



Investor and Analyst Presentation | April 7<sup>th</sup>, 2021

# Amundi enters into exclusive negotiations with Société Générale for the acquisition of Lyxor

La confiance  
ça se mérite

**Amundi**  
GROUPE CRÉDIT AGRICOLE

# Agenda

**A transaction strengthening Amundi's positioning in key areas of expertise, and strongly value enhancing**

**Lyxor: a major player in the ETF space, with a recognised expertise in active management**

**Amundi will become the European leader in ETF**

**A unique positioning allowing Amundi to benefit from the fast-growing ETF market**

**Amundi expands its active management offering, notably in alternative liquid assets**

**A transaction with high synergy potential**

**A financially compelling transaction**

**Implementation and integration timetable**

# A transaction strengthening Amundi's positioning in key areas of expertise, and strongly value enhancing

## A strategic opportunity

- **Amundi acquires the Lyxor's core activities, totalling €124bn AuM<sup>1</sup> (ETF and active management)**
  - Activities from Lyxor retained by Société Générale: structured asset management<sup>2</sup> and other activities dedicated to private banking<sup>3</sup> (structuring of solutions, funds selection)
- **Lyxor is a pioneer in the European ETF space with a recognised expertise in active management**
- **Amundi will become the European leader and the #2 player in Europe in the ETF market**
  - €142bn combined ETF AuM as of December 31<sup>st</sup> 2020
  - A fast-growing European ETF market: +12% CAGR expected over 2020-2025e<sup>4</sup>
- Amundi will also complement its product offering in **active management**, notably through the integration of Lyxor's alternative investment platform

## A value enhancing acquisition

- Total cash consideration of **€825m** for the Lyxor's core activities
- Purchase price of **€755m**, adjusted for €70m excess capital<sup>5</sup>
- Estimated run-rate annual revenue and cost synergies of **~€30m<sup>6</sup>** and **~€60m<sup>6</sup>**, respectively
- Implied **2021e P/E multiple of ~10x**, including cost synergies only<sup>7</sup>
- **Return on Investment > 10%** in year 3 after completion, including cost synergies only<sup>7</sup>
- **~+7% accretive on Amundi's 2021e EPS**, including run-rate cost synergies only<sup>8</sup>

## Timeline

- Subject to works councils consultation and customary regulatory approvals
- Completion of the transaction expected by February 2022 at the latest
- Limited execution risk considering Amundi's track-record of successful integrations

1. Data as of December 31<sup>st</sup> 2020; 2. Solutions intended for Societe Generale's global markets clients; 3. Activities dedicated to savings solutions and carried out for Societe Generale (Branch networks and Private Banking) such as structuring of saving solutions, funds selection and the supervision of the SG Group's asset management companies; 4. Sources: Cerulli, ETFGI; 5. Excess capital vs. asset management regulatory capital requirement applicable to Lyxor; 6. Pre-tax; 7. Based on the purchase price excluding excess capital, i.e. €755m; calculation accounting for run-rate cost synergies  
8. Based on consensus 2021e EPS, accounting for run-rate cost synergies

# Lyxor is a major player in the ETF space, with a recognised expertise in active management

## A balanced profile with 2 core businesses

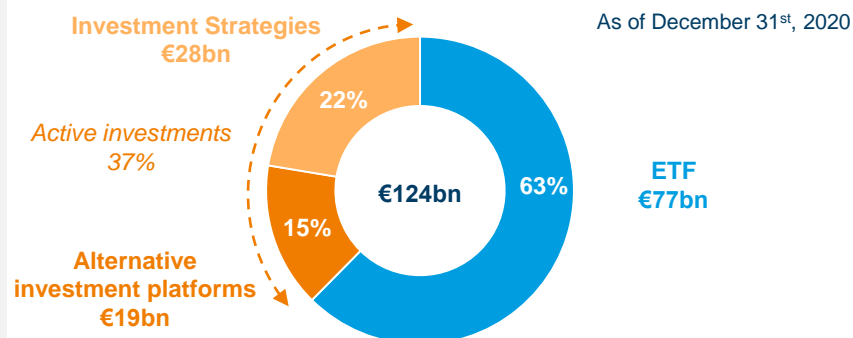
**ETF**  
€77bn AuM

- **#3 player in Europe, with a ~7% market share**
  - Pioneer in Europe
  - Strong competitive positioning
  - Comprehensive funds offering with 300 ETFs
  - Strengthened footprint in Germany, notably in Retail, following the acquisition of Commerz Fund Solutions in 2019

