



Geneva, 11 March 2020

Results for the year 2019

At its meeting held today, the Board of Directors of Pargesa Holding SA first of all paid tribute to Arnaud Vial, who died on 24 November 2019 at the age of 66 years. Arnaud Vial was Director and former Managing Director of Pargesa Holding SA.

Key financial data ¹

	2019 CHF million	2018 CHF million	Variation 2019/2018
Consolidated net result (Group share)	391	361	+8.3%
Net asset value at end of December	10'946	8'973	+22.0%
Market capitalization at end of December	6'814	6'001	+13.5%
Net debt at end of December *	116	175	-33.7%
Loan To Value **	1.0%	1.9%	
Dividend per share	2.63 ***	2.56	+2.7%

* Pargesa's net debt (including 50% of GBL's net debt, the net debt amounts to CHF 532 million at end of 2019 compared to CHF 566 million at the end of 2018 – see net asset value in Point 5 *Net Asset Value*).

** The Loan To Value ratio is calculated on the basis of (i) Pargesa's direct net debt relative to (ii) Pargesa's portfolio value.

*** Subject to the approval at the Annual General Meeting on 6 May 2020.

Commentary on the key financial data

Pargesa's consolidated net result (Group share) increased by 8.3% for the year 2019 compared to 2018 and amounted to CHF 391 million. The increase in the contribution from non-consolidated shareholdings, from private equity and other investment funds as well as the positive variation in net financial income and expenses was partially offset by the decrease from Imerys' contribution and the Parques Reunidos' negative contribution.

During 2019, GBL took advantage of favourable market conditions to sell 0.6% of Total's capital, through forward sales, maturing in January 2020, and to continue rebalancing its portfolio with the sale of 1% of adidas' capital and 1.7% of LafargeHolcim's share capital. The Total deal generated, for GBL, a capital gain of EUR 411 million, while the adidas' transaction produced a EUR 333 million gain and GBL the net result of the LafargeHolcim sale was EUR 106 million. The combined net gain for GBL was EUR 850 million that, consistent with the IFRS 9 accounting standard, was recorded directly in equity and accordingly had no influence on the consolidated net

¹ The alternative performance indicators are defined in the glossary found at the end of this press release.

result. These two capital gains related to adidas and LafargeHolcim were recognised in 2019 and the one related to Total will be recognised in 2020, at the maturity of the forward contracts.

In summary, the economic operating income was CHF 492.0 million for the year 2019 compared with CHF 317.2 million in 2018. The 2019 result included a CHF 533.8 million contribution from the investment portfolio compared with CHF 372.3 million in 2018, reflecting:

- The 33% decrease in the operating contribution from Imerys for CHF 86.6 million compared with CHF 128.8 million in the previous year principally caused by the decrease in sales volumes in the context of difficult market conditions that deteriorated during the course of the year;
- The marked progression in the amount of dividends received from non-consolidated shareholdings (+41%) totalling CHF 294.7 million in 2019 compared to CHF 209.3 million in 2018. The increase is mainly due to the reimbursement of withholding taxes on dividends by the French tax authorities (CHF +62 million) and also includes:
 - an increase in the dividends per share paid by some of the portfolio companies (CHF +15 million),
 - the monetization of LafargeHolcim's dividend in shares (CHF +5 million),
 - additional investments made by GBL in Umicore and GEA (CHF +3 million),
 - the negative impact from the decrease in the EUR/CHF exchange rate;
- A substantial rise (CHF 130.7 million) in the contribution from private equity and other funds activities in 2019 finishing at CHF 161.2 million, compared with CHF 30.5 million in 2018;
- A 59% reduction in net financial expenses, declining to CHF 10.5 million for the year ended 31 December 2019 compared with CHF 25.8 million in 2018.

The non-operating income (loss) which represents Pargesa's share of Imerys', Webhelp's and of Parques Reunidos' non-operating result fell to CHF -100.7 million for 2019, compared with CHF +44.7 million in 2018 coming primarily from the results of Imerys and Parques Reunidos.

As a result of the above, Pargesa's net income (Group share) amounts to CHF 391.3 million for the year ended 31 December 2019, compared with CHF 361.4 million in the prior year, marking a growth rate of 8.3%.

Since the beginning of the year 2019, Pargesa's net asset value rose by 22% to reach CHF 10.9 billion at the end of December 2019. The evolution of the portfolio during this period was mainly focused on private and alternative assets.

Pargesa's net financial debt significantly decreased to CHF 116 million as at 31 December 2019 versus CHF 175 million as at 31 December 2018.

The Group operates in a general context where uncertainties (primarily related to the coronavirus, but also to the US elections and the Sino-American relations) and financial imbalances (agents' indebtedness, distortions in asset prices, ...) are exacerbated. Being aware of this environment in which (i) risks of a downward revision of the economic outlook are high and (ii) financial markets have entered into a period of instability and increased volatility, the Group's priority is to maintain a balanced and resilient portfolio.

