

Continued evolution of the board

The ordinary and extraordinary general meeting of 12 May 2022 was an opportunity for the group to continue the rejuvenation of its board of directors and to communicate on its most recent investments.

General Assembly

Price (€): 104.4

NAV pa at 31/12/21: 235€.

Spot NAV at 13/05/22: 194.4€

Spot discount: 46%.

Capitalization (M€) : 2 562

Gross debt in 2021 (€M): 1,198

Free Float: 20%.

Mnemonic: PEUG

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- Rejuvenation and implicit clarification of roles.** Several members of the G9 (9th generation of the Peugeot family) were already on the Group's Board. They were joined this year by Camille Roncoroni (ESSEC, strategy consultant) to replace Marie-Hélène Peugeot Roncoroni, outgoing Vice-Chairman of the Board, and by Rodolphe Peugeot (ESCE, Director of International Development for a shipbuilding group) to replace Xavier Peugeot. In addition, the Group has a new high-level independent director in the person of Béatrice Dumurgier (X-Mines-MIT), senior advisor to the private equity fund BlackFin Capital Partners, replacing Christian Peugeot, who has resigned from the Board. Jean-Philippe Peugeot has also resigned from the Board and is being replaced by Etablissement Peugeot Frères, represented by its CEO, Thierry Mabile de Poncheville. The Board's independence rate has thus risen from 36% to 43%. Our understanding is that the members of the new generation of family directors are not chosen primarily to respect a balance between the branches but for their ability to contribute to Board discussions and to demonstrate the family's ongoing commitment. Even if the group did not emphasize it at the AGM, these latest appointments implicitly clarify the roles: the Board of Directors of Peugeot Invest decides on the strategy, disposals and investments of the investment company, while Etablissements Peugeot Frères is the place for the family's asset governance.

- Activity since the beginning of 2022.** After a record year in 2021 in terms of investments and disposals (€726m and €605m respectively), the group continued its activity with two co-investments: €15m in SantéVet, the French leader in animal health insurance, alongside Columna Capital, and €15m in Schwind, one of the technological leaders in lasers for corneal surgery, alongside Adagia. It made a \$100 million commitment to its historical partner JAB Holding in the pet care sector. In terms of disposals, 2 transactions are worth noting with satisfactory multiples: the KDP shares, resulting from the listing of this 2018 co-investment with JAB, were sold at their highest for a total of \$167M, i.e. a multiple of 1.8x according to the company, and PAI's sale of Asmodée allowed PEUG to receive €46M, i.e. a multiple of 2.7x.

In addition, the group has indicated that it has expanded its teams with the recruitment of 10 new employees since the beginning of the year, bringing the total number of employees to 41, compared with 31 in 2021. If not all of them are destined to source new investments, it is a significant increase in the capacity to study and operate new opportunities and confirms the professionalization undertaken now for several years.

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Orpéa. The group returned to the Orpéa affair, recalling its commitment to contribute to the renewal of its governance. Calling to wait for Orpéa itself to communicate the results of the audits, it nevertheless stressed that it had never had any information on the actions revealed in the book "Les fossoyeurs" and denied the implementation of an organisation leading to systemic mistreatment.

Orpéa published its 2021 results this morning, the day after Peugeot Invest's AGM, one month late. While the EBITDAR margin increased by 35bp, the RNpg was down 59.3% to €65.2m due to €83m of provisions for risks and charges, including €58.9m "for the neutralisation of the 2017-2021 care and dependency surpluses". The company says it will "seek approval from the supervisory authorities to use these amounts for actions relating to the well-being of residents and healthcare professionals." In addition, charges of €48m for impairment of asset values have been made in the 2021 financial year.

Orpéa indicates in its press release that it has reached an agreement in principle with its banks to ensure its financing. Q1 activity, also published this morning, was up by 5.0% on an organic basis despite a fall in the occupancy rate in France.

In the exceptional context that it is going through, the group has announced the suspension of its dividend payment for the 2021 financial year. It also announced a major transformation plan, including a study of the status of a company with a mission, the partial renewal of the board and a series of measures to reform operational practices (HR practices/decentralisation/alerting processes/listening platforms....).

