

# European Innovation as a performance driver

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Commercial document intended exclusively for Professional Investors

March 2022



# 21st Century Challenges



Climate Change  
Resources & Waste Management



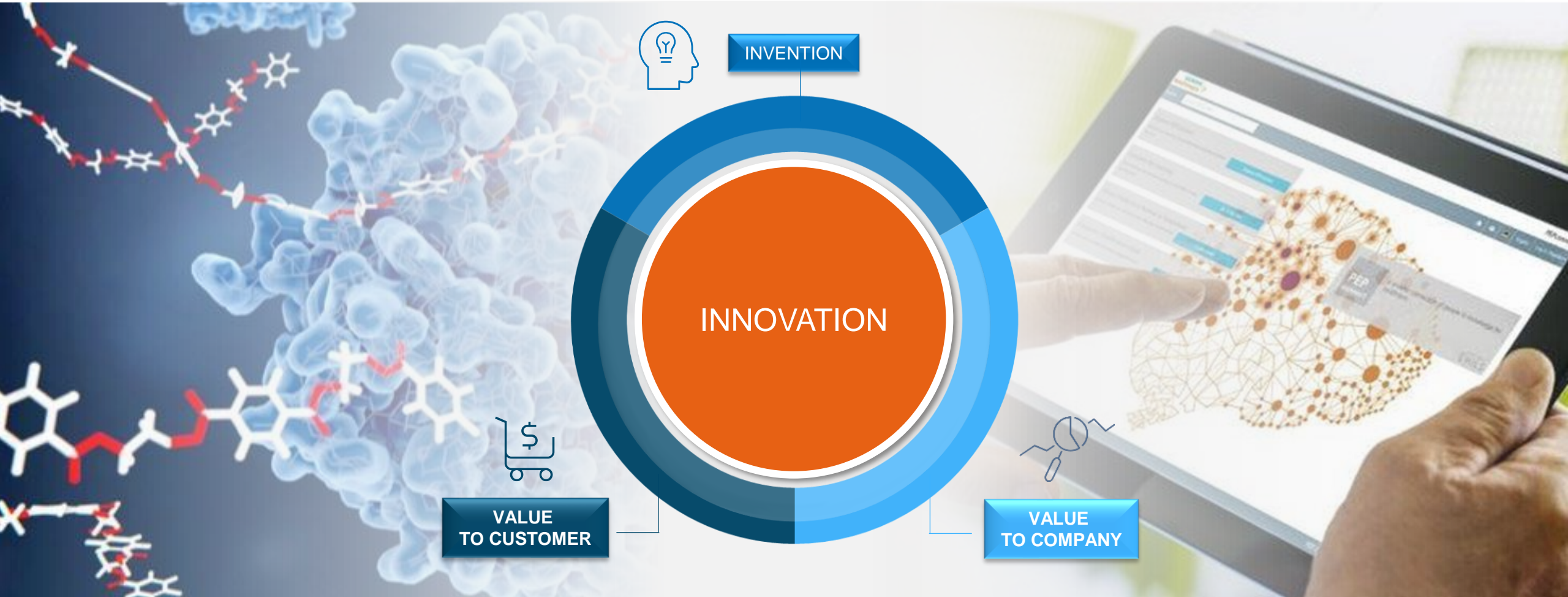
Digitalisation  
& Technology Disruptions