Dividend proposal

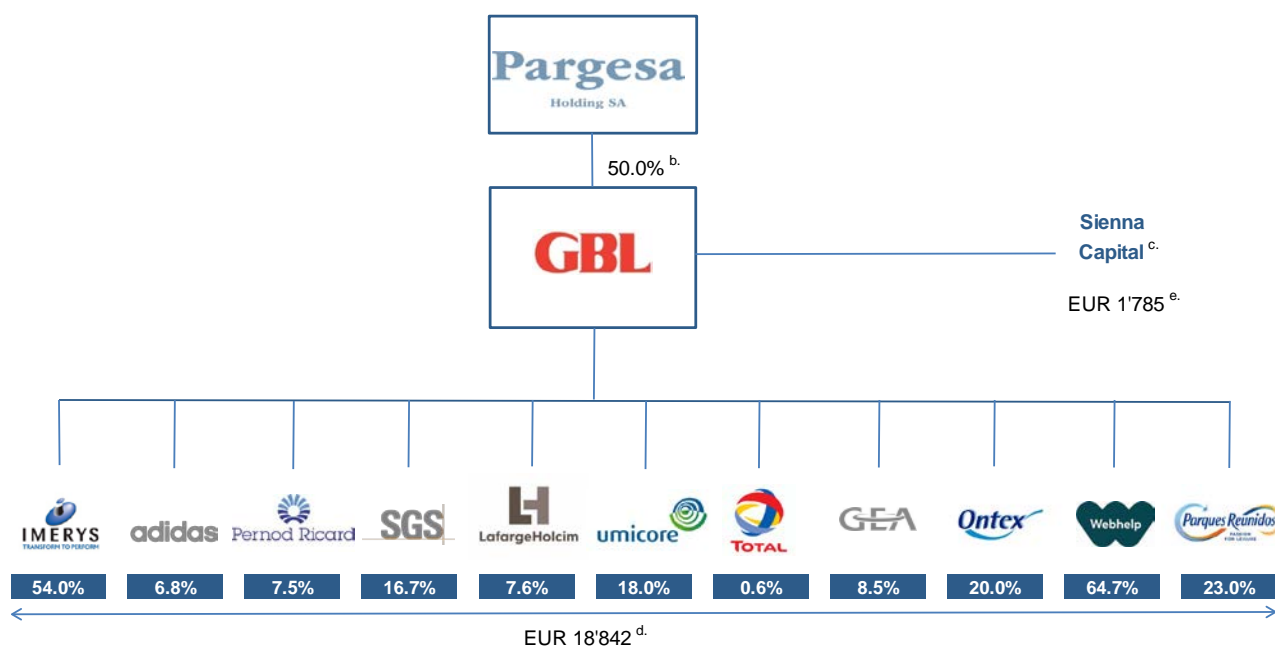
The Board of Directors will recommend a distribution of a dividend of CHF 2.63 per bearer share for the 2019 financial year, which represents an increase of 2.7% on the previous year (CHF 2.56 per bearer share), providing an attractive dividend return of 3.4%.

Public offer of exchange for Pargesa bearer shares in public hands

The Board of Directors approved an agreement with Parjointco N.V., the company jointly controlled by the two Desmarais and Frère family groups that currently holds 55% of Pargesa, with a view to launching a public exchange offer on Pargesa, which aims to simplify the group structure. Parjointco N.V. and Pargesa issued a joint press release on this subject which can be viewed on <https://www.pargesa.ch/en/listed-securities/exchange-offre-dechange/>.

1. Group structure

The organisation chart below reflects the Group structure at 31 December 2019^a:



- The chart shows the Operating companies of the portfolio and Sienna Capital. The percentages represent the total interest percentage as defined in the glossary found on page 13.
- 51.7% of voting rights (and of economic interest), taking into account the suspended voting rights related to GBL treasury shares.
- Comprising shareholdings in alternative investment funds, valued at fair value.
- Operating companies (Listed investments and Private assets) at 31 December 2019 at fair value², expressed in millions of Euros.
- Estimated value² in EUR million at 31 December 2019.

2. 2019 highlights and since the beginning of the year 2020

Listed investments:

- In a favourable market context, GBL sold, in March and April 2019 0.6% of **Total's** capital through forward sales. Sales were executed at an average spot price of EUR 50.52 per share and at an average forward price of EUR 48.37 per share. They have been prepaid³ in May 2019 for a total amount of EUR 771 million. The capital gain generated by these sales amounted to EUR 411 million at GBL's level and will not impact the consolidated net income in 2020, in accordance with IFRS 9. GBL continued to receive dividends on the disposed shares until the maturity date of the forward sales in January 2020.
- GBL also seized this market window sell 1% of **adidas'** capital, for net proceeds of EUR 499 million and a capital gain of EUR 333 million which does not impact the income statement under the accounting standard IFRS 9. At the end of December 2019, the investment in adidas, being 6.8% of the capital, was valued at EUR 3'951 million.
- In 2019, GBL continued to reinforce its position in **Umicore**. At 31 December 2019, GBL holds an 18.0% stake in Umicore (17.7% at the end of 2018), representing a market value of EUR 1'922 million.
- On 6 September 2019, GBL announced the completion of an offering by its subsidiary Elliott Capital of a EUR 750 million bond exchangeable for existing **LafargeHolcim** shares guaranteed by GBL. This offering initially relates to approximately 13.2 million LafargeHolcim shares representing approximately 2.1% of the company's share capital and nearly 23% of the LafargeHolcim shares held by the issuer at the date of the offering. The bonds do not bear any interest and have a date of maturity on 30 December 2022, except in the event of early redemption. The

² In accordance with the valuation principles described in the definition of the net asset value in the glossary on page 13.

³ The prepayment of the forward sales of Total shares did not impact GBL's net financial position until their maturity in January 2020.

bonds have been offered at an issue price of 101% of par and will be redeemed at par at maturity, which corresponds to an annual gross yield of -0.3%. The proceeds of the offering is used for GBL's general corporate purposes.