A webcast meeting with investors is scheduled for today at 2pm.

- **Spot NAV: €194.4 per share.** We have updated the group's NAV based solely on its listed assets (61% of the NAV at 31/12/21; 54% at 12/05/22), taking into account the closing price on 12/05/22. This shows a decline in NAV of €1,027m since the beginning of the year, i.e. a NAV per share of €194.4 compared with €234, i.e. a drop of 17% close to that of the share price. Logically, the discount remained stable at the high level of 46%. 2/3 of this decline is due to Peugeot 1810 (Stellantis and Forvia) and 17% to Orpéa (down from €287m to €109m in the NAV).

This snapshot of NAV is of course incomplete due to the lack of information on unlisted assets. By their very nature, their valuation benefits from greater inertia. In our January 2022 study entitled "Focus on private equity", we showed how the group seeks to protect itself from a drop in valuation multiples: by investing with GPs that add value to the companies acquired and thus contribute to value creation (accelerated consolidation, improved management and margins, stronger focus on cash generation, sector expertise, etc.); by investing as a matter of priority in high-growth sectors and companies. The expected appreciation of the asset is above all linked to the growth of its activity and results; by selecting funds that give preference as much as possible to primary deals that have not been the subject of several rounds, each of which is marked by multiple inflation.



PEUG in pictures

Chart 1 10-year PEUG prices

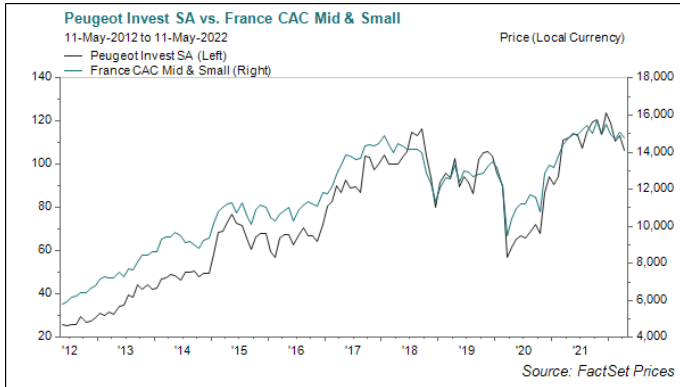


Chart 4 Change in unlisted assets

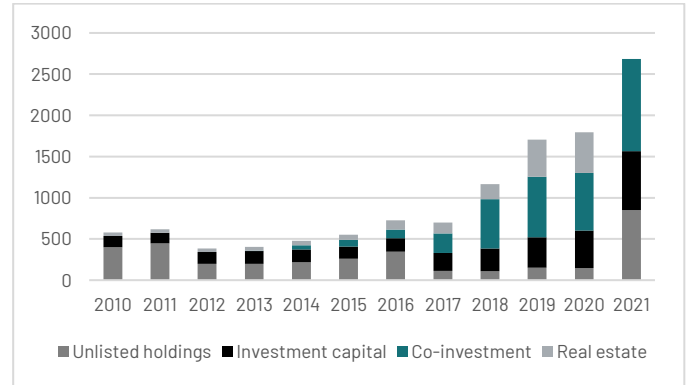


Chart 2 2021 GAV of PEUG by asset type

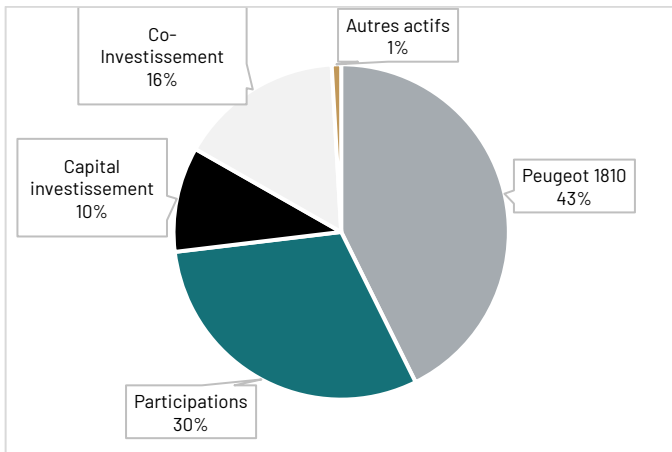


Chart 5 Listed vs. unlisted in the Investment GAV *

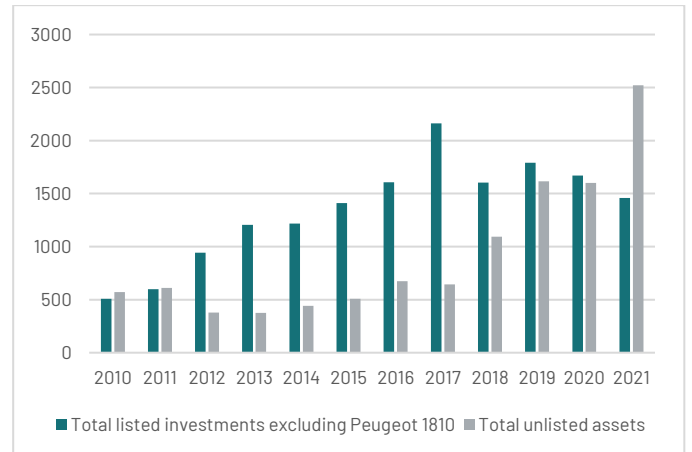


Chart 3 10-year historical discount and NAV

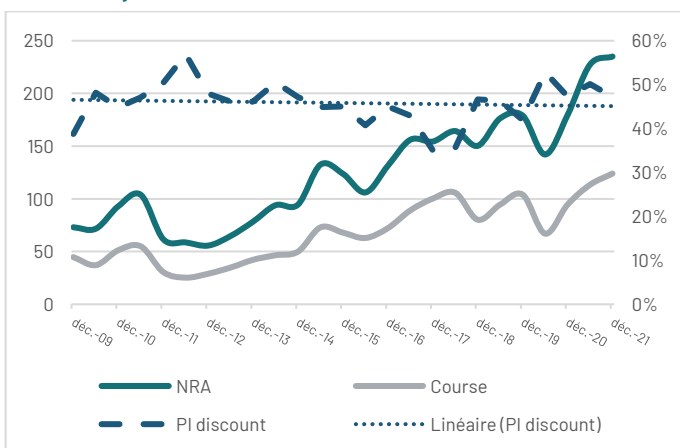
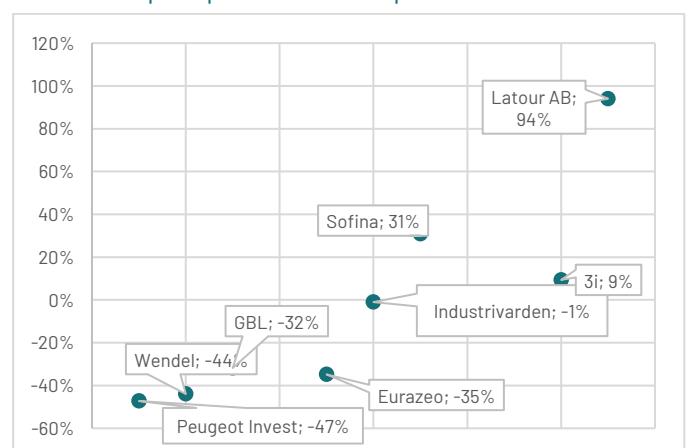


Chart 6 European peers' discounts/premiums



Source of graphs: Factset, Peugeot Invest, Theia Recherche
*Investments = Assets excluding Peugeot 1810