Health & Quality of Life

All solutions must involve **Innovation**

# Innovation – Definition



**INNOVATION IS SOMETHING NEW AND UNIQUE THAT WILL CREATE VALUE FOR THE CLIENT**



# Innovation – Definition

Revolutionary or disruptive innovations



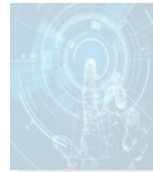
Evolutionary or incremental innovations



# European Leaders



Climate Change  
Resources & Waste Management



Digitalisation  
& Disruptive Technologies



Health & Quality of Life



Recycling



Insulation

*Purely illustrative examples*

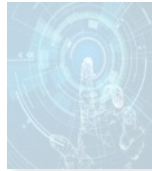
Sources: Tomra, Kingspan



# European Leaders



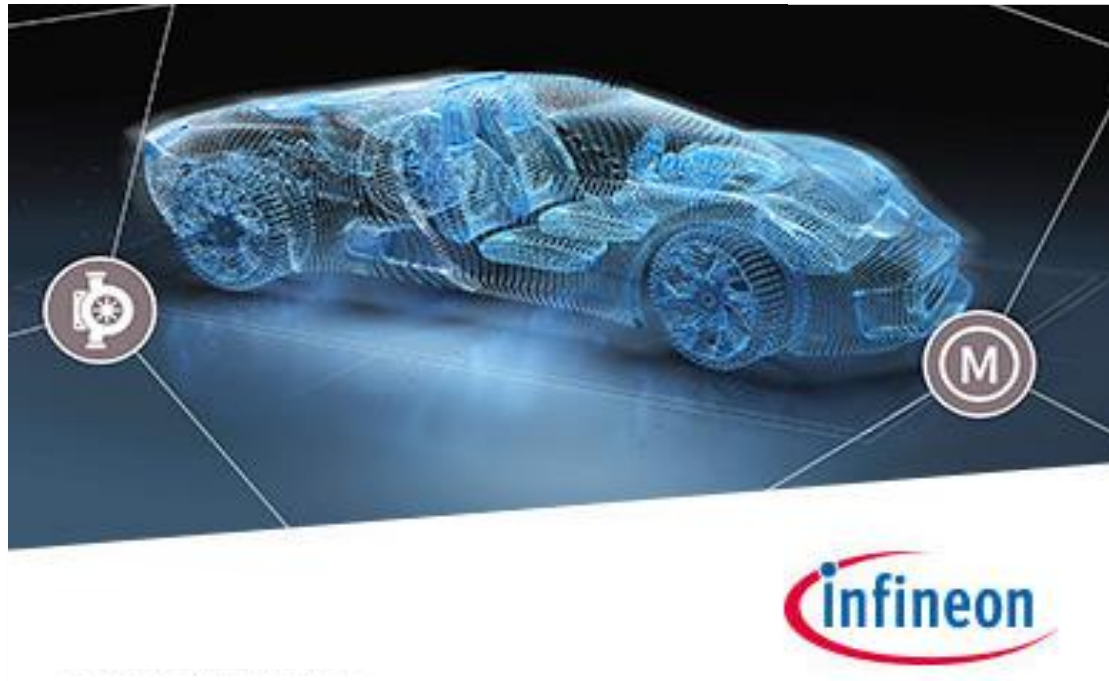
Climate Change  
Resources & Waste Management