- GBL pursued the rebalancing of the investment portfolio by reducing its holding of **LafargeHolcim** by 1.7% of share capital for net proceeds of EUR 499 million thereby generating a capital gain of EUR 106 million which does not impact the income statement in accordance with the IFRS 9 accounting standard. At 31 December 2019, the investment in LafargeHolcim, being 7.6% of the capital was worth EUR 2'308 million.
- **GBL** completed its share buyback program (announced in October 2018) of EUR 250 million. On 19 September 2019, GBL's board of directors has authorised the company to put in place a complementary share buyback program up to EUR 250 million of its own shares. This authorization is valid until 2021. Including the 2019 purchases by GBL, Pargesa's percentage of economic interest in GBL stands at 51.7% at 31 December 2019 against 50.8% at 31 December 2018.
- On 4 February 2020, GBL purchased EUR 374 million **SGS** shares by participating in a private placement by the von Finck family at a price of CHF 2'425 per share. Following this investment, GBL increased its stake in the capital of SGS from 16.8% at the end of 2019 to 18.9%. On 6 March 2020, GBL's total investment in SGS was valued at EUR 3'242 million.

Private assets:

- On 26 April 2019, Piolin Bidco, S.A.U. ("Piolin") announced its intention to launch a voluntary public takeover bid paid in cash for the shares of **Parques Reunidos**. On 24 July 2019, the CNMV (Comisión Nacional del Mercado de Valores) authorized the offer, which began on 26 July 2019 and successfully closed on 6 September 2019. In line with their irrevocable commitment in the event of a successful offer, GBL and Corporación Financiera Alba ("Alba") brought their Parques Reunidos shares to the offer. Upon completion of the offer, GBL indirectly held 23.3% of Parques Reunidos (23.0% at the end of December 2019), alongside EQT AB and Alba. The delisting of Parques Reunidos was completed in December 2019.
- On 2 August 2019, following the entry into exclusive negotiations on 9 July 2019, GBL announced that it had concluded the contract for the acquisition of the **Webhelp** group, through an investment vehicle controlled by GBL alongside the co-founding shareholders, Frédéric Jousset and Olivier Duha, and the management team. GBL invested EUR 0.9 billion to hold 64.7% of the share capital of the acquiring investment vehicle, based on an enterprise value of EUR 2.4 billion for Webhelp. The co-founding shareholders and Webhelp's management team reinvested a significant portion of their shares alongside GBL and will indirectly hold the balance of the share capital of the acquiring holding company. Frédéric Jousset and Olivier Duha will remain in their role as executive chairmen. The acquisition was completed on 19 November 2019.

Sienna Capital:

GBL continued to develop its platform of alternative investments, **Sienna Capital**. At the end of 2019, Sienna Capital's net asset value was EUR 1'785 million, growing by 29.9% over the course of the year (31 December 2018: EUR 1'374 million). During 2019, GBL invested EUR 465 million (2018: EUR 453 million) into Sienna Capital's alternative assets and ended the year with uncalled commitments of EUR 466 million (EUR 528 million at 31 December 2018).

Sienna Capital's activity for the year ended 31 December 2019 developed as follows:

On 13 September 2019, GBL, through its subsidiary **Sienna Capital**, committed to co-invest EUR c. 100 million, alongside funds affiliated to the investment company Carlyle in connection with the acquisition of an approximately 37% stake (GBL's share as well as the share of the funds affiliated to the investment company Carlyle) in Compañía Española de Petróleos, S.A.U ("Cepsa"). Headquartered in Spain, Cepsa is an integrated global player operating throughout the oil and gas value chain, generating sales of EUR 22 billion in 2018. Sienna Capital made a commitment of EUR c. 50 million in the Carlyle International Energy Partners II fund, an investment vehicle specialized in the energy sector. In October 2019, Sienna Capital invested EUR 88 million in the Cepsa transaction.

Ergon Capital

Sienna Capital committed EUR 200 million to the Ergon Capital Partners IV fund when it launched in December 2017. The closing of the fund occurred at the end of March 2019 with total commitments reaching EUR 581 million, exceeding the initial fundraising objective of EUR 500 million.

In the 4th quarter of 2019, Ergon Capital sold its stake in Looping, a leading operator of regionally-anchored leisure parks in Europe, to its management team, in partnership with Mubadala Capital. This transaction generated a capital

gain of EUR 34 million (GBL share).

During the 4th quarter of 2019, Ergon Capital sold opseo, the leading German ambulant care provider to the Ergon opseo Long Term Value Fund ("Ergon opseo LTVF"), the continuation fund managed by Ergon Capital Management and dedicated to the development of the opseo group. This transaction generated a capital gain of EUR 88 million (GBL share). GBL, through its Sienna Capital subsidiary, committed to co-invest EUR 45 million in Ergon opseo LTVF. At the end of 2019, Sienna Capital invested EUR 38 million of its funding obligation.

Marcho Partners

On 16 July 2019, Sienna Capital invested EUR 150 million in Marcho Partners LLP, a London-based hedge fund specializing in innovation and technology.

Backed

During the 4th quarter of 2019, Sienna Capital committed EUR 25 million in each of the funds Backed 2 and Backed Encore 1, launched by Backed, a venture capital fund specialised in the sector of new digital technologies. These additional commitments brought Sienna Capital's total commitment to Backed funds to EUR 75 million, of which EUR 36 million was already called at the end of 2019.

