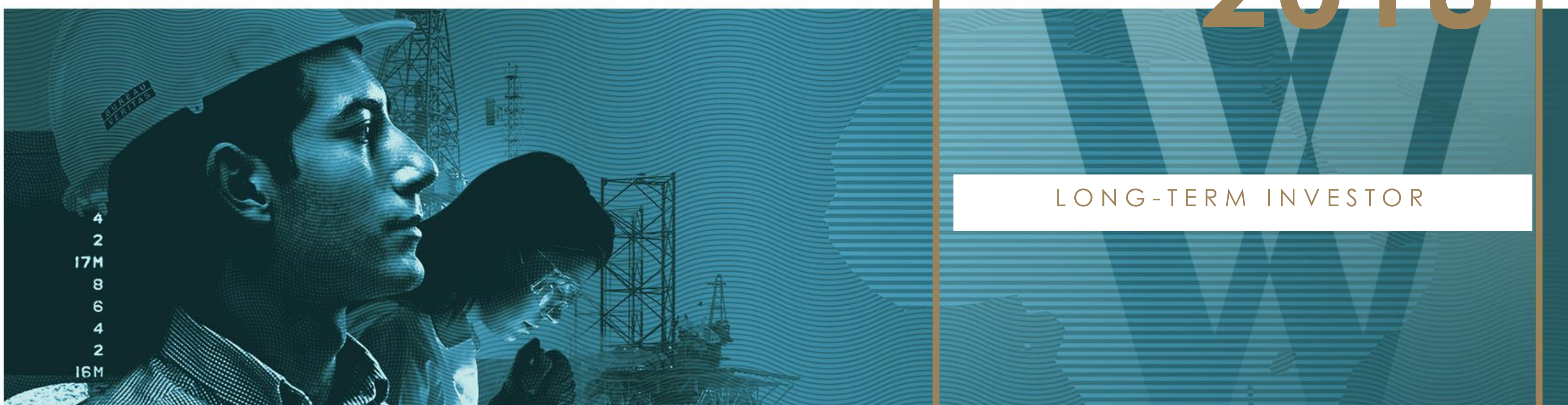
H1 2018 results

September 6, 2018

2018



LONG-TERM INVESTOR

WENDEL

Half Year 2018 key figures

Consolidated sales of €4.18bn, **up +3.1%**

Consolidated net income of €115.3m, -€0.9m Group share

NAV as of August 24, 2018:
- **€172.7** per share, up +4.2% over 12 months
- **LTV ratio @ 13.8%** and net debt of €1.3bn(1)

(1) LTV & Net debt does not include proceeds from the sale of CSP Technologies, closed on August 27, 2018

Strong dynamic since the start of the year

Ongoing portfolio simplification, with 3 small assets disposals

Steady organic growth for almost all companies

New Talents hirings & management changes

- Bureau Veritas: François Chabas appointed CFO
- Wendel: French investment team strenghtened (3 new investors o/w 1 new MD)
- Stahl: Frank Sonnemans as new CFO and Board member (January 1, 2019)
- Cromology: Pierre Pouletty as new Chairman and Loïc Derrien as new CEO

Active M&A in Group Companies with a total of 22 acquisitions

Strengthening of Wendel's financial structure

- €350m debt repayment in April 2018
- Acquisition of call on Saint-Gobain to hedge Exchangeable Bond maturing in July 2019
- Moody's assigns Baa2, stable outlook rating to Wendel, i.e. 1 notch above S&P's rating

Main portfolio rotation in 2018

CSP Technologies sold to AptarGroup, Inc

- $342m proceeds, above NAV valuation
- Deal completed on August 27, 2018

Sale of Wendel's stake in Saham group

- C. €125m proceeds
- Deal completion expected in H2 2018

Exclusivity granted to Unigrains for the sale of Mecatherm

- C. €83m proceeds, above NAV valuation
- Deal completion expected in H2 2018

Portfolio main developments

Robust H1 2018 performances

- organic growth accelerating to 4.4% in Q2
- 6 acquisitions which supported 3 of the 5 Growth Initiatives

EFCC released some accounts in Nigeria

Allied Universal to acquire U.S. Security Associates

- For approximately $1 billion
- Pro forma for the transaction, c. 200,000 security professionals and combined revenues of $7Bn

Acquisition of Creative Polypack in India

Agreement to amend and extend its debt facilities

Performance of Group companies

Half Year 2018

WENDEL

H1 2018 performance of the Group's listed companies

- **Revenue of €2.3bn, up 3.5% organically**
- Q2 acceleration with **+4.4% organic growth**
- **Growth initiatives up 6.6% organically**
- **Adjusted operating profit of €348.1m;** adjusted operating margin of 14.9%; margin up +10bps organically & +20bps at constant exchange rate
- **Adverse FX of -7.0%**

2018 outlook confirmed:

- FY2018 organic revenue growth to accelerate vs. FY2017
- FY2018 adjusted operating margin to improve slightly at constant currency vs. FY2017
- FY2018 cash flow generation to improve at constant currency vs. FY2017

- **€20.8bn in sales, good organic growth**
- **Organic growth at 4.9%** (including 8.0% in the second quarter), with volumes up 2.4%
- **Operating income at €1,469 million** (up 0,3% as reported), +1.7% like-for-like

2018 outlook confirmed

Acceleration of strategy

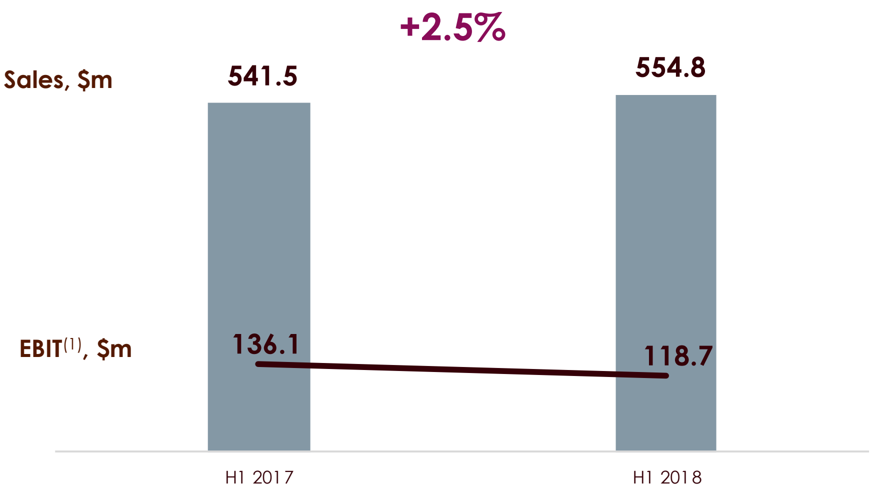
- Divestments representing at least €3 billion in sales by the end of 2019
- Continued high level of value-creating acquisitions
- Review of the Group's organizational structure

H1 2018 performance of Group's main unlisted companies

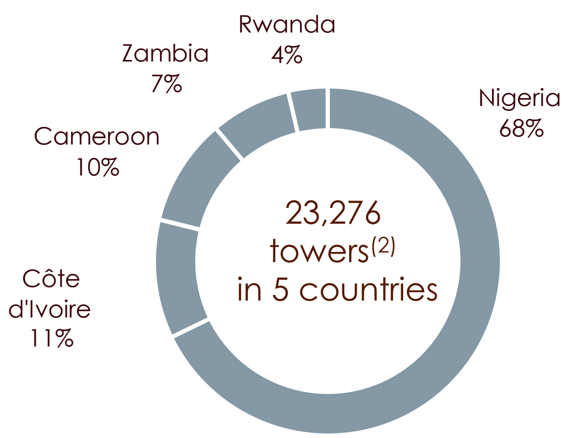
	Sales	Total growth	Organic growth	EBITDA EBIT for IHS	Margin
IHS	$554.8m	+2.5%	+14.0%	$118.7m	21.4%
Stahl	€452.4m	+27.7%	+4.2%	€105.1m	23.2%
Constantia Flexibles	€759.1m	+3.4%	+3.0%	€96.0m	12.6%
Allied Universal	$2,723.1m	+5.2%	+3.6%	$201.9m	7.4%
Cromology	€341.3m	-7.1%	-5.1%	€17.1m	5.0%

EBIT and EBITDA before goodwill allocation entries, management fees, and non-recurring items.
Financing documentation may include specific definitions of EBIT & EBITDA.

