



Equity story

August 2022



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1

Investment case



High level of synergies across our business

1

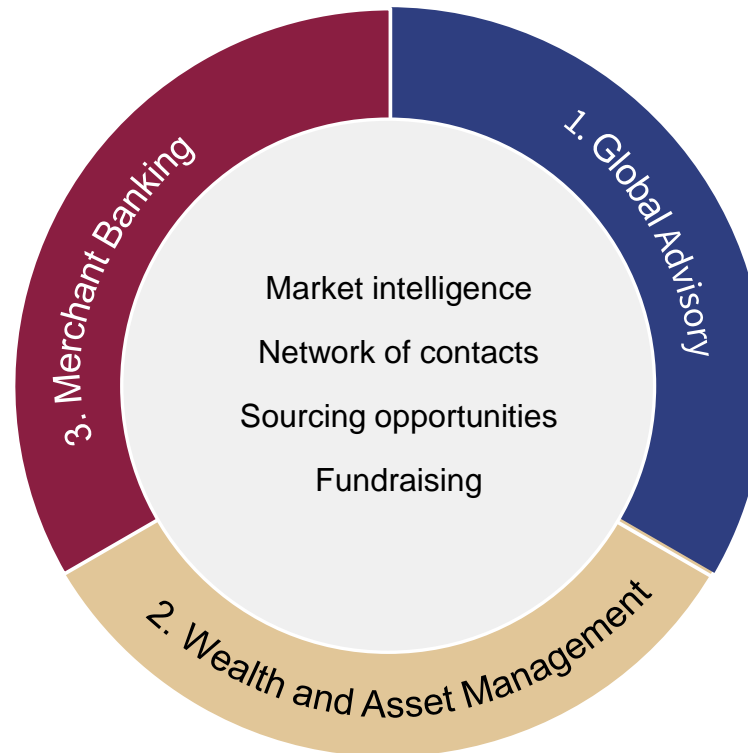
Increased opportunities
in client referrals to GA

2

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

3

c.25% of cumulative capital
raised sourced through Wealth
and Asset Management





One Group organised around three pillars

	Global Advisory	Wealth and 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.1,300 bankers in 55 offices over 40 countries	<ul style="list-style-type: none">• c.345 client advisors and portfolio managers	<ul style="list-style-type: none">• c.140 front office professionals																																			
Size	<ul style="list-style-type: none">• #7 globally by revenue	<ul style="list-style-type: none">• €99.6bn of AuM	<ul style="list-style-type: none">• €21.6bn of AuM																																			
Key figures (in €m)	<table><tr><th></th><th>2019</th><th>2020</th><th>2021</th></tr><tr><td>Global Advisory</td><td>1,872</td><td>1,799</td><td>2,925</td></tr><tr><td>Wealth and Asset Management</td><td>350</td><td>300</td><td>830</td></tr><tr><td>Merchant Banking</td><td>300</td><td>300</td><td>830</td></tr><tr><td>Profit before tax (%)</td><td></td><td></td><td></td></tr><tr><td>Global Advisory</td><td>62%</td><td>64%</td><td>65%</td></tr><tr><td>Wealth and Asset Management</td><td>21%</td><td>25%</td><td>14%</td></tr><tr><td>Merchant Banking</td><td>11%</td><td>8%</td><td>35%</td></tr></table>							2019	2020	2021	Global Advisory	1,872	1,799	2,925	Wealth and Asset Management	350	300	830	Merchant Banking	300	300	830	Profit before tax (%)				Global Advisory	62%	64%	65%	Wealth and Asset Management	21%	25%	14%	Merchant Banking	11%	8%	35%
	2019	2020	2021																																			
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Merchant Banking	11%	8%	35%																																			

With c.4,000 financial services employees over 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

Remain focused

- Focus on our three core businesses
- Global Advisory, Wealth and Asset Management and Merchant Banking

Sustainability ambition

- Use our influence and expertise to support the sustainability transition of the global economy

Grow scale

- 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

- Improve synergies between three core businesses
- Focus on long-term performance and value creation

Deliver strong returns

- 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 Equity Market Services
- 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 within Merchant Banking
- Make available to our Wealth and Asset Management clients

Human capital management

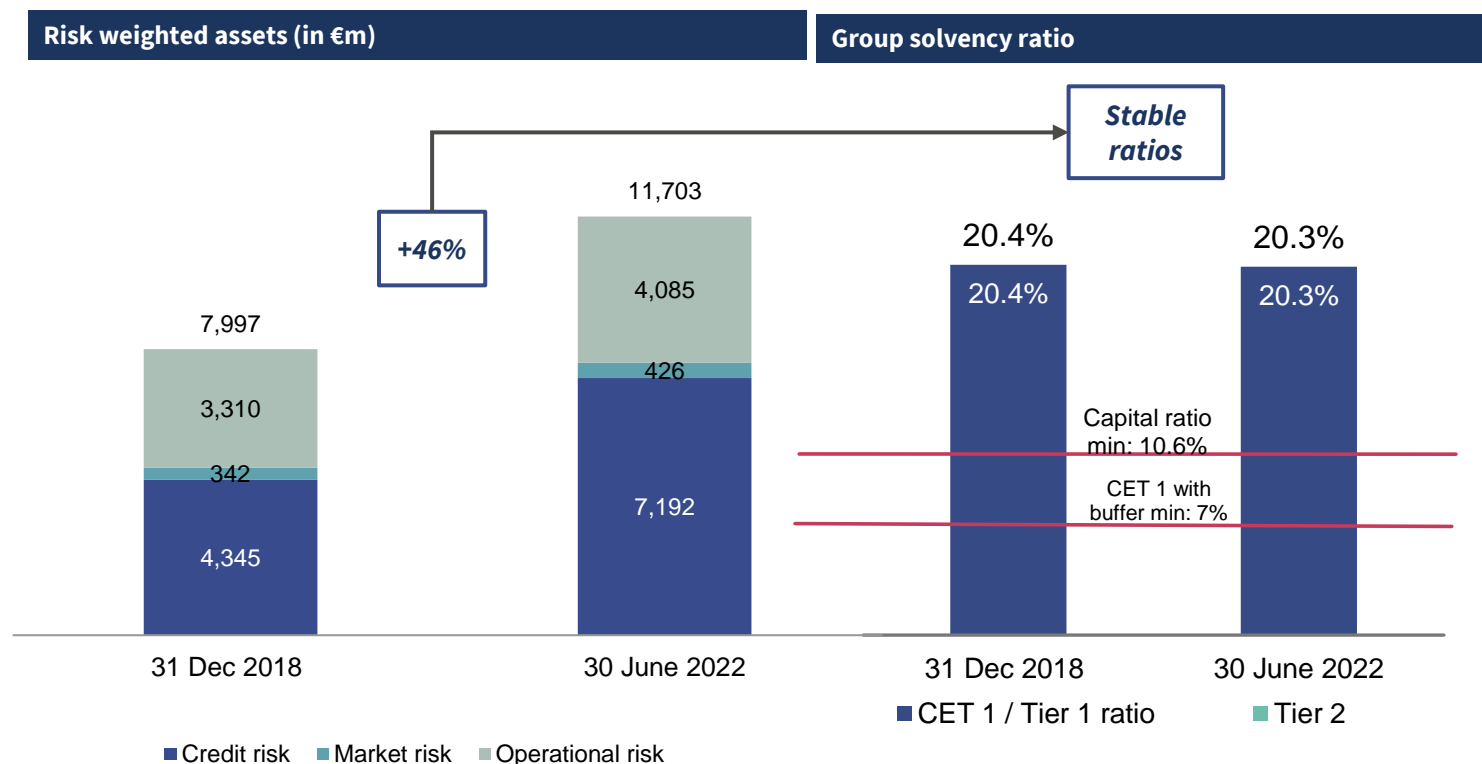


- Recruitment
- Retention
- Succession management



Strong capital position ...

Fully loaded solvency ratios around 20%



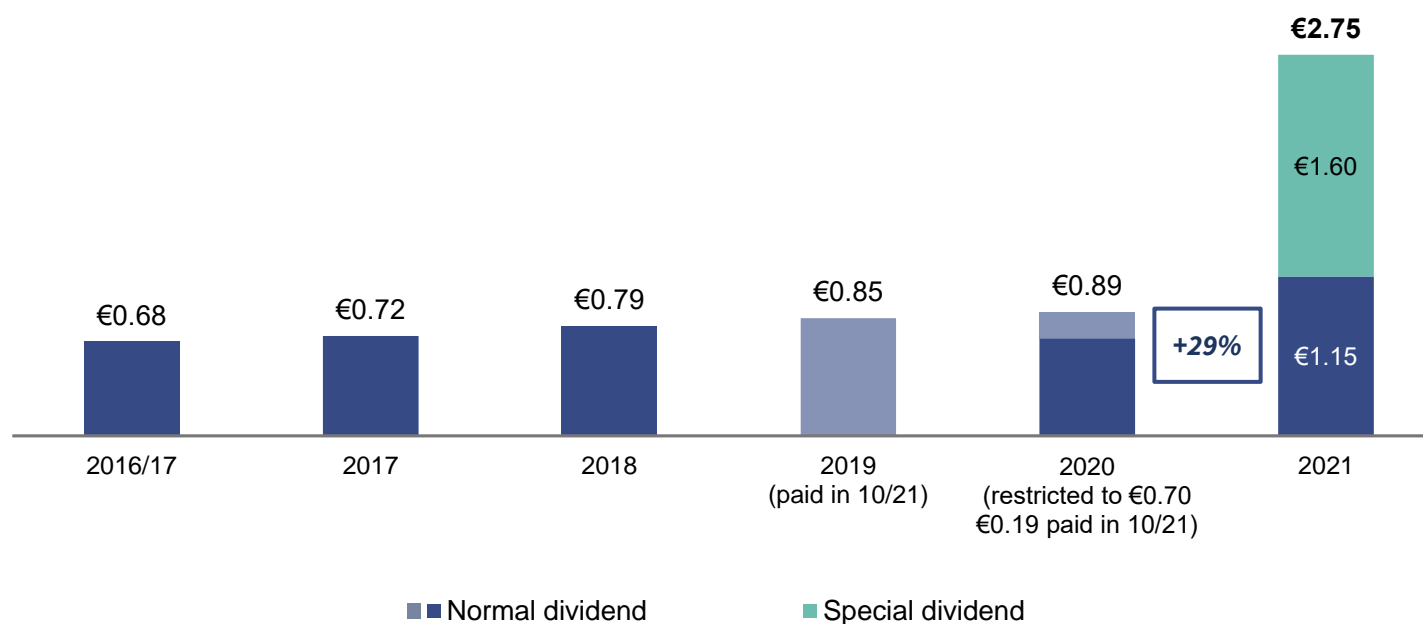
Strong capital position gives us the optionality around development opportunities and cash returns to shareholders

- Strong growth in capital reflecting retained profit
- RWA's increase mainly reflecting (i) operational risk in line with revenue growth and (ii) credit risk relating to MB growth and increase of private client lending
- As a family-controlled group, capital is managed in a conservative way while allowing for future growth plans in MB, possible WAM acquisitions, and future regulatory requirements



Our progressive dividend policy

Dividend progression over 5 years



Steady increase of dividend over time

In addition to dividends shown, there were share buy backs of:

- 2018: €132m as part of Edmond de Rothschild deal
- 2021: €35m
- 2022: launch of the previously announced SBB of €70m, following ACPR approval

Payout ratio ¹	26%	22%	19%	26%	38%	26% ²
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Notes

1 Pay-out ratio calculated excluding exceptional items

2 31% excluding deferred bonus credit



Our financial targets

			Target	H1 2022	2021	2020
Group targets	Compensation ratio ¹	▶	Low to mid 60's through the cycle	66.0%	60.2%	68.4%
	Return on tangible equity ²	▶	10 to 15% through the cycle	17.9%	32.3%	8.8%
Businesses targets	Global Advisory: PBT margin	▶	Mid to high-teens through the cycle	19%	22%	15%
	Wealth & Asset Management: PBT margin ³	▶	Around 18% ³ by end of 2022	22.0%	20.7%	15.6%
	Merchant Banking: 3 years average RORAC ⁴	▶	Above 15% through the cycle	30%	29%	20%

Notes

1 Calculation detailed slide [50](#)

2 ROTE based on Net income – Group share excl. exceptional items

3 Excluding Asset Management US



2

Business lines

1	Global Advisory
2	Wealth and Asset Management
3	Merchant Banking



A history of long-term value creation for our clients

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 advisers across global markets

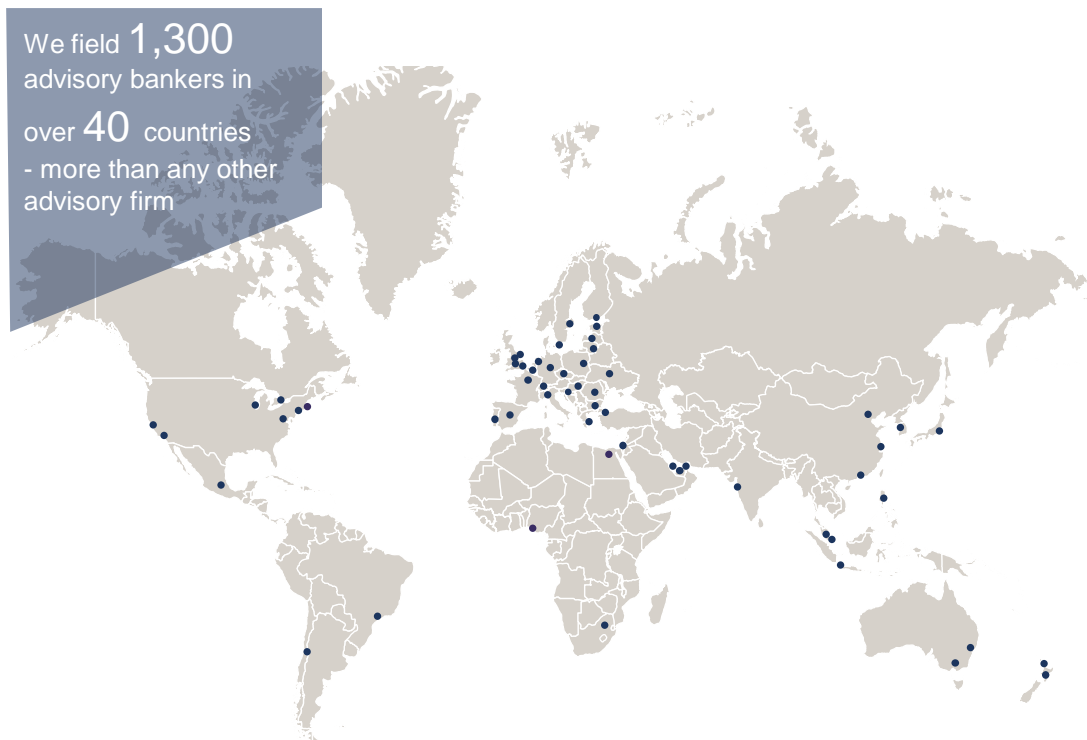
Aerospace and Defence 	Automotive 	Business Services 	Consumer, Retail and Leisure 	Energy and Power 	Financial Institutions 	General Engineering and Capital Goods
Government and Public Sector 	Healthcare 	Industrial Materials 	Mining and Metals 	Real Estate 	Transport and Infrastructure 	Telecoms, Media and Technology



Introduction to Global Advisory

Geography	Global	
Offerings	<ul style="list-style-type: none"> ■ Strategic Advisory and M&A ■ Debt Advisory and Restructuring ■ Equity Market Solutions: <ul style="list-style-type: none"> □ ECM advisory □ Private Capital □ Investor advisory □ Investor marketing 	
# Front office	<ul style="list-style-type: none"> ● c.1,300 bankers of which c.270 MDs 	
Key numbers	#7 globally by revenue (LTM 06 2022)	#4 globally by number of completed transactions
	€1.9bn of revenue LTM 06 2022 (66% of Group revenue)	€419m of PBT LTM 06 2022 (54% of Group PBT)

We field **1,300** advisory bankers in over **40** countries - more than any other advisory firm



890
in Europe

220
in US and Canada

120
in Asia-Pacific

35
in Latin America

35
in Africa & Middle East



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 any other firm in our core markets, ranking #4 by number of completed 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 gives us deeper insight into capital markets than any other adviser