Sagard

In March 2020, Sienna Capital committed EUR 150 million to the new Sagard fund, Sagard 4.

In March 2020, Sagard 2 has finalized the disposal of Ceva Santé Animale ("Ceva"), of which it was a shareholder since 2010. With EUR 1.2 billion of sales in 2019, Ceva has become in a few years one of the worldwide leaders in animal health, benefiting from a sustained organic growth and an ambitious build-up strategy. Sienna Capital has reinvested in the group through Sagard 3 and Sagard 4, which keep a significant participation in the new transaction.

3. Main listed shareholdings of the Group

The financial results of the Group's main listed shareholdings are available on their respective website:

www.imerys.com,
www.sgs.com,
www.total.com,

www.adidas-group.com,
www.lafargeholcim.com,
www.gea.com,

www.pernod-ricard.com⁴,
www.unicore.com,
www.ontexglobal.com.

⁴ Financial year from 1 July to 30 June.

4. Consolidated accounts for 2019

The board of Pargesa Holding SA met today, and reviewed the audited consolidated accounts for 2019, which will be submitted to the Annual General Meeting on 6 May 2020 in Geneva.

4.1. Presentation of Pargesa Group's results in accordance with IFRS accounting standards

The simplified consolidated income statement in accordance with IFRS accounting standards is as follows:

	2019 CHF million	2018 CHF million
Operating income	5'690.1	6'173.7
Operating expenses	(5'470.7)	(6'267.1)
Other income and expenses	128.7	(11.4)
Operating profit	348.1	(104.8)
Dividends and interest from equity investments	565.4	404.7
Other financial income and expenses	63.9	(109.2)
Taxes	(72.4)	(109.8)
Income from associates and joint ventures	(63.5)	27.8
Net profit from continuing operations	841.5	108.7
Net profit from discontinued operations	-	910.1
Consolidated net profit (before non-controlling interests)	841.5	1'018.8
Attributable to non-controlling interests	(450.2)	(657.4)
Attributable to Pargesa shareholders (Group share)	391.3	361.4
<i>Basic earnings per share attributable to Pargesa shareholders (CHF)</i>	<i>4.62</i>	<i>4.27</i>
<i>Average number of shares (thousands)</i>	<i>84'701</i>	<i>84'689</i>
<i>Average EUR/CHF exchange rate</i>	<i>1.112</i>	<i>1.155</i>

The **operating profit** amounted to CHF 348.1 million for 2019 compared with a CHF 104.8 million operating loss in the prior year. This change reflects the turnaround of Imerys' operating profit, which had been particularly affected in 2018 by non-recurring costs incurred for its restructuring program along with the constitution of various provisions (EUR 656 million). In 2019, the non-recurring charges were EUR 187 million. The progression in the Other income and expenses was mainly due to the capital gains realised from the sale of two private equity investments by Ergon Capital Partners III (EUR 136 million).

The **dividends and interest from equity investments** of CHF 565.4 million for 2019 versus CHF 404.7 million in 2018 was comprised of the net dividends recorded by the Group from its non-consolidated investments. The variation is due to the increase in the dividends per share paid by some of the portfolio companies, the monetization of LafargeHolcim's dividend in shares, additional investments made by GBL in Umicore and GEA and reimbursements by the French tax authorities of withholding taxes which had been applied to Total and ENGIE dividends received between 2013 and 2016 (CHF 119.5 million). These different elements more than compensate the decrease in the EUR/CHF exchange rate.

The **other financial income and expenses** of CHF +63.9 million for 2019 compared with CHF -109.2 million during 2018 reflects notably the cashing of default interest on withholding taxes on dividends mentioned above, the positive change in the fair value of private equity and other non-consolidated funds and the results from trading activities.

The decrease in the item **income from associates and joint ventures** primarily related to the CHF 94.8 million increase in the negative contribution of Parques Reunidos in 2019 over the prior year.

The **net profit from discontinued operations** of CHF 910.1 million in 2018 represents the contribution from Imerys' Roofing division, which was sold in October 2018.

The presentation of the economic result that follows makes it possible to analyse differently the composition of the Group results.

4.2. Economic presentation of Pargesa's financial results

The economic result for the 2019 financial year can be analysed as follows:

	2019 CHF million	2018 CHF million
1) Contribution from the portfolio to operating income		
Consolidated shareholdings		
- Full consolidation or equity accounting		
Imerys *	86.6	128.8
Parques Reunidos *	<u>(8.7)</u>	<u>3.7</u>
	77.9	132.5
Non-consolidated shareholdings		
- Net dividends		
LafargeHolcim	64.4	58.0
SGS	50.4	49.6
Pernod Ricard	35.9	27.8
adidas	24.9	20.7
Total	21.1	20.8
Umicore	19.9	17.9
GEA	7.6	6.0
Ontex	3.9	5.9
Other dividends	4.4	2.6
- Other **	<u>62.2</u>	<u>-</u>
	294.7	209.3
Contribution from private equity and other investment funds	161.2	30.5
Contribution from the portfolio to operating income	533.8	372.3
<i>per share (CHF)</i>	6.30	4.40
2) Contribution from holding companies to operating income		
Net financial income and expenses	(10.5)	(25.8)
General expenses and taxes	<u>(31.3)</u>	<u>(29.3)</u>
	(41.8)	(55.1)
Operating income	492.0	317.2
<i>per share (CHF)</i>	5.81	3.75
Non-operating income (loss)		
Non-operating income (loss) from consolidated shareholdings ***	(100.7)	44.7
Non-operating income (loss) from holding company activities	<u>-</u>	<u>(0.5)</u>
	(100.7)	44.2
Net income (Group share)	391.3	361.4
<i>per share (CHF)</i>	4.62	4.27
<i>Average number of shares (thousands)</i>	84'701	84'689
<i>Average EUR/CHF exchange rate</i>	1.112	1.155

* Pargesa's share of net operating income.

