



## OVERVIEW OF SIENNA CAPITAL

SIENNA | CAPITAL

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## Sienna Capital is a 100% subsidiary of Groupe Bruxelles Lambert (“GBL”), a publicly-traded investment vehicle with a NAV of c.€19bn

**60+ years**

Stock exchange listing of GBL in 1956

**€19bn**

Net Asset Value (« NAV »)

**11**

Disclosed investments in listed assets, leaders in their sector

**€15bn**

Market capitalization of GBL

**2nd**

Largest listed investment company in Europe (*after Investor AB*)

**50%**

Stable and supportive ownership by the Frère and Desmarais families, through Swiss-listed parent company Pargesa Holding SA

**€2.6bn**

Solid liquidity profile from cash and undrawn credit lines

**€15bn**

Asset rotation carried out since the initiation of our new strategy in 2012

**13.0%**

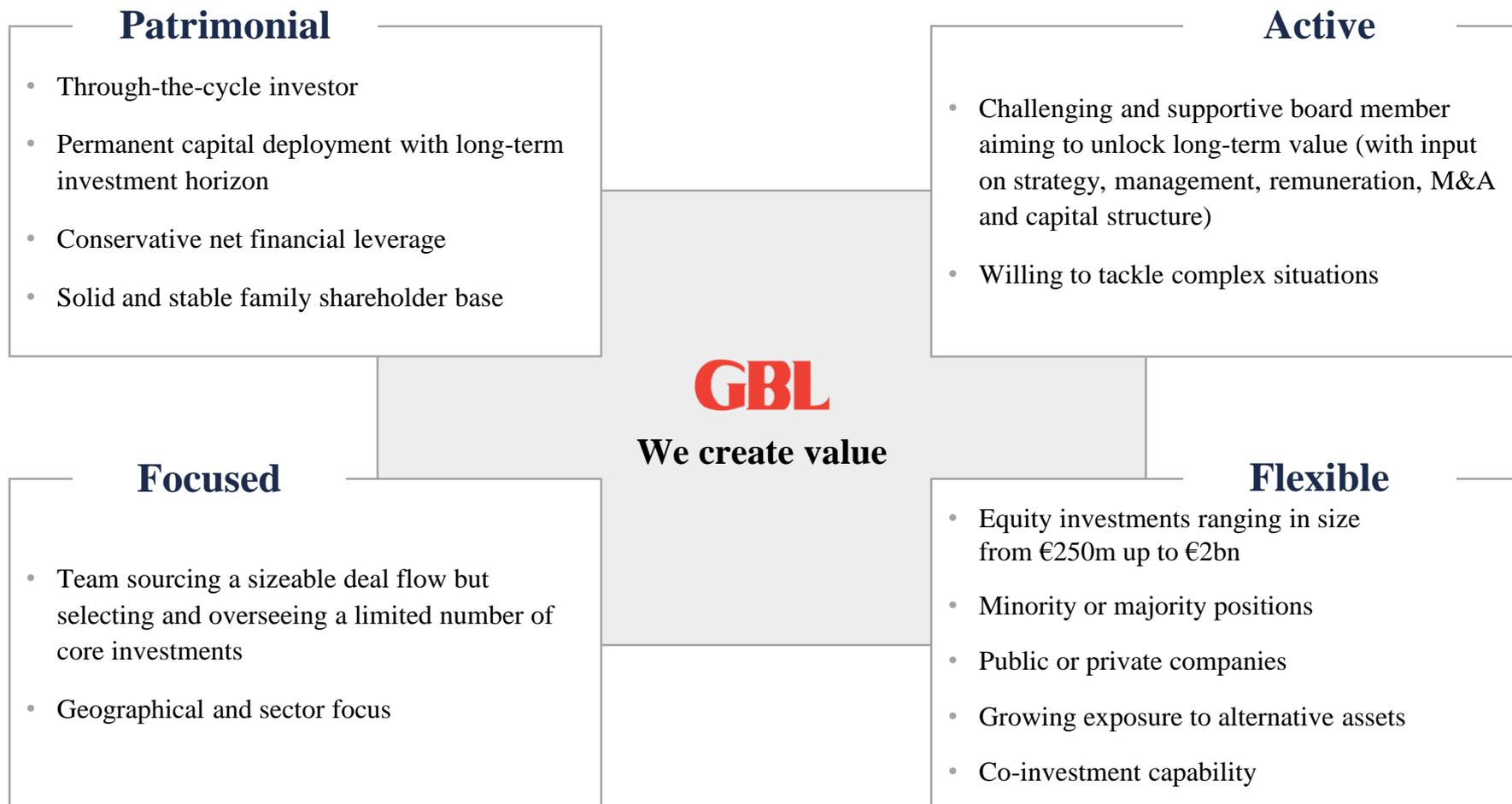
Five-year annualized Total Shareholder Return (« TSR »)