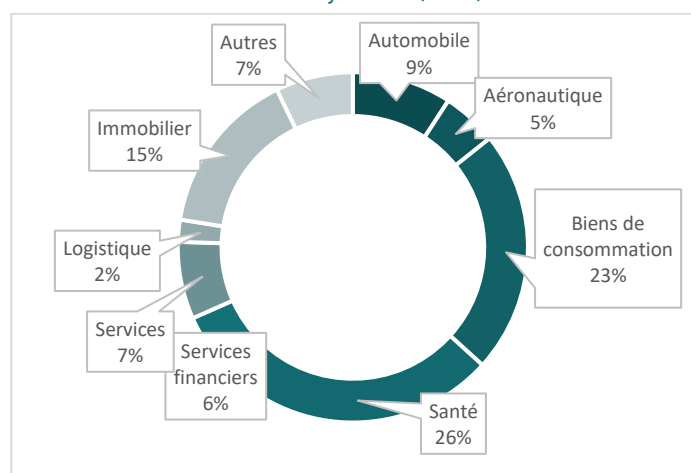
Price at 31/12/21 compared to published 2021 NAV

Table 1 Peugeot Invest's spot NAV at 13/05/2022

	Value (M€)
Stellantis	2 970
Faurecia	100
Peugeot 1810 (76.5%) - A	2 348
Lisi (total)	197
SEB	238
Safran	38
Orpea	110
CIEL	18
Tikehau Capital	65
Spie	184
Immobilières Dassault	81
Listed investments - B	931
Unlisted shares - C	850
Total equity investments D = B+C	1 781
Private equity vehicles - E	715
JDE Peet's	6
Keuring Dr Pepper (sold in 2022 at an average price of \$38)	159
Krispy Kreme	14
Unlisted co-investments	956
Co-Investment - F	1 135
Other financial assets and liabilities	13
Treasury	51
Other assets - J	64
Gross revalued investment assets D+E+F+J	3 695
Total gross revalued assets A+D+E+F+J	6 043
Debt	-1 198
Net asset value	4 845
Net asset value per share	194,4
Share price on 12/05/22	104,4
Discount	46%

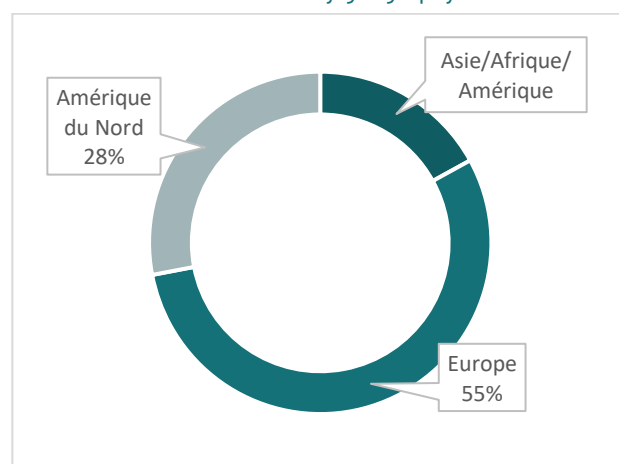
Source: Peugeot Invest, Theia Recherche

Chart 7 Assets Investment* by sector (2021)



Source: Peugeot Invest *Investments = excluding Peugeot 1810

Chart 8 Assets Investment* by geography



Source: Peugeot Invest *Investments = excluding Peugeot 1810

Income statement at 31/12 (M€)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Income from financial assets	55	99	53	89	159	172	230	154	186	227	640
Income from investment properties	1	2	1	1	1	3	1	2	2	5	6
Revenue from other activities	3	3	4	3	3	3	4	4	3	3	0
Revenue	60	104	57	93	164	178	235	160	190	235	646
General administration costs	-11	-10	-12	-15	-17	-18	-21	-23	-32	-37	-36
Impairment of available-for-sale assets	-7	-11	-1	-2	-5	-1	-4				
Cost of financial debt	-11	-13	-14	-14	-12	-10	-13	-15	-20	-28	-29
Income of consolidated companies before tax	31	70	30	61	130	150	197	122	138	170	581
Share of net income of associates	151	-971	-1 096	236	32	18	21	6	9	-14	13
Consolidated profit before tax	182	-901	-1 066	298	161	168	218	128	147	155	594
Income taxes (including deferred taxes)	-1	0	0	10	-3	-18	4	-13	-16	11	-75
Consolidated net income	181	-901	-1 066	307	159	150	222	115	131	166	518
Of which minority interests	0	0	0	1	1	0	0	0	0	-32	-62
Of which group share	181	-900	-1 066	308	159	150	222	115	131	134	456
Per share											
published	7,2	-	-42,4	12,2	6,3	6,0	8,9	4,6	5,3	5,4	18,3
diluted	7,2	35,8	-42,4	12,2	6,4	6,0	9,0	4,6	5,3	5,4	18,41
Average number of shares											
published	25,16	25,16	25,16	25,16	25,16	25,07	25,07	24,92	24,92	24,92	24,92
diluted											