** See comment on page 9.

*** Pargesa's share of consolidated shareholdings net non-operating income.

The net income comes primarily from the GBL group, whose results are denominated in Euros. For the year 2019, the average EUR/CHF exchange rate was 1.112, compared with 1.155 in the twelve months of 2018, a decrease of -3.7%. Furthermore, following the acquisition of treasury shares by GBL in 2019 (please refer to Point 2. 2019 highlights and since the beginning of the year 2020 of this press release), Pargesa's share of GBL's earning (excluding the portion attributable to non-controlling shareholders) stood at 51.7% at 31 December 2019, compared with 50.8% at 31 December 2018.

Operating income

The 2019 operating income of CHF 492.0 million was 55% higher than in 2018 (CHF 317.2 million). The growth of CHF 174.8 million was primarily driven by the increase dividends (CHF 85.4 million) and the CHF 130.7 million rise in the contribution from private equity and other investment funds. These two elements were partially offset by the CHF 54.6 million decrease in the contribution from the consolidated shareholdings.

1) Contribution from the portfolio of operating companies to operating income

Consolidated shareholdings (full consolidation or equity accounting)

Imerys' (fully consolidated) **net income from current operations** (group share) decreases by 22% to EUR 277 million in 2019 compared with EUR 357 million in 2018. Including at 31 December 2018 the contribution from its Roofing division classified as discontinued operations in the IFRS presentation for EUR 49 million, Imerys' net operating income as defined by Pargesa amounted to EUR 406 million. Including the effect of the decline of the average EUR/CHF exchange rate, Pargesa's share of Imerys' net income from current operations, in Swiss francs, was CHF 86.6 million in 2019, compared with CHF 128.8 million in 2018. This lower performance is due (i) to market conditions, especially in the manufacturing sector (steel, industrial equipment, and automotive in Europe and paper in the United States), which deteriorated throughout the year, causing the group's sales volumes to decrease, (ii) to the negative impact of the deconsolidation of the North American talc subsidiaries and (iii) to the temporary shutdown of the Willsboro plant in the United States in the first half of the year. The impact of this decline was only partially offset by the positive effect of pricing and cost-saving measures.

For the twelve-month period ended on 31 December 2019, **Parques Reunidos' operating income** stood at EUR -61 million, being CHF -8.7 million in Pargesa's share, (CHF +3.7 million for the corresponding period in 2018).

Non-consolidated shareholdings (net dividends)

The contributions from **LafargeHolcim**, **SGS**, **Pernod Ricard**, **adidas**, **Total**, **Umicore**, **GEA** and **Ontex**, represent Pargesa's share of net dividends recorded by GBL. The contribution from non-consolidated shareholdings was CHF 294.7 million in 2019, compared with CHF 209.3 million in 2018.

The contribution from **LafargeHolcim** was CHF 64.4 million in 2019, compared with CHF 58.0 million in 2018. In 2019 the company declared a dividend of CHF 2.00 per share, the same amount as in 2018. The variance in the contribution reflects the monetization of the dividend received in shares by GBL and benefiting from a premium compared with the dividend that would have been received in cash.

The contribution from **SGS** came in at CHF 50.4 million in 2019, compared with CHF 49.6 million for the corresponding period in 2018. The change of the contribution year-over-year results from the increase in the dividend per share paid by SGS to GBL (CHF 78 compared with CHF 75 in 2018, up 4.0%) reduced by currency effects.

Pernod Ricard's contribution in 2019 amounted to CHF 35.9 million compared with CHF 27.8 million in 2018. The year-on-year increase was due to a higher dividend per share pay out in 2019.

The contribution from **adidas** was CHF 24.9 million in 2019, compared with CHF 20.7 million in 2018. The change in the contribution mainly reflects the increase in the dividend per share paid by the company to GBL (EUR 3.35 vs EUR 2.60 in 2018, or +29%).

The contribution from **Total** was CHF 21.1 million in 2019, compared with CHF 20.8 million in 2018. The rise in quarterly dividends during the year pushed the contribution higher than in 2018

Umicore's contribution amounts to CHF 19.9 million in 2019 compared to CHF 17.9 million in 2018. The variance primarily resulted from a hike in the dividends per share and also from GBL's increasing its stake in the company in 2019 (from 17.7% to 18.0%)

The contribution from **GEA** was CHF 7.6 million in 2019, compared with CHF 6.0 million in 2018. In 2019 the company paid a dividend of EUR 0.85 per share, the same amount as in 2018. The increase of the contribution reflects the additional investments in GEA made by GBL in the 2nd half of 2018, raising GBL's economic interest to 8.5% at 31 December 2019.

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The contribution from **Ontex** was CHF 3.9 million in 2019, compared with CHF 5.9 million in 2018. The change mainly reflects the decrease of the annual dividend paid by Ontex to GBL (EUR 0.41 per share in 2019, compared with EUR 0.60 in the previous year, or -32%).