**3.2%**

LTM Dividend yield

Note: All figures are as of March 31, 2018 (except if superseded by publicly disclosed information)

## GBL benefits from solid core values



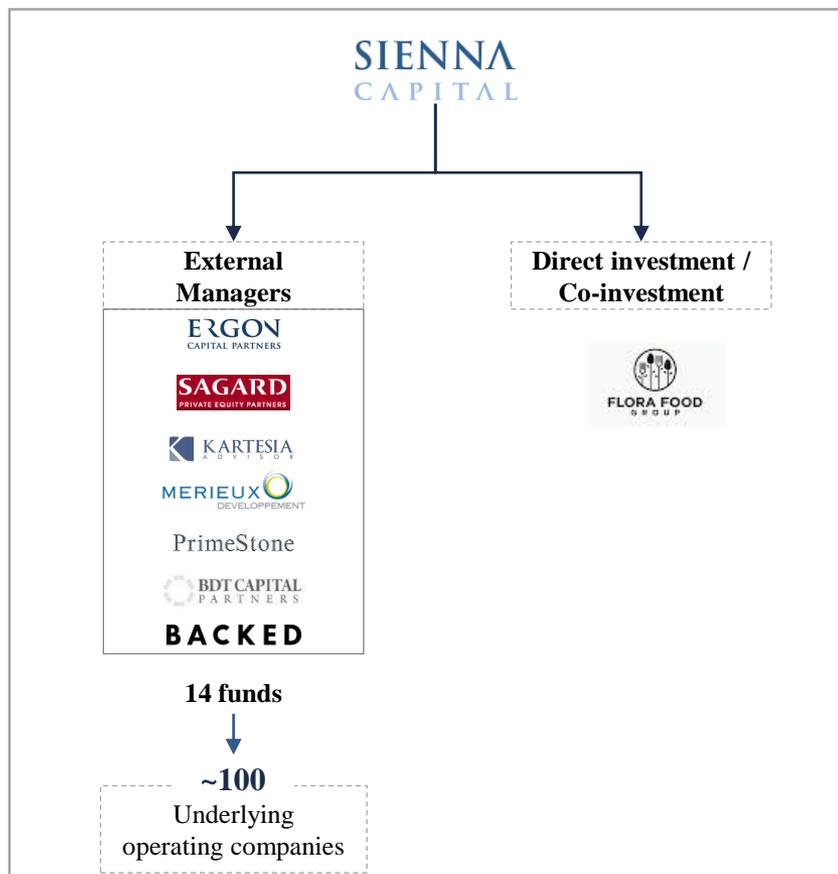
## GBL manages a diversified portfolio via investments in international industry leaders with exposure to growth

|  | Listed investments <sup>(1)</sup>  |  |   |   |   |  |   |   |   |  | Sienna Capital   |
|--|--|--|---|---|---|--|---|---|---|--|--|
|  |  IMERYS |  adidas |  Pernod Ricard |  LafargeHolcim |  SGS |  umicore<br><small>materials for a better life</small> |  TOTAL |  Ontex |  GEA |  Parques Reunidos |  SIENNA CAPITAL |
| Sector   | Specialty minerals   | Sports equipment   | Wines & Spirits   | Cement & aggregates   | TIC   | Materials technology   | Oil & Gas   | Hygienic consum.  | Process technology food sector  | Leisure parks  | Alternative assets   |
| GBL's ranking in the shareholding  | #1   | #1   | #2  | #2  | #1  | #1   | #16   | #1  | #4  | #1   | n.a.   |
| Date of first investment   | 1987   | 2015   | 2006  | 2005  | 2013  | 2013   | 1998  | 2015  | 2017  | 2017   | 2013   |
| Board representation for GBL   | ✓  | ✓  | ✓   | ✓   | ✓   | ✓  | ✓   | ✓   | --  | ✓  | n.a.   |
| GBL % ownership  | 53.8%  | 7.5%   | 7.5%  | 9.4%  | 16.6%   | 16.9%  | 0.6%  | 19.98%  | 5.3%  | 21.2%  | 100%   |
| Value of GBL's stake (€bn)   | 3.4  | 3.1  | 2.7   | 2.5   | 2.5   | 1.8  | 0.7   | 0.4   | 0.3   | 0.2  | 1.0  |
| As % of total  | 18%  | 16%  | 14%   | 13%   | 13%   | 9%   | 4%  | 2%  | 2%  | 1%   | 5%   |
| Dividend to GBL (€m)   | 80   | 27   | 40  | 107   | 83  | 26   | 36  | 9   | 2   | 3  | 40   |
| As % of total  | 17%  | 6%   | 9%  | 23%   | 18%   | 6%   | 8%  | 2%  | <1%   | <1%  | 9%   |
| <b>€16.0bn aggregate market value for assets exceeding €1bn (83% of the total)</b> |  |  |   |   |   |  |   |   |   |  |  |