Advice only



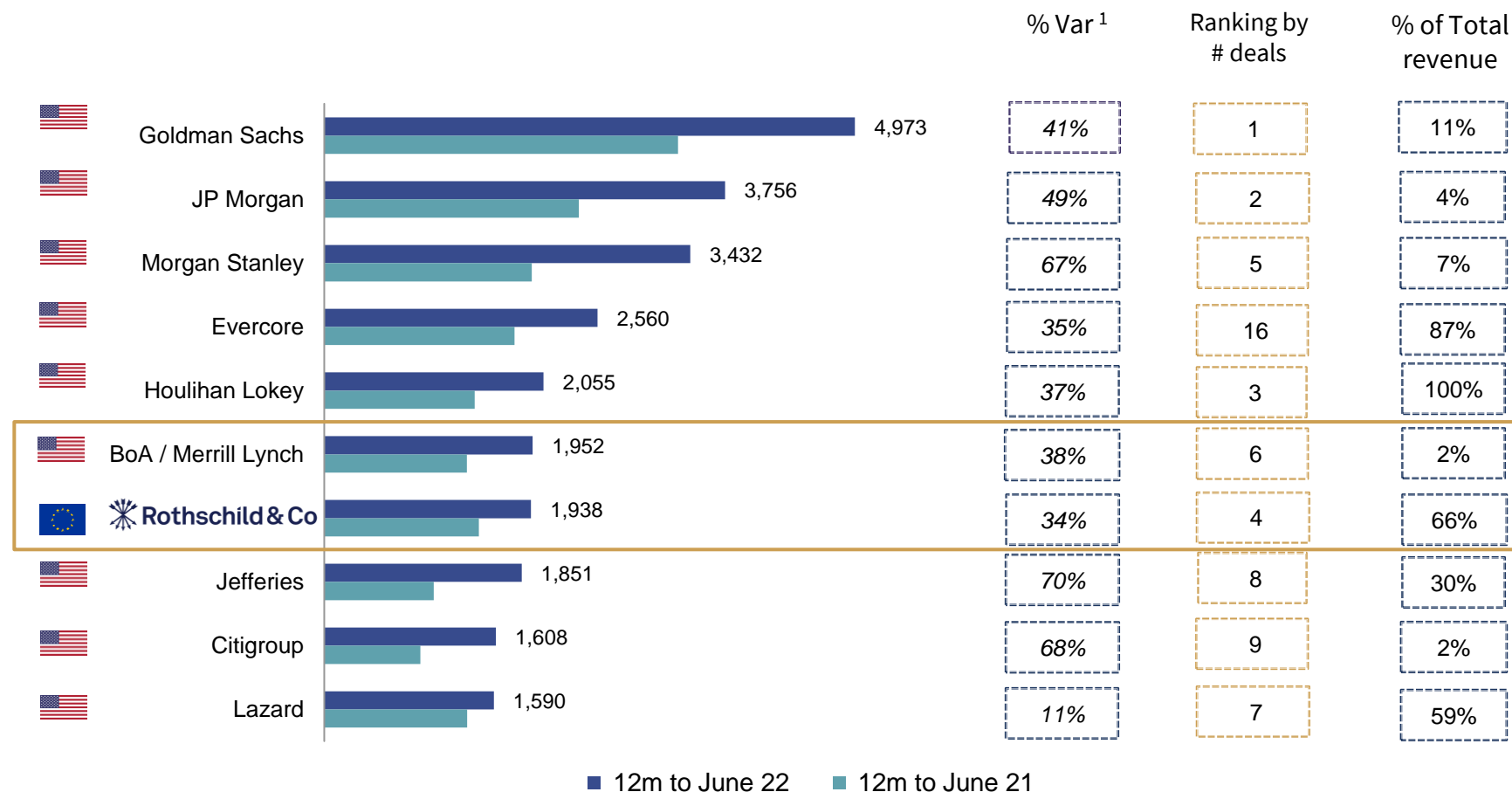
- Our advice is independent and unbiased, based on a long-term view to deliver each client's interests

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



Leading position: 7th by revenue and 4th by number of deals globally

Ranking of top 10 advisers by advisory revenue (in €m) – 12m to June 2022



Note

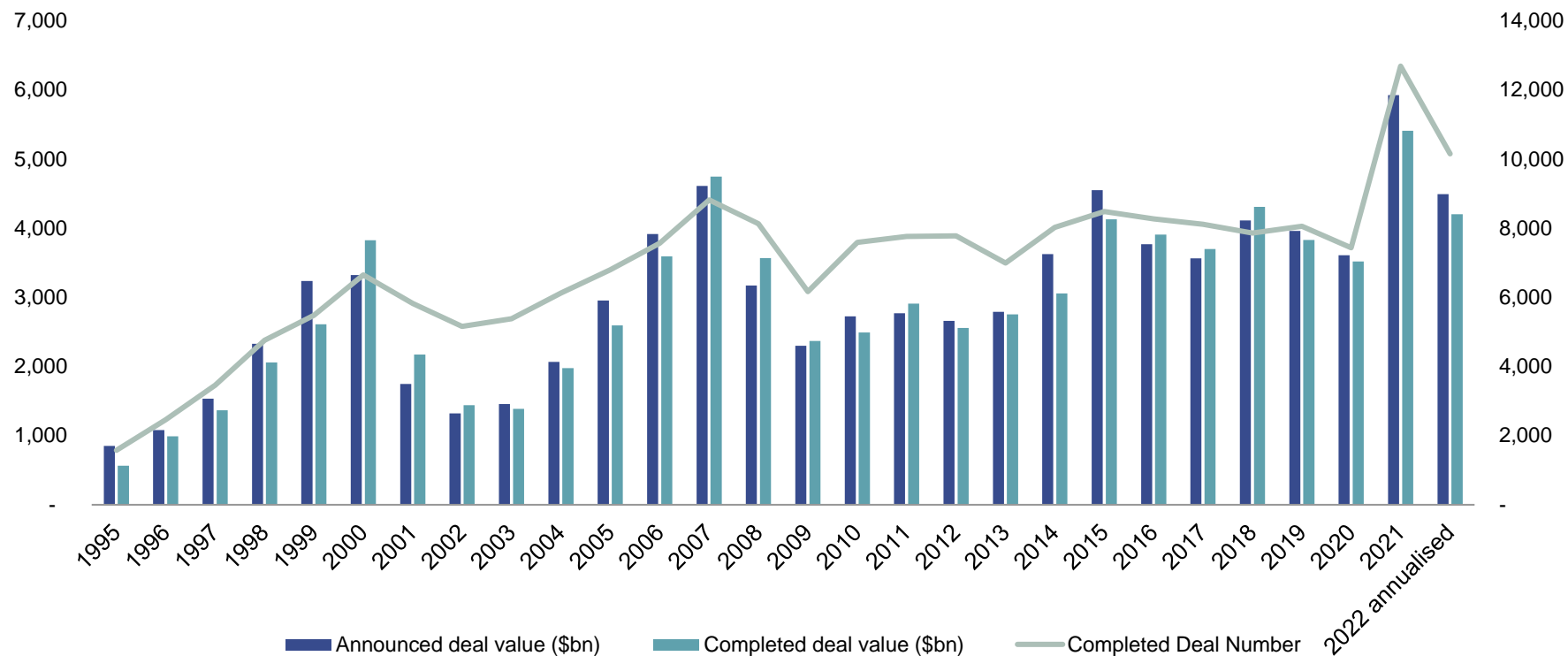
1: Variation calculated on local currency

Source: Company's filings, Refinitiv completed transactions



Global M&A market by deal value

The rise and fall of M&A



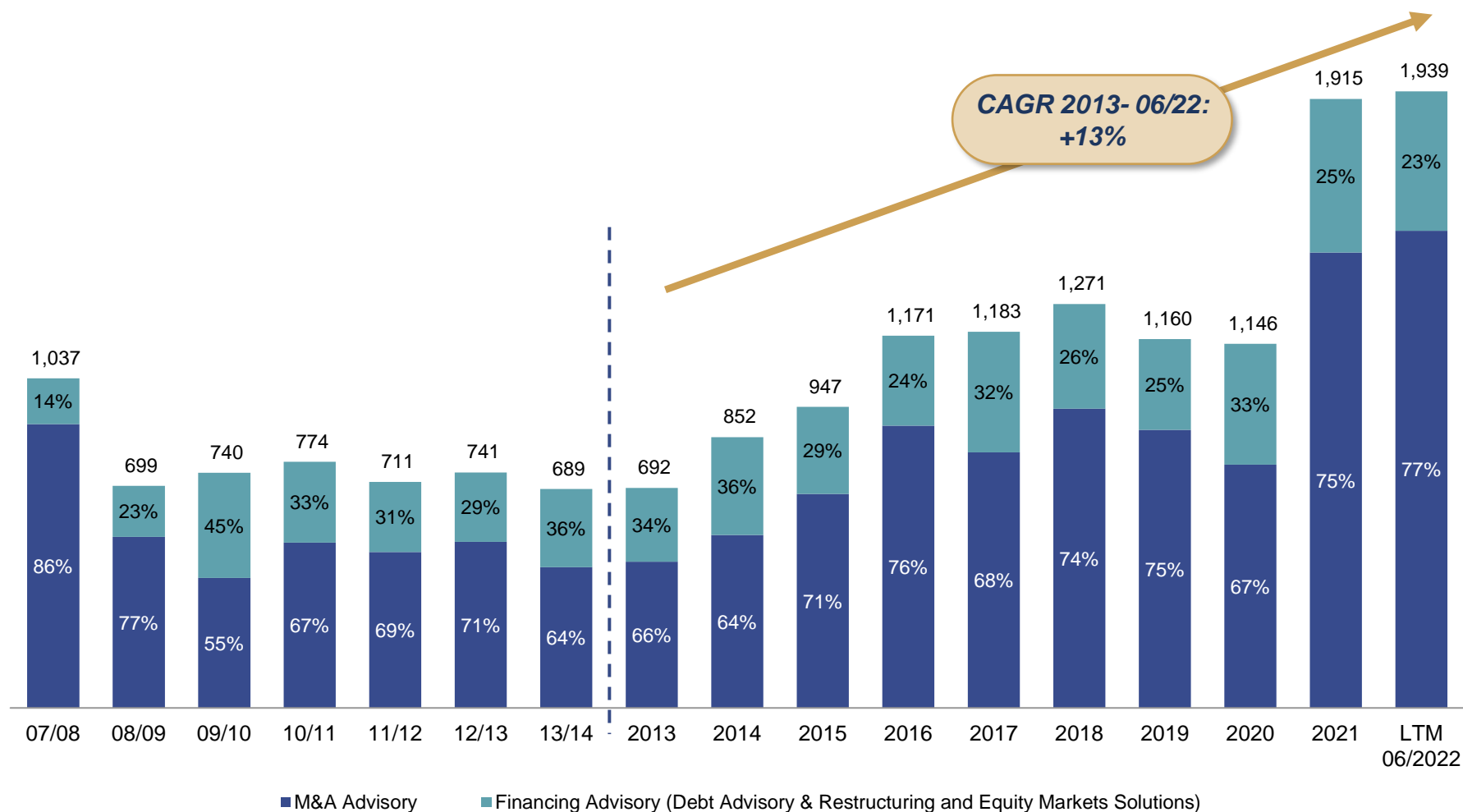
	16 vs 15	17 vs 16	18 vs 17	19 vs 18	20 vs 19	21 vs 20	22 annualised vs 21	H1 22 vs H1 21
% var Announced	(17%)	(5%)	15%	(4%)	(9%)	64%	(24%)	(23%)
% var Completed	(5%)	(5%)	17%	(11%)	(8%)	54%	(22%)	(9%)



Resilient model through the cycle

Complementary mix of M&A and Financing Advisory

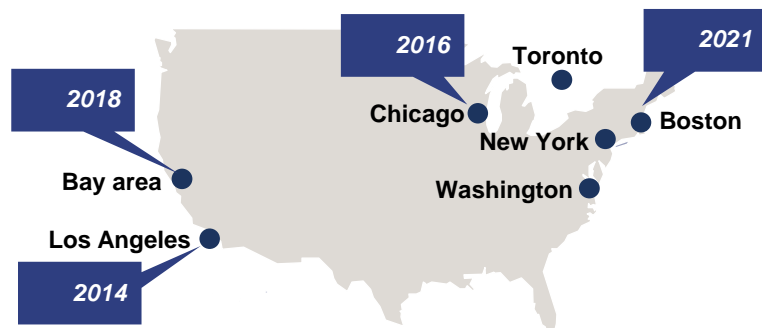
Revenue progression (in €m)





Our North American development

Overview

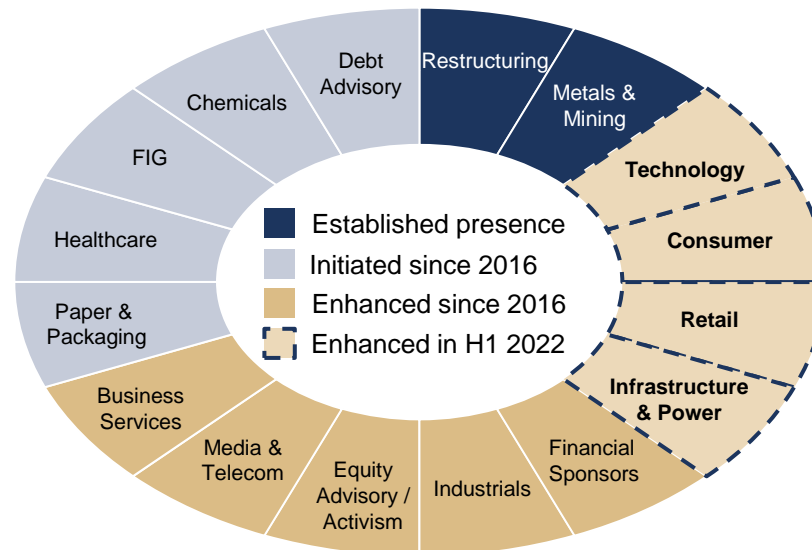


7
offices

52
MDs

220
bankers

Broadening Sector coverage



Rothschild & Co North America performance¹

	2021	H1 2022
M&A deal value	\$142bn	\$59bn
M&A deal number	181	84
Revenue ²	\$438m	\$133m

- Investments in senior and other bankers continue to generate strong results
- Rothschild & Co North America continues to grow its sector coverage and geographic presence

Notes

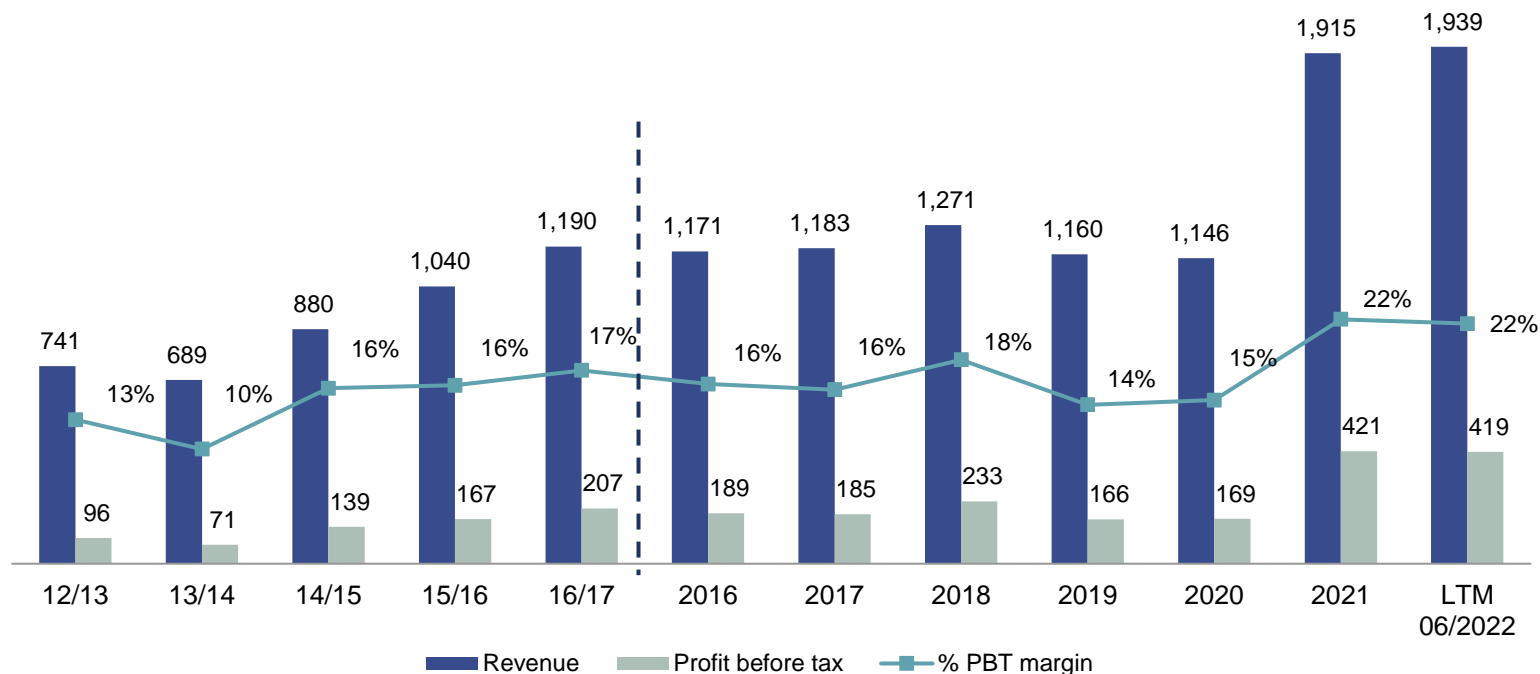
¹ Source: Refinitiv, any North America involvement on announced transactions