Digitalisation  
& Disruptive Technologies



Health & Quality of Life



Electric Vehicles



Resources Management

*Purely illustrative examples*

Sources: Infineon, Spirax

# European Leaders

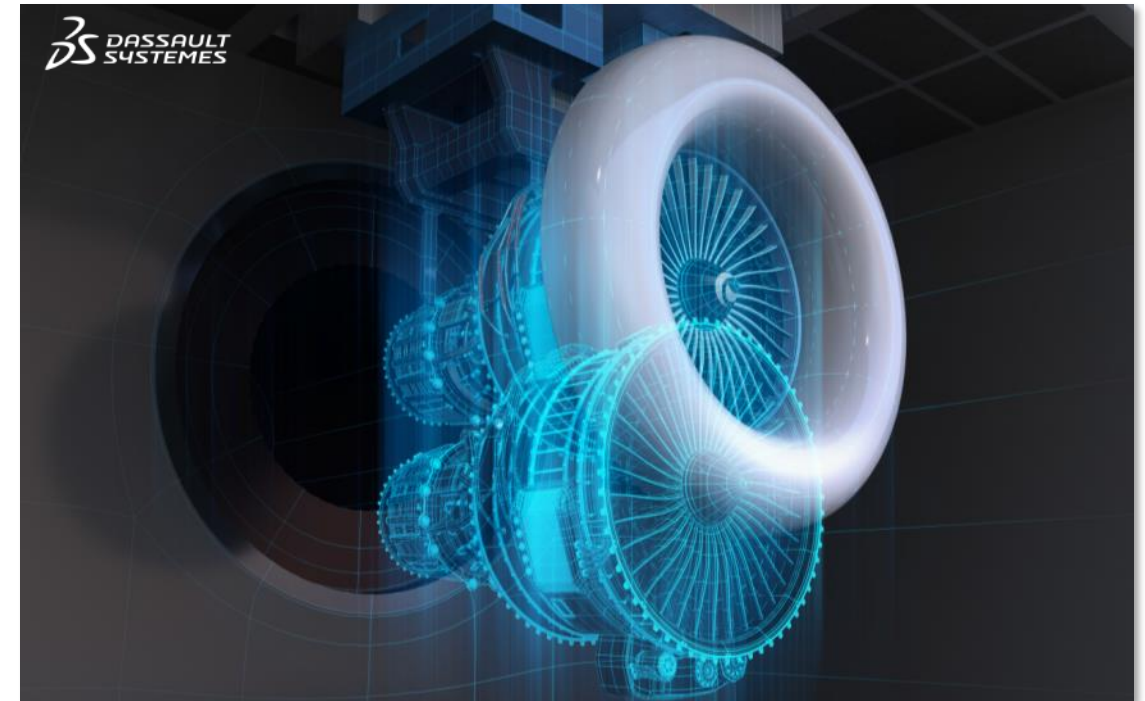
Climate Change  
Resources & Waste Management

Digitalisation  
& Disruptive Technologies

Health & Quality of Life



Micro Chips



Industry Digitalisation

*Purely illustrative examples*

Sources: ASML, Dassault Systèmes



# European Leaders

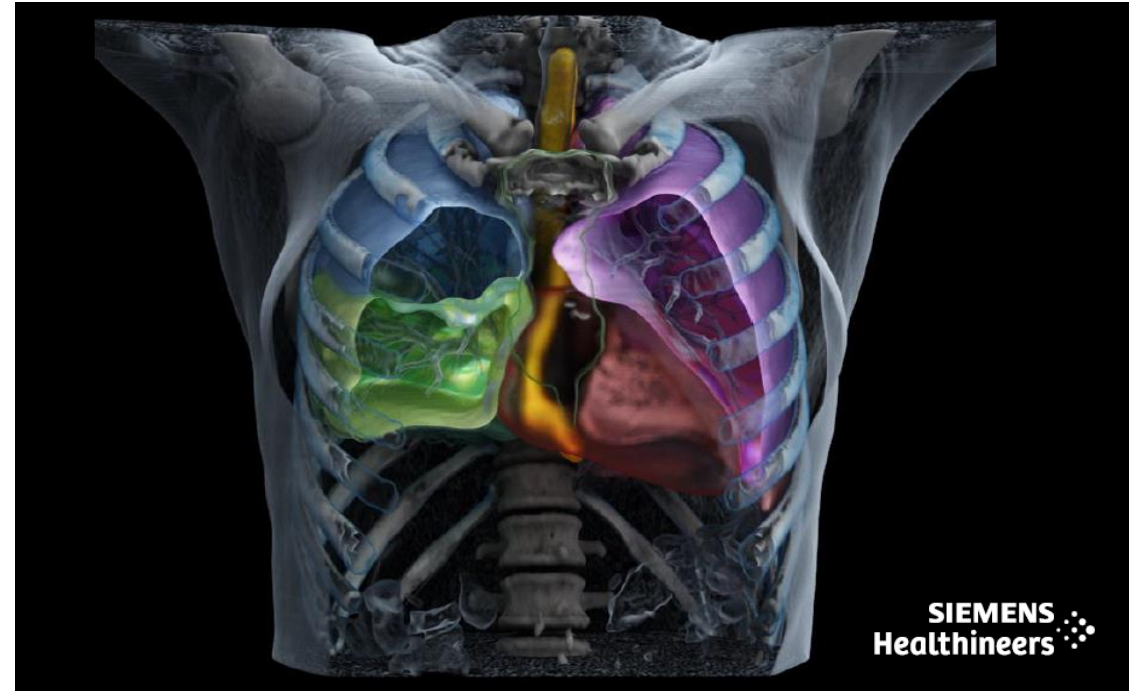
Climate Change  
Resources & Waste Management