Note: figures are as of March 31, 2018 (except regarding the dividend contribution being related to FY17)

(1) Investments listed here are pro forma for the exit of Burberry. GBL sold its entire stake in Burberry on 9<sup>th</sup> May 2018

## Sienna Capital is a platform for GBL to invest in alternative assets in partnership with external managers and also via direct investments and co-investments



### Several benefits to GBL

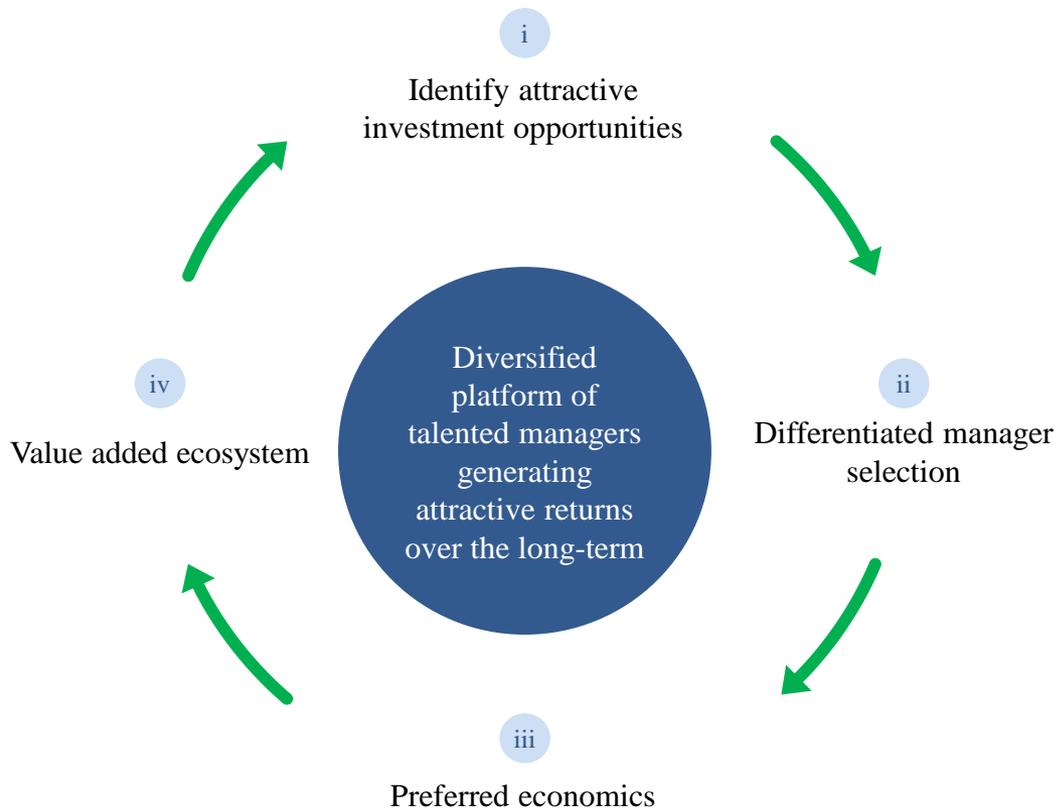
- Earn attractive risk-adjusted returns
- Contribute to growing GBL's NAV and dividend
- Part of an ongoing diversification of GBL's portfolio and revenue stream
- Attract talent around the activities of GBL and serve as a best ideas factory
- Provide co-investment opportunities

**~5%**

Contribution to GBL's Adjusted Net Assets

## Sienna Capital aims to generate attractive risk-adjusted returns by investing in unlisted assets with a unique approach

### VIRTUOUS CIRCLE



### COMMENTS

- i**
  - Identify attractive investment opportunities
    - Comprehensible asset class
    - Large and growing addressable market
    - Manageable competitive landscape
- ii**
  - Identify and partner with talented managers applying a disciplined selection criteria and a thorough due diligence process
  - Provide long-term patient capital, larger than average ticket size, reputation and network
- iii**
  - Negotiate favourable terms with managers
    - Boost returns by obtaining reduced fees, preferred economics and other benefits for investors
- iv**
  - Provide a value added ecosystem
    - Help managers raise money and attract talent
    - Provide advice on best-practices, good governance and industry insights
    - Best ideas factory to source direct investment/ co-investment opportunities