² Includes M&A and Financing Advisory



Profits through the cycle

Profit Before Tax (in €m) and PBT margin¹



Compensation ratio²

66.2% 67.0% 65.4% 66.0% 66.6% 67.6% 67.2% 65.1% 66.3% 68.1% 66.8%

Notes

¹ Including ongoing investment in the development of our North American M&A franchise (cost to recruit senior bankers)

² On an awarded basis



Our response to the evolution of equity markets

Private capital, fully integrated investor engagement business

The rise of private capital

c.50% decline in LSE listed companies, and
c.36% decline in US listed companies

- Broad de-equitisation of listed market, since 1990s
- Companies take longer to list and are larger when they do
- Deep pools of private capital globally: sovereign wealth, pension fund, PE / VC and family office
- Significant capital deployment into growth equity and GP solutions



Rothschild & Co's Private Capital business

GP solutions

Growth equity

Minority equity

- 1** Advise **founders, corporates and financial sponsors** on securing investment from the private markets for minority transactions
- 2** Advise **growth companies** on late stage fundraising through to exit via IPO or M&A
- 3** Advise **Financial Sponsors, Venture and Growth funds** on continuation vehicles, follow-on capital, partial liquidity and other GP solutions

ESG and activist agendas

89% of active funds integrate ESG considerations into investments decisions¹

- Significant opportunities driven by trends in equity markets include:
 - Greater stakeholder engagement
 - Rise of ESG
 - Continued activist activity



Rothschild & Co's Investor Advisory business

Shareholder engagement

ESG advisory

Activist defence

- 1** Advise **Boards** on a broad range of shareholder challenges on a stand-alone basis or combined within our other advisory activities
- 2** A **fully integrated solution** within Global Advisory, Investor Advisory provides activist defence, ESG advisory and assistance with driving engagement on a wide range of transactions
- 3** Enhances our **product offering** to and strengthens our relationships with clients as well as provides critical ESG input into all of our activities, M&A and Financing Advisory



Strategy of Global Advisory

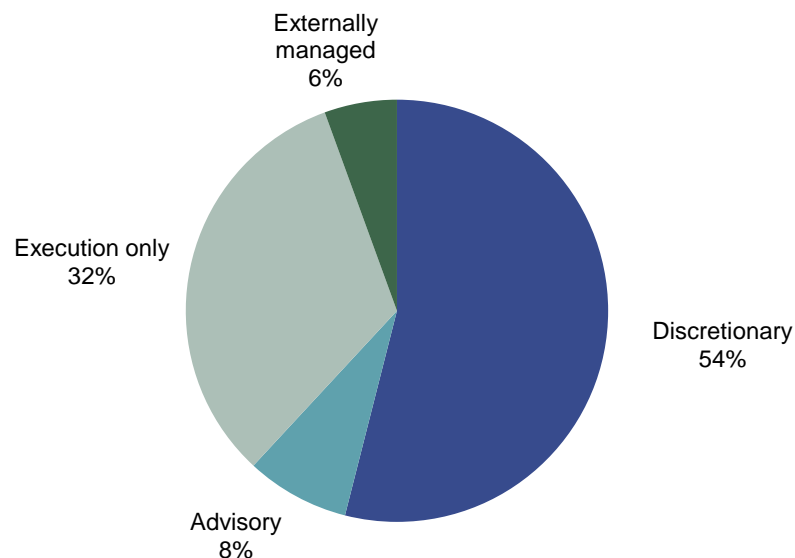
1	Uphold and enhance our leading position in Europe	Maintain leading global position while taking advantage of significant growth opportunities
2	Grow market share in North America	
3	Deliver considered growth in Rest of World	
4	Develop strategic ancillary business areas	
5	Maximise synergies with other businesses within the Group	

1	Global Advisory
2	Wealth and Asset Management
3	Merchant Banking



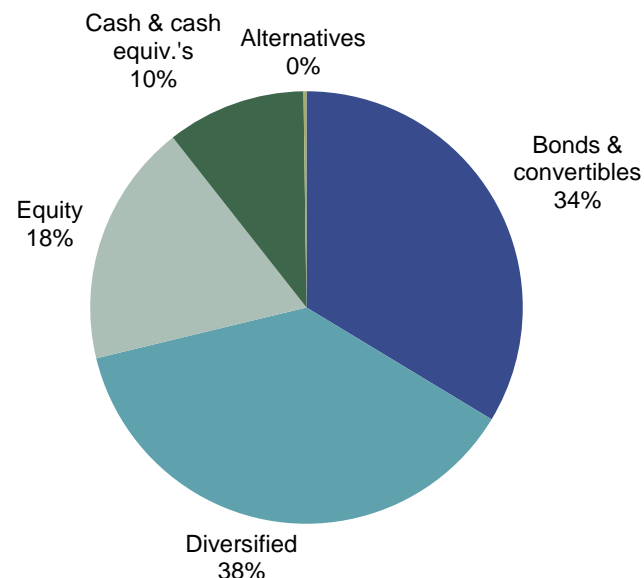
Offering

Wealth Management



- Focus on high-net-worth individuals
- Transforming the business mix to increase AuM under discretionary management

Asset Management Europe



- 4 brands of actively managed funds:
 - **Conviction**: active management driven by strong investments views across Euro equities and Fixed income
 - **Valor**: diversified solutions without any constraints
 - **Thematic**: identifying durable themes (e.g. real estate, ageing population, gold mines funds)
 - **4change**: coupling responsibility and performance

Notes

- 1 Data as at 30 June 2022
- 2 Note: Execution only assets in France include the "French euro fund" and dedicated funds



Introduction

Geography	<ul style="list-style-type: none"> Mostly European 	Wealth Management	€73bn	Asset Management	€27bn¹
Main locations	<ul style="list-style-type: none"> France, UK, Switzerland, Belgium, Italy, Monaco, Germany, US, Luxembourg and Channel Island 	<ul style="list-style-type: none"> France €25bn Switzerland €20bn UK €15bn Germany €6bn Belgium & Lux €5bn Monaco €1bn Italy €1bn 	c.285 # Client Advisors	<ul style="list-style-type: none"> Europe €19bn USA €8bn 	c.60 # Portfolio Managers
Offerings	<ul style="list-style-type: none"> Wealth Management Asset Management 				
# client relationship	<ul style="list-style-type: none"> c.16,000 				
# Front office	<ul style="list-style-type: none"> c.345 clients advisors and portfolio managers 				
Key numbers	c.€100bn¹ of AuM as at 30 June 2022				
	€656m of revenue LTM 06 2022 (22% of Group revenue)	€131m of PBT LTM 06 2022 (17% of Group PBT)		+€2.6bn of NNA, LTM 06 2022	

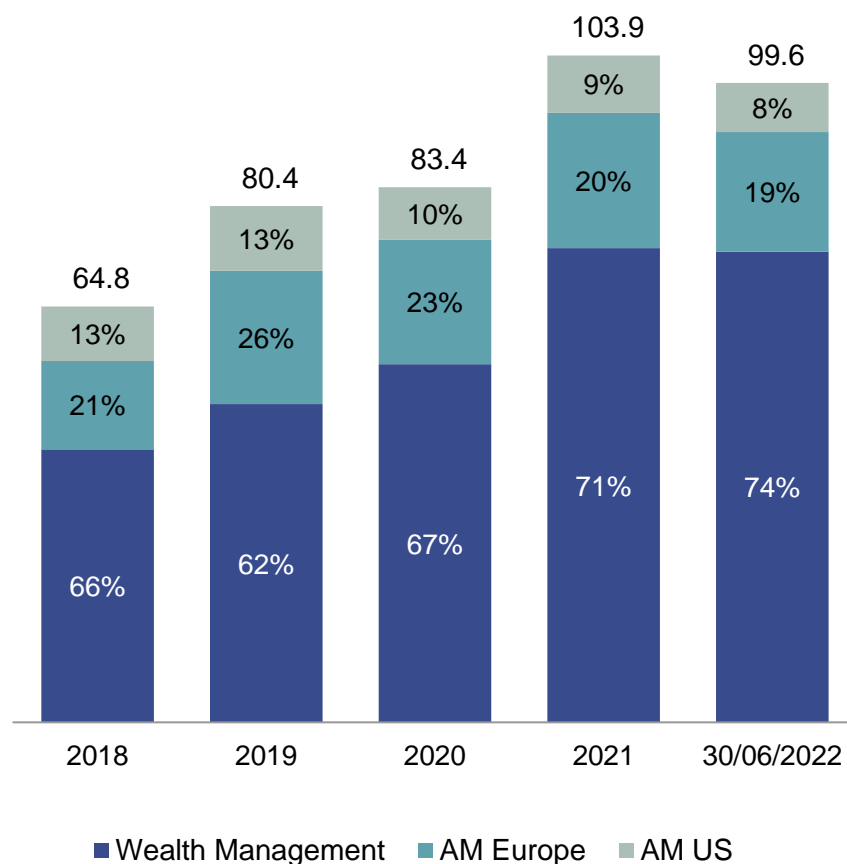
Note

¹ Of which €5.3bn managed on behalf of Wealth Management clients

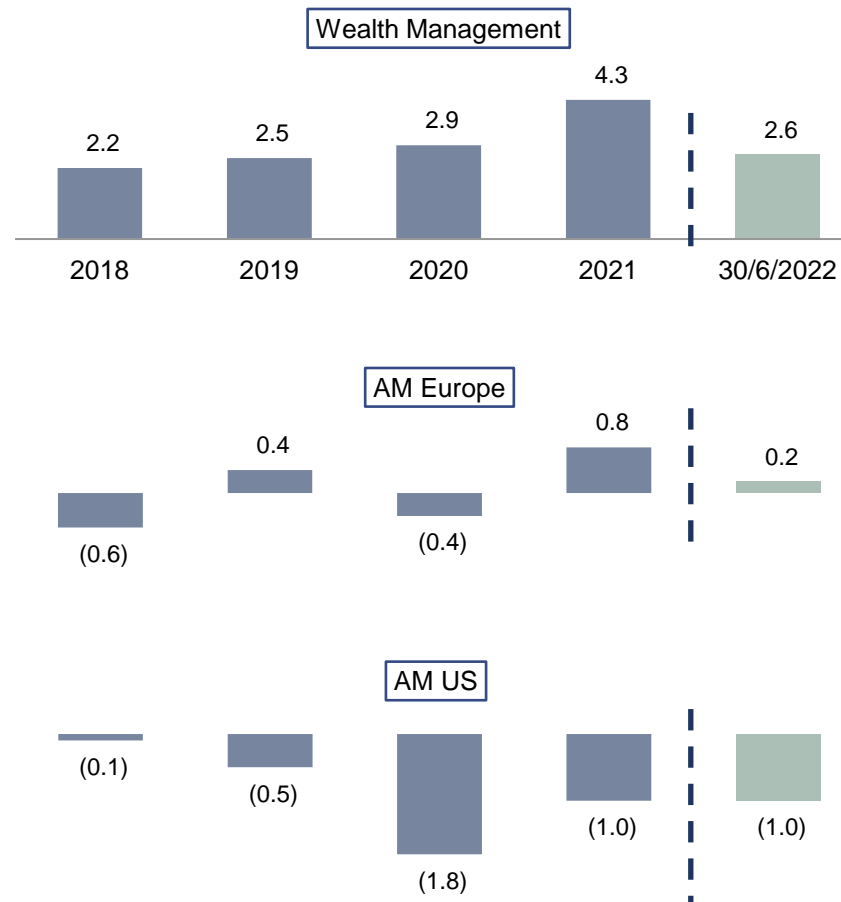


Strong growth in AuM over time and track record of attracting new business

Wealth vs. Asset Management AuM split^{1,2}



Net new Assets (in €bn)



Notes

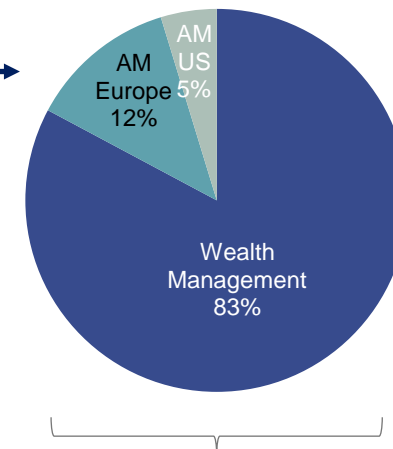
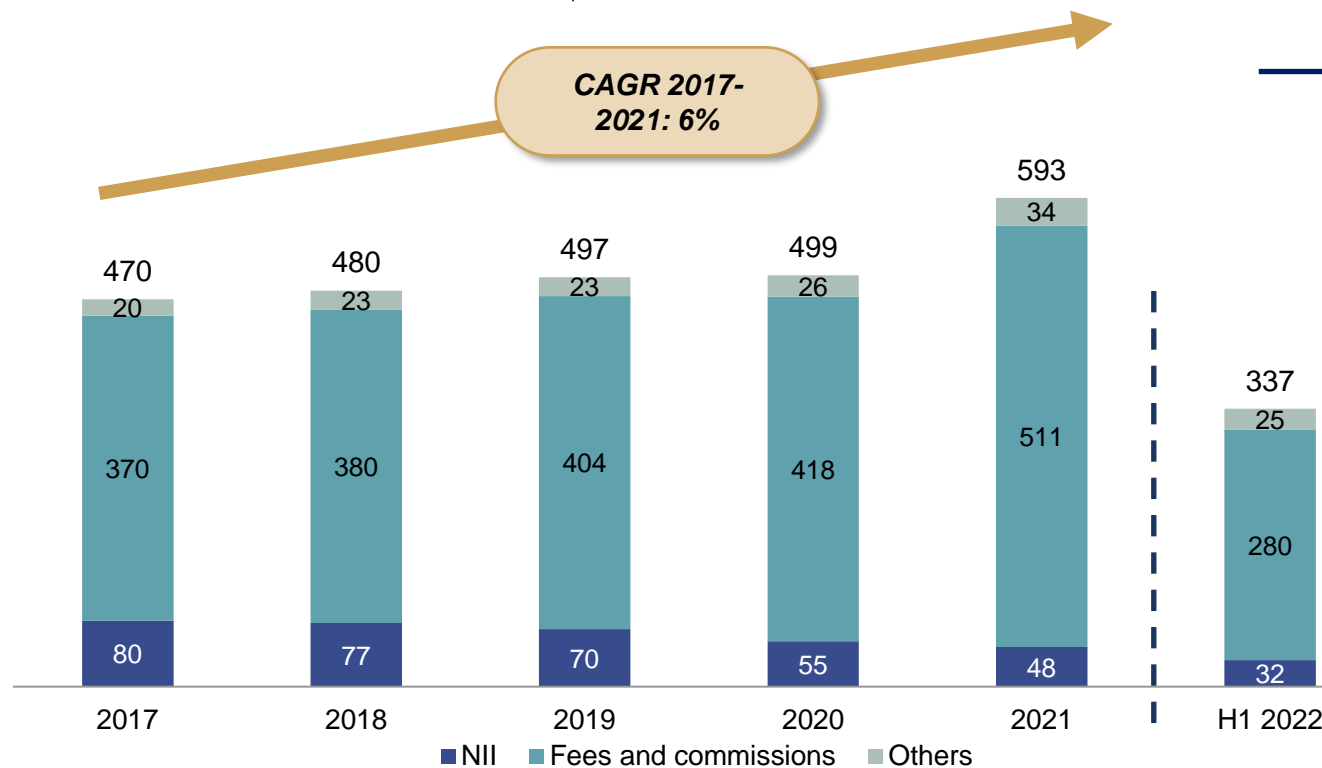
1 Includes double counted assets

2 2020 AuM includes €1.7bn which relates to a new definition of AuM within the Group

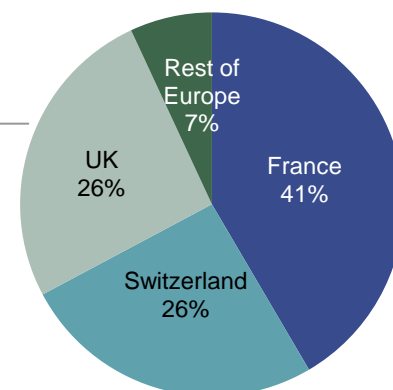


Steady growth of revenue...

