consumer	US\$11.3bn
	EQT, ADIA and PSP Investments <ul style="list-style-type: none"> US\$10.1bn acquisition of Nestle Skin Health 		Healthcare	US\$10.1bn
	Cobham <ul style="list-style-type: none"> £4.2bn recommended cash offer from Advent 		Aerospace and Defence	£4.2bn
	Alstom <ul style="list-style-type: none"> €7.5bn acquisition of Bombardier Transportation and cornerstone investment from CDPQ 		Transport and Infrastructure	€7.5bn
	Consortium (Advent, Cinven & RAG) <ul style="list-style-type: none"> Acquisition of thyssenkrupp's Elevator Technology business for €17.2bn 		General Engineering	€17.2bn
	RPC <ul style="list-style-type: none"> £4.7bn sale of RPC Group plc to Berry Global Group 		Industrial Materials	£4.7bn
	Greene King <ul style="list-style-type: none"> £4.6bn recommended cash offer by CK Asset Holdings 		Retail	£4.6bn



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



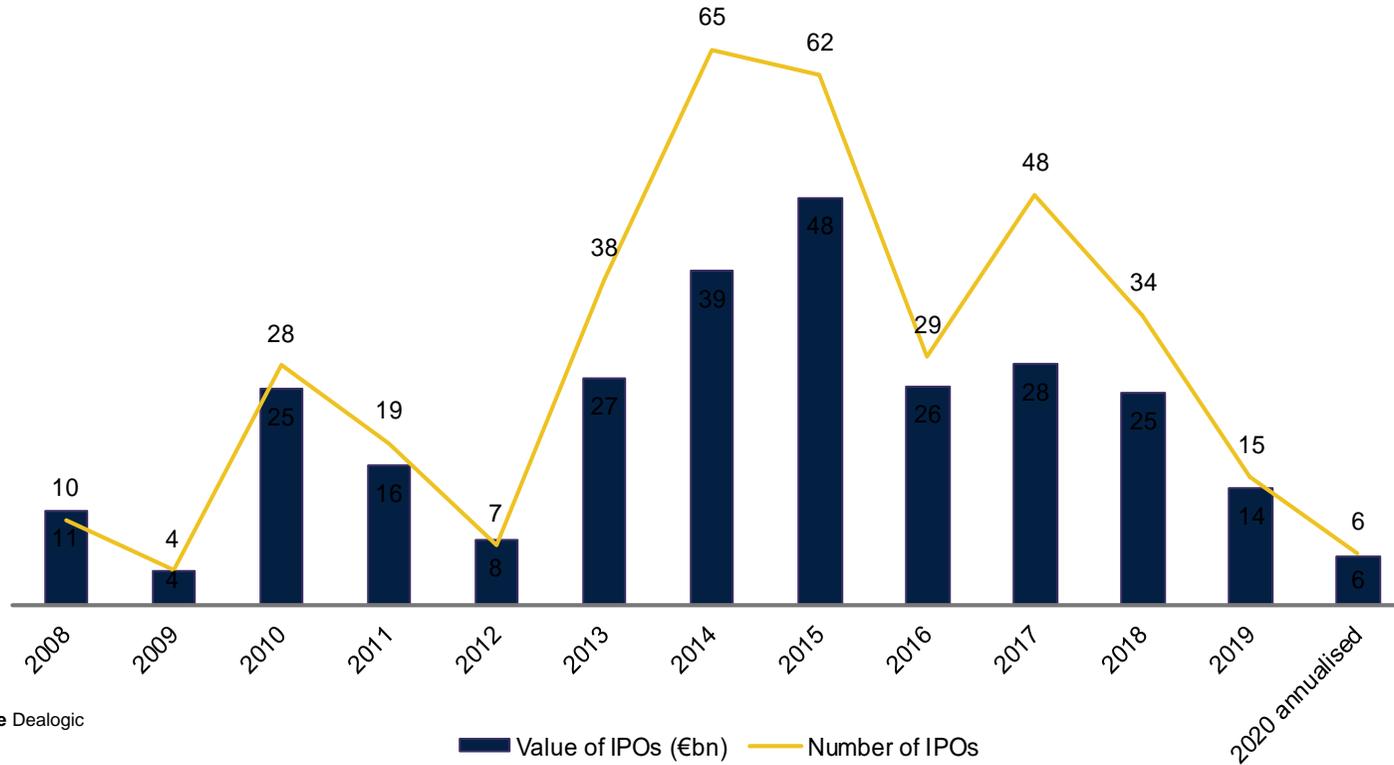
Financing advisory – example of transactions

Company	Deal	Country	Sector	Value
 Arqiva	<ul style="list-style-type: none"> Debt advice on £3.2bn multi-class debt and swap reorganization for Arqiva 		Infrastructure	£3.2bn
 PG&E	<ul style="list-style-type: none"> Advised Ad Hoc Group of Insurance Subrogation Claimholders 		Energy and Power	US\$20bn
 IAG <small>INTERNATIONAL AIRLINES GROUP</small>	<ul style="list-style-type: none"> Rights Issue of up to €2.74bn 		Transport	€2.74bn
 FDJ	<ul style="list-style-type: none"> €1.9bn privatisation IPO 		Retail	€1.9bn
 TRAFIGURA	<ul style="list-style-type: none"> €2.6bn restructuring and acquisition of Nyrstar 		Business Services	€2.6bn
 RALLYE	<ul style="list-style-type: none"> Debt advice on the €3.6bn restructuring and signature of a €233m back-up facility 		Retail	€3.85bn
 Hamburg Commercial Bank	<ul style="list-style-type: none"> €2.3bn Liability Management Exercise 		FIG	€2.3bn
 Lufthansa	<ul style="list-style-type: none"> €9bn stabilisation package for Deutsche Lufthansa 		Government/ Public Sector	€9bn

European IPO market



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



Source Dealogic

	17 vs 16	18 vs 17	19 vs 18	20 annualised vs 19
% Value	10%	(12)%	(45)%	(59)%
% Number	66%	(29)%	(56)%	(60)%

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 30 August 2020