## Sienna Capital's current perimeter includes investments in seven external managers as well as one co-investment

| Manager   | Strategy   | Funds                                  | Year of initial investment   | Sienna Capital's cumulative commitment |
|---|--|--|------------------------------|--|
|    | Private Equity   | ECP I, II, III, IV                     | 2005                         | €863m                                  |
|    | Private Equity   | Sagard I, II, III                      | 2002                         | €398m                                  |
|    | LBO Debt   | Kartesia Credit Opportunities III & IV | 2013                         | €300m                                  |
|    | Healthcare Growth Capital  | Mérieux Participations I & II          | 2014                         | €75m                                   |
| PrimeStone  | European mid-cap public equities                                   | PrimeStone                             | 2015                         | €150m                                  |
|   | Long-term capital to closely held businesses                       | BDTCP II                               | 2015                         | €113m                                  |
| <b>BACKED</b>   | Venture capital for new technologies and digital                   | Backed 1 LP                            | 2017                         | €25m                                   |
|  | Co-investment in a KKR-led buyout of Unilever's margarine business | n/a                                    | Expected closing in mid-2018 | €250m                                  |

## Sienna Capital recently committed to invest €250 in Flora Food alongside KKR

### Context

- Flora Food Group, Unilever Food division's spreads business, is the global leader in plant-based margarine spreads and cooking solutions, generating revenues of €3bn and EBITDA of €755m (25% margin)
- In December 2017, KKR won the auction with a bid at an Enterprise Value of €6.8bn
- In March 2018, Sienna Capital committed to invest €250m alongside KKR (i.e. a ~12% stake)
  - Sienna Capital will have one seat on the Board of Directors
  - Closing is expected in mid-2018
- This investment is in line with Sienna's strategy of generating opportunities for direct investment and co-investment

### Investment thesis



**Global leader:** Flora Food is #1 in 44 out of 69 markets with market share >50% in margarine within many individual markets

**Turnaround the core:** recovery in Developed Markets supported by key initiatives (e.g. naturalness, taste, packaging, brand architecture, dedicated salesforce)

**Other growth avenues:** growth opportunities in Emerging Markets (driven by positive macro fundamentals) and adjacent categories (other plant-based products)

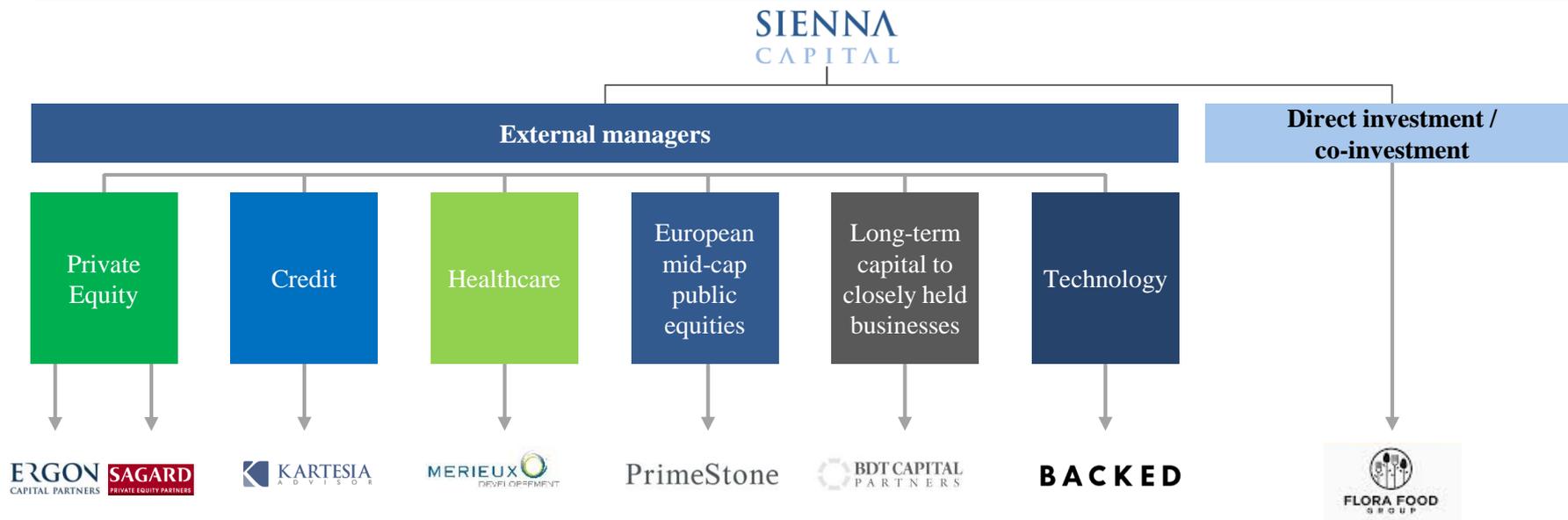
**Significant potential cost savings:** opportunity to increase margins in conjunction with the carve-out

**Strong cash conversion:** >90% cash flow conversion driven by low capex and low working capital requirements

**Downside protection:** Margarine is an everyday staple with high penetration rate. Multiple levers to create value have been identified

