



Concordia's intention to file a simplified tender offer on Rothschild & Co's shares

13 February 2023

 **Rothschild & Co Concordia**

Message from Rothschild & Co Concordia SAS



Dear Rothschild & Co's shareholders,

Over the past few years, the Rothschild & Co Group has enjoyed strong and profitable growth thanks to a clear strategy focused on our three businesses: Global Advisory, Wealth and Asset Management, Merchant Banking.

We have been grateful for your valuable support, as shareholders, over the many years that Rothschild & Co has been listed.

Today, however, the current listing status of the Group is less relevant to support the Group's development roadmap going forward.

As such, delisting appears as the next logical step in the Group's history and will serve as a key milestone in the Group's next phase of development, strengthening its independence while remaining in line with the long-term vision embedded in its three businesses.

Rothschild & Co Concordia ("Concordia"), the holding company of the Rothschild family and the largest shareholder of Rothschild & Co, intends to support the Group in its journey ahead alongside a limited number of investors and the Group's Partners.

We would like to take this opportunity to thank you the shareholders of Rothschild & Co for your contribution over the years.

Concordia's intention to file a simplified tender offer for Rothschild & Co's shares

The offer

- **Concordia**, the holding company of the Rothschild family and largest shareholder of Rothschild & Co, **announces its intention to file a simplified tender offer** (*"offre publique d'achat simplifiée"*) **on Rothschild & Co's shares at an offer price of 48.0 euros per share** (with right to distributions attached¹)
 - **The offer aims to acquire all Rothschild & Co's shares not already owned by Concordia and the New Concert** (which would hold, at the offer filing date, approximately 60%² of Rothschild & Co's share capital)
 - **Concordia intends to proceed with a mandatory squeeze-out and to delist the Group** should minority shareholders hold no more than 10% of Rothschild & Co's share capital and voting rights at the closing of the offer

The investors

- The transaction would consist of a tender offer **initiated by Concordia in concert with like-minded investors acting together as a New Concert** through a long-term agreement, including an 8-year lock-up period and no put or call agreements afterwards
- Alongside Concordia, the New Concert would be composed of:
 - The **Maurel family and Edouard de Rothschild** (currently members of the current Enlarged Family Concert³);
 - **New members investing with a view to holding up to approximately 5% of the share capital** (Groupe Industriel Marcel Dassault, Giammaria Giuliani (GG 1978 SICAF SIF – GG Strategic), Mousse Partners and Peugeot Invest);
 - **Other investors and members of the English Rothschild family** (including Hannah Rothschild); and
 - **Rothschild & Co Partners SAS** (a newly created company dedicated to the shareholdings of the Partners of Rothschild & Co)

The calendar

- Filing of the offer is **subject to prior regulatory approvals in various jurisdictions and payment of the distributions**
 - Objective to file the offer by mid-2023
 - Following the filing of the offer, Rothschild & Co's Supervisory Board (who has favourably considered the proposed offer) will issue its recommendation based on the recommendation of the ad hoc committee of independent members and the report of the independent expert
 - Target offer opening: summer 2023

Notes

1. Ordinary dividend proposed by Rothschild & Co for FY2022 (€1.4/share) and exceptional distribution of reserves subject to Concordia's final decision to file the offer (€8.0/share), corresponding to a total €9.4/share distribution. These distributions remain subject to the approval of Rothschild & Co's shareholders at annual general meeting to be held on 25 May 2023 ("R&Co AGM")
2. Estimation based on current shareholding
3. Representing 54.5% of share capital and 66.8% of voting rights

A key milestone in the next phase of Rothschild & Co's development, preserving its independent model

1

Logical transformational step in the Group's history, considering the existing and controlling Enlarged Family Concert and the current reduced free float

2

None of the businesses of the Group needs access to capital from the public equity markets. Furthermore, each of the businesses is better assessed on the basis of their long term performance rather than short term earnings. This makes private ownership of the Group more appropriate than a listing