**Active investments**  
€47bn AuM

- **One of the world leaders in alternative liquid funds platform**
  - Platforms offering alternative liquid investment funds (notably UCITS funds) to private banks and asset managers
- **An “Investment Strategies” offering based on innovative expertise**

## Assets under Management breakdown 2020<sup>1</sup>



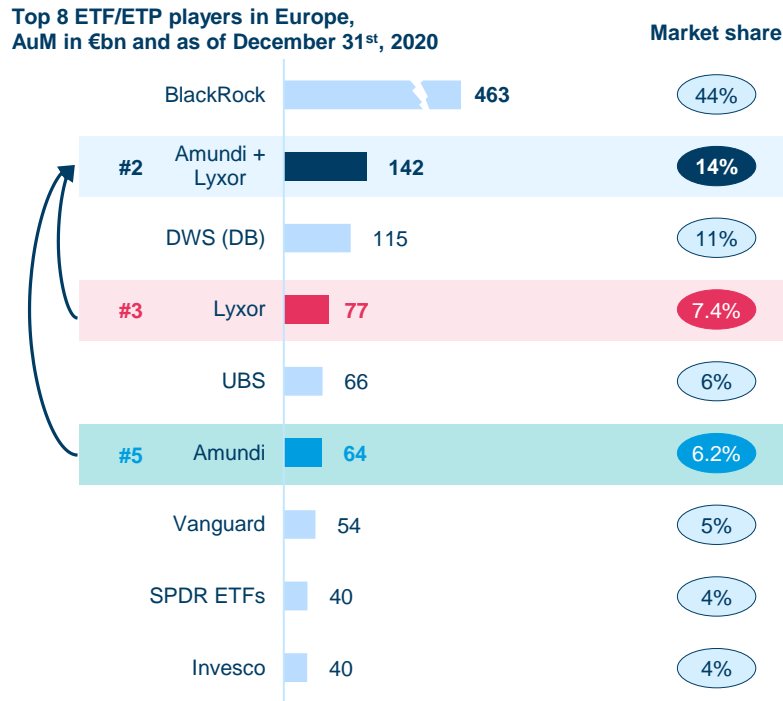
## Key figures 2021e<sup>1</sup>

• Net revenues	~€200m
• Cost / income ratio	~75%
• Net income	~€35m

1. Certain activities from Lyxor are excluded from the scope of the transaction and retained by Societe Generale: (i) structured asset management solutions intended for Societe Generale's global markets clients and (ii) asset management activities dedicated to savings solutions and carried out for Societe Generale (Branch networks and Private Banking) such as structuring of saving solutions, funds selection and the supervision of the SG Group's asset management companies.

# Amundi will become the European leader in ETF

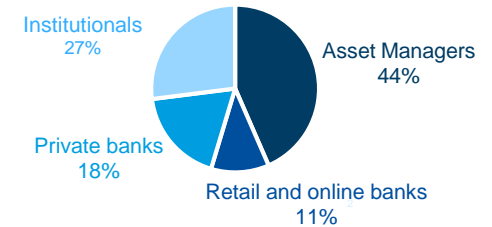
## Creation of the European leader and #2 player in Europe<sup>1</sup>...