## Sienna Capital will continue over time to build a portfolio exposed to a broad spectrum of asset classes, sectors and geographies

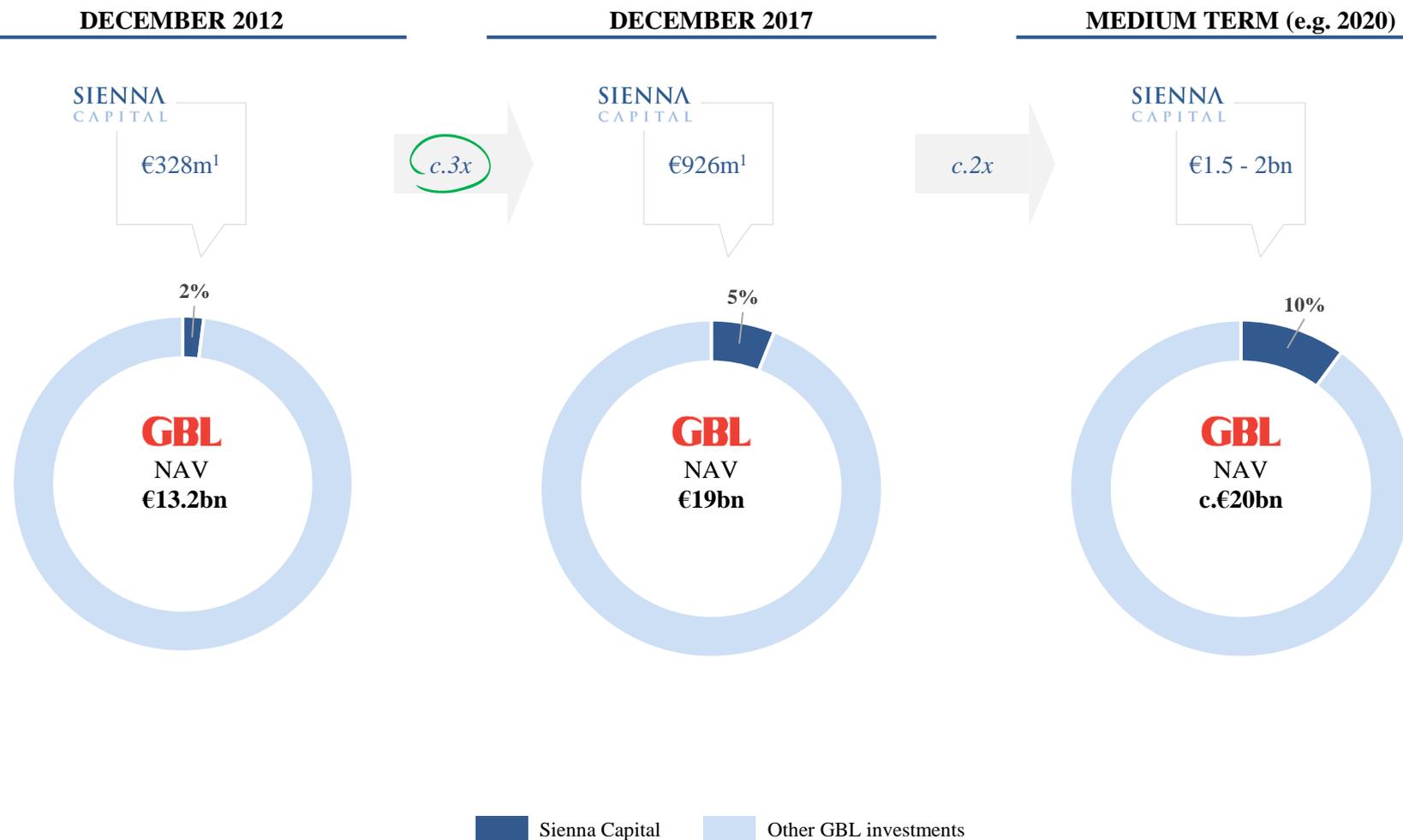
### CURRENT PERIMETER



### POTENTIAL AREAS OF FUTURE INVESTMENT



## Sienna Capital's portfolio currently represents 5% of the NAV of GBL and could represent up to 10% in the medium term



1 Sienna Capital NAV.

## Sienna Capital is currently managed by a small team; we are in the process of recruiting a Chief Investment Officer

### Chairman



**Ian Gallienne**

- Ian Gallienne founded Sienna Capital in 2013 and joined as Chairman
- He is also co-CEO at GBL
- He serves as a Director of Imerys, adidas, Pernod Ricard and SGS
- He is the founder of Ergon Capital Partners, a pan-European private equity fund
- He previously worked for the private equity firm Rhône Group
- Mr. Gallienne holds an MBA from INSEAD Institute of Management