IHS



	H1 2017	H1 2018
EBIT margin	**25.1%**	**21.4%**
Net debt, $m	**1,580.5**	**1,475.8**



Strong organic growth offset by new FX conversion rate in Nigeria

- +14% organic growth driven by the increase of owned & MLL towers (+2.4%) and price escalation mechanisms
- +2.5% reported growth, due to conversion of Nigerian revenues at NAFEX rate in H1 2018 (c. 360 NGN for 1 USD) vs. CBN rate in H1 2017 (c. 305 NGN for 1 USD)

EBIT margin at 21.4%

- EBIT growth in local currency reached +1.9% Y-o-Y
- EBIT down to $118.7M, due to conversion in NAFEX and higher group costs

Update on 9mobile

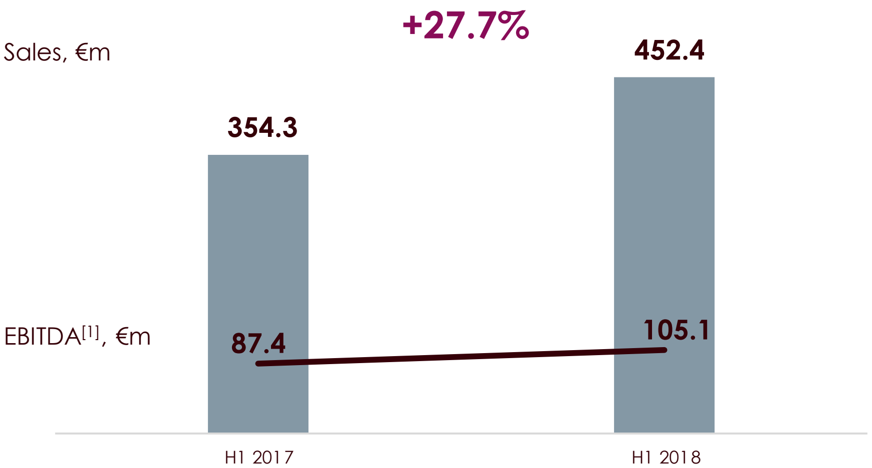
- IHS continues to collect payments from this customer. The sale process is ongoing, with Teleology reported to be the "preferred bidder"

Regulatory matters: some accounts released

- EFCC released the restriction on some of the affected accounts since 30 June 2018: as of 20 August 2018, the aggregate balance of affected accounts was $83.9m
- IHS currently expects that the "post no debit" on the still affected accounts will be released once the EFCC's enquiries are completed, it is still not possible at this time to predict the matter's likely duration or outcome.

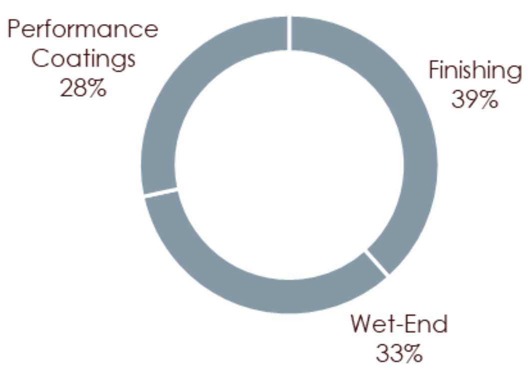
(1) EBIT excluding non recurring items
(2) Tower count excluding managed services and WIP

Stahl



	H1 2017	H1 2018
EBITDA margin	**24.7%**	**23.2%**
Net debt, €m	**453.4**	**520.6**

Sales breakdown by division



+27.7% sales growth driven organic & external growth

- +4.2% organic growth mainly driven by Performance Coatings; somewhat more challenging market circumstances within the Leather Chemicals divisions
- +28.4% external growth reflecting the consolidation of BASF Leather Chemicals Division
- -4.9% currency translation effect, mainly due to the weaker USD versus the EUR

EBITDA up +20.3% y-o-y

- Key drivers: successful consolidation of BASF Leather Chemicals and solid organic growth
- EBITDA margin slightly down due to somewhat lower margins of acquired BASF Leather Chemicals Division with relatively more Wet-End sales and adverse currency impact
- Synergy roll out well on track with estimated annual synergies and cost savings at a current level of €25m with more to come

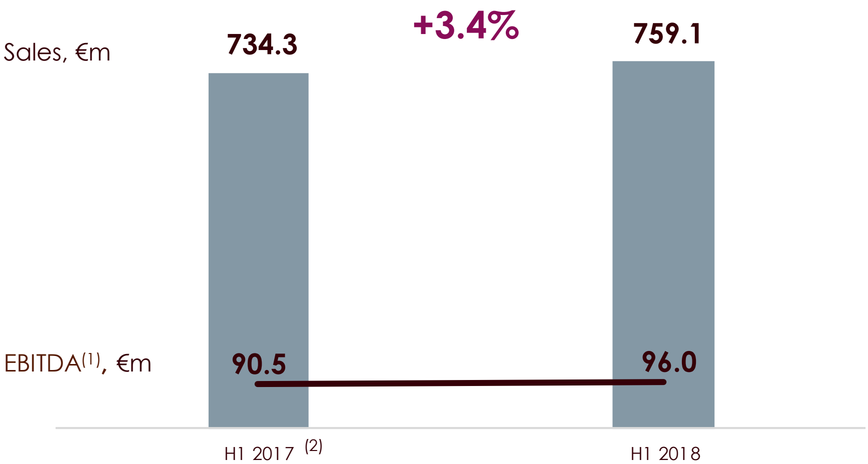
Leverage better than < 2.5x, benefiting from strong cash conversion

- Absolute net debt up following cash consideration of €111m paid by Stahl for BASF Leather Chemicals and initial working capital build-up after the transaction

Appointment of a new CFO: Frank Sonnemans will start beginning of 2019 and take over the responsibilities of Bram Drexhage, who has decided to retire mid-2019

[1] EBITDA before goodwill allocation entries, management fees and non-recurring items.

Constantia Flexibles



	H1 2017	H1 2018
EBITDA margin	**12.3%**	**12.6%**
Net debt, €m	**c. 466** (3)	**458.8**

Sales breakdown by division
(third-party sales only)

+3.4% total growth: +3.0% organic growth, +4.1% scope, -2.7% FX impact and -1.1% IFRS 15 impact

- Good organic growth driven by price/mix effect (+4.6%) overcompensating volume decrease (-1.6%)
- Creative Polypack Ltd. (India) acquisition closed in April 2018 (€24.2 million YTD sales impact)
- Negative FX effects mainly driven by USD, RUB and INR

EBITDA margin up 30bps

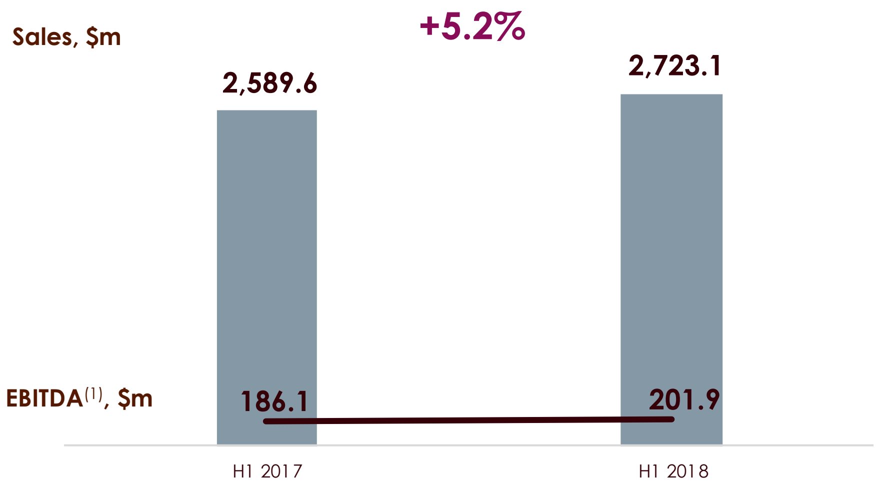
- Positive mix effects due to growth in high margin Pharma products and lower volumes in lower margin Consumer products
- Increase in material and production costs partially offset by price increases and lower SG&A

Leverage @ 2.3x LTM EBITDA (excl. MCC shares)

- Low leverage level providing firepower to pursue external growth strategy and play a significant role in the flexible packaging market consolidation.

(1) EBITDA before goodwill allocation entries, management fees and non-recurring items
(2) In accordance with IFRS 5, Labels activities in 2017 are presented in the income statement under « Net income from discontinued operations and operations held for sale »
(3) Including Labels activities disposal on a pro forma basis and restated from the c.€ 800m cash proceeds received upon deal compleation.