Digitalisation  
& Disruptive Technologies

Health & Quality of Life



Lab Automation



Digital Health, Data and AI

*Purely illustrative examples*

Sources: Tecan, Siemens Healthineers



# European Leaders

Climate Change  
Resources & Waste Management

Digitalisation  
& Disruptive Technologies



Health & Quality of Life



Healthy Food



Bio Protection

Purely illustrative examples

Sources: Kerry, Chr Hansen

# European Leaders

Climate Change  
Resources & Waste Management

Digitalisation  
& Disruptive Technologies



Health & Quality of Life



Vision Care



Eye Protection

*Purely illustrative examples*

Sources: Carl Zeiss, Essilor



# European Leaders

Climate Change  
Resources & Waste Management

Digitalisation  
& Disruptive Technologies

Health & Quality of Life



Diagnostics



New treatments

*Purely illustrative examples*

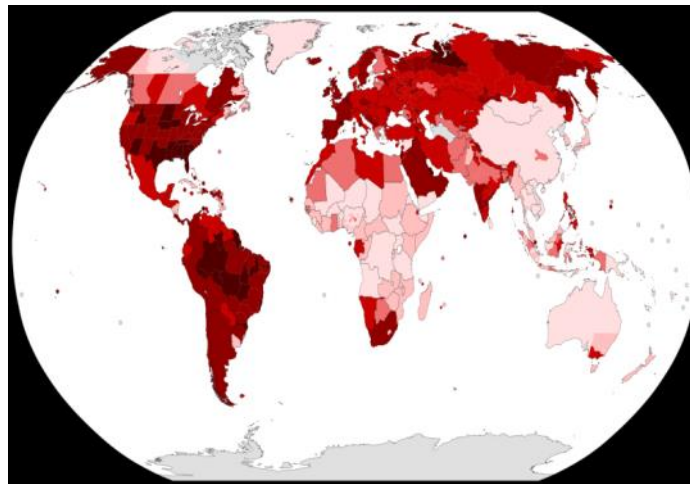
Sources: bioMérieux, Novo Nordisk

# Road to the future

## 3 Key Factors



Climate-related Regulations



COVID Impact



Growth visibility



# Road to the future

Climate-related Regulations

COVID Impact

Growth visibility



## EU Green Deal

55% net greenhouse gas emissions reduction target by 2030

The EU aims to:

- ▶ Become climate-neutral by 2050
- ▶ Protect human life, animals and plants, by cutting pollution
- ▶ Help companies become world leaders in clean products and technologies
- ▶ Help ensure a just and inclusive transition

# Road to the future

Climate-related Regulations

COVID Impact

Growth visibility



## EU Green Deal

55% net greenhouse gas emissions reduction target by 2030

### Industrial impacts:

Renewables  
Energy Mix



Transport  
Automotive



Housing  
Insulation



Resource & Waste  
Management





# Road to the future

Climate-related Regulations

COVID Impact

Growth visibility

Durable Impact  
New Sanitary Needs

Working & Consumption habits  
Remote Economy



# Road to the future

Climate-related Regulations

COVID Impact

Growth visibility

## Record Deficits

## Highest Debt Levels (Debt/GDP)

Country	2019	2020	2021 <sup>e</sup>	2022 <sup>e</sup>
U.S	5.7%	<b>14.9%</b>	<b>10.8%</b>	6.9%
EMU	0.6%	<b>7.2%</b>	<b>7.7%</b>	3.4%
France	3.1%	<b>9.2%</b>	<b>8.9%</b>	4.7%
Germany	-1.5%	<b>4.3%</b>	<b>6.8%</b>	1.8%
Italy	1.6%	<b>9.5%</b>	<b>10.2%</b>	4.7%
Spain	2.9%	<b>11.0%</b>	<b>8.6%</b>	5.0%
UK	2.3%	<b>12.5%</b>	<b>11.9%</b>	5.6%
Japan	3.1%	<b>10.3%</b>	<b>9.0%</b>	3.9%