3

Alignment of investors' horizons with the Group's long-term approach, embedded in its "DNA" and its three business lines: Global Advisory, Wealth and Asset Management, Merchant Banking

4

A stable shareholding structure, built around the Rothschild family together with a limited number of like-minded investors and Rothschild & Co Group's Partners, all committed towards the Group's long-term ambition

5

Creation of an equity Partnership model relying on investment from all Rothschild & Co's Partners in a dedicated newly incorporated company (Rothschild & Co Partners), aiming to be a significant shareholder

Rothschild & Co Concordia believes the offer represents a liquidity opportunity at an attractive price

100% cash offer

€48.0 per share
(cum dividends¹)

Offer price, of which:

€1.4 per share

Ordinary
dividend

+

€8.0 per share

Exceptional
distribution

+34% premium vs. VWAP 120 days

+15% premium vs. historical highest
price

0.99x P/BV Dec-22³

1.13x P/TBV Dec-22³

10.0x P/E 2023e⁴

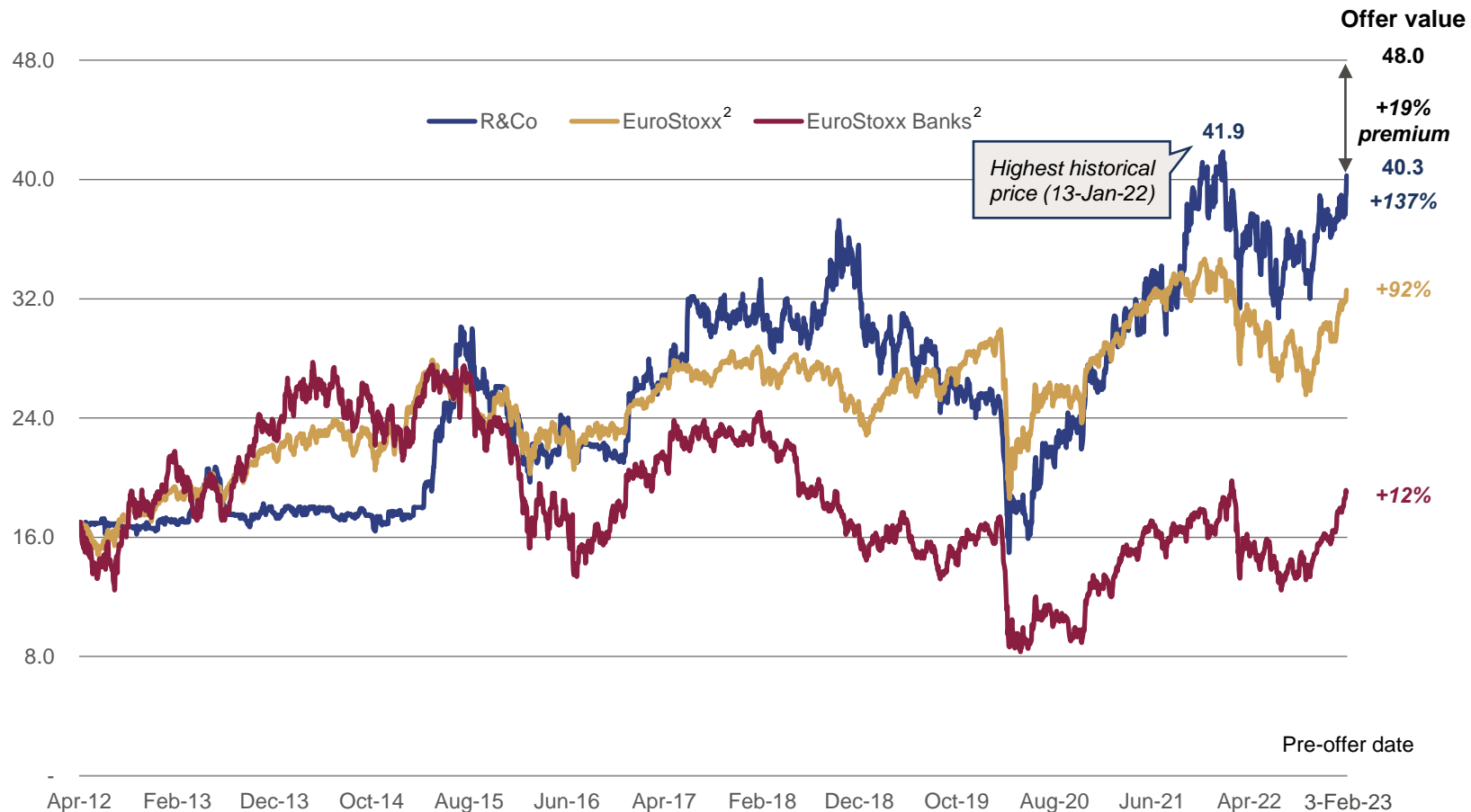
- With an offer price of **48.0 euros per share** (with right to distributions attached¹), Concordia believes the offer represents a **full valuation of Rothschild & Co** and a **liquidity opportunity** for all current Rothschild & Co's shareholders
- The offer price of 48.0 euros per Rothschild & Co's share (with right to distributions attached) represents a premium of:
 - **+19%** relative to Rothschild & Co's closing share price on **3 February 2023** (€40/share)
 - **+27%, +34%, +36%** relative to Rothschild & Co's average share price² over the last **60** (€38/share), **120** (€36/share), **180** (€35/share) trading days respectively
 - **+15%** relative to Rothschild & Co's **historical highest** closing share price on 13 January 2022 (€42/share)
- The offer price represents **attractive valuation multiples** for Rothschild & Co shareholders:
 - Implied price to book value multiple³: **0.99x** P/BV Dec-22³
 - Implied price to tangible book value multiple³: **1.13x** P/TBV Dec-22³
 - Implied price to 2023e earnings multiple⁴: **10.0x** P/E 2023e⁴