The item "**Other**" represents reimbursements of CHF 62.2 million (Pargesa's share) by the French tax authorities of withholding taxes which had been applied to Total and ENGIE dividends received between 2013 and 2016.

Contribution from private equity and other investment funds

The **contribution from private equity and other investment funds** comes primarily from the funds held by GBL through its subsidiary, Sienna Capital, and is reported net of general expenses and management fees. For 2019, the net contribution from these activities was CHF 161.2 million compared with CHF 30.5 million in 2018, an increase of CHF 130.7 million.

The contribution for the year 2019 includes in particular the contribution of consolidated funds, i.e. CHF 72.0 million (CHF 10.9 million in 2018), CHF 17.8 million attributable to Kartesia (CHF 12.6 million in 2018), CHF 70.2 million of capital gains following disposals of investments in Looping and opseo as well as the change in fair value during the year of funds that are not consolidated for CHF 87.3 million (CHF 19.7 million in 2018).

2) Contribution from the holding segment companies to operating income

Net financial income and expenses, which include interest income and expenses, as well as other financial income and expenses, amounted to CHF -10.5 million in 2019 compared with CHF -25.8 million in 2018. The main items comprised in this line item were:

- Net interest income and expenses recorded by Pargesa and GBL of CHF +3.6 million in 2019, including CHF +11.3 million of penalty interest on the withholding taxes which have been unduly applied to Total and ENGIE dividends received between 2013 and 2016. Net interest income and expenses amounted to CHF -13.7 million in 2018;
- Pargesa's share of realized and unrealized results recorded by GBL from trading activities (including dividends) and from derivatives used in managing its portfolio for CHF +7.4 million in 2019, compared with CHF -1.6 million in 2018;
- The impact of the marking to market of the derivative instruments implicitly embedded in the exchangeable bonds in LafargeHolcim shares issued by GBL in September 2019 and amounted to CHF -18.7 million, Pargesa's share, for the year ended 31 December 2019. In 2018, Pargesa recorded a profit of CHF +7.0 million related to its share of the gains on GBL's convertible bonds that GBL redeemed in 2018.

The **general expenses and taxes** line item represents Pargesa's own general expenses and taxes as well as its share of those of GBL.

Non-operating income (loss)

Non-operating income (loss) from consolidated shareholdings in operating companies amounted to a loss of CHF -100.7 million (2018: non-operating income of CHF +44.7 million) and includes:

- Pargesa's share of **Imerys'** "other operating income and expenses" amounted to CHF -48.7 million compared to CHF +48.7 million in 2018. This item included EUR 84 million (or CHF 26.4 million in Pargesa's share) of costs incurred by Imerys as part of its transformation program, EUR 46 million (or CHF 14.5 million in Pargesa's share) in depreciation of non-core assets, EUR 7 million (or CHF 2.3 million in Pargesa's share) due to the deconsolidation of the North American talc subsidiaries and EUR 6 million (or CHF 2.0 million in Pargesa's share) relating to the temporary shutdown of its Willsboro plant in the United States;
- non-recurring expenses recorded by **Parques Reunidos** during the year 2019 for EUR 291 million, or CHF 37.3 million in Pargesa's share, compared with CHF 4.0 million in 2018.
- following the acquisition of **Webhelp** during the 4th quarter of 2019, GBL recognised a contribution of EUR -20 million or CHF -11.4 million in Pargesa's share. This contribution primarily consisted of GBL's share of the transaction costs to complete the acquisition.

After taking these various items into account, Imerys' **net income** included in the economic result (Group share) amounted to CHF 37.9 million (compared with CHF 177.5 million in 2018). Parques Reunidos' net income amounted to CHF -46.0 million (group share) compared to CHF -0.3 million in 2018.

Details of Imerys' results can be found on their website www.imerys.com.

The net **non-operating income (loss) from the Holding segment activities** was nil in 2019 against CHF -0.5 million in 2018.

It should be noted that, pursuant to IFRS 9, the gain resulting from the sale by GBL of 1% of adidas' capital during H1 2019 amounting to CHF 193 million (Pargesa's share) as well as the gain resulting from the sale by GBL of 1.7% of LafargeHolcim's capital during Q4 2019 amounting to CHF 58 million (Pargesa's share) have not been recorded in the income statement, but directly in shareholders' equity.

The same will apply to the capital gain realized by GBL in 2020 on the forward sale of 0.6% of Total's share capital, estimated at CHF 319 million in Pargesa's share (including a foreign exchange gain on disposal at Pargesa's level) and which will also not impact the income statement.

5. Net asset value ⁵

The table hereafter provides a detailed view of Pargesa's net asset value (on a flow-through basis) as at 31 December 2019. The net asset value is calculated by taking, on one hand, the assets and liabilities of Pargesa (excluding Pargesa's participation in GBL) and, on the other hand, Pargesa's share in the value of the portfolio, the net cash or net debt position and the other assets and liabilities of GBL. The net asset value is calculated based on the closing market values and exchange rates for the listed shareholdings, and on the fair value and closing exchange rates for the funds (private equity and other investment funds) of Sienna Capital and for the unlisted investments in Webhelp and Parques Reunidos.

Pargesa's net asset value per share was CHF 129.2 at 31 December 2019, an increase of +22.0% compared with the net asset value per share at the end of 2018 (CHF 105.9). The figure was CHF 112.8 per share on 6 March 2020.