Country	2019	2020	2021 <sup>e</sup>	2022 <sup>e</sup>
U.S	85.2%	<b>104.5%</b>	<b>108.5%</b>	107.1%
EMU	83.7%	<b>97.5%</b>	<b>98.9%</b>	96.3%
France	97.6%	<b>115.1%</b>	<b>115.8%</b>	113.5%
Germany	59.2%	<b>69.1%</b>	<b>72.5%</b>	69.8%
Italy	134.6%	<b>155.8%</b>	<b>154.8%</b>	150.4%
Spain	95.5%	<b>119.9%</b>	<b>120.2%</b>	116.4%
UK	85.2%	<b>104.5%</b>	<b>108.5%</b>	107.1%
Japan	235.4%	<b>254.1%</b>	<b>256.9%</b>	252.3%



# Road to the future

Climate-related Regulations

COVID Impact

Growth visibility



Agility required to tackle supply chain challenges

# Road to the future

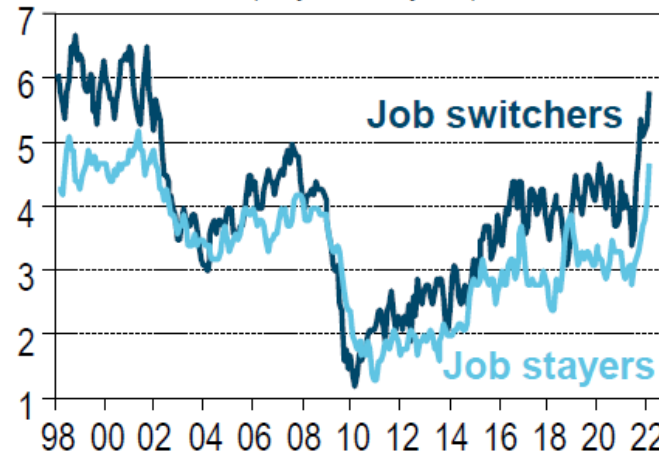
Climate-related Regulations

COVID Impact

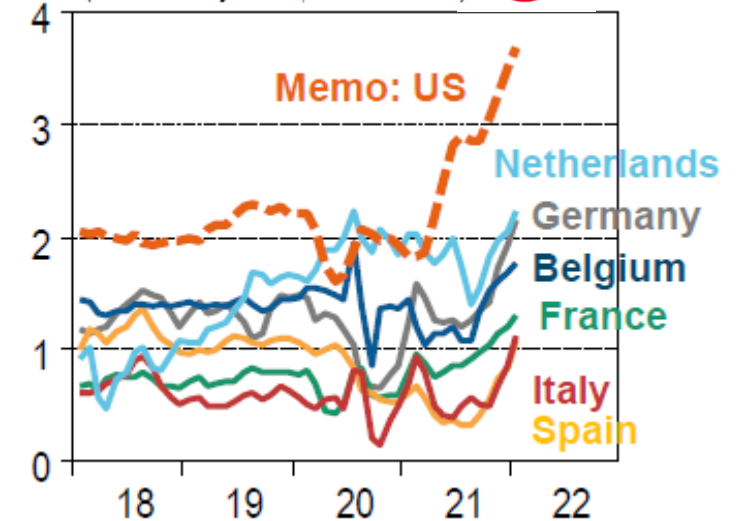
Growth visibility



Median wages  
(% year on year)



Core inflation  
(% over 2 years, annual rate)