Notes

1. Ordinary dividend proposed by Rothschild & Co for FY2022 (€1.4/share) and exceptional distribution of reserves subject to Concordia's final decision to file the offer (€8.0/share), corresponding to a total €9.4/share distribution, subject to R&Co AGM's approval.
2. Volume Weighted Average Price as of 3 February 2023
3. Book value and Tangible book value group share as of 31/12/2022, adjusted for equity scheme instruments (fully diluted basis)
4. Based on net income group share 2023e as per analysts' consensus (€367m)

An offer value representing a +19% premium on a stock that has demonstrated long-term overperformance

Rothschild & Co share price historical evolution from 05/04/2012¹ to Pre-offer announcement (€)

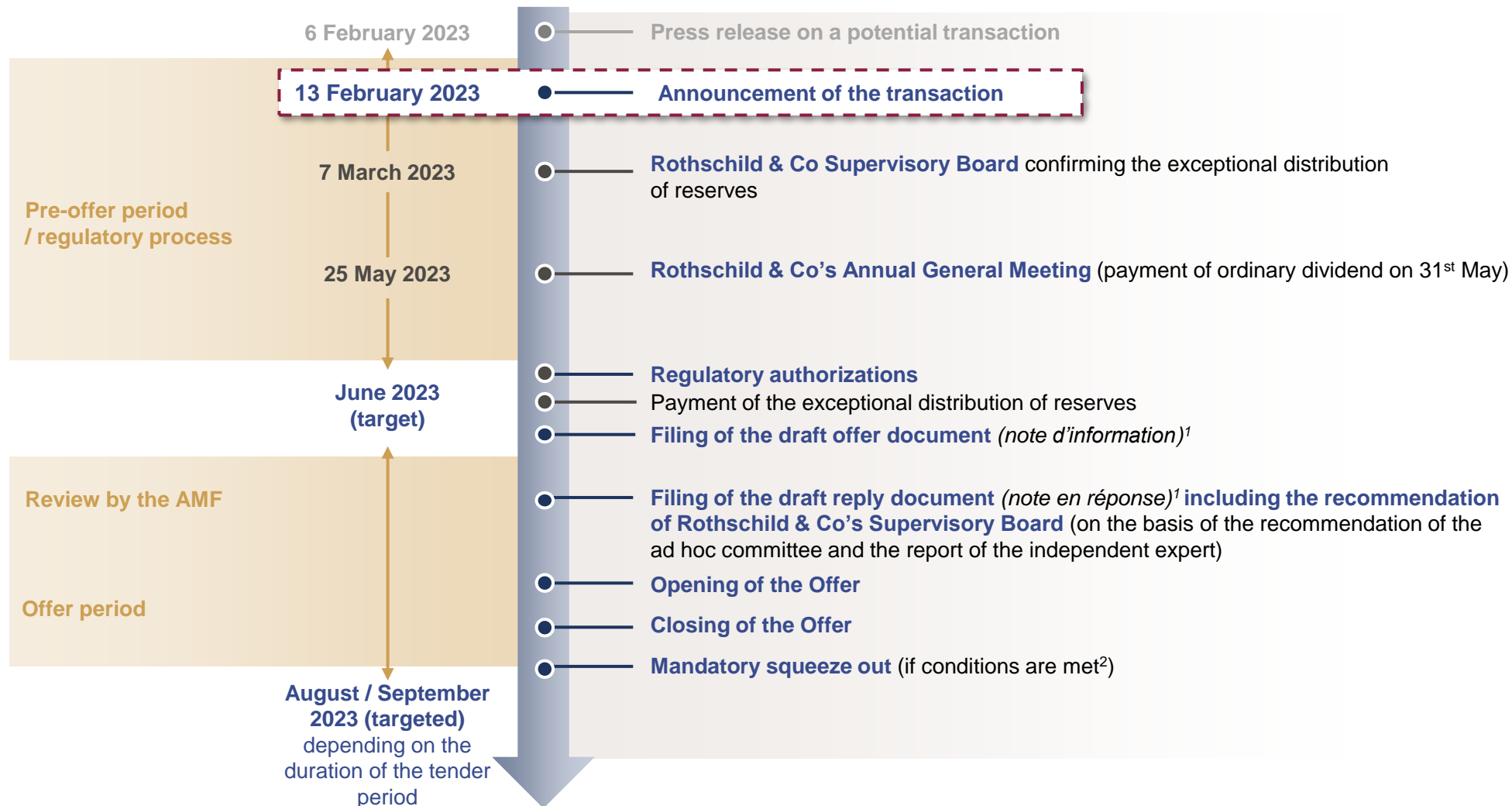


Source FactSet (03/02/2023)

Notes

1. Paris Orléans holding reorganisation announcement
2. Rebased on Rothschild & Co share price as of 05/04/2012

Closing of the offer targeted for August/September 2023*



Notes

- Draft and final offer documentation will be publicly available on the AMF's website upon filing (www.amf-france.org)
- Concordia intends to proceed with a mandatory squeeze-out and to delist Rothschild & Co's, should the offer result in Rothschild & Co's minority shareholders holding no more than 10% of Rothschild & Co's share capital and voting rights at the closing of the offer

* This timetable is indicative and may vary depending on the timing of the regulatory authorizations

Disclaimer

This document has been prepared by Rothschild & Co Concordia for information purposes only.

It does not constitute an offer to purchase or a solicitation to sell the Rothschild & Co's securities in any country, including France.

There is no certainty that the offer will be filed or opened.

In the event that the offer is filed with the AMF (French securities regulator), the documentation relating to the offer, which will be filed by Rothschild & Co Concordia and Rothschild & Co, will be submitted to the AMF, which will assess its compliance with the applicable legal and regulatory provisions.

The offer may only be opened once it has been cleared by the AMF.

The dissemination, publication or distribution of this document may be subject to specific regulations or restrictions in certain countries.

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