Allied Universal



	H1 2017	H1 2018
EBITDA margin	**7.2%**	**7.4%**
Net debt, €m	**3,025**	**3,078**

Leverage per financing documentation: 6.8x

+5.2% total growth, due to a combination of acquisitions and organic growth

- Organic growth of +3.6%
- Acquisition in February 2018 of Covenant Security and full-year impact of 2017 acquisitions

EBITDA up +8.5% with growing margins

- Revenue growth
- Impact of synergy realization from merger and subsequent acquisitions
- Partially offset by higher wages needed to recruit and staff security professionals in increasingly tight labor market

Merger update: synergies realized with full year impact in 2018

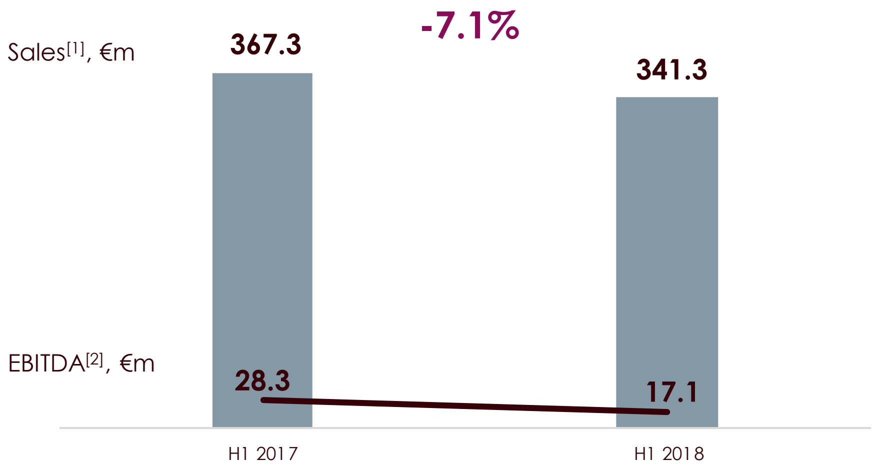
- Near 100% of the $100m synergy target has been implemented with full annual effect of synergies expected to benefit FY 2018 results

Acquisition of U.S. Security Associates

- Acquisition for approx. $1 billion
- Pro forma for the transaction, Allied Universal will employ over 200,000 security professionals and generate combined pro forma revenues of approximately $7 billion and EBITDA (as defined by the company's financing documentation) of approximately $600 million after anticipated synergies
- Acquisition is expected to enhance AU's ability to serve customers of all sizes throughout North America

(1) EBITDA before goodwill allocation entries, management fees and non-recurring items

Cromology



	H1 2017	H1 2018
EBITDA margin	**7.7%**	**5.0%**
Net debt, €m	**254.3**	**250.5**

-7.1% total decline in sales due to France and Italy underperformance

- -5.1% organic decline mainly resulting from (i) poor market in France, (ii) sharp market decline in Italy, (iii) low DIY trading in France
- Paint price increases (+3.4%) have been successfully implemented in France and to a lesser extent in Southern Europe in order to compensate the price increase of TiO_2
- -0.9% IFRS 15 impact, -0.7% change in consolidation scope and -0.5% FX impact

EBITDA down €11.2 million as SG&A reduction and price increases could not offset lower sales and higher raw material prices

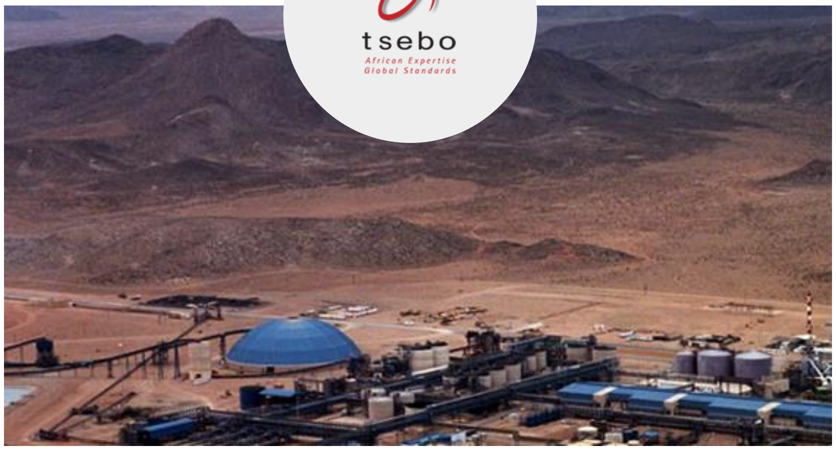
- €10.9 million savings in SG&A
- TiO_2 prices have reached a maximum in June 2018, nevertheless emulsion prices keep increasing

Action plan

- Change in governance: Pierre Pouletty appointed new Chairman in June and Loïc Derrien appointed new CEO starting August 27, 2018
- €25 million cash injection from Wendel to strengthen Cromology's resources

[1] IFRS 15 applied since January 1, 2018. The information presented for 2017 has not been restated.
[2] EBITDA before goodwill allocation entries, management fees and non-recurring items. EBITDA is now presented after changes in current assets impairment. EBITDA before changes in current assets impairment is €30.7 million in H1 2017 and €23.0m in H1 2018.

Oranje-Nassau Développement



Strong revenue growth of +16.2%

EBITDA(1) up +12.7%

Positive agreement to amend & extend debt facilities

Strong 2018 first half, in line with strong growth of 2017

Strong organic growth of 17.3% driven by a buoyant machine tools market

On the back of strong topline growth, EBITDA margin improved 50 bps

Sale achieved on August 27,2018

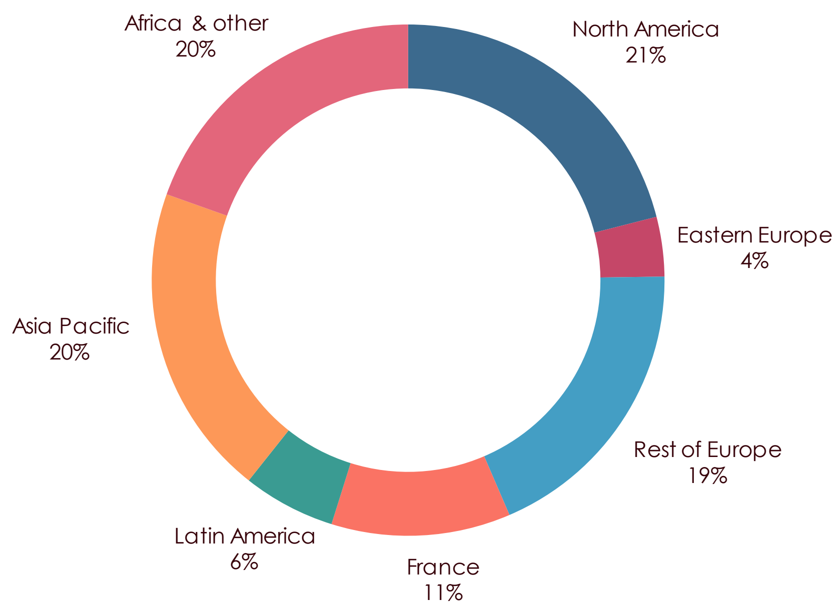
Sale to be achieved H2 2018

Sale to be achieved H2 2018

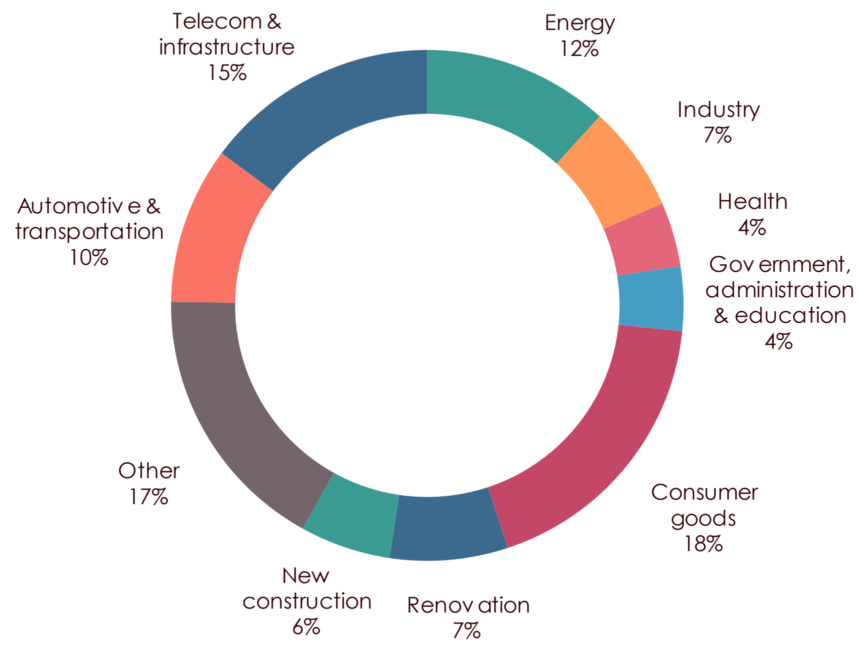
(1) EBITDA before goodwill allocation entries, management fees and non recurring items

Diversified geographic & sector exposure

GEOGRAPHIC EXPOSURE (1)



SECTOR EXPOSURE (1)



(1) Enterprise value exposure of Group companies, according to the breakdown of 2017 revenues. Enterprise values are based on NAV calculations as of August 24, 2018 including the disposals of Saham, CSP Technologies and Mecatherm on a pro forma basis.