## Innovation and pricing power in inflationary environment



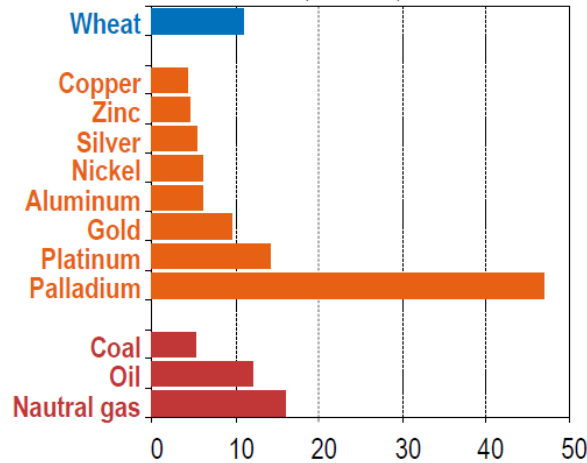
# Road to the future

Climate-related Regulations

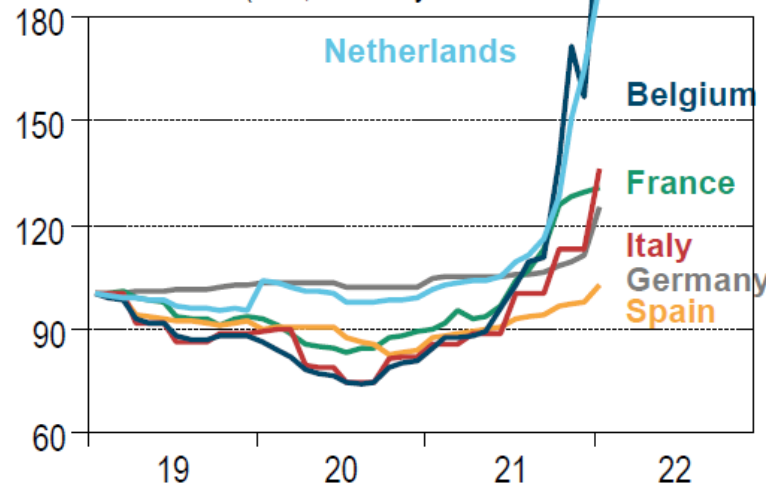
COVID Impact

Growth visibility

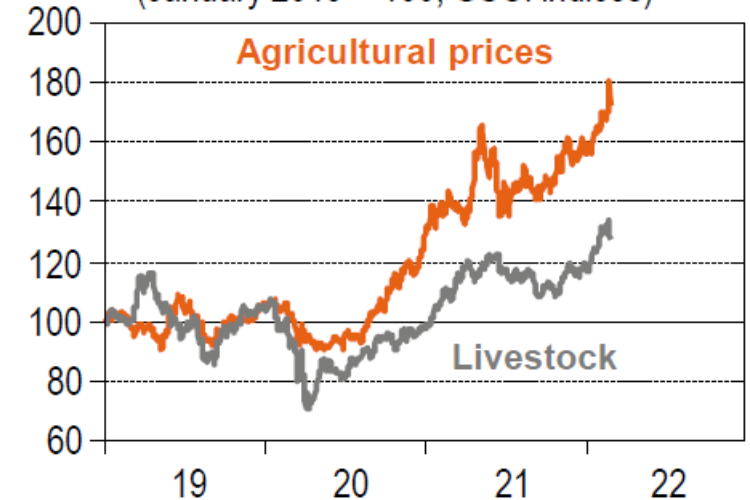
**Russia's share in global commodity production**  
(%, 2020)



**Natural gas consumer price**  
(CPI, January 2019 = 100)



**Agricultural commodity prices**  
(January 2019 = 100, GSCI indices)



Structural growth in uncertain time : geopolitical tensions, growth decelerating

# Conclusion

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Climate-related Regulations

New Habits & Needs

Lower GDP Growth



Need for INNOVATION



# European Equity Expertise

## EXPERIENCED TEAM

14 fundamental investment specialists

More than 15 years of experience on average

Best Fund Manager 2017  
Pan-European Equity\*



## STRATEGIES (AUM : € 10.2 bn<sup>(1)</sup>)

Innovation

★★★★★ (2)