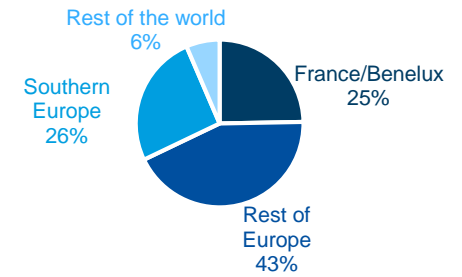
## ...benefitting from a well-diversified client base, geographical footprint, and asset class offering<sup>2</sup>

As of December 31<sup>st</sup>, 2020  
Indicative estimates

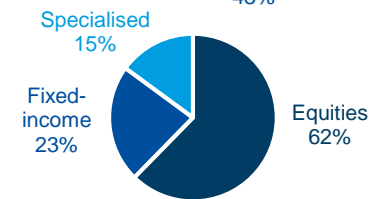
### By client type



### By geography



### By asset class



**With Lyxor, Amundi strengthens its ETF market share in Europe (14% combined vs. 6% for Amundi standalone) and further diversifies its ETF business**

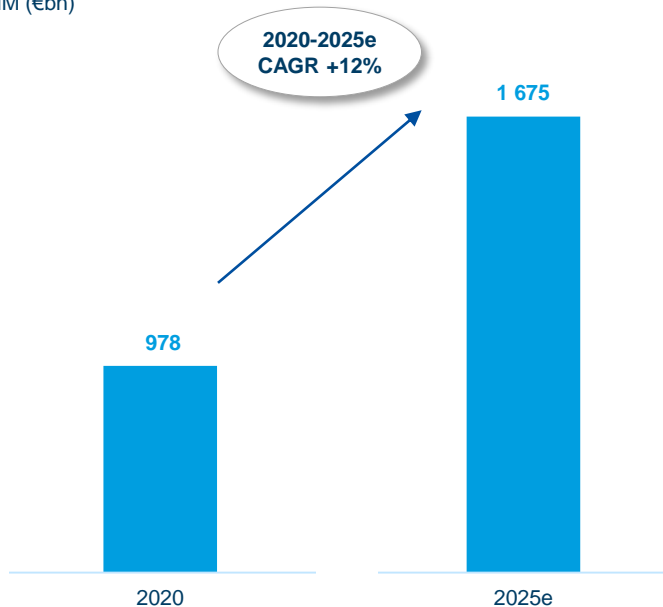
1. Sources : Amundi, Lyxor, ETF GI December 2020 ETF & ETP ; ETP= Exchange Traded Products, incl. commodities (Gold))

2. Amundi and Lyxor combined (indicative estimates)

# A unique positioning allowing Amundi to benefit from the fast-growing ETF market

## A fast-growing European ETF market

AuM (€bn)



Sources: Cerulli, ETF GI

## Sound fundamentals and attractive growth drivers

- An expertise to meet strong clients' expectations regarding ESG transition at a competitive cost (>18% combined market share<sup>1</sup> in ESG ETF)
- MiFiD regulation (cost transparency requirements)
- Increasing digitalisation of distribution channels and client usages
- Ongoing acceleration in the Retail segment (development of solutions for distributors and presence on online platforms)

**Amundi becomes the European leader in the ETF space in Europe, and significantly accelerates its development on this fast-growing market where scale is a key factor of success**

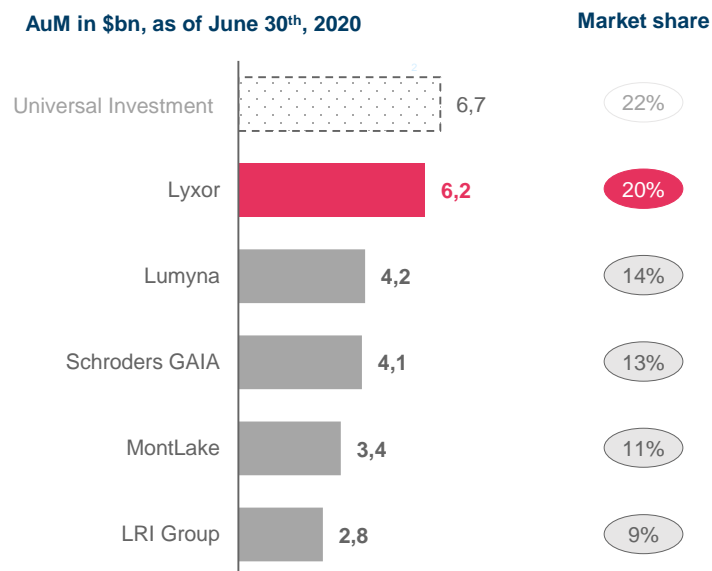
1. Source: Amundi, Bloomberg as of December 31<sup>st</sup>, 2020