Wendel financials

Half Year 2018

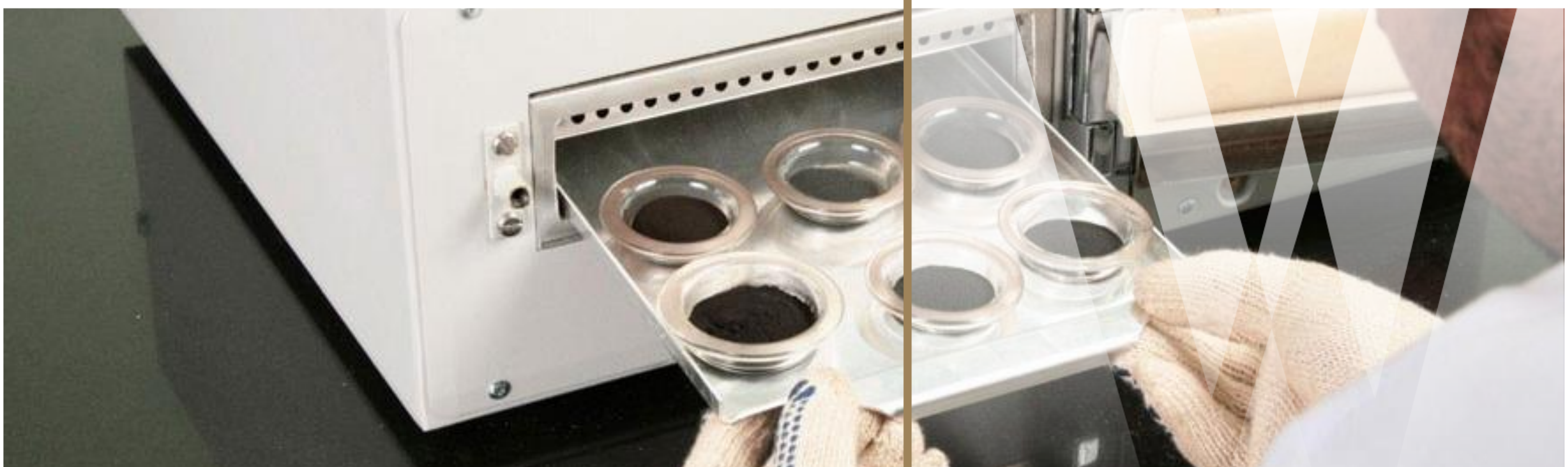
WENDEL

HY 2018 consolidated results

in millions of euros	**H1 2017**	**H1 2018**
Contribution from subsidiaries	357.0	336.7
Financial & operating expenses and taxes	-120.0	-96.4
Net income from operations [(1)]	**237.1**	**240.4**
Non-recurring income	-24.4	-41.2
Impact of goodwill allocation	-86.8	-83.8
Total net income	**125.8**	**115.3**
Net income (loss), Group share	*31.3*	*-0.9*

(1) Net income before goodwill allocation entries and non-recurring items

Net Asset Value & Return to Shareholders



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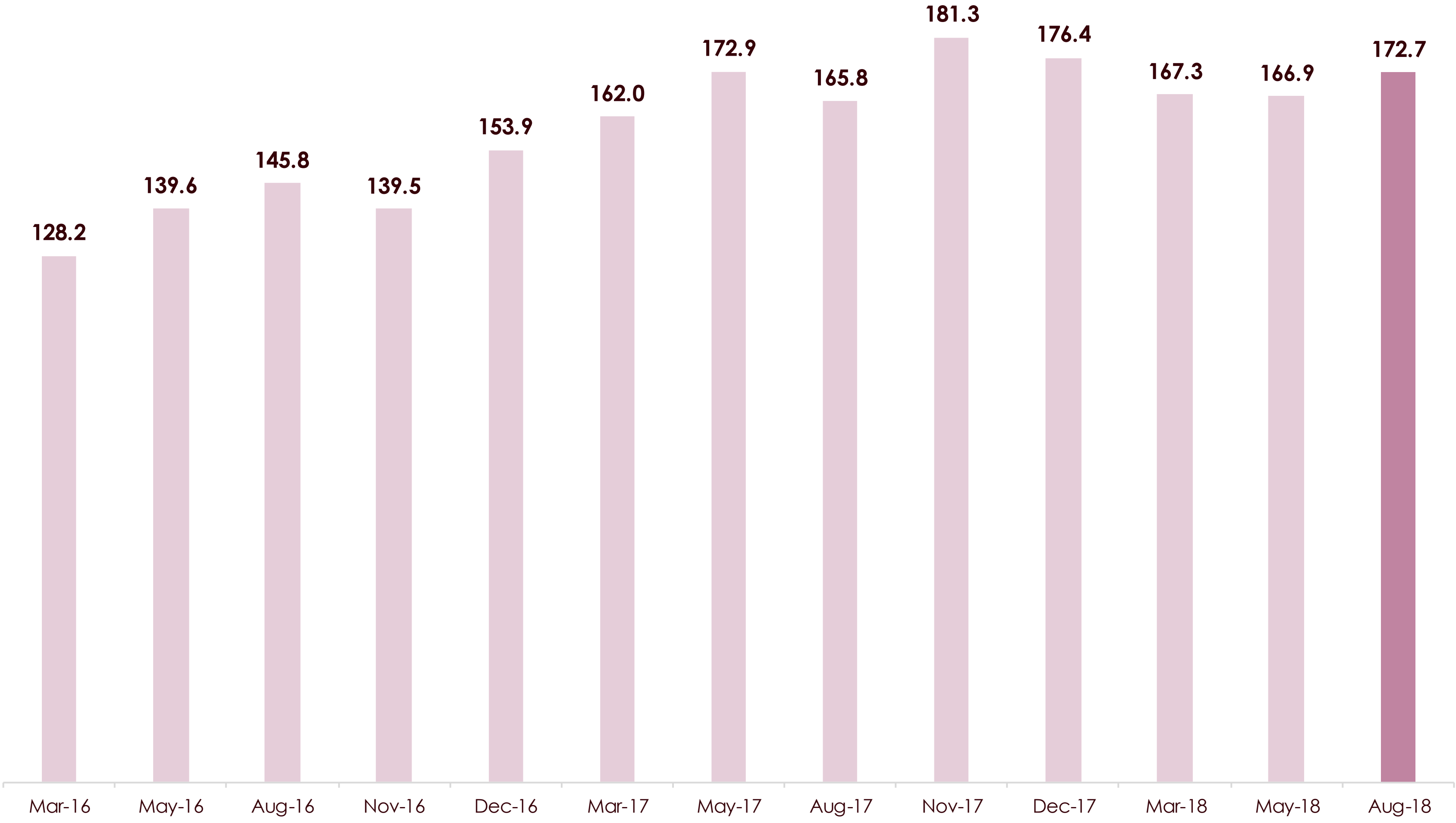
NAV of €172.7 as of August 24, 2018

(in millions of euros)			August 24, 2018
Investments in listed entities	Number of shares	Stock price[1]	4,456
• Bureau Veritas	177.2 million	€22.2	3,937
• Saint-Gobain	14.2 million	€36.7	519
Investments in unlisted companies & OND[2]			4,726
Other assets and liabilities of Wendel and related holdings[3]			94
Cash and marketable securities[4]			1,251
Gross asset value			**10,526**
Wendel bond debt			-2,533
Net asset value			**7,993**
Of which net debt			*-1,282*
Number of shares			*46,280,641*
Net asset value per share			**€172.7**
Average of 20 most recent Wendel share prices			€124.4
Premium (discount) on NAV			**-28.0%**