Revenue¹ (in €m) and annualised bps progression



Breakdown of Wealth Management revenue



Revenue bps margin	72bps	68	66	61	63	66
% NII / total Revenue	17%	16%	14%	11%	8%	9%

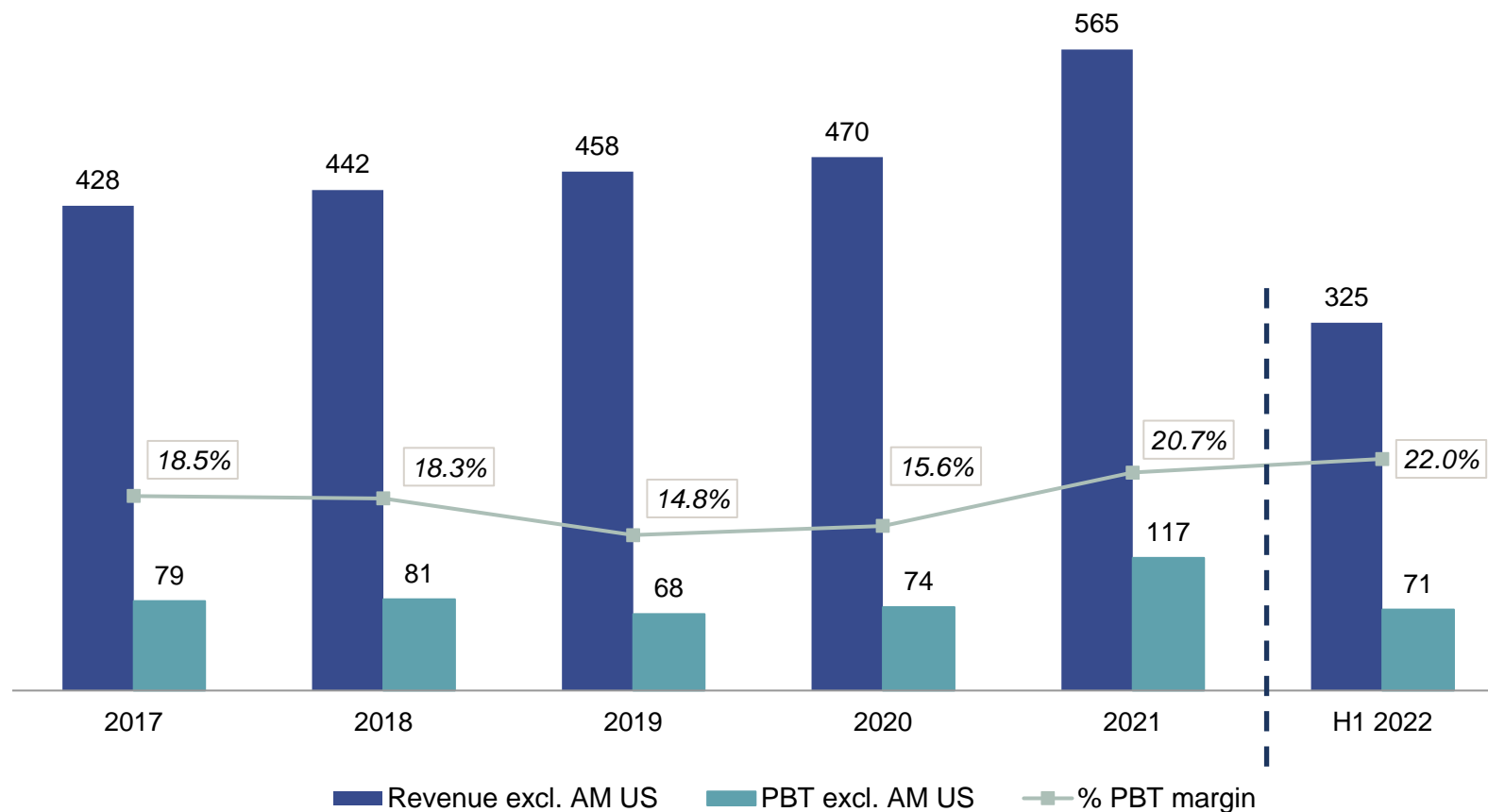
Notes

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



... while maintaining a healthy PBT for WAM Europe

Profit Before Tax (in €m) and PBT margin





Strategy of Wealth and Asset Management

1	Continue to scale up our Wealth Management core markets in Europe (France, Switzerland, UK) and support growth of our smaller offices to achieve critical mass and profitability in all locations
2	Grow our AM Europe business leveraging synergies with WM and strengthening our BtoBtoC offer
3	Cost control and maintain profitability : around 82% CIR by 2022 in a rapidly changing macro financial landscape (more inflation, higher interest rates, less economic growth)
4	Scale up our digital capabilities and ESG integration and further develop our sustainable products offering
5	Strive to maximize synergies across the division and between the division and group

Build a **strong European Wealth and Asset Management platform**

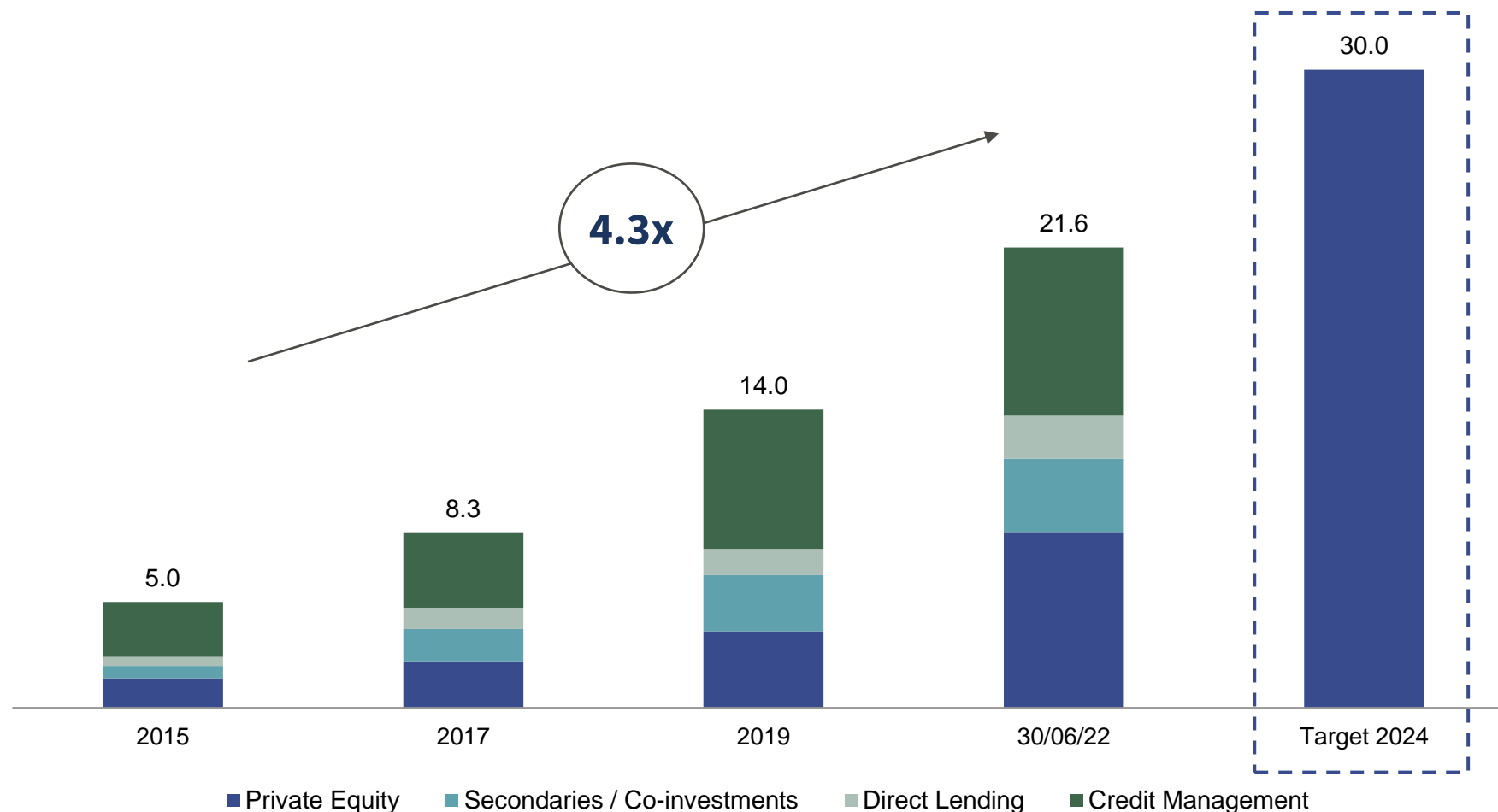
1	Global Advisory
2	Wealth and Asset Management
3	Merchant Banking



Strong AuM growth

Merchant Banking continues to scale across all strategies

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 	 €11.7bn Private Equity
	<ul style="list-style-type: none"> ■ Direct lending ■ Credit management 	 €9.9bn Private Debt
Key numbers	c.€21.6bn of AuM of which 9% from Rothschild & Co	
	c.140 investment professionals	
	€352m of revenue LTM 06 2022 (12% of Group revenue)	
	€228m of PBT LTM 06 2022 (29% of Group PBT)	

5 offices

Paris, London, Luxembourg, New York, Los Angeles



141 front office professionals





24 nationalities





Private Equity offering (1/2)

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

Corporate Private Equity			€8.3bn
FAPI¹  Five Arrows Principal Investments	FAGC  Five Arrows Growth Capital	FACP  Five Arrows Capital Partners	FALT  Five Arrows Long Term
Mid-market buyouts	Small-cap buyouts	Mid-market buyouts	Mid-market buyouts
FAPI I (2010): €583m ² FAPI II (2015): €781m FAPI III (2019): €1.3bn FAPI IV (2022): fundraising €2.0bn target	FAGC (2021): €456m	FACP (2018): \$655m	FALT (2022): fundraising €1.25bn target
50 investments			
57 investment professionals			
Target returns:	Gross Multiple: 2.25x – 2.75x Gross IRR: 18% – 20%		

Notes






¹ The list of funds below does not include continuation and co-investment vehicles managed by the team

² FAPI I was liquidated in 2021 following the disposal of its remaining portfolio to a continuation fund managed by Five Arrows which attracted a new pool of investors



Private Equity offering (2/2)











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

Multi-Strategies (FAMS)				€3.4bn
FASO  Five Arrows Secondary Opportunities	FAMI  Five Arrows Minority Investments	FAPEP  Five Arrows Private Equity Programme	FAGT  Five Arrows Global Technology	FASI  Five Arrows Sustainable Investments
Mid-cap direct Secondaries	Co-investments	Multi-managers & FoF platform	Tech focused multi- managers	Mid-market minorities
FASO III (2012): €259m FASO IV (2016): €459m FASO V (2019): €1.0bn	FAMI I (2013): €100m FAMI II (2016): €155m FAMI III (2020): €200m	FAPEP I (2017): €195m FAPEP II (2020): €445m	FAGT (2022): fundraising, target of \$350m	FASI (2022): fundraising, target of €300m
15+ years track record across more than 50 transactions in secondaries only				
37 investment professionals				
Target returns:	Gross Multiple: 1.50x – 1.70x Gross IRR: 14% – 20%			



Private Debt offering

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

Direct Lending €2.0bn			Credit Management €7.9bn			
FACS  Five Arrows Credit Solutions	FADL  Five Arrows Direct Lending	FADP  Five Arrows Debt Partners III	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: €1.4bn (2021)			Oberon I-IV (2013-18): €457m Oberon USA (2018): open-ended Managed Accounts: €1.5bn ¹	Elsinore I (2018): €72m Managed Account: €230m ¹	FA GLI (2019): €235m FA GLI II (2022): target €250-300m	€5.6bn ¹ Europe: 8 CLOs ² (Contego) North America: 7 CLOs (Ocean Trails)
49 investments across Europe			30 investment professionals			
12 investment professionals						
Target Gross IRR: Junior: 12% Unitranche: 8%			Target Gross IRR: Senior: 4-5% CLO Equity: 14-16%			

Notes

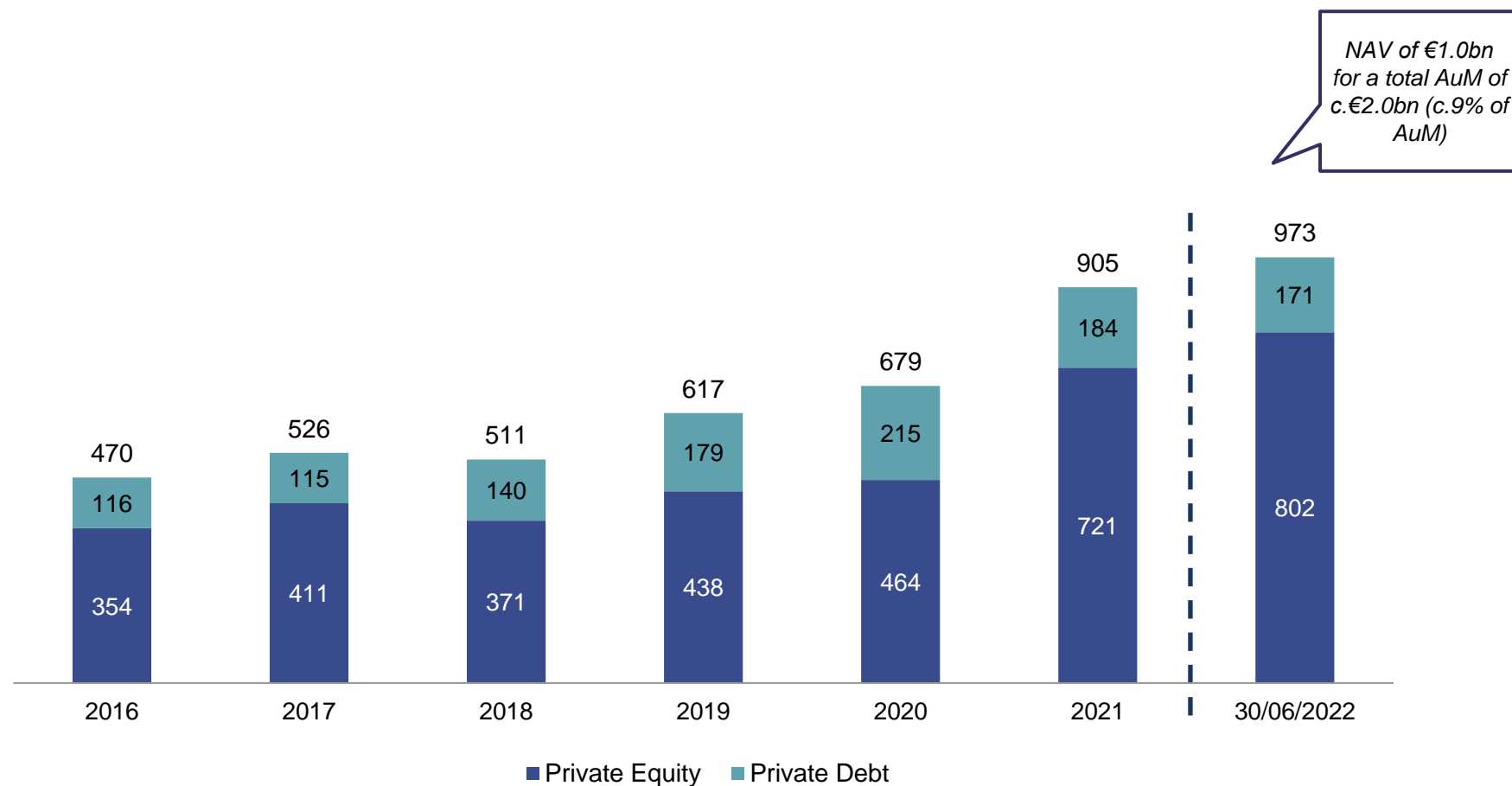
1 Value of the positions managed as at 30 June 2022