# Amundi expands its active management offering, notably in alternative liquid assets

## Complementarities and opportunities in active management

- Expands Amundi's existing offering with **€47bn additional AuM in active management**
- **Leadership position in the alternative investment platforms segment (€19bn AuM), an attractive market where Amundi is not present**
- **A high quality investment strategies franchise (€28bn)**
- **Cross-selling opportunities**

## Lyxor is one of the global leaders in the alternative liquid funds platform market<sup>1</sup>



Only focused on the infrastructure segment of the value chain

Sources: Lyxor and HFM

1. Alternative liquid UCITS funds platform ranking established as of June 30<sup>th</sup>, 2020

# A transaction with high synergy potential

## Cost synergies

- **Run-rate annual cost synergies of ~€60m (pre-tax)**, driven by:
  - Headcount rationalisation: ~€30m
  - IT, outsourcing and other cost efficiency measures: ~€30m
- **Staff reduction**
  - Representing ~3% of combined headcount (below Amundi's natural employee churn)
  - No forced departures

## Revenue synergies

- **Run-rate annual net revenue synergies of ~€30m (pre-tax)**, through:
  - An acceleration of business growth stemming from increased size (notably in ETF)
  - Broader funds offering, better visibility, and limited client attrition expected



# A financially compelling transaction

## Key terms of the contemplated transaction

- **Acquisition of Lyxor** from Société Générale (excl. carved-out activities<sup>1</sup>)
- **Total cash consideration of €825m** including €70m of excess capital<sup>2</sup>, i.e. **purchase price of €755m excluding excess capital**
  - Implied **2021e P/E multiple of ~10x**, including run-rate annual cost synergies only<sup>3</sup>

## High value creation

- **Run-rate annual cost synergies of ~€60m (pre-tax), achievable within 3 years post completion**
- **Run-rate annual net revenue synergies of ~€30m (pre-tax)**
- **Return on Investment > 10% in year 3 after completion** (excluding revenue synergies) **and > 13%** (including revenue synergies)
- **~+7% accretive on Amundi's 2021e EPS**, including run-rate cost synergies only<sup>4</sup>
- Integration costs of ~€50m post-tax

## Regulatory impacts

- **Estimated CET1 capital impact of ~670 bps**
- **Amundi's pro-forma CET1 ratio of 13.3% as of December 31<sup>st</sup> 2020**, significantly above both its minimum capital requirement and the management target of 10%

1. Certain activities from Lyxor are excluded from the scope of the transaction and retained by Société Générale: (i) structured asset management solutions intended for Société Générale's global markets clients and (ii) asset management activities dedicated to savings solutions and carried out for Société Générale (Branch networks and Private Banking) such as structuring of saving solutions, funds selection and the supervision of the Société Générale Group's asset management companies.

2. Excess capital vs. asset management regulatory capital requirement applicable to Lyxor

3. Based on the purchase price excluding excess capital, i.e. €755m; calculation accounting for run-rate cost synergies

4. Based on consensus 2021e EPS, accounting for run-rate cost synergies

# Implementation and integration timetable

## Implementation and integration timetable

- **Signing: September 2021 at the latest**
- **Closing: February 2022 at the latest**
- **Integration preparation: ongoing until closing<sup>1</sup>**
- **Integration to be implemented within 18 months post closing**
- **Full synergies achieved within 3 years after completion of the transaction**

1. Subject to applicable regulations

# Contacts

## Investors & analysts

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## Financial calendar

**Q1 2021 results:** April 29<sup>th</sup>, 2021

**General Assembly for FY 2020:** May 10<sup>th</sup>, 2021

**H1 2021 results:** July 30<sup>th</sup>, 2021

**9M 2021 results:** November 4<sup>th</sup>, 2021

## Press

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## The Amundi share

<b>Tickers</b>	AMUN.PA	AMUN.FP	
<b>Main indexes</b>	SBF 120	FTSE4Good	MSCI

[www.amundi.com](http://www.amundi.com)

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