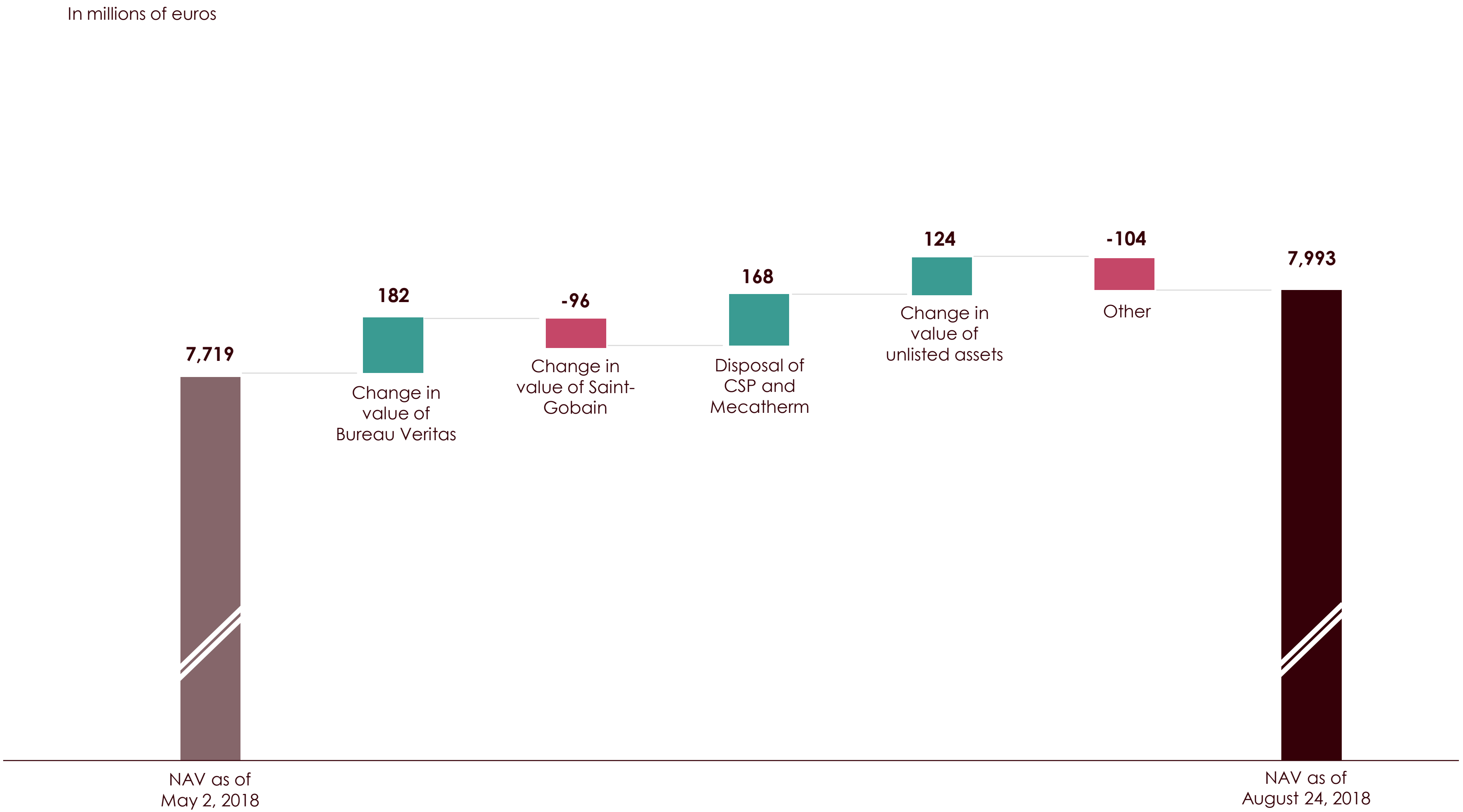
(1) Average share price of the 20 trading days prior to August 24, 2018.
(2) Unlisted equity investments (Cromology, Stahl, IHS, Constantia Flexibles, Allied Universal) and Oranje-Nassau Développement (Nippon Oil Pump, Saham, Mecatherm, CSP Technologies, PlaYce, Tsebo and indirect investments and debt). As per previous NAV calculation as of May 2, 2018, IHS Towers valuation as of August 24, 2018 was solely performed based on EBITDA to account for dynamism / early-stage development structure. Saham (signed in March 2018), CSP Technologies and Mecatherm (both signed in July 2018) deals were taken into account in the August 24, 2018 NAV calculation. MCC shares owned by Constantia Flexibles are valued at their last 20 trading days average.
(3) Includes 873,479 Wendel shares as of August 24, 2018.
(4) Cash position and financial assets of Wendel & holdings. As of August 24, 2018, this comprises € 0.9bn of cash and cash equivalents and € 0.3bn short term financial investment.
Assets and liabilities denominated in currencies other than the euro have been converted at exchange rates prevailing on the date of the NAV calculation.

If co-investment conditions are realized, there could be a dilutive effect on Wendel's percentage ownership. These items have been taken into account in the calculation of NAV. See page 274 of the 2017 Registration Document
.

Good growth in Net Asset value over the past three years



Main changes in Net Asset Value since May 2018



Debt optimization at holding company level

As of Aug. 24, 2018

Gross debt reduced to €2,519m

&

Cost of bond debt reduced to 2.19%
following April 2018 debt repayment

Net debt of €1.3 bn

Loan-to-value ratio

13.8%

Before proceeds
from Saham, Mecatherm &
CSP deals

Corporate credit rating by S&P:

BBB-/stable

Since July 2014

Corporate credit rating by Moody's:

Baa2/stable

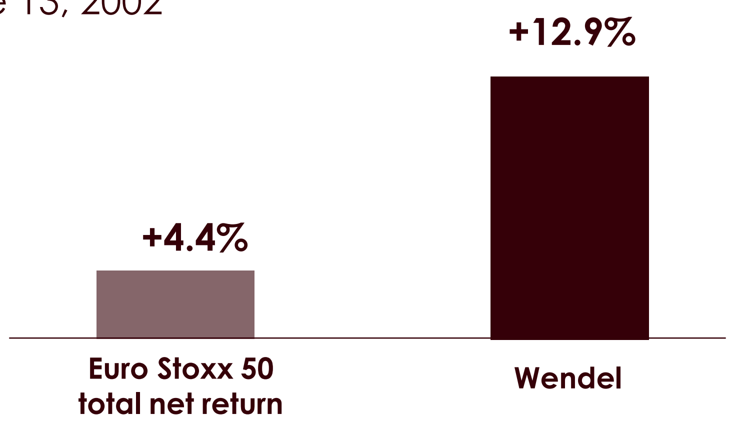
Since September 5, 2018

Return to shareholders

€2.65 dividend per share paid in May, up +12.8% y-o-y

424,197 shares bought back in 2018 for a total amount of €51.6m

Annualized TSR since June 13, 2002



Source: FactSet, TSR calculated with respect to average last 20 trading days prior to 08/24/2018

New financial agenda for 2019

From 2019, Net Asset Value will be calculated at the end of each quarter

Date	Event	Publication
November 29, 2018	**2018 Investor Day**	Publication of NAV and trading update (pre-market release)
March 21, 2019	**2018 FY Results**	Publication of NAV as at Dec. 31, 2018 (pre-market release)
May 16, 2019	**AGM, Q1 2019 Trading Update & NAV**	Publication of NAV as at March 31, 2019 and Q1 trading update (pre-market release)
July 30, 2019	**Q2 2019 Trading update & NAV**	Publication of NAV as at June 30, 2019 and trading update (pre-market release)
September 6, 2019	**2019 Half Year Results**	Half Year Results (pre-market release) – No NAV publication
November 7, 2019	**2019 Investor Day**	Publication of NAV as at Sept. 30, 2019 and Q3 2019 trading update (pre-market release)

Key takeaways

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Key takeaways for the first half 2018

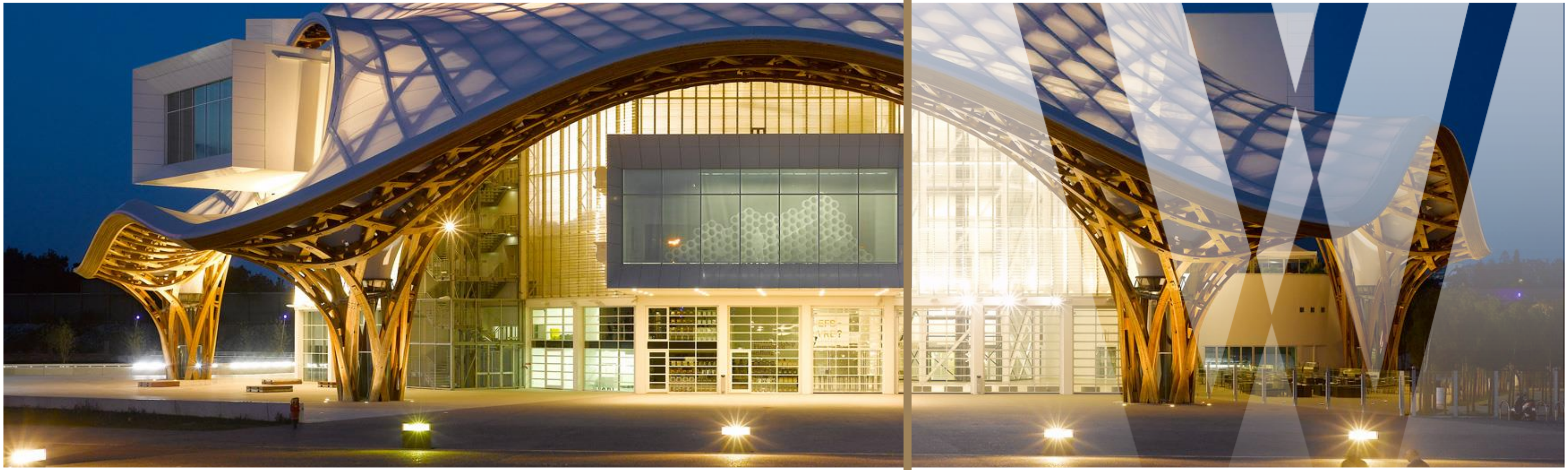
Good performance overall, thanks to a resilient & defensive portfolio