Pargesa's share price stood at CHF 80.5 on 31 December 2019, compared with CHF 70.9 at the end of 2018, an increase of +13.5%. As at 6 March 2020, the share price closed at CHF 69.3, down 13.9%, since the beginning of 2019, in the context of an economic and financial environment marked by the uncertainty caused by the development of the coronavirus pandemic.

Pargesa's net asset value as at 31 December 2019 is broken down as follows:

	31 December 2019					31 December 2018
	Total interest % ⁵	Flow-through % of interest ⁵	Share price and currency	Flow-through value ⁵	Weighting as a % of total	Flow-through value
				CHF million		CHF million
Listed companies:						
adidas	6.8%	3.4%	EUR 289.8	2'144	20%	1'613
Pernod Ricard	7.5%	3.8%	EUR 159.4	1'721	16%	1'606
SGS	16.7%	8.4%	CHF 2'651	1'679	15%	1'400
LafargeHolcim	7.6%	3.8%	CHF 53.7	1'253	11%	1'156
Umicore	18.0%	9.0%	EUR 43.4	1'043	10%	856
Imerys	54.0%	27.0%	EUR 37.7	878	8%	1'014
Total ^a	0.6%	0.3%	EUR 49.2	433	4%	422
GEA	8.5%	4.3%	EUR 29.5	246	2%	195
Ontex	20.0%	10.0%	EUR 18.8	167	1%	166
Other				63	1%	96
Other investments:						
Sienna Capital				969	9%	774
Webhelp	64.7%	32.4%		470	4%	
Parques Reunidos	23.0%	11.5%		128	1%	104
Other Pargesa				18	1%	24
Total portfolio				11'212	103%	9'426
GBL treasury shares				266	2%	113
Net cash (debt) ^b				(532)	(5%)	(566)
Net asset value				10'946	100%	8'973
Net asset value per share			CHF	129.2		105.9
Share price Pargesa			CHF	80.5		70.9
EUR/CHF exchange rate				1.085		1.127

a. The ownership percentage as well as the market value of the investment do not yet take into account the forward sales of Total shares which matured in January 2020. The fair value of these contracts is included in the item Net cash (debt) for CHF 1 million.

b. This item includes also Pargesa's share in the market value of GBL's trading portfolio.

The net asset value is published on a weekly basis on Pargesa's website.

⁵ As defined in the glossary.

6. ESG Policy

Responsible management is an intrinsic value of Pargesa Holding SA, which guides its strategy and behaviour. The company's ESG policy has thus been further developed and formalized and will now be the subject of a specific chapter in the Annual Report.

7. Proposals for the appropriation of the net profit for the year to the Ordinary General Meeting of Shareholders on 6 May 2020

At the Annual General Meeting, the Board of Directors will propose the payment for fiscal year 2019 of a dividend of CHF 2.63 per bearer share (compared with CHF 2.56 in the previous year, an increase of 2.7%) and CHF 0.263 per registered share, representing a total distribution of CHF 222.8 million which will take place on 19 May 2020.

8. Public offer of exchange for Pargesa bearer shares in public hands

Pargesa and Parjointco reached an agreement on the terms and conditions of a simplification of the structure of their group through a public exchange offer initiated by Parjointco on all Pargesa bearer shares that it does not already own. Under this bid, the shareholders of Pargesa will receive 0.93 GBL shares in exchange for each Pargesa bearer share.

A pre-announcement of the Parjointco public exchange offer can be viewed on <https://www.pargesa.ch/en/listed-securities/exchange-offre-offre-dechange/>.

By decision of 13 February 2020, the Swiss Takeover Board has ruled on certain preliminary issues concerning the public exchange offer of Parjointco. As required, Pargesa published the pronouncement for this decision. This text can be accessed at the aforementioned internet address.

About Pargesa

Pargesa Holding SA ("Pargesa") is the parent company of the Pargesa Group. Benefiting from the support and stability of the partnership created in 1990 between its two controlling shareholders (the Power Corporation group in Canada and the Frère group in Belgium), the Pargesa Group aims to create value over long-term for the benefit of all its shareholders, by building a portfolio of shareholdings in companies that are market leaders in various industry and service sectors, and acting as a professional shareholder. Today, Pargesa Group's portfolio is held through Pargesa's subsidiary Groupe Bruxelles Lambert ("GBL"). Pargesa holds 51.7% of the voting rights of GBL. Pargesa is listed at the SIX Swiss Exchange (Ticker: PARG; ISIN: CH0021783391) and is included in the SPI and EURO STOXX 600 indices.

Glossary

In order to supplement the mandatory financial measures of the IFRS accounting standards, Pargesa uses financial indicators called Alternative Performance Measures (APMs), which are defined in the glossary below. The definition of APMs should allow readers of financial statements to understand their composition and to link them to IFRS financial statements.