2 Currently active CLOs as at 30 June 2022



Net asset value (NAV)

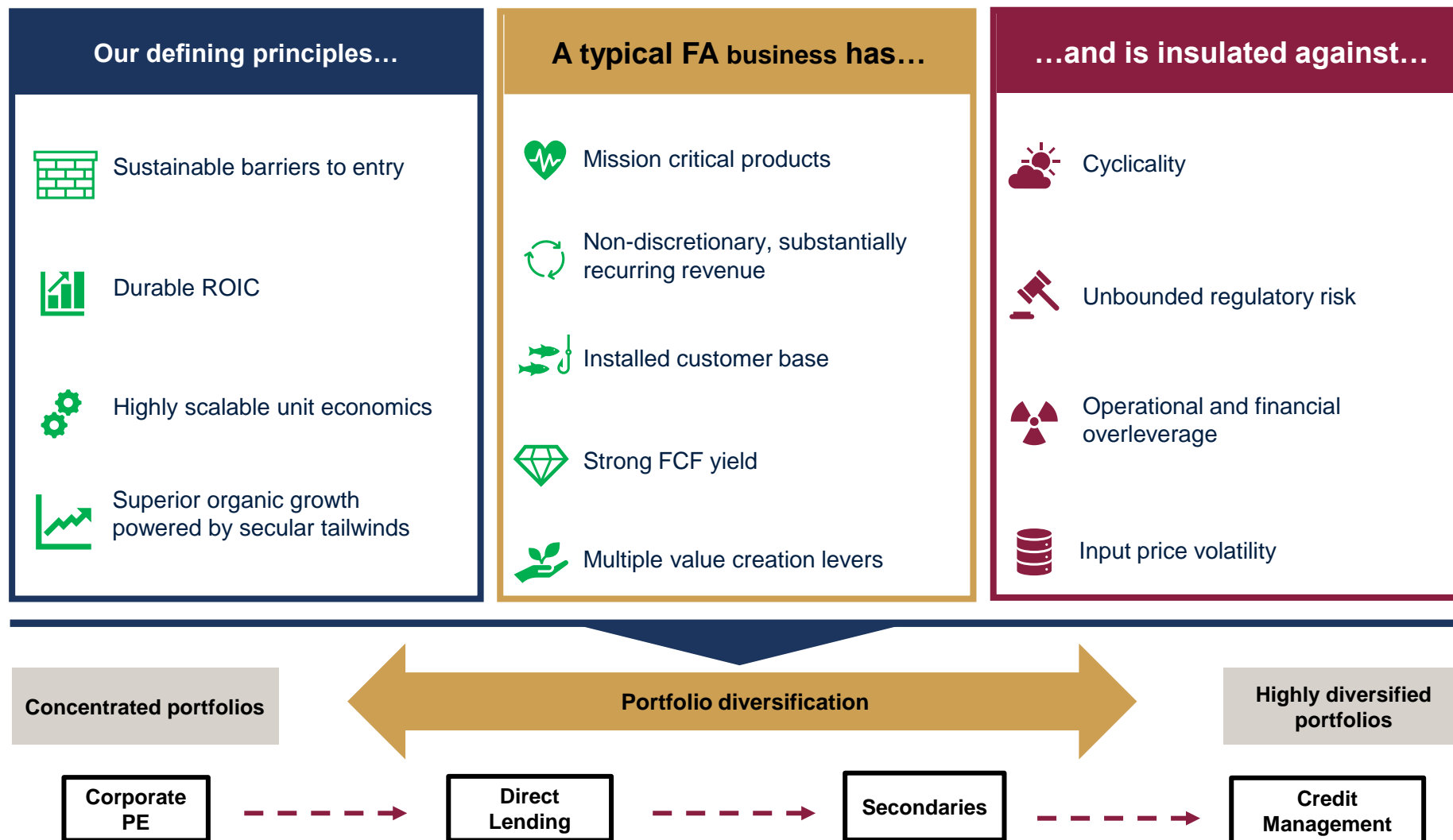
Net asset value (in €m)





How our investment algorithm applies across all strategies

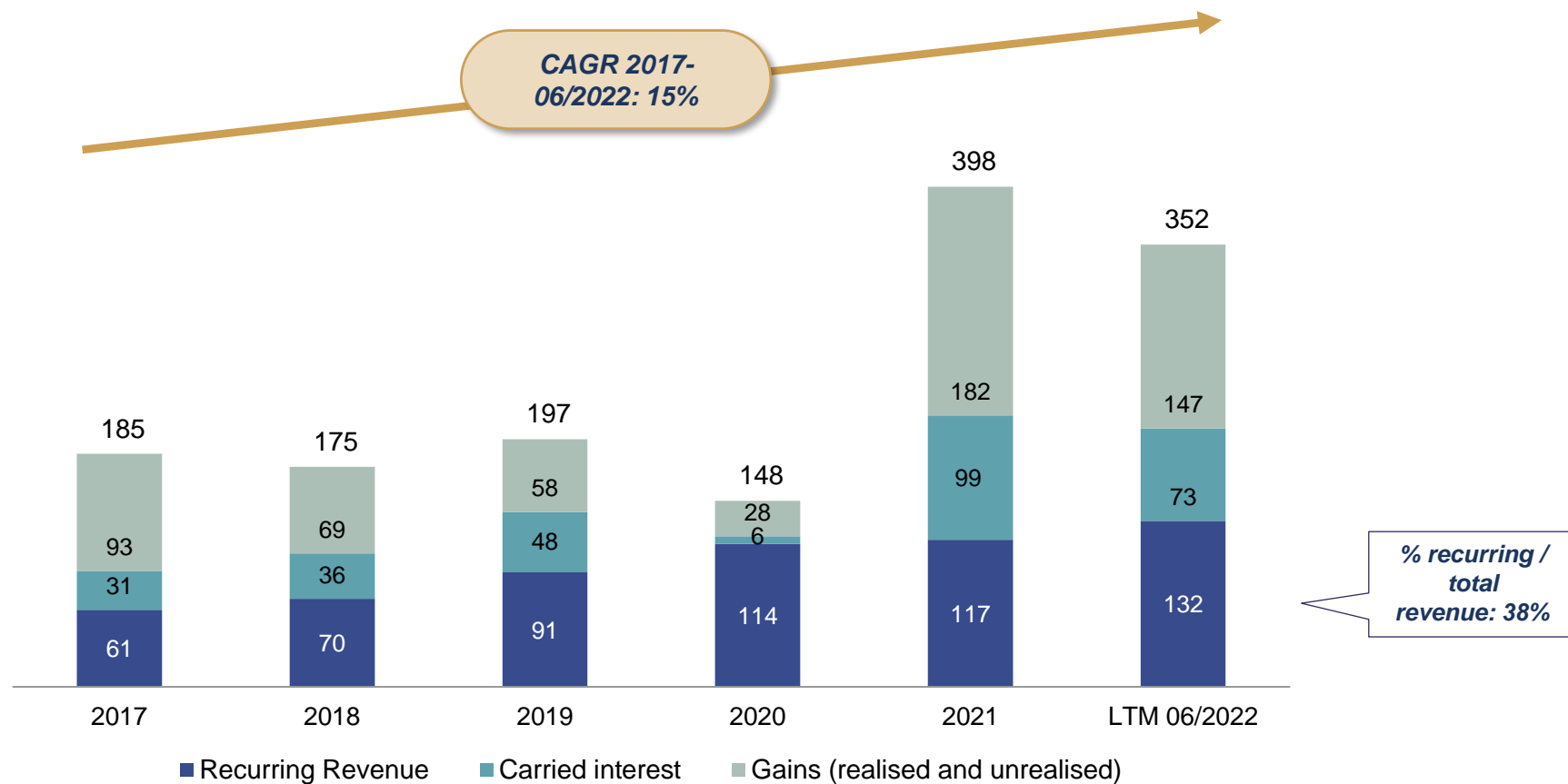
Asset selection is based on stringent criteria centred on risk-adjusted returns





Strong revenue growth with increasing contribution of recurring revenue

Breakdown of revenue (in €m)



3y average
revenue (in €m)

145

164

186

173

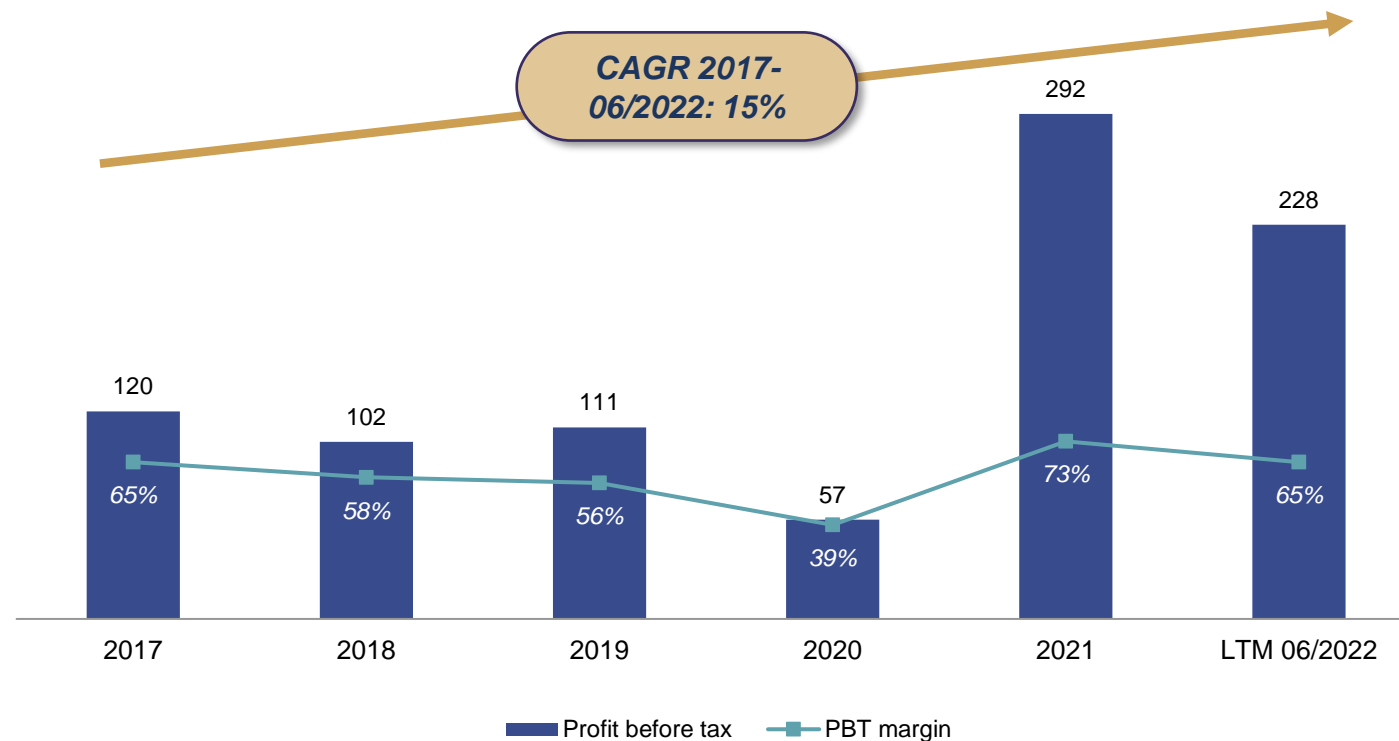
248

299



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	26%	28%	28%	20%	30%
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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 “asset light” sectors (healthcare, technology-enabled business services, data & software) 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

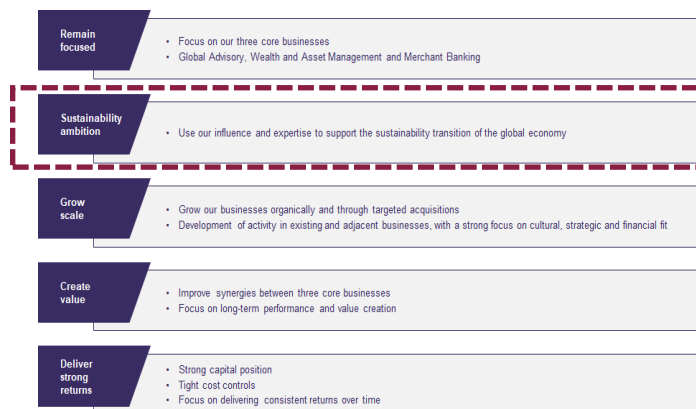
Corporate Sustainability



Firm commitment to ESG

Sustainability is a strategic priority for Rothschild & Co

Strategic pillar in group strategy



“Use our influence and expertise to support the sustainability transition of the global economy”

Clear governance – integrative setup

Supervisory Board oversight with dedicated Sustainability Committee

Managing Partner and Group Executive Committee set ambition and is responsible for implementation overview

Execution and integration into business line strategy by Divisional Management Committees

Specialist teams and Committees at group level support development of strategy in collaboration with business lines (incl. TCFD)

Ambitious targets

-30% operational GHG emissions 2030¹

Net zero operations 2030

30% female AD+ by 2024

Zero tolerance to bribery & corruption

85% of WM discretionary assets² and 95% of AM EU's open-ended funds to be classified as SFDR Article 8 or 9³

MB funds: two classified as Article 8 and one as Article 9

100% renewable electricity by 2025

Transparency commitment

Disclosure of meaningful performance indicators to the market

ISS ESG



Signatory of United Nations Global Compact

¹ vs 2018 baseline

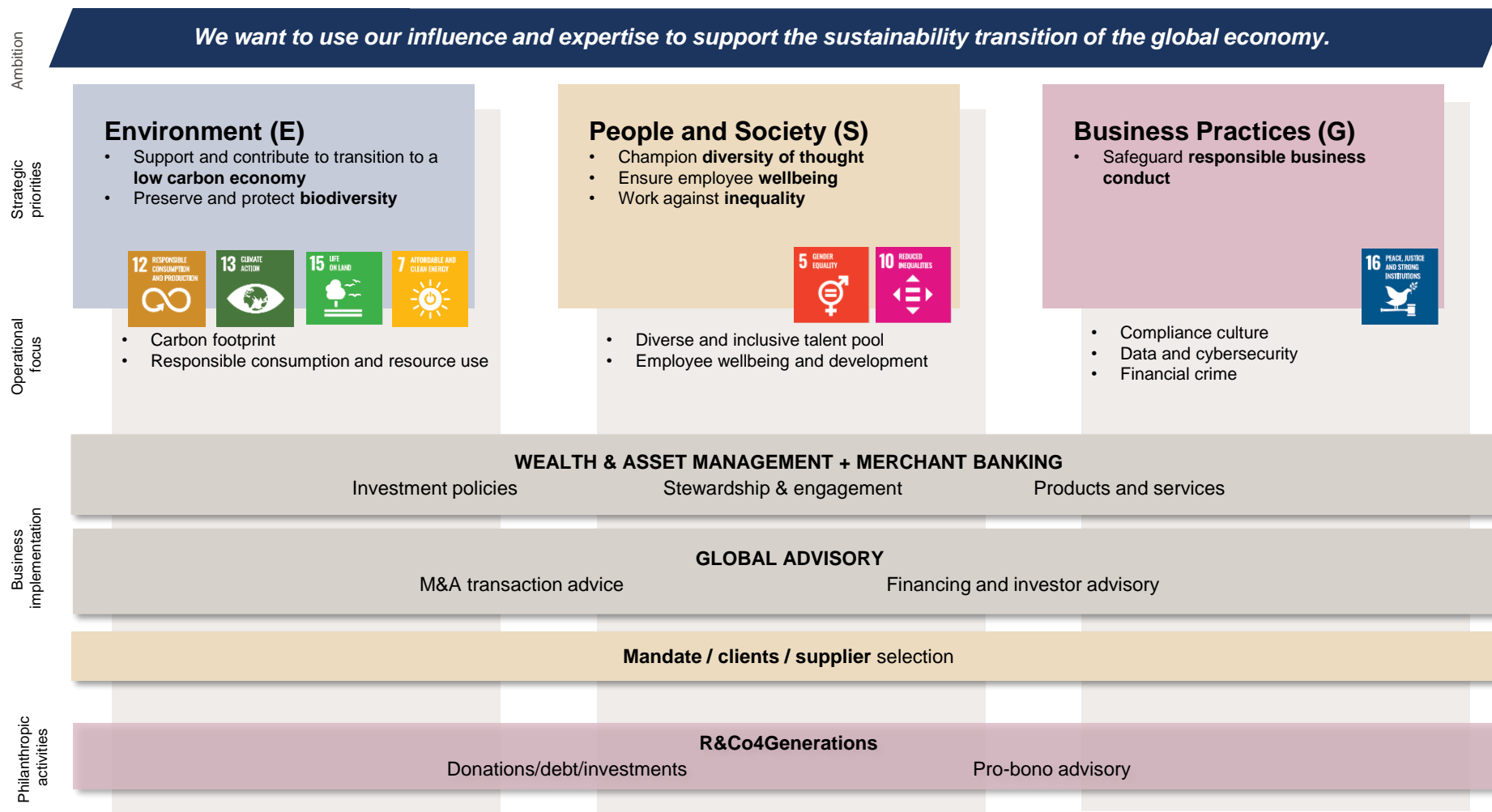
² Excluding UK and dedicated funds, which represent c. 50% of total WM discretionary assets