A lot of actions have been taken to enhance the business profile of our companies over the last 8 months, and **there is still a lot of things to do**

Deal flow: looking actively for targets of €200 – 700 million initial equity investments to further strengthen the portfolio, **with reasonable risk/reward profile**

Appendix 1

Performance of Group companies



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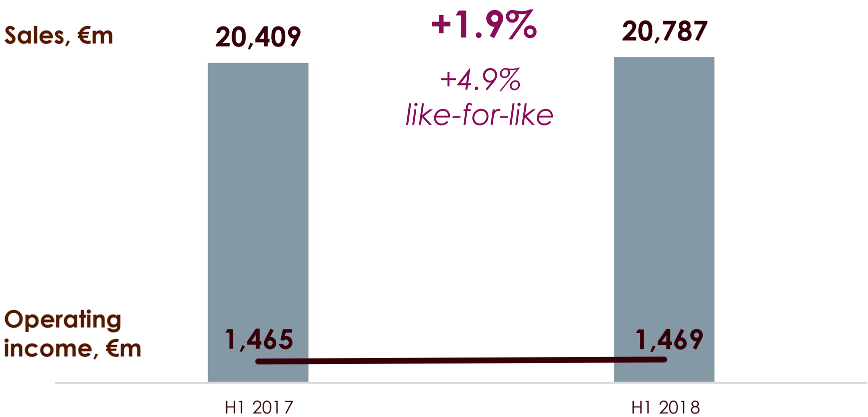
Saint-Gobain



	H1 2017	H1 2018
Op. income, margin	**7.2%**	**7.1%**
Net debt, €m	**6,816**	**9,294**

Good organic growth in H1 2018

- Organic growth at 4.9% (including 8.0% in the second quarter), with volumes up 2.4%
- 4.4% negative currency impact, mainly due to the depreciation of the US dollar and of certain Asian and emerging country currencies; positive 1.4% structure impact

Operating income at €1,469 million (up 0.3% as reported), an increase of 1.7% like-for-like

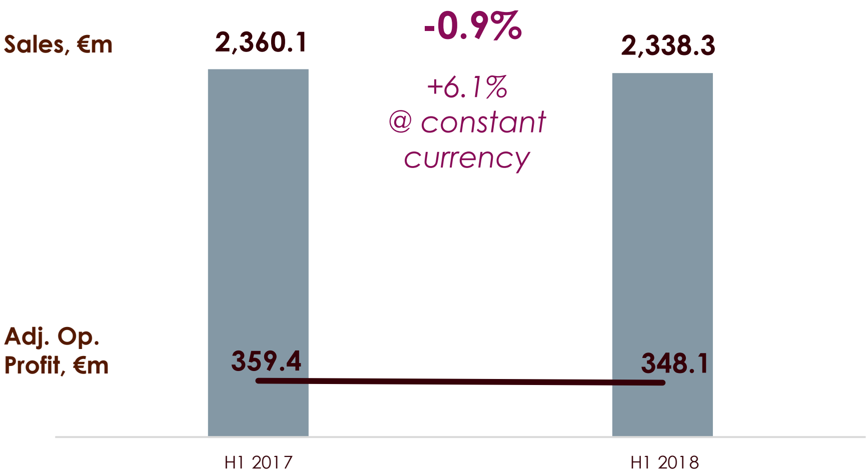
Acceleration of strategy

- Divestments representing at least €3 billion in sales by the end of 2019
- Continued high level of value-creating acquisitions
- Review of the Group’s organizational structure

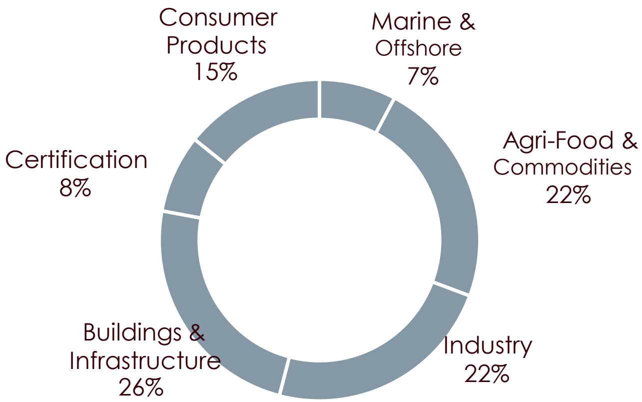
Objectives for full-year 2018 confirmed

- Saint-Gobain confirms its objective for full-year 2018 of a like-for-like increase in operating income and for the second half expects the like-for-like increase to be clearly above the level achieved in the first half

Bureau Veritas



	H1 2017	H1 2018
Op. profit, margin	**15.2%**	**14.9%**
Net debt, €m	**2,270.6**	**2,463**



+3.5% organic revenue growth with Q2 acceleration at +4.4%

- Growth Initiatives up 6.6% organically, Base Business is +2.0%
- External growth +2.6%
- Adverse FX of -7.0%

Adj. Op. margin up +10bps organically, +20bps at constant exchange rate

- Two-thirds of the portfolio have stable or improving margins
- Marine&Offshore and Buildings & infrastructure margins down due to respectively lower volume and negative mix and price effects

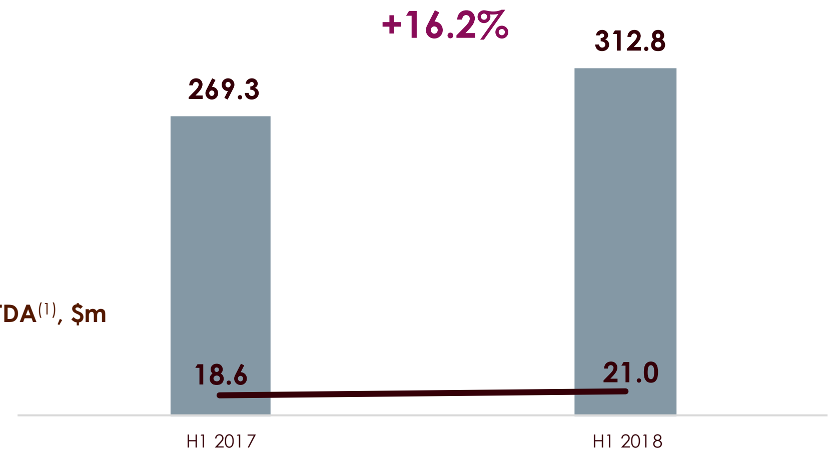
2018 outlook confirmed

- Acceleration in organic revenue growth compared to full-year 2017
- Slightly improved adjusted operating margin at constant currency compared to full-year 2017
- Improved cash flow generation at constant currency compared to full-year 2017

Tsebo

Sales, $m

EBITDA(1), $m



EBITDA margin	7.0%	6.7%
Net debt, $m	**n.m.**	**116.5**

Strong revenue growth of +16.2%

- Organic growth (+8.9%) driven by Cleaning, Catering and Facilities Management businesses
- Positive scope change (+0.8%) with one acquisition in 2017
- Favorable FX impact (+6.5%) as a result of the ZAR appreciation vs. the USD

EBITDA(1) up +12.7%

- Margin down -30bps due to the integration of newly acquired businesses, a subdued South African economy and gradual ramp up of new pan-African facility management contracts

Positive agreement to amend & extend debt facilities

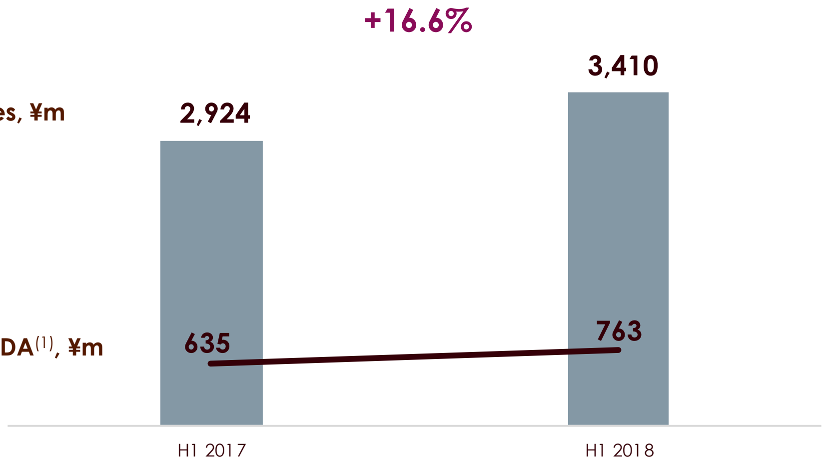
- Debt commitment increased from ZAR 2.3bn to ZAR 2.8bn (including ZAR 150m WC facilities)
- Margin decreased by up to 50bps
- Maturity extended by 1 year for all facilities (until March 2023)