Source : Peugeot Invest

Other comprehensive income at 31/12 (M€)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Consolidated net income	181	-901	-1 066	307	159	150	222	115	131	166	518
Effects of equity affiliates on net comprehensive income	0	-399	-120	1	9	-3	-6	7	17	11	9
Net revaluations of financial assets	-15	147	198	84	580	26	323	-264	372	203	-313
Capital gains on disposals of equity investments								232	137	94	1 235
Net revaluation of derivative instruments	-3	-6	-17	23	3	-2	3	-1	-3	0	4
Foreign exchange differences							-14	12	10	-49	46
Other direct revaluations net of equity				-2	-7	11	-16	11	7	-3	41
Total other comprehensive income	-17	-258	62	106	585	32	292	-4	540	255	1 023
CONSOLIDATED COMPREHENSIVE INCOME	164	-1 159	-1 004	413	743	182	513	111	671	422	1 541
Of which Group share	164	-1 159	-1 004	413	744	182	513	111	671	112	1 286
Of which minority interests	0	0	0	-1	-1	0	0	0	0	310	255

Source : Peugeot Invest

Cash flow at 31/12 (M€)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Consolidated net income	181	-901	-1 066	307	159	150	222	115	131	166	518
Net depreciation and provisions	7	13	1	2	5	1	5	2	1	1	1
Profit or loss on disposal of non-current assets											-173
Unrealized gains and losses related to changes in fair value	-13	-72	-30	-63	-48	-135	-153	2	-7	-61	-34
Share of profit of associates, net of dividends received	0	1	3	4	-80	-2	0	-73	-63	-148	-296
Cost of net financial debt	-90	975	1 099	-232	-28	-14	-16	-1	-4	16	-11
Tax expense (current and deferred)	11	13	14	14	12	10	13	15	20	29	29
Cash flow from operations before cost of net financial debt and tax	1	0	0	-10	3	18	-4	13	16	-11	75
Taxes Payable	98	29	21	22	23	28	66	72	94	-8	109
Change in working capital requirements related to operations	-5	0	-1	0	-6	-3	0	-7	-7	-1	-12
Related net cash flows from operating activities	4	-10	6	-2	8	-7	-2	14	1	-14	-8
Acquisitions of tangible and intangible assets	97	18	26	21	25	18	64	79	88	-22	89
Proceeds from disposals of property, plant and equipment and intangible assets	0	0	0	0	-1	0	-2	-1	0	0	0
Acquisitions, disposals of own shares	0		0	0	0	0	0	0	0	0	
Acquisitions of financial assets	0	0	0	-3	-1	0	-29	-1	0	0	0
Proceeds from the disposal of financial assets	-176	-120	-15	-197	-148	-169	-439	-382	-453	-473	-758
Change in other non-current assets	76	166	48	196	47	84	346	249	235	273	631
Net cash used in investing activities	0	-7	0	-3	33	-3	-8	7	0	-11	1
Dividends paid during the year	-101	39	32	-7	-70	-88	-132	-128	-218	-212	-126
Cash receipts from new borrowings	-38	-28	0	0	-50	-40	-45	-49	-53	-53	-58
Loan repayments	53	51	14	7	1	112	243	107	301	373	87
Change in other non-current financial liabilities		-48	-54	0	-52	-1	-110	0	-79	0	0
Net financial interest paid	-1	-19	-4	-1	163	-1	5	0	0	0	0
Net cash flows from financing activities	-11	-13	-14	-14	-12	-10	-13	-15	-19	-28	-28
Change in net cash position	2	-57	-59	-8	50	60	79	42	149	291	0,4
Cash and cash equivalents at the beginning of the year	-2	1	-1	7	5	-10	11	-6	19	57	-36
Cash and cash equivalents at the end of the period	6	4	5	4	11	16	6	17	11	31	88