Alternative Performance Measures	Definition
Economic results	<p>In addition to the financial statements prepared in accordance with the IFRS accounting standards, Pargesa publishes an economic presentation of its results to provide consistent disclosure over the long-term of the contribution of each of its investments and, separately, the holding companies contribution to the consolidated results (Group share).</p> <p>The purpose of the economic presentation is to provide an analytical breakdown of the consolidated results (Group share) of Pargesa by their origin. This presentation discloses on one hand the contribution of the various components of the investments (Pargesa share) and on the other hand the contribution from the activities of the holding companies (Pargesa and its share of GBL's holding activities). This analysis distinguishes between the operating and non-operating elements of the results. The sum of the operating income and the non-operating income corresponds to the consolidated net profit attributable to Pargesa shareholders (Group share) as presented in the consolidated financial statements.</p> <ul style="list-style-type: none"> • the operating income includes the following items: <ul style="list-style-type: none"> - the contribution from the investment portfolio, comprised of the Group share in the operating income (as described above) of the investments consolidated in the Group financial statements (Imerys, Webhelp since 2019) or presented using equity accounting and the net dividends received from the non-consolidated shareholdings; - the net contribution from private equity and other investment funds (as grouped together by GBL under the title of Sienna Capital); - the net impact of gross financial income and gross financial expenses and the general expenses and taxes of the holding companies; - the trading results of GBL, the gains and losses from investment disposals or impairment provisions made within the private equity and other investment funds that are included within the operating income considering the nature of the business model of this category of investments. • the non-operating income includes: <ul style="list-style-type: none"> - the Group Share in the non-operating income of the investments consolidated in the Group financial statements (Imerys, Webhelp since 2019) or presented using equity accounting (Parques Reunidos); - and the non-operating income generated by the holding companies (Pargesa and its share in the non operating income of GBL).
Holding segment	Comprises the parent company Pargesa and its subsidiaries (including GBL) whose main activity is to manage investments as well as the consolidated and non-consolidated operating companies.
Loan to value	This ratio is calculated based on (i) net debt (gross cash less gross debt) held directly by Pargesa relative to (ii) the portfolio value of Pargesa. The valuation methods applied to the portfolio are identical to those used for the net asset value.

Alternative Performance Measures	Definition
Net asset value	<p>The evolution in Pargesa's net asset value is, along with the change in its stock price and result, an important criterion for assessing the performance of the Group.</p> <p>The net asset value is a conventional reference obtained by adding gross cash to the fair value of the investment portfolio and deducting gross debt.</p> <p>The net asset value calculation is based on the one hand on the assets and liabilities of Pargesa, with the exclusion of its investment in GBL and on the other hand on the Pargesa's flow-through interest in the value of the investments, the net cash or net debt, and other assets and liabilities of GBL. The net asset value is calculated based on the market closing prices and foreign exchange rates for listed investments and using the fair value and closing foreign exchange rates for unlisted investments, and private equity funds and other investment funds (Sienna Capital).</p> <p>The valuation principles applied to the portfolio, summarised above, are explained more fully as follows:</p> <ul style="list-style-type: none"> • investments in listed companies and treasury shares are valued at the closing price. However, the value of shares underlying any commitments made by the Group is capped at the conversion/exercise price; • investments in unlisted companies (Webhelp & Parques) are valued at fair value; • regarding the portfolio of Sienna Capital, held by GBL, the valuation corresponds to the sum of its investments, marked to market, as determined by fund managers, to which is added Sienna Capital's net cash or, where applicable, from which is deducted Sienna Capital's external net debt. <p>In addition, the net asset value on a flow-through basis or flow-through value represents the value of the investments, treasury shares and net cash/net debt that Pargesa holds while taking into account Pargesa's direct interest percentage in GBL. This value is calculated by multiplying the interest of each component of the net asset value, described above, by the direct interest percentage that Pargesa held in GBL (50%).</p> <p>Furthermore, the net asset value per share is expressed per bearer share with a nominal value of CHF 20, the registered shares with a nominal value of CHF 2 are included at a factor of one-tenth of their number.</p>
Net cash or net debt / net indebtedness	<p>The net cash, or where applicable, net debt is composed of the gross cash and the gross debt.</p> <p>Gross debt includes all the financial liabilities of the Holding segment (convertible and exchangeable bonds, bonds and bank debt), valued at their nominal repayment value.</p> <p>Gross cash includes the cash and cash equivalents (trading assets, etc.) of the Holding segment. It is valued at the book or market value (for certain cash equivalents).</p> <p>The cash and debt indicators are presented for the Holding segment to reflect Pargesa Group's own financial structure and the financial resources available to implement its strategy.</p>
Operating companies	<p>The operating companies are the companies controlled by the Group or presented using the equity accounting method, which have a commercial activity. Excluded from this measure are the holding companies of the Group used for direct or indirect investment into the investment portfolio companies.</p>

Alternative Performance Measures	Definition
<p>Direct interest percentage</p> <p>Total interest percentage</p> <p>Economic interest percentage</p> <p>Percentage of voting rights</p> <p>Percentage of flow-through interest</p>	<p>Pargesa's external communication contains different percentages describing the holding of share capital and the related voting rights:</p> <ul style="list-style-type: none"> • direct interest percentage: has the meaning of the percentage of capital of the investment held directly by Pargesa calculated based on the total number of shares issued as at 31 December; • total interest percentage: has the meaning of the percentage of capital of the investment held directly by Pargesa or, indirectly through GBL, in other investments whether consolidated or not; • economic interest percentage: this is the fraction of the profit entitlement (or loss quota) that generally materialises with the dividend distribution and, if applicable, of the liquidation surplus/(deficit) distribution of a company. It reflects the Group's "financial" or "monetary" rights in its subsidiaries and shareholdings. • percentage of voting rights: has the meaning of the percentage held directly and indirectly via intermediate, consolidated entities and is calculated based on the total voting rights that existed at 31 December; • percentage of flow-through interest: represents the percentage Pargesa holds in the investments considering Pargesa direct interest percentage in GBL. This ratio is calculated by multiplying the interest held by GBL in each investment by the direct interest percentage that Pargesa holds in GBL (50%).