(1) EBITDA before goodwill allocation entries, management fees and non-recurring items

Nippon Oil Pump

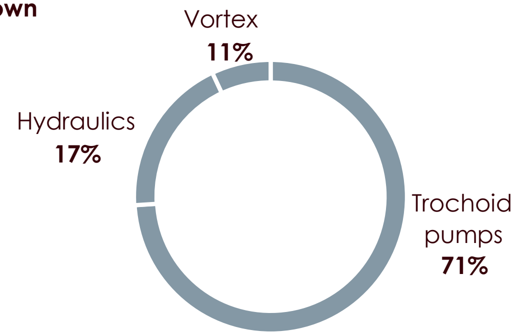
Sales, ¥m

EBITDA[1], ¥m



	H1 2017	H1 2018
EBITDA margin, %	21.7%	22.4%
Net debt, ¥m	**2,825**	**2,156**

Sales breakdown



Strong 2018 first half, in line with strong growth of 2017

Strong organic growth of 17.3% driven by a buoyant machine tools market

- Core products grew strongly due to high demand with trochoid pump sales up 15.9% and hydraulic motor sales moderately up 2.4%
- Vortex pumps continued to exhibit a high sales growth of 52% due to a higher degree of market penetration in Japan and Europe

On the back of strong topline growth, EBITDA margin improved 70 bps

- EBITDA increased by 20.2% vs H1 2017
- Strict cost control policy and selective price increases launched in 2016 have led to further improvements in EBITDA margin

(1) EBITDA before goodwill allocation entries, management fees and non-recurring items

Appendix 2

Strategy

WENDEL

2017-2020 main strategic pillars unchanged

1. INVEST

Wendel may invest ca. €3bn total equity, depending on markets conditions, in Europe, Africa & North America in companies offering exposure to long-term mega trends, **part of which could come from co-investors** which share our vision.

2. DEVELOP & CRYSTALLIZE VALUE

Continue to help the portfolio companies to develop with a long-term view:

- Bureau Veritas
- Stahl, IHS, Constantia Flexibles, Allied Universal

Position our portfolio **to benefit from trends toward digitalization**

Focused portfolio: take advantage of potential disposals, partnerships, IPOs and reinvestments.

DOUBLE-DIGIT TSR

~50% OF UNLISTED ASSETS

NET DEBT < €2.5BN

4. RETURN VALUE TO SHAREHOLDERS

Continue to deliver a double-digit TSR [1] with an **increasing dividend** year after year, consistent with our TSR target and regular and opportunistic **share buybacks.**

3. REMAIN CAUTIOUS

Maintain our **debt under strict control** & much lower than in the past, **keep a balanced portfolio** of listed and unlisted assets.

(1) 2017-2020 average annualized TSR (dividends reinvested based on the average share price in the second half of 2016).

Key priorities

Focus on **well-known investment regions:** Europe, North America and Africa

- Strengthen European Investment team

Concentrate on companies that move the needle

- Target **€200 – 700 million initial equity investments**
- Simplify the portfolio

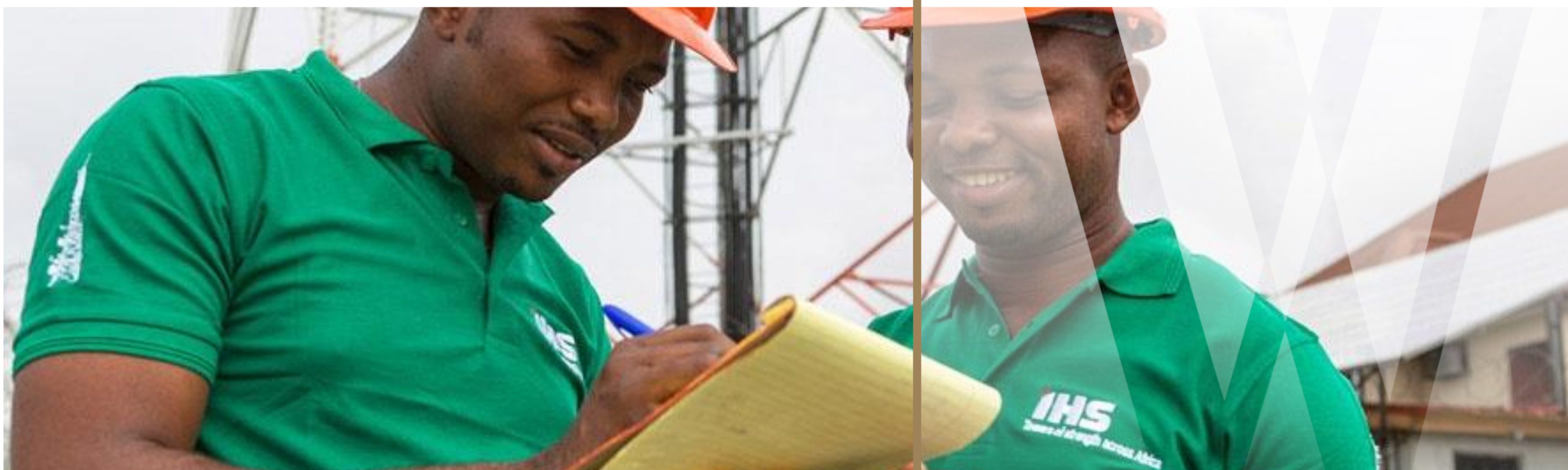
Develop our portfolio companies

- Redeploy resources toward Group companies' development

Seize opportunities for value crystallization in the current seller's market

Appendix 3

Financial information as of June 30, 2018



WENDEL

H1 2018 consolidated sales

in millions of euros	**H1 2017**	**H1 2018**	**Change**	**Organic change**
Bureau Veritas	2,360.1	2,338.3	-0.9%	+3.5%
Constantia Flexibles (1)	734.3	759.1	+3.4%	+3.0%
Cromology (2)	367.3	341.3	-7.1%	-5.1%
Stahl	354.3	452.4	+27.7%	+4.2%
Oranje-Nassau Développement (3)	234.7	284.4	+21.2%	+10.9%
Nippon Oil Pimp	24.0	25.9	+7.8%	17.3%
Tsebo (4)	210.7	258.5	+22.7%	+8.9%(5)
Consolidated sales	**4,050.7**	**4,175.4**	**+3.1%**	**+3.1%**

The Group has adopted IFRS 15 "Revenue from Contracts with Customers", the effect of initially applying this standard is recognized at the date of initial application (i.e. January 1, 2018). The information presented for 2017 has not been restated, as this standard is not considered to have a material impact.
(1) Following the sale of Labels division and in accordance with IFRS 5, 2017 results of this division are included in "Net income from discontinued operations and operations held for sale" in Constantia Flexibles's consolidated financial statements. Restated for the impact of IFRS 15 "Revenue from Contracts with Customers", the sales variation is +4.4%.
(2) Following the sale of Colorin and in accordance with IFRS 5, 2017 results of this division are included in "Net income from discontinued operations and operations held for sale" in Cromology's consolidated financial statements. Restated for the impact of IFRS 15 "Revenue from Contracts with Customers", the sales variation is at -6.2%.
(3) Following the signature of agreements to sell CSP Technologies and Mecatherm and in accordance with IFRS 5, the contribution of these two portfolio companies to H1 2017 and H1 2018 earnings has been reclassified in "Net income from discontinued operations and operations held for sale".
(4) Company consolidated from February 2017.
(5) 6-months organic growth computed on the reporting currency (USD) converted figures. Organic growth of Tsebo for the 5-months period of February to June is 10.2%.

H1 2018 sales of companies accounted for by the equity method

in millions of euros	**H1 2017**	**H1 2018**	**Change**	**Organic change**
Allied Universal	2,393.3	2,250.1	-6.0%	+3.6%
IHS	504.6	458.4	-9.1%	+14.0%
Oranje-Nassau Développement				
PlaYce	3.5	3.9	+13.4%	n.a.