### CEO



**Colin Hall**

- Colin Hall joined Sienna Capital in 2013 as CEO
- He is also the Head of Investments at GBL
- He serves as a Director of Imerys, Umicore and Parques Reunidos
- He previously worked for the private equity firm Rhône Group, in a hedge fund sponsored by Tiger Management and Morgan Stanley
- Mr. Hall holds an MBA from the Stanford University Graduate School of Business

### Acting CFO



**Jean-Pierre Baccus**

- Jean-Pierre Baccus joined Sienna Capital in 2018 as Acting CFO
- Earlier in his career, Mr. Baccus worked at Oaktree Capital Management Luxembourg as CFO
- He was also Acting CFO for 1.5 years of the credit fund Kartesia sponsored by Sienna Capital
- Mr. Baccus holds a master's degree in Business Administration from Université of Metz and master's degree in Accounting and Finance from Université de Luxembourg

### Financial accountant / controller



**Vincent Noël**

- Vincent Noël joined Sienna Capital's Luxembourg office in 2015 as Financial Accountant/Controller
- Previously, he spent five years working at GDF Suez in Luxembourg
- He holds a BA in Accounting from the Haute École Robert Schuman in Libramont-Chevigny, Belgium, and was also awarded honors in Tax (cycle A and B) at the School of Commerce in Luxembourg

## Sienna Capital is supported by a highly qualified and experienced Board of Directors



**Ian Gallienne – Chairman**

- Ian Gallienne is the Chairman of Sienna Capital since 2013
- He is Co-CEO of GBL
- Other current directorships include Imerys, Pernord Ricard, SGS and adidas
- Mr. Gallienne holds an MBA from INSEAD Institute of Management



**Colin Hall – CEO**

- Colin Hall is a Director of Sienna Capital since 2013
- He is the CEO of Sienna Capital
- He is also the Head of Investments at GBL
- Other current directorships include Imerys, Umicore and Parques Reunidos
- Mr. Hall holds an MBA from Stanford University



**Gérard Lamarche**

- Gérard Lamarche is a Director of Sienna Capital since 2013
- He is Co-CEO of GBL
- Other current directorships include Total, SGS, LafargeHolcim and Umicore
- Mr. Lamarche holds a Degree in Economics from the University of Louvain-La-Neuve and the INSEAD Institute of Management



**Thierry de Rudder**

- Thierry de Rudder is a Director of Sienna Capital since 2013
- He is Vice-Chairman of the board of director and Chairman of the Standing Committee of Groupe Bruxelles Lambert
- Mr. de Rudder holds an MBA from Wharton School of the University of Pennsylvania



**Gilles Samyn**

- Gilles Samyn is a Director of Sienna Capital since 2013
- He is currently Managing Director of Groupe Frère
- Other current directorships include Pernod Ricard, Erbe, Groupe Flo, APG / SGA, Transcor Astra Group, and Banca Leonardo
- Mr. Samyn holds an engineering degree from Solvay



**Amaury de Sèze**

- Amaury de Sèze is a Director of Sienna Capital since 2013
- He is Vice Chairman of Power Financial Corporation
- Other current directorships include Carrefour, Groupe Bruxelles Lambert, Publicis and Pargesa
- He holds degrees from HEC Paris and Stanford University



**Aris Wateler**

- Aris Wateler is a Director of Sienna Capital since 2013
- He is Chairman of the Advisory Board of Ergon Capital Partners
- He has a Master of Business Economics from the University of Amsterdam and completed post-graduate work at IMD

## Sienna Capital is headquartered in Luxembourg and has an office in London

### OFFICE LOCATIONS



### CONTACT DETAILS

a

#### Luxemburg headquarters



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b

#### London branch



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# Appendix

## Additional information on Ergon

### Profile

- Ergon is a mid-market private equity firm
- Ergon is a disciplined and discreet value investor, which provides patient and friendly capital to entrepreneurs and managers who need capital and industrial solutions to accelerate the development of their companies
- Ergon represents an alternative to other types of financial investors and proposes a unique flexibility, adapted to each specific situation

### Strategy

- Ergon makes equity investments from €25m up to €75m in leading companies with a sustainable competitive position in attractive niche markets located in the Benelux, Italy, Iberia, France, Germany and Switzerland
- To carry out its investment activity Ergon is advised by Ergon Capital Advisors, an independent advisory firm with offices in Brussels, Milan, Madrid, Paris and Munich
- Since its inception in 2005, Ergon has invested in 15 companies (of which 4 in the Benelux, 7 in Italy, 2 in France, 1 in Spain and 1 in Germany) and has completed 19 add-on acquisitions for a total aggregate transaction value of c. €3bn

### Contact

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## Additional information on Sagard



### Profile

- Created in 2002, Sagard is a private equity firm based in Paris
- Sagard unites a group of influential entrepreneurial families led by the Desmarais family and renowned financial institutions. This innovative ownership structure results in a unique investment philosophy and focus
- The firm is managing €1.7bn of total commitments since inception