Source : Peugeot Invest

Balance sheet at 31/12 (M€)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Concessions, patents, similar values	0	0	0	0	0	0	0	0	0	0	0
Intangible assets	0	0	0	0	0	0	0	0	0	0	0
Investment properties	17	17	16	16	16	18	18	19	19	22	27
Land	13	13	13	13	13	13	13	13	13	13	
Buildings	1	1	0	0	0	0	0	2	2	1	
Plantations	1	1	1	1	1	1	1	1	1	1	
Other capital assets	0	0	0	1	1	1	2	1	1	1	1
Rental rights of use									4	3	3
Property, plant and equipment	32	32	32	31	32	34	35	36	41	43	30
Investments in associates (equity method)	3 350	2 033	815	206	286	222	248	258	287	274	300
Non-consolidated holdings	896	1 002	1 200	2 035	2 686	2 967	3 341	3 172	3 792	4 738	5 834
Long-term portfolio securities (LTPS)	151	151	164	259	363	485	745	1 133	1 515	1 607	2 210
Other non-current financial assets	0	10	16	114	206	4	12	6	6	25	27
Non-current financial assets	4 397	3 195	2 195	2 616	3 540	3 678	4 347	4 568	5 600	6 644	8 371
Deferred taxes - Assets	9	12	22	16	21	3	5	3	4	29	12
Non-current assets	4 439	3 239	2 248	2 663	3 593	3 715	4 386	4 607	5 644	6 716	8 413
Stocks	10	9	10	10	11	10	10	7	8	9	
Current taxes		4	0	1	0	2	4	0		7	0
Other receivables	1	2	1	1	1	2	7	2	3	5	14
Cash and cash equivalents	4	5	4	11	16	6	17	11	31	88	52
Current assets	16	20	15	23	29	20	38	21	41	108	66
Total Assets	4 455	3 259	2 264	2 686	3 622	3 736	4 424	4 628	5 685	6 825	8 479
Capital contributed	25	25	25	25	25	25	25	25	25	25	25
Capital Premiums	158	158	158	158	158	158	158	158	158	158	158
Reserves	3 651	3 546	2 708	1 744	2 586	2 737	3 104	3 271	3 874	4 011	4 928
INCOME FOR THE YEAR (Group share)	181	-900	-1 066	308	159	150	222	115	131	134	456
Total capital and reserves (Group share)	4 016	2 829	1 825	2 236	2 928	3 070	3 509	3 570	4 189	4 328	5 568
Minority interests	1	1	0	0	-1	-1	0	0	-1	619	859
TOTAL EQUITY	4 017	2 830	1 826	2 236	2 928	3 069	3 509	3 569	4 188	4 947	6 427
Non-current financial liabilities	389	376	372	376	593	587	817	935	1 340	1 713	1 814
Deferred taxes - Liabilities	37	40	52	56	85	68	83	98	134	125	206
Provisions	0	0	0	0	0	1	1	1	1	1	1
Other non-current liabilities	0	0	0	1	0	1	0	0	0	0	
TOTAL NON-CURRENT LIABILITIES	427	417	424	432	679	656	901	1 034	1 474	1 838	2 021
Current financial liabilities	3	10	10	15	5	5	7	12	9	10	7
Current taxes	4		0	0	5	0	0	7	2	13	13
Other liabilities	4	3	4	3	6	5	8	6	11	17	11
TOTAL CURRENT LIABILITIES	12	12	14	18	15	10	14	25	23	39	31
Total liabilities	4 455	3 259	2 264	2 686	3 622	3 736	4 424	4 628	5 685	6 825	8 479

Source : Peugeot Invest

Risk of conflict of interest

Nature	
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Proofreading by the company	No
Other	No

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