Sustainable Europe

★★★★★

Sustainable EMU

★★★★★

Sustainable Small & Mid Caps

★★★★★

Optimum Quality

★★★★★

(1) - Source: Candriam – as of end of December 2021

(2) - Morningstar: Ratings Overall - ©2021 Morningstar, Inc. All rights reserved. Some of the information contained in this document is the property of Morningstar and/or its information providers. It is given without any guarantee as to its accuracy, exhaustiveness or topicality. Its reproduction or redistribution is strictly forbidden. – as of end December 2021 - The quality of the award won by the UCI or the management company depends on the quality of the issuing institution and that the award does not guarantee the future results of the UCI or management company

\* CityWire – Category Equity-Europe Income : « Best Fund Manager Awards, generating the highest risk-adjusted returns in a particular sector over the past three years to 31 December 2016”.

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For details on all specific awards please consult [www.candriam.com](http://www.candriam.com)

# Fundamental Europe Equity Team

Analysis

Innovation Committee

Managers



**Geoffroy Goenen**  
Head of Fundamental  
European Equity  
24 years experience  
24 years with the firm



**Antoine Hamoir, CFA**  
Health Care, Consumer  
Specialist  
17 years experience  
17 years with the firm



**Nicolas Rutsaert, CFA**  
Materials, Industrials,  
Energy Specialist  
26 years experience  
23 years with the firm



**Frédérique Bette**  
Head of Consumer  
23 years experience  
23 years with the firm



**Christian Solé**  
Head of Financials  
25 years experience  
17 years with the firm



**Laurent Milliat, CFA**  
Head of B2B  
18 years experience  
16 years with the firm



**Adrien Gassée**  
Technology, Media and Telecom Specialist  
4 years experience  
4 years with the firm



**Mariam El-Far**  
Financials Specialist  
3 years experience  
1 year with the firm



**Sandrine Coujan**  
Senior Fund Manager  
29 years experience  
3 years with the firm



