

Wendel is to acquire Austrian group Constantia Flexibles, a world leader in flexible packaging

Wendel has signed a contract in view of acquiring a majority interest in Constantia Flexibles, one of the world leaders in flexible packaging.

Wendel's offer values Constantia Flexibles at €2.3 billion or around nine times estimated 2014 EBITDA.

The transaction, which is based on leverage of 5x estimated 2014 EBITDA, is expected to close in the first half of 2015. Once the transaction is complete, Wendel intends to support Constantia Flexibles over the long term as the majority shareholder alongside significant minority shareholders.

Founded by Herbert Turnauer in the 1960s and headquartered in Vienna, the Constantia Flexibles group produces flexible packaging and labelling solutions, principally for the food, pet food, pharmaceuticals and beverage industries. The company has expanded outside Europe and over the last five years has become one of the world leaders in flexible packaging. The Constantia Flexibles group has over 3,000 customers worldwide and more than 8,000 employees at 43 industrial sites spread across 18 countries. It sells its products in over 115 countries.

Constantia Flexibles benefits from its position as a global leader, its recognized technological edge and ability to innovate, and its long-standing relationships with large, global customers. Thanks to its efficient manufacturing equipment, the company adapts to worldwide demand for new packaging and gains market share.

Constantia Flexibles has long-term growth potential owing to underlying market trends. Urbanization is advancing, mobility is rising, consumers are increasingly drawn to individual portions, because families have become smaller, and the middle classes are expanding. In addition, the company operates in resilient markets and its exposure to emerging economies is growing.

Constantia Flexibles has a solid track record, with an average annual growth rate over the last 10 years of 8.6% and 2013 sales of €1.6 billion.

Since 2010, Constantia Flexibles has demonstrated its expertise in acquisitions, which have contributed to this growth. It has carried out five transactions, including two in emerging markets, acquiring companies with aggregate sales of €503 million. The Constantia Flexibles group is thus uniquely placed to continue winning market share and to play a decisive role in the consolidation of the flexible packaging industry.

Frédéric Lemoine, Chairman of Wendel's Executive Board, said, "In acquiring Constantia Flexibles, Wendel is carrying out a major transaction that is right in line with the strategy announced. Constantia Flexibles is a very strong industrial company and one of the world's leaders in packaging solutions. The segment in which the company specializes, flexible packaging, is being buoyed by underlying, worldwide market trends, and in the future, Constantia Flexibles will be able to grow both by organic means and by acquisition, as the market is still very fragmented. Moreover, the company has been developed by a very entrepreneurial Austrian family, and Wendel would be pleased to enter into a cooperation agreement with the Herbert-Turnauer Foundation, which plays an active role as a minority shareholder in Constantia Flexibles.

This acquisition represents a significant milestone in Wendel's 2013-17 strategy, which consists in investing €2 billion in the top-tier unlisted companies in Africa, North America and Europe."

2014 Calendar

Publication of 2014 earnings / Publication of NAV (pre-market release)
Shareholders' Meeting / Publication of NAV and trading update

Thursday, March 26, 2015
Friday, June 5, 2015

About Wendel

Wendel is one of Europe's leading listed investment firms. The Group invests internationally, in companies that are leaders in their field, such as Bureau Veritas, Saint-Gobain, Materis Paints, Stahl and IHS in Africa. Wendel plays an active role as industry shareholder in these companies. It implements long-term development strategies, which involve boosting growth and margins of companies so as to enhance their leading market positions. Through Oranje-Nassau Développement, which brings together opportunities for investment in growth, diversification and innovation, Wendel is also a shareholder of Van Gansewinkel Groep in the Netherlands, except in Germany, Mecatherm and Parcours in France, Nippon Oil Pump in Japan and Saham Group in Africa.

Wendel is listed on Eurolist by Euronext Paris.

Standard & Poor's ratings: Long-term: BBB-, stable outlook – Short-term: A-3 since July 7, 2014.

Wendel is the Founding Sponsor of Centre Pompidou-Metz. In recognition of its long-term patronage of the arts, Wendel received the distinction of "Grand Mécène de la Culture" in 2012.



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