### Strategy

- Sagard invests in companies valued in excess of €100m that are leaders in their markets, primarily in French speaking European countries
- Sagard's goal is to help companies, led by successful managers, to grow and flourish, by taking a flexible approach in structuring investments, with solutions ranging from minority or majority stakes to LBOs and business development capital
- With a commitment to the long-term, Sagard's entrepreneurial culture stems from the close cooperation between its sponsor and the influential families who over time have built successful companies

### Contact

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mariane.lebourdier@sagard.com  
www.sagard.com

## Additional information on Kartesia



### Profile

- Launched in 2013, Kartesia is an LBO debt fund headquartered in Luxembourg with offices in Brussels and London and c.€1bn of assets under management
- Kartesia intends to capitalize on the structural disintermediation that the European banking sector is currently experiencing by investing in primary and secondary credit markets

### Strategy

- Kartesia's philosophy is to take a generalist view and deliver a diversified portfolio across various sectors
- The team concentrates on companies with international exposure, industry-leading market positions, strong brands or other unique and differentiating factors
- Kartesia can also invest in middle-market companies that are at a turning point in their development, including those in financial distress or in need of deep restructuring of their capital structure
- The fund can invest €10-50m per transaction; mostly in credit financing solutions targeting LBO debt; secondary as well as primary for small and midcap companies

### Contact

Hana Witzke – General Counsel  
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## Additional information on Mérieux Développement



### Profile

- Launched in 2010, Mérieux Développement is the healthcare growth capital investment vehicle of Institut Mérieux
- Mérieux Développement invests in the healthcare sector at an international level, working alongside entrepreneurs whose products and services can bring genuine advances to the health of patients and consumers worldwide, offering them access to its industry expertise and global network
- Mérieux Développement is based in France (Lyon) with a presence in the United States (Boston)

### Strategy

- Mérieux Développement intends to create value as an active investor and targets a balanced portfolio across sub-sectors, geographies and maturity stage
- Targeted sectors include life science, healthcare and well being (human or animal health, nutrition or wellness segments)
- Mérieux Développement is focused on equity investments of €5m to €20m, typically for a minority stake

### Contact

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## Additional information on PrimeStone

PrimeStone

### Profile

- Established in 2014, PrimeStone takes substantial stakes in European listed companies that it believes have significant potential for value creation
- PrimeStone was founded by three former partners from The Carlyle Group, who specialized in buyouts and have invested and worked together across Europe for more than 15 years
  - They all also share a prior experience as consultants in strategy and operational improvements with The Boston Consulting Group

### Strategy

- PrimeStone typically targets medium-sized, listed European companies that have significant value creation potential through strategic, operational or financial improvement
- PrimeStone creates value by taking a long term perspective, adopting an active approach and having a significant influence over its underlying investments through a constructive dialogue with boards and management teams

### Contact

Martin Donnelly – COO  
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info@primestonecapital.com  
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## Additional information on BDT Capital Partners



### Profile

- BDT Capital Partners provides family- and founder-led businesses with long-term, differentiated capital
- The firm’s affiliate, BDT & Company, is a merchant bank that works with family- and founder-led businesses to pursue their strategic and financial objectives
- BDT & Company provides solutions-based advice and access to a world-class network of business owners and leaders

### Strategy

- BDT Capital Partners was created in 2009 by Byron Trott, a long-standing partner of Goldman Sachs, with the aim of meeting the strategic and financial needs of families and/or company founders around the globe.
- BDT Capital Partners is currently managing two funds with aggregate commitments of c. \$8bn

### Contact

Jennifer Dunne – Director of Communication  
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## Additional information on Backed

**BACKED**

### Profile

- Backed is a London-based venture capital fund with a unique investment proposition, as an investment team of millennials is targeting millennials entrepreneurs who create products and offer services for millennials in the tech and digital sectors
- Backed was launched in 2015 and invests in Seed and Series A deals

### Strategy

- Backing millennial founders building companies targeting millennials
- Seed investments primarily in UK and opportunistically in European VC hubs

### Contact

Andre De Haes – Founding Partner  
info@backed.vc  
www.backed.vc

## Sienna Capital 2017 highlights (1|3) – Overview

- 2017 was an active year
  - Sienna Capital’s contribution to GBL’s cash earnings increased from €18m in 2016 to €40m in 2017
    - €40m represents 9% of GBL’s total cash earnings of €422m
  - The contribution was underpinned by several successful exits, e.g. Golden Goose (Ergon), Elitech (Ergon) and Alvest (Sagard)
  - The underlying managers in Sienna Capital’s current perimeter were also active in 2017 in making new investments
  - Sienna Capital’s managers were also active in raising outside capital in 2017, e.g. Ergon IV and KCO IV
  - Sienna Capital added one new manager (Backed)