³ SFDR framework: based on available information and businesses' own analysis, 2020 baseline



Strategic sustainability priorities

Three pillar framework defining roadmap for integration across the business model





Operational impact

Recent highlights & operational management priorities

Environment (E)



Net zero operations 2030 commitment

70% GHG emissions reduction (vs 2018)

Shift towards active carbon removal

People and Society (S)



c. 3,800 employees in over 40 countries

Over 800 new hires (33% female)

40% female Board members

25.4% female AD+

c. 1,300 employees trained on D&I

Agile Working Policy

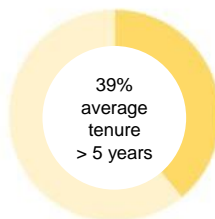
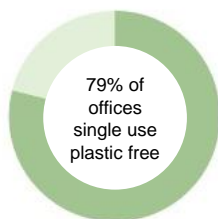
Business Practices (G)



100% of clients subjected to financial crime risk assessment

All business divisions assessed for ABC risk

91% renewable electricity



Managing third-party ESG risks via Supplier Code of Conduct and new client on-boarding processes

External commitments / disclosure



Climate change disclosure



(Rothschild Martin Maurel SCS, Five Arrows Managers SAS)



The FTSE 100® Cross-Company Mentoring Executive Programme



(Rothschild & Co Bank AG)



Please refer to the Annual Report 2021 for more information



Business impact

Recent highlights divisional ESG integration

	Environment (E)	People and Society (S)	Business Practices (G)
Investment businesses	Sustainable products	<ul style="list-style-type: none"> 85% of WM discretionary assets¹ and 95% of AM EU's open-ended funds to be classified as SFDR2 Article 8 or 9; two MB funds to be classified as Article 8 and one fund as Article 9 New sustainable investment products in AM Europe and Merchant Banking 10 labelled funds in AM Europe (French ISR / Towards Sustainability labels) 	
	Investment Integration	<ul style="list-style-type: none"> Controversy monitoring + investment exclusion policies (controversial weapons, fundamental principles, thermal coal) ESG integration part of entities' investment process with dedicated ESG investment experts Agreed group-wide common investment KPIs 	
	Engagement	<ul style="list-style-type: none"> Bilateral meetings and engagement in investor initiatives Voting coverage almost 100% on the eligible perimeter for AM Europe, AM US and Wealth Management UK (discretionary assets) 	
Global Advisory	M&A	<ul style="list-style-type: none"> Leading advisory role on transactions relating to innovative energy technology and energy management 	
	Debt Advisory / Restructuring	<ul style="list-style-type: none"> Leading position in raising financing for renewable projects and making green and social projects investible Working with clients on innovative sustainable financing products, incl. green bonds 	
	Equity / Investor Advisory	<ul style="list-style-type: none"> Integrating ESG considerations into IPO and earlier funding processes Support around optimising and developing ESG strategic narratives, ESG ratings and targeting ESG capital Strategic advice and engagement around governance, ESG related activist defense and corporate resolutions 	

External commitments / disclosure



(Rothschild Martin
Maurel SCS,
Five Arrows
Managers SAS)



COALITION FOR
A
FAIR TRANSITION

NET ZERO ASSET
MANAGERS INITIATIVE



(Five Arrows
Managers SAS)

¹ Excluding UK and dedicated funds, which represent c. 50% of total WM discretionary assets

² SFDR framework: based on available information and businesses' own analysis, based on 2020 YE figures

³ Source: Refinitiv, Sustainable Finance Review, Full Year 2021, Sustainable Target or Acquiror M&A: Financial Advisor League Table



4

Financials



Comments on P&L

Improving operating margin

- Revenue growth
- Cost control

Compensation costs

- Target of an adjusted compensation ratio: in low to mid 60%'s through the cycle

Exceptionals impact on Net Income – Group share

	2017	2018	2019	2020	2021	H1 2022
Martin Maurel integration costs	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	11	17	(10)	12	-	-

Non-controlling interests

- 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	2017	2018	2019	2020	2021	H1 2022
Revenue	1,910	1,976	1,872	1,799	2,925	1,375
Staff costs	(1,087)	(1,098)	(1,065)	(1,096)	(1,453)	(763)
Administrative expenses	(320)	(309)	(289)	(255)	(267)	(160)
Depreciation and amortisation	(34)	(30)	(66)	(67)	(73)	(41)
Impairments	(13)	(4)	(6)	(7)	(1)	3
Operating Income	456	535	446	374	1,131	414
Other income / (expense) (net)	21	(4)	19	(5)	0	0
Profit before tax	477	531	465	369	1,131	414
Consolidated net income	412	454	397	309	961	332
Net income - Group share	236	286	243	161	766	249
<i>Earnings per share</i>	€ 3.18	€ 3.88	€ 3.38	€ 2.20	€ 10.59	€ 3.43
Net income - Group share excl. exceptionals	247	303	233	173	766	249
<i>EPS excl. exceptionals</i>	€ 3.33	€ 4.10	€ 3.24	€ 2.37	€ 10.59	€ 3.43
<i>ROTE (excl. exceptionals)</i>	17.2%	18.0%	12.6%	8.8%	32.3%	17.9%



Non-controlling interests

P&L			Balance sheet		
(in €m)	H1 2022	H1 2021	(in €m)	30/06/2022	31/12/2021
Interest on perpetual subordinated debt	7.4	6.5	Perpetual subordinated debt	306	306
Preferred shares ¹	74.3	99.6	Preferred shares ¹	68	158
Other non-controlling interests	1.6	0.0	Other non-controlling interests	2	5
TOTAL	83.3	106.1	TOTAL	376	468

Note

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



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

<i>(in €m)</i>	2017	2018	2019	2020	2021	H1 2022
Revenue excl MB investment performance	1,786	1,871	1,767	1,765	2,643	1,261
Total staff costs ¹	(1,211)	(1,225)	(1,176)	(1,207)	(1,590)	(838)
Adjusted for FX change						
Compensation ratio (INCLUDING deferred bonus accounting)	67.8%	65.5%	66.6%	68.4%	60.2%	66.0%
	(0.3)%	1.5%	(0.2)%	(0.1)%	6.1%	1.1%
Adjusted awarded Compensation ratio (EXCLUDING deferred bonus accounting)	67.5%	67.0%	66.4%	68.3%	66.3%	67.1%
Headcount	3,502	3,633	3,559	3,675	3,941	4,281

- The compensation ratio is calculated by excluding MB investment performance revenue (carried interest and investment gains) on which staff costs are not payable
- Normally c.50% of personnel costs within Rothschild & Co is discretionary, but the percentage was higher in 2021 due to the exceptional results

Note

¹ Total staff costs include profit share (préciput) paid to French Partners and effects of accounting for normal and special deferred bonuses over the period between award and vesting, rather than in the year in which the associated revenues have been booked, but exclude redundancy costs, revaluation of share-based employee liabilities and acquisition costs treated as employee compensation under IFRS



Performance by business – 12 months

(in € million)	GA	WAM	MB	Other businesses and corporate centre	IFRS reconciliation ¹	2021
Revenue	1,915	593	398	14	5	2,925
Operating expenses	(1,494)	(479)	(106)	(56)	343	(1,792)
Cost of risk	-	3	-	-	(5)	(2)
Operating income	421	117	292	(42)	343	1,131
Other income / (expense)	-	-	-	-	-	-
Profit before tax	421	117	292	(42)	343	1,131
Exceptional (profits) / charges	-	-	-	-	-	-
PBT excluding exceptional charges / profits	421	117	292	(42)	343	1,131
Operating margin %	22%	20%	73%	-	-	39%

(in € million)	GA	WAM	MB	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
Operating margin %	15%	15%	39%	-	-	21%

Note
¹ IFRS reconciliation mainly reflects: the treatment of profit share (préciput) paid to French partners as non-controlling interests; accounting for normal and, in 2021, special deferred bonuses over the period between award and vesting, rather than in the year in which the associated revenues have been booked; the application of IAS 19 for defined benefit pension schemes; adding back non-operating gains and losses booked in the account "Net income/(expense) from other assets" or administrative expenses excluded from the management accounts; and reallocating impairments and certain operating income and expenses for presentational purposes.



Operating cash flow

	12m to Dec 19	12m to Dec 20	12m to Dec 21
Consolidated Profit before tax	465	369	1,131
Non cash items	(55)	38	(213)
Profit before tax and non cash items	410	407	918
Acquisition of MB investments	(126)	(120)	(176)
Disposal of MB investments	104	89	244
Net (acquisition)/disposal of PPE and intangible assets	26	(22)	(22)
Tax paid	(69)	(52)	(145)
Net cash inflow/(outflow) relating to other operating activities ⁽¹⁾	(229)	(212)	56
Operating cash flow (OCF)	116	90	875
OCF excl. MB investment activities	138	121	807
OCF as a % of Net income - Group share excl. MB investment activities and investment revenue	101%	96%	167%

Note

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



Summary balance sheet

(in €bn)	30/06/2022	31/12/2021	Var
Banks	14.4	14.5	(0.1)
Credit exposures	4.8	4.4	0.4
<i>o/w Private client lending (PCL)</i>	4.4	4.0	0.4
Cash and treasury assets	8.1	8.9	(0.8)
<i>o/w amounts deposited by non-bank Group subsidiaries</i>	0.4	0.5	(0.1)
Other current and non-current assets	1.5	1.2	0.3
Non-Banks	3.4	3.2	0.2
Merchant Banking investments	1.0	0.9	0.1
Cash and treasury assets	1.0	1.4	(0.4)
<i>o/w central Group</i>	0.5	0.7	(0.2)
Other current and non-current assets	1.4	0.9	0.5
Total assets	17.8	17.7	0.1
Banks	13.6	13.3	0.3
Due to customers	11.6	11.7	(0.1)
Due to banks	0.3	0.3	0.0
Other current and non-current liabilities	1.7	1.3	0.4
Non-Banks	0.6	0.8	(0.2)
Long term borrowing - central Group	0.2	0.2	0.0
Other current and non-current liabilities	0.4	0.6	(0.2)
Capital	3.6	3.6	0.0
Shareholders' equity - Group share	3.2	3.1	0.1
Non-controlling interests	0.4	0.5	(0.1)
Total capital and liabilities	17.8	17.7	0.1

	30/06/2022	31/12/2021
<i>Loans / Deposits</i>	42%	38%
<i>Liquid assets / Total assets</i>	51%	58%
<i>Equity / share</i>	€45.18	€43.31
<i>Net tangible equity / share</i>	€39.02	€37.93



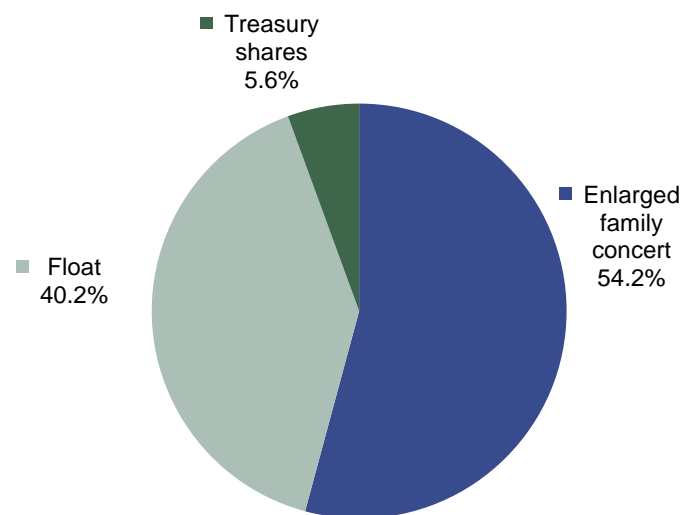
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Shareholding structure and governance