**Quentin de Streel**  
Industrials Specialist  
3 years experience  
3 years with the firm



**Quentin Duquesne, CFA**  
Industrials/Consumer Specialist  
6 years experience  
6 years with the firm



**Pierre Longueville**  
Head of Derivatives  
26 years experience  
4 years with the firm



**Sara Myard**  
Senior Client Portfolio Manager  
7 years experience  
Since June 2021 with the firm



**Corinne Mavungu**  
Client Portfolio Manager  
4 years experience  
Since October 2021 with the firm

A STABLE AND DEDICATED TEAM



# Innovation Framework

1

PRODUCT



2

PROCESS



3

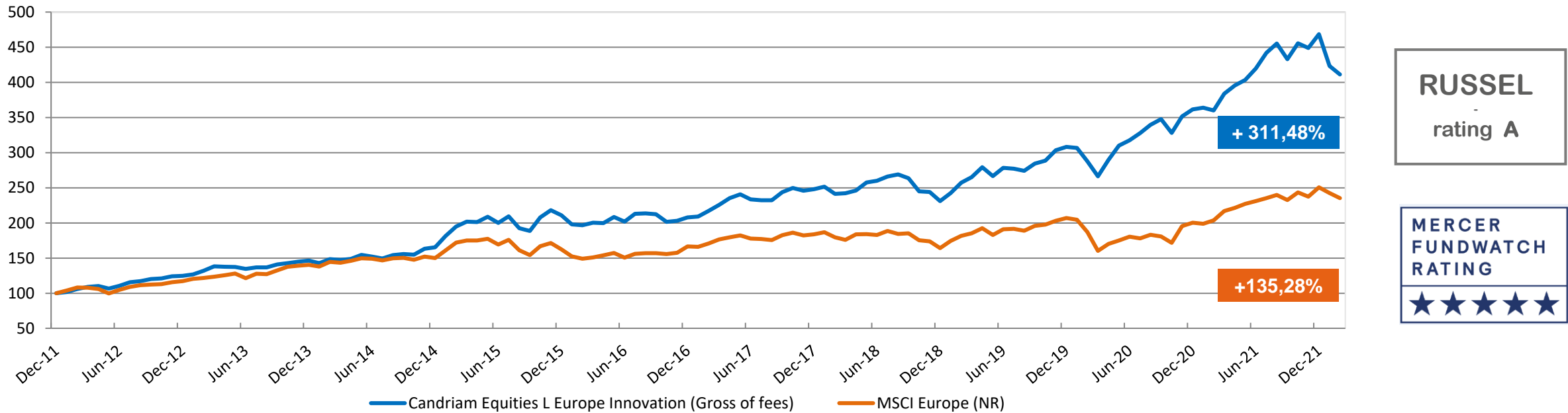
MARKETING



*Indicative data which may change over time*



# Performance since inception – Gross of Fees

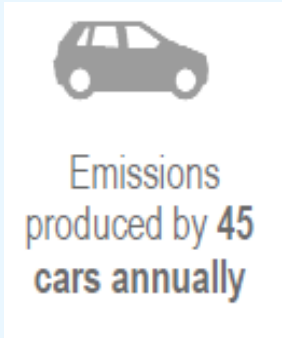
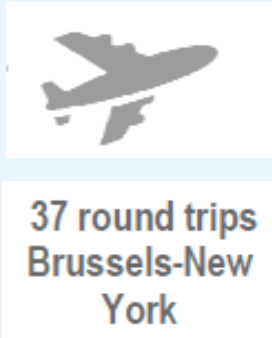
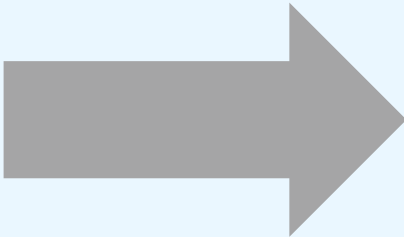
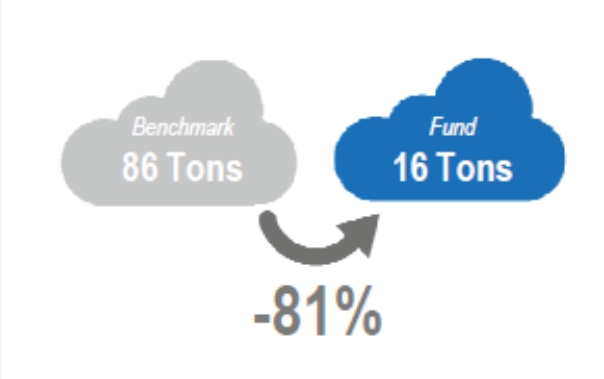


Source: Candriam As of February 28<sup>th</sup> 2022 - Past performance is no guarantee of future results and is not constant over time; Performances expressed in a currency other than that of the investor's country of residence are subject to exchange rate fluctuations, with a negative or positive impact on gains. If the present document refers to a specific tax treatment, such information depends on the individual situation of each investor and may change. The fund is actively managed and the investment process implies referring to a benchmark index, the MSCI® Europe (NR). © 2022 MSCI Inc. All rights reserved

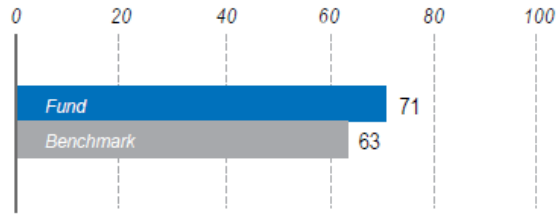
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# Performance of environmental factors



## OVERALL COMPANY ESG SCORE



Source: Candriam - as of 28/02/2022 - Indicative data which may change over time. (tons CO2eq per million € invested in fund/benchmark). Source: Candriam, Trucost. Footprint: Coverage Rate (Fund/Benchmark): 99.2% / 98.8%. ESG Score: Score goes from 0 (worst) to 100 (best). Coverage Rate (Fund/Benchmark): 100.0% / 94.3%

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