### KEY FIGURES

**€388m**

Gross proceeds from Exits

**€107m**

Capital gains

**€108m**

New investments by the underlying managers

**€375m**

New commitments

**€280m**

Net cash flow

**€40m**

Contribution to GBL’s cash earnings

## Sienna Capital 2017 highlights (2|3)

|                 | TARGET  | BUYER   | SELLER  | COMMENTS  |
|-----------------|---|---|---|---|
| Exits           |    |    |    | <ul style="list-style-type: none"> <li>Footwear &amp; clothing</li> <li>Net capital gain of €112m</li> </ul>                                  |
|                 |    |    |    | <ul style="list-style-type: none"> <li>In-vitro diagnostics equipment</li> <li>Net capital gain of €104m</li> </ul>                           |
|                 |    |    |    | <ul style="list-style-type: none"> <li>Airport ground support equipment</li> </ul>  |
|                 |    |    |    | <ul style="list-style-type: none"> <li>Construction equipment rental</li> </ul>   |
|                 |   |   |    | <ul style="list-style-type: none"> <li>Distribution of €43m to Sienna Capital</li> </ul>  |
| New investments |    |    |    | <ul style="list-style-type: none"> <li>European publisher of games and puzzle magazines</li> </ul>  |
|                 |   |   |   | <ul style="list-style-type: none"> <li>Leader in preventive passive fire protection</li> </ul>  |
|                 |  |  |  | <ul style="list-style-type: none"> <li>Manufacturing of « barrier » packaging (mainly used in the transport and storage of aromas)</li> </ul> |
|                 |  |  |  | <ul style="list-style-type: none"> <li>Climate control engineering</li> </ul>   |

## Sienna Capital 2017 highlights (3|3)

|                                | <b>FUND</b>  | <b>FUNDRAISING</b> | <b>SIENNA'S<br/>COMMITMENT</b> | <b>COMMENTS</b>   |
|--------------------------------|--|--------------------|--------------------------------|---|
| <b>Raising outside capital</b> | <br>CAPITAL PARTNERS<br>ECP IV    | €500m              | €200m                          | <ul style="list-style-type: none"> <li>Final closing expected in 2018</li> </ul>  |
|                                | <br>KARTESIA<br>ADVISOR<br>KCO IV | €870m              | €150m                          | <ul style="list-style-type: none"> <li>Closed in 2017</li> </ul>  |
| <b>New Manager</b>             | <b>BACKED</b>  | €52m               | €25m                           | <ul style="list-style-type: none"> <li>Venture capital fund based in London, specialized in the sector of new digital technologies</li> </ul> |

## Sienna Capital is currently invested in seven investment managers

| Funds/year of initial investment   | Strategy                                     | Funds                         | Commitment     | Capital invested | Remaining callable capital | Distribution received to date | Stake value  | Implied money multiple |
|--|--|-------------------------------|----------------|------------------|----------------------------|-------------------------------|--------------|------------------------|
| <br>ERGO<br>CAPITAL PARTNERS<br>2005          | Private Equity                               | ECP I, II, III, IV            | €863m          | €517m            | €345m                      | €593m                         | €199m        | 1.5x                   |
| <br>SAGARD<br>PRIVATE EQUITY PARTNERS<br>2002 | Private Equity                               | Sagard I, II, 3               | €398m          | €266m            | €131m                      | €199m                         | €246m        | 1.7x                   |
| <br>KARTESIA<br>2013                          | LBO Debt                                     | KCO III & IV                  | €300m          | €151m            | €149m                      | €53m                          | €150m        | 1.3x                   |
| <br>MERIEUX<br>DEVELOPPEMENT<br>2014          | Healthcare Growth Capital                    | Mérieux Participations I & II | €75m           | €43m             | €32m                       | -                             | €50m         | 1.2x                   |
| PrimeStone<br>2015   | European mid-cap public equities             | PrimeStone                    | €150m          | €150m            | -                          | -                             | €178m        | 1.2x                   |
| <br>BDT CAPITAL<br>PARTNERS<br>2015           | Long-term capital to closely held businesses | BDTCP II                      | €113m          | €56m             | €57m                       | -                             | €62m         | 1.1x                   |
| BACKED<br>2017   | Digital technologies                         | Backed 1                      | €25m           | €8m              | €17m                       | -                             | €8m          | 1.1x                   |
| <b>Cumulative</b>  |  |                               | <b>€1,924m</b> | <b>€1,190m</b>   | <b>€733m</b>               | <b>€844m</b>                  | <b>€893m</b> | <b>1.5x</b>            |

Note: figures are as of 31/12/2017. Excludes €250m investment in Flora Food Group alongside KKR (expected closing in mid-2018).