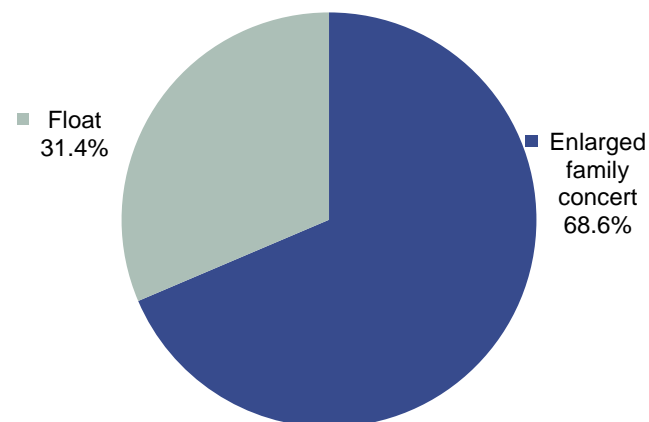


Shareholding structure as at 30 June 2022

Share capital



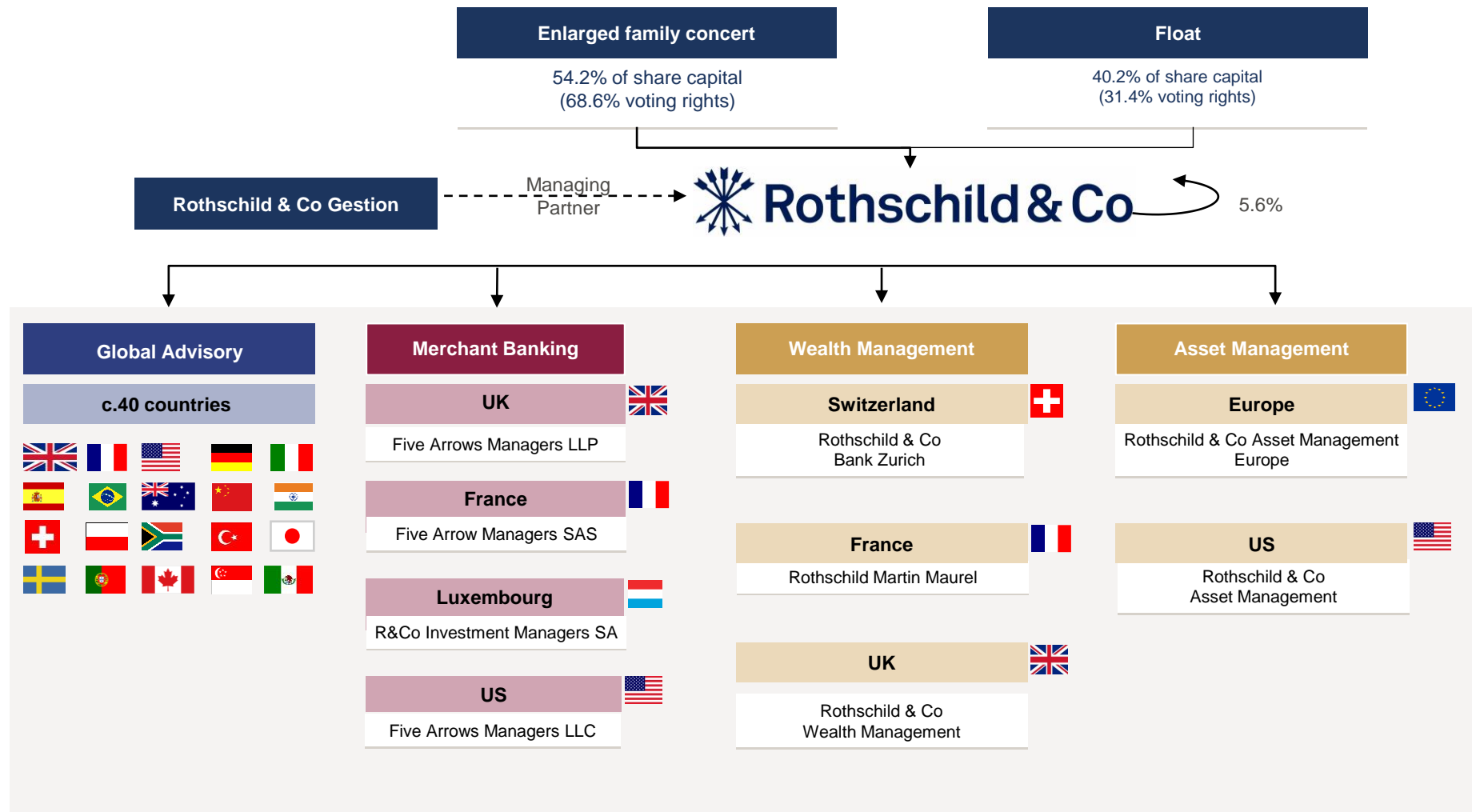
Voting rights





Rothschild & Co at a glance

As at 30 June 2022





Strong corporate governance

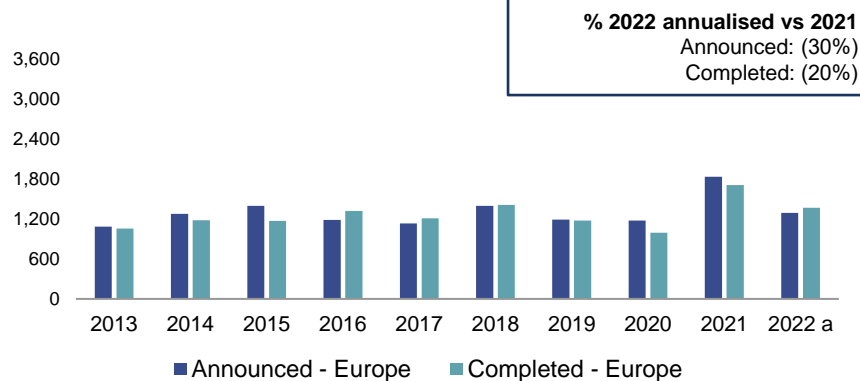


Appendices

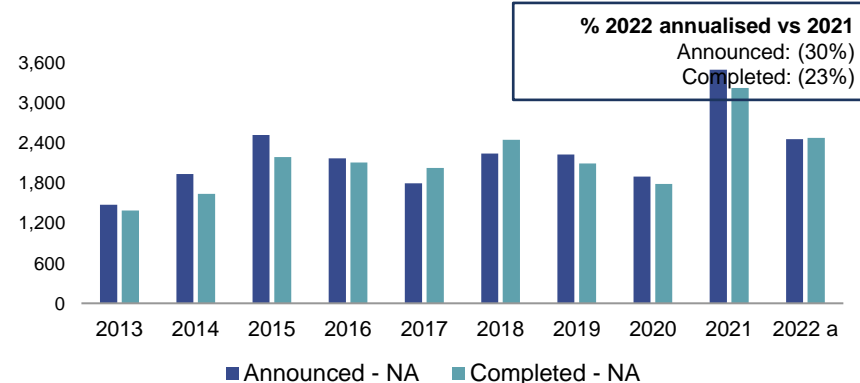


Regional M&A market by deal values (US\$bn)

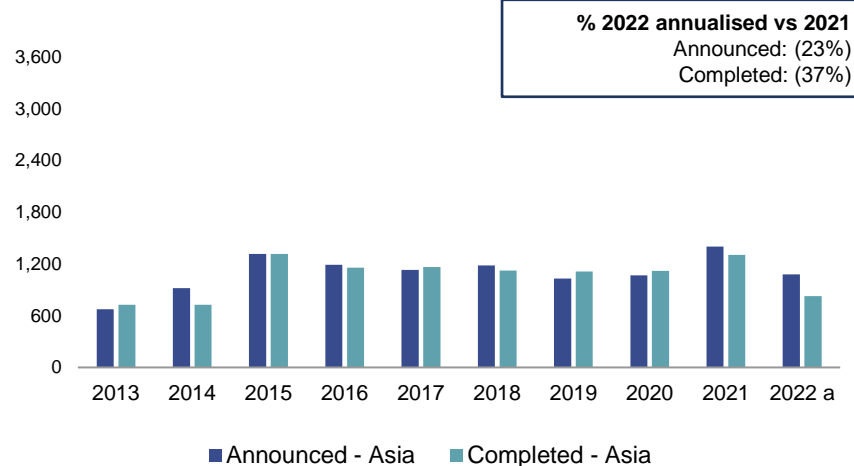
Europe



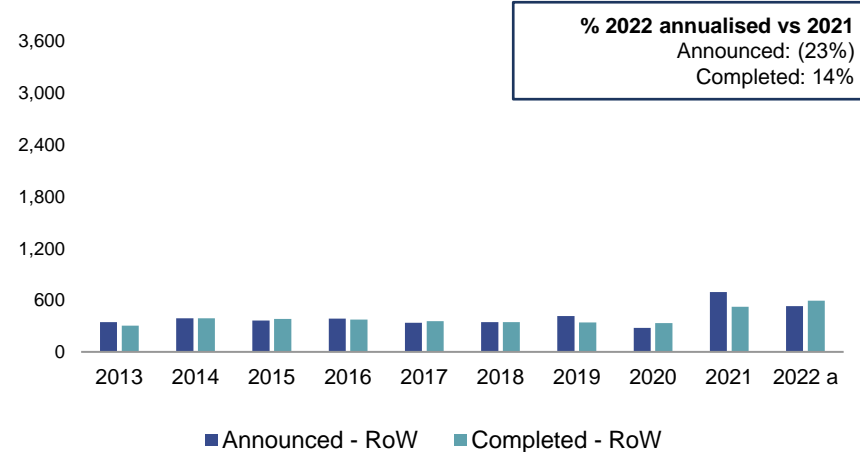
North America



Asia



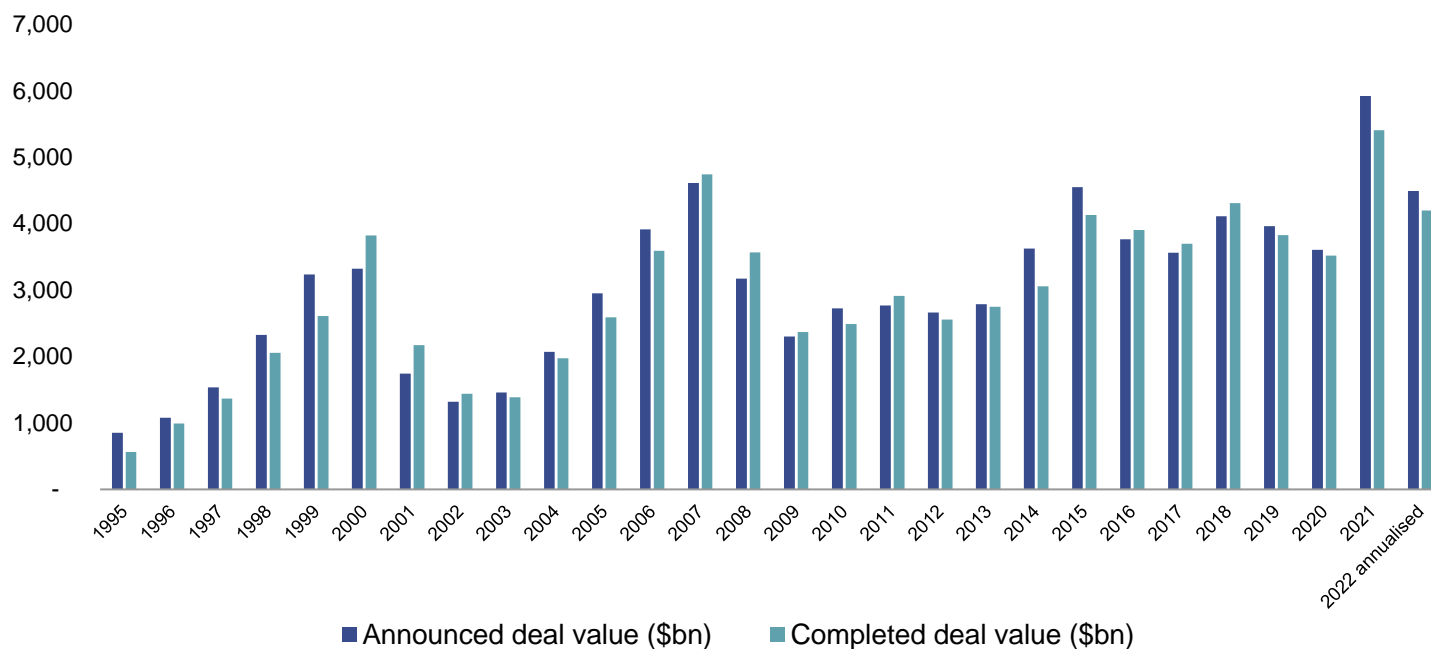
Rest of the world





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

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



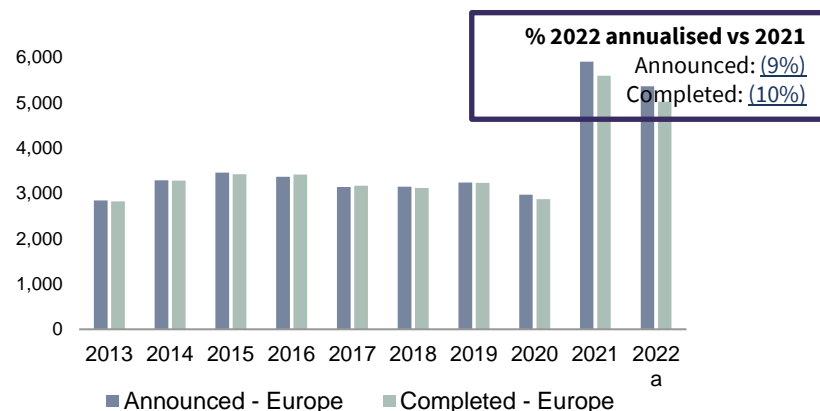
Deal Values > \$10bn	2021	2022 a.	Var %
Announced	1,244	1,308	5%
Completed	1,215	1,161	-4%
o/w USA			
Announced	880	860	-2%
% USA / Global	71%	66%	
Completed	859	870	1%
% USA / Global	71%	75%	

	16 vs 15	17 vs 16	18 vs 17	19 vs 18	20 vs 19	21 vs 20	22 annualised vs 21	H1 22 vs H1 21
% var Announced	(17%)	(5%)	15%	(4%)	(9%)	64%	(24%)	(23%)
% var Completed	(5%)	(5%)	17%	(11%)	(8%)	54%	(22%)	(9%)

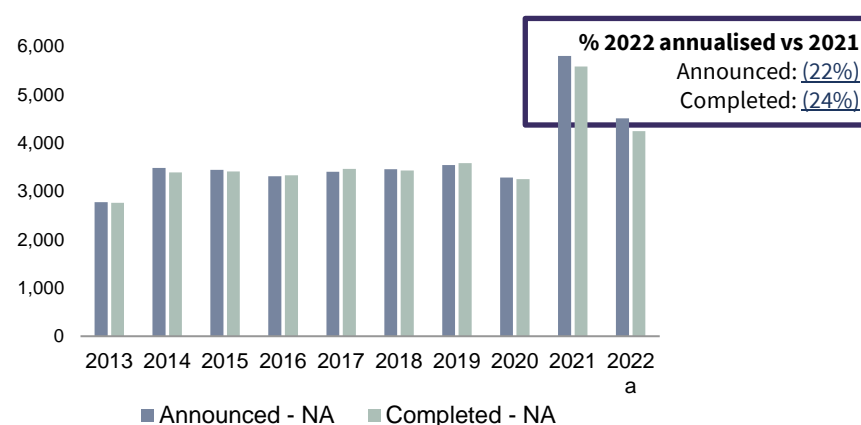


Regional M&A market by deal number

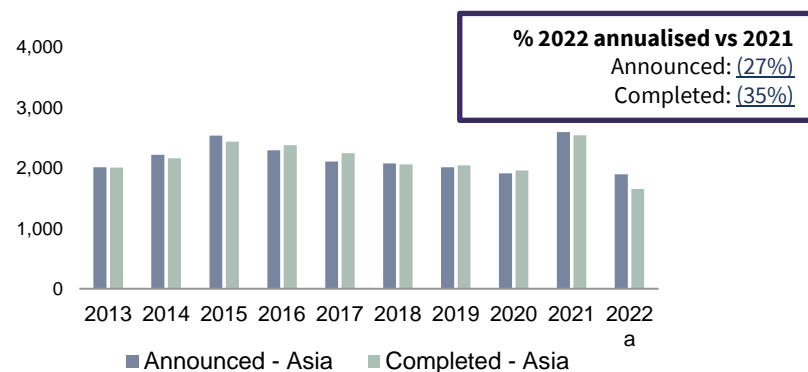
Europe



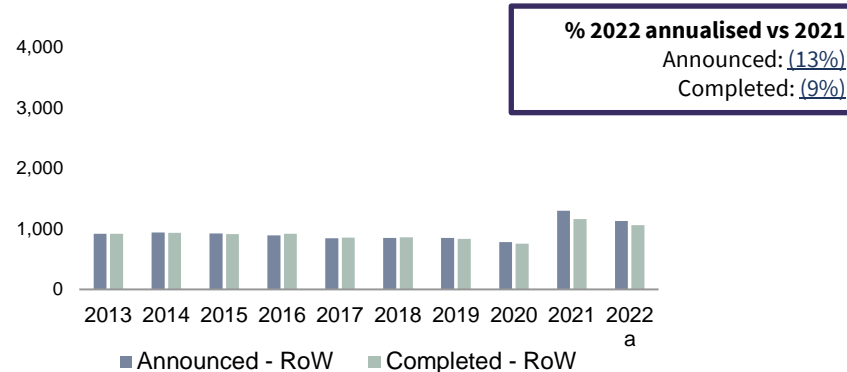
North America



Asia



Rest of the world

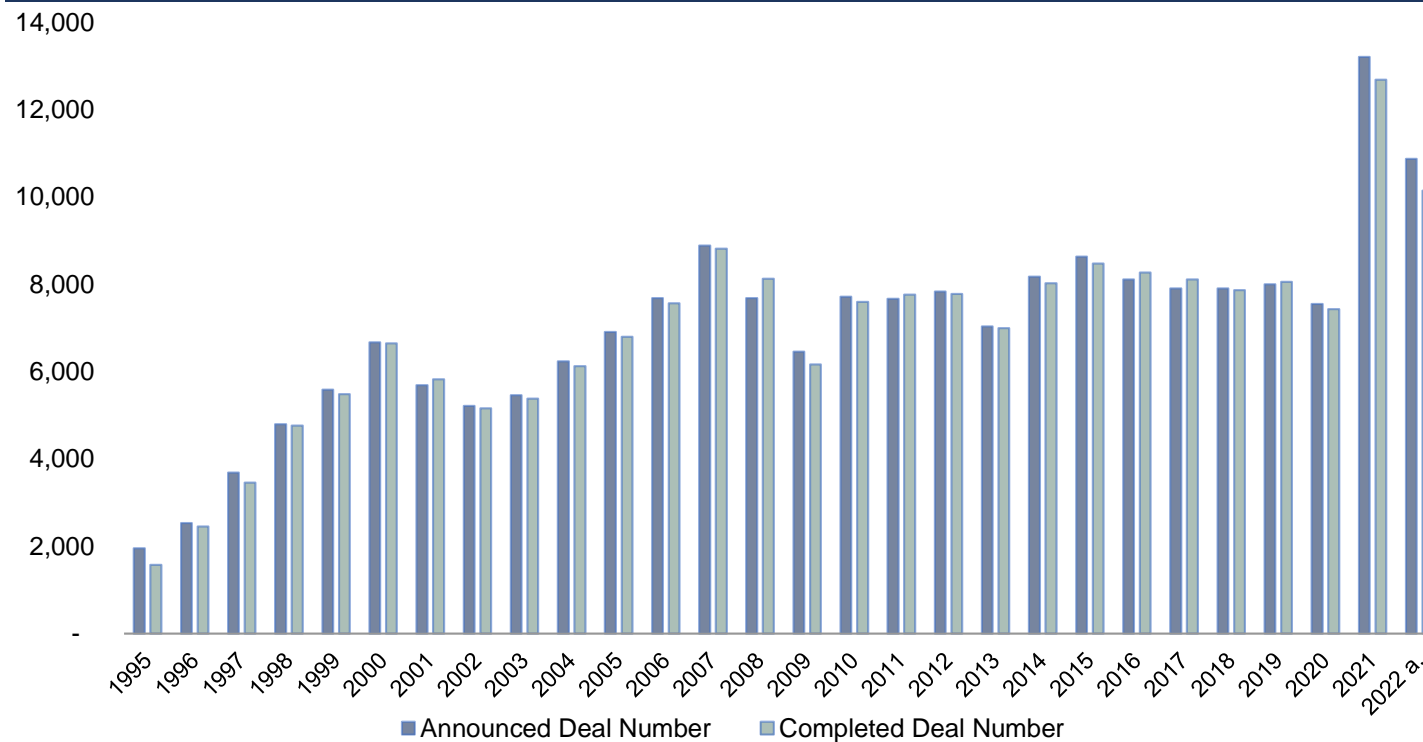


Source: Dealogic - Annualised data for 2022 based on June data



M&A market by deal number

Global M&A by deal number



Deal nb > \$10bn	2021	2022 a.	Var %
Announced	57	58	2%
Completed	58	52	-10%
o/w USA			
Announced	38	42	11%
% USA / Global	67%	72%	
Completed	39	36	-8%
% USA / Global	67%	69%	

















	16 vs 15	17 vs 16	18 vs 17	19 vs 18	20 vs 19	21 vs 2022 a.	vs 21
% var Announced	(6%)	(2%)	(0%)	1%	(6%)	75%	(18%)
% var Completed	(2%)	(2%)	(3%)	2%	(8%)	71%	(20%)

Source: Dealogic - Annualised data for 2022 based on June data



Global Advisory

M&A and Strategic Advisory – example of transactions

Company	Deal	Country	Sector	Value
	€26bn recommended tender offer from Veolia		Business Services	€26bn
	€21bn re-capitalisation of Mileway		Real Estate	€21bn
 MACQUARIE	Acquisition, together with CDP and Blackstone of Autostrade per l'Italia for €9.6bn		Transport & Infrastructure	€9.6bn
	Sale of HELLA to Faurecia for an EV of €6.7bn		Industrials	€6.7bn
	US\$4.5bn sale to Qualcomm		Industrials	US\$4.5bn
	Disposal of an aggregate 60% stake in Bank of Italy for €4.4bn		FIG	€4.4bn
	US\$3.6bn sale of a 49% stake in the Pluto Train 2 Project to Global Infrastructure Partners		Energy & Power	US\$3.6bn
	€2.0bn unsolicited public takeover offer from Grifols		Healthcare	€2.0bn



Global Advisory

















Long-term clients

 <ul style="list-style-type: none"> • 13 deals • 22 years 	 <ul style="list-style-type: none"> • 37 deals • 24 years 	 <ul style="list-style-type: none"> • 19 deals • 22 years 	 <ul style="list-style-type: none"> • Multiple assignments over 100+ years 	 <ul style="list-style-type: none"> • 9 deals • 13 years
 <ul style="list-style-type: none"> • 19 deals • 16 years 	 <ul style="list-style-type: none"> • 7 deals • 22 years 	 <ul style="list-style-type: none"> • 9 deals • 28 years 	 <ul style="list-style-type: none"> • Multiple assignments over 100+ years 	 <ul style="list-style-type: none"> • 11 deals • 12 years
 <ul style="list-style-type: none"> • 21 deals • 16 years 	 <ul style="list-style-type: none"> • 15 deals • 12 years 	 <ul style="list-style-type: none"> • 8 deals • 14 years 	 <ul style="list-style-type: none"> • 14 deals • 23 years 	 <ul style="list-style-type: none"> • 9 deals • 21 years
 <ul style="list-style-type: none"> • 16 deals • 18 years 	 <ul style="list-style-type: none"> • 19 deals • 30 years 	 <ul style="list-style-type: none"> • 22 deals • 26 years 	 <ul style="list-style-type: none"> • 14 deals • 24 years 	 <ul style="list-style-type: none"> • 16 deals • 27 years



Global Advisory

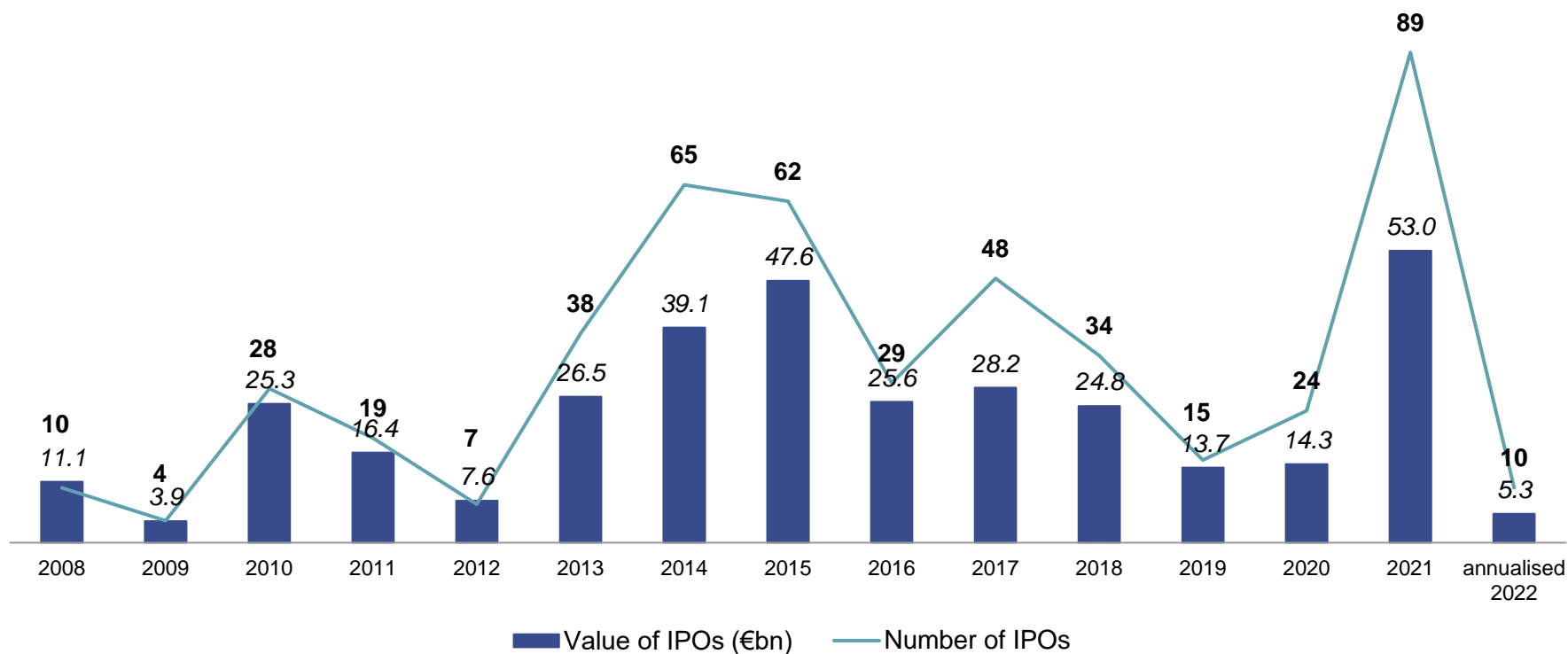
Financing Advisory – example of transactions

Company	Deal	Country	Sector	Value
	US\$6.4bn Chapter 11 restructuring		Aerospace & Defence	US\$6.4bn
	€5.0bn financing package		Energy and Power	€5bn
	€1bn debut green 0.875% 5yr and 1.625% 7yr bonds with BBB S&P rating and €750m RCF		Real Estate	€1.8bn
	Debt advice on €1.4bn combined refinancing for Molslinjen and Torghatten		Transport & Infrastructure	US\$1.6bn
	Public delisting tender offer to all shareholders of HORNBAACH Baumarkt		Retail	€1.5bn
	Debt restructuring of its €915m debt and its concurrent €620m share capital increase		TMT	€1.5bn
	Partial spin-off of EUROAPI		Healthcare	US\$1.4bn
	Debt advice on its £835m social & environmental-linked investment grade refinancing		Transport & Infrastructure	£835m



European IPO market

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














	17 vs 16	18 vs 17	19 vs 18	20 vs 19	21 vs 20	annualised 22 vs 21
% Value	10%	(12)%	(45)%	5%	271%	(90)%
% Number	66%	(29)%	(56)%	60%	271%	(89)%



Selected sample of transactions in Merchant Banking

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

Private Equity

 <p>Provider of behavioural health and therapeutic services</p> <p>USA</p>	 <p>Developer of high quality tests for medical diagnosis</p> <p>United Kingdom</p>	 <p>SaaS software solutions for the childcare market</p> <p>Benelux</p>
 <p>Provider of patient safety and risk management software</p> <p>USA</p>	 <p>Benchmarking and technical data in the automotive sector</p> <p>France</p>	 <p>Provider of outsourced drug discovery and preclinical research services</p> <p>United Kingdom</p>
 <p>cloud-based assistive technology and learning analytics software solutions</p> <p>United Kingdom</p>	 <p>Technology-enabled insurance distribution platform and service provider</p> <p>The Netherlands</p>	 <p>Digital platform for the real estate intermediation market</p> <p>France</p>
 <p>Leading integrated risk management SaaS platform</p> <p>USA</p>	 <p>Mid-market fund with a narrow expertise in Healthcare</p> <p>USA</p>	 <p>Mid-market manager focusing on founder-owned businesses</p> <p>USA</p>

Private Debt

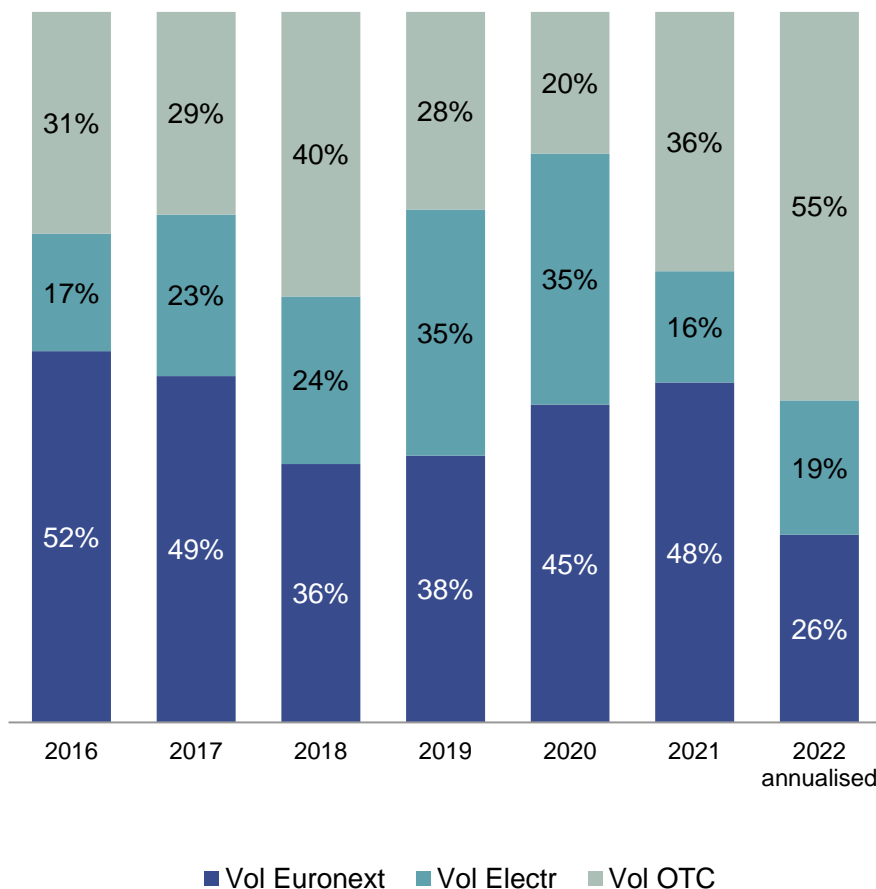
 <p>Nuclear measurement tools</p> <p>Global</p>	 <p>Specialist systems and outsourcing services</p> <p>United Kingdom</p>	 <p>Provider of compliance, e-learning and back-office software</p> <p>United Kingdom</p>
 <p>Residential care and specialist education</p> <p>United Kingdom</p>	 <p>Fast-food restaurant chain</p> <p>France</p>	 <p>Network of independent mortgage brokers</p> <p>France</p>
 <p>Telecoms operator</p> <p>Spain</p>	 <p>Provider of pest control services</p> <p>Sweden</p>	 <p>Producer of chlor-alkali chemicals</p> <p>The Netherlands</p>
 <p>resource planning and human capital management software</p> <p>The Netherlands</p>	 <p>Grocery retailer operating</p> <p>France</p>	 <p>Vet practice group</p> <p>United Kingdom</p>



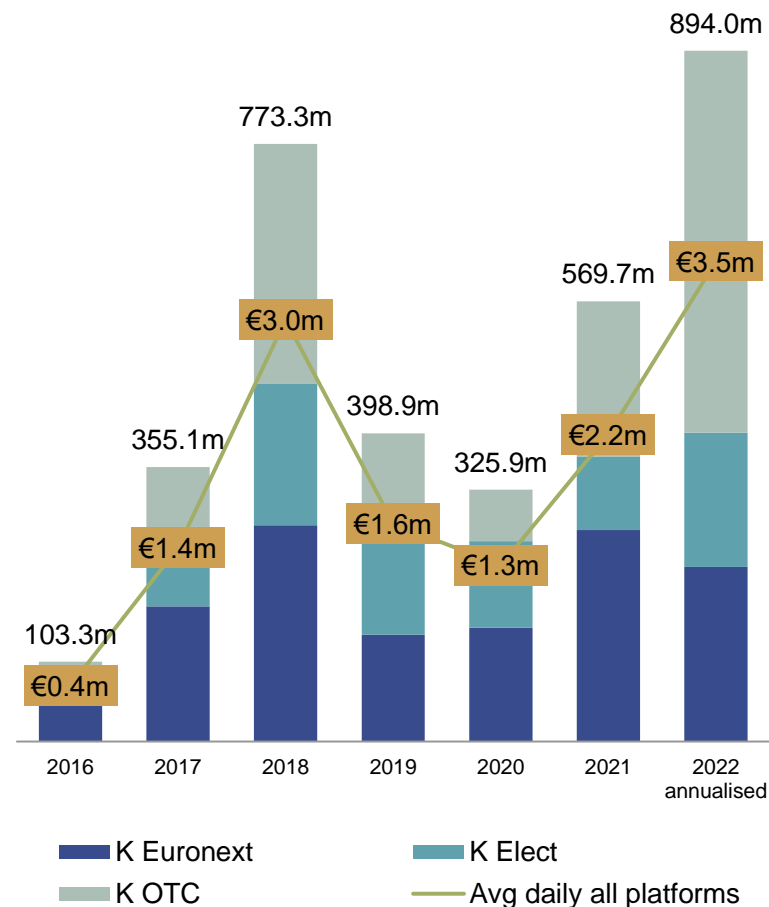
Rothschild & Co liquidity since 2017

As at 30 June 2022

Volume by platform



Turnover





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