Net income from operations

In millions of euros	H1 2017	H1 2018
Bureau Veritas	197.8	203.9
Stahl	42.6	57.7
Constantia Flexibles	35.4	40.9
Cromology	7.9	-4.5
Allied Universal (equity accounted)	5.7	3.6
Saint-Gobain (equity accounted)	40.7	-
Dividend from Saint-Gobain	17.8	18.4
IHS (equity accounted)	2.7	7.3
Oranje-Nassau Développement	6.4	9.4
Tsebo	1.8	4.5
Mecatherm	-0.4	1.9
CSP Technologies	2.4	2.5
NOP	2.2	1.4
exceet (equity accounted)	0.4	-
PlaYce (equity accounted)	-	-0.9
Total contribution from subsidiaries	***357.0***	***336.7***
Total contribution from subsidiaries Group share	*205.7*	*168.6*
Operating expenses	-33.5	-34.5
Management fees	5.4	5.2
Sub-total	**-28.1**	**-29.2**
Taxes	-3.8	-0.7
Amortization, provisions and stock-options expenses	-3.9	-4.9
Total operating expenses	**-35.8**	**-34.8**
Total financial expense	**-84.1**	**-61.6**
Net income from operations	**237.1**	**240.4**
Net income from operations, Group share	*85.7*	*72.2*

Consolidated income statement

In millions of euros	H1 2017	H1 2018
Net sales	4,050.7	4,175.4
Other income from operations	7.2	6.6
Operating expenses	-3,708.1	-3,807.8
Net gain (loss) on sale of assets	-0.4	-9.3
Asset impairment	-	-24.4
Other income and expenses	-9.3	-
Operating income	**340.0**	**340.5**
Income from cash and cash equivalents	-23.6	-11.6
Finance costs, gross	-180.9	-140.5
Finance costs, net	*-204.4*	*-152.1*
Other financial income and expense	13.2	49.4
Tax expense	-111.4	-78.2
Net income (loss) from equity-method investments	88.1	-39.2
Net income from continuing operations	**125.4**	**120.4**
Net income from discontinued operations and operations held for sale	0.5	-5.0
Net income	**125.8**	**115.3**
Net income – non controlling interests	94.6	116.3
Net income – Group share	**31.3**	**-0.9**

In accordance with IFRS 5 “Non-current assets held for sale and discontinued operations”:

- Mecatherm’s contribution is reclassified on a single line of the income statement under “Net income from discontinued operations and operations held for sale” for the first half of 2017 and the first half of 2018;
- CSP Technologies’ contribution has been reclassified on a single line of the income statement under “Net income from discontinued operations and operations held for sale” for the first half of 2017 and the first half of 2018.

Consolidated balance sheet

In millions of euros	06/30/2018	12/31/2017
Goodwill	3,405.7	3,575.0
Intangible assets, net	1,978.3	2,181.8
Property, plant & equipment, net	1,318.5	1,406.1
Non-current financial assets	889.9	1,383.3
Pledged cash and cash equivalents	0.4	0.7
Equity-method investments	686.6	534.3
Deferred tax assets	196.5	195.2
Total non-current assets	**8,475.9**	**9,276.4**
Assets of operations held for sale	**563.0**	**20.5**
Inventories	514.0	481.1
Trade receivables	2,051.6	1,897.5
Other current assets	460.9	347.7
Current income tax	71.0	85.0
Other current financial assets	381.9	422.5
Cash and cash equivalents	1,361.8	1,905.3
Total current assets	**4,841.2**	**5,139.1**
Total assets	**13,880.1**	**14,435.9**

In millions of euros	06/30/2018	12/31/2017
Share capital	185.1	185.0
Premiums	50.9	48.7
Retained earnings & other reserves	1,761.5	1,730.5
Net income for the year - Group share	-0.9	200.0
	1,996.6	**2,164.2**
Non-controlling interests	981.3	1,092.5
Total shareholders' equity	**2,977.9**	**3,256.7**
Provisions	457.8	465.1
Financial debt	6,190.3	6,416.2
Other financial liabilities	520.6	575.9
Deferred tax liabilities	537.5	595.6
Total non-current liabilities	**7,706.3**	**8,052.8**
Liabilities of operations held for sale	**289.5**	**17.1**
Provisions	53.8	59.4
Financial debt	719.3	712.7
Other financial liabilities	154.6	289.9
Trade payables	942.2	900.7
Other current liabilities	931.6	1,039.1
Current income tax	105.0	107.5
Total current liabilities	**2,906.5**	**3,109.3**
Total liabilities and shareholders' equity	**13,880.1**	**14,435.9**

In accordance with IFRS 5 "Non-current assets held for sale and discontinued operations", the assets and liabilities of the Mecatherm and CSP Technologies investments have been reclassified as "Assets and liabilities of operations held for sale" as of June 30, 2018.

Conversion from accounting presentation to economic presentation

(in millions of euros)	Bureau Veritas	Constantia Flexibles	Cromology	Stahl	OND	Equity method		Wendel holding companies	Group total
						IHS	Allied Universal		
Net income from operations									
Net sales	**2,338.3**	**759.1**	**341.3**	**452.4**	**284.4**			**-**	**4,175.4**
EBITDA [1]	**N/A**	**96.0**	**17.1**	**105.1**	**N/A**				
Adjusted operating income [1]	**348.1**	**55.8**	**6.8**	**96.8**	**19.6**		**(0.0)**		
Other recurring operating items	-	(1.0)	(0.9)	(4.2)	(3.1)		-		
Operating income	**348.1**	**54.8**	**5.9**	**92.7**	**16.5**		**(0.0)**	**(34.6)**	**483.2**
Finance costs, net	(40.9)	(8.8)	(8.0)	(14.8)	(8.2)		-	(61.6)	**(142.3)**
Other financial income and expense	(4.3)	(0.6)	(1.2)	(1.1)	0.7		(0.0)	18.4[2]	**11.9**
Tax expense	(99.7)	(6.5)	(0.7)	(19.0)	(3.9)		(2.3)	(0.2)	**(132.3)**
Share in net income of equity-method investments	0.7	2.1	(0.1)	-	(1.0)	7.3	5.9	-	**14.9**
Net income from discontinued operations and operations held for sale	-	-	(0.5)	-	5.4	-	-	-	**4.8**
Net income from operations	**203.9**	**40.9**	**(4.5)**	**57.7**	**9.4**	**7.3**	**3.6**	**(78.0)**	**240.4**
Net income from operations – non-controlling interests	126.8	16.5	(0.5)	21.6	3.6	-	0.1	-	**168.1**
Net income from operations – Group share	**77.1**	**24.4**	**(4.1)**	**36.1**	**5.8**	**7.3**	**3.5**	**(78.0)**	**72.2**
Non-recurring income									
Operating income	(57.1)	(25.4)	(37.4)	(20.8)	(6.3)	-	-	4.3	**(142.8)**
Net financial expense(income)	-	(7.0)	(49.1)	(14.8)	1.1	-	-	97.4	**27.6**
Tax expense	15.3	6.6	11.0	9.0	1.9	-	10.4	-	**54.1**
Share in net income of equity-method investments	-	(0.7)	-	-	-	(18.1)[3]	(35.3)	-	**(54.1)**
Net income from discontinued operations and operations held for sale	-	0.9	-	-	(10.7)	-	-	-	**(9.8)**
Non-recurring net income	**(41.8)**	**(25.7)**	**(75.6)**	**(26.6)**	**(14.0)**	**(18.1)**	**(24.8)**	**101.7**	**(125.0)**
of which:									
– Non-recurring items	(15.0)	(10.4)	(57.8)	(15.8)	(5.4)	(17.7)	(2.6)	101.7[4]	**(23.1)**
– Impact of goodwill allocation	(26.8)	(15.3)	(0.2)	(10.7)	(8.5)	-	(22.3)	-	**(83.8)**
– Asset impairment	-	-	(17.6)	-	-	(0.4)	-	-	**(18.0)**
Non-recurring net income – non-controlling interests	(25.6)	(10.1)	(7.2)	(9.9)	(1.0)	(0.1)	(0.2)	2.3	**(51.9)**
Non-recurring net income – Group share	**(16.2)**	**(15.6)**	**(68.4)**	**(16.6)**	**(13.0)**	**(18.0)**	**(24.7)**	**99.4**	**(73.1)**
Consolidated net income	**162.1**	**15.3**	**(80.1)**	**31.2**	**(4.6)**	**(10.8)**	**(21.2)**	**23.7**	**115.3**
Consolidated net income – non-controlling interests	101.2	6.4	(7.7)	11.6	2.6	(0.1)	(0.1)	2.3	**116.3**
Consolidated net income – Group share	**60.9**	**8.9**	**(72.5)**	**19.5**	**(7.2)**	**(10.8)**	**(21.1)**	**21.4**	**(0.9)**

(1) Before the impact of goodwill allocation, non-recurring items and management fees.
(2) This €18.4 million corresponds to dividends received from Saint-Gobain.
(3) This item notably includes a negative €8.4 million change in the fair value of financial instruments.
(4) This item notably includes proceeds of €32.7 million from the revaluation of the optional component (sale of a call option) of bonds exchangeable for Saint-Gobain shares and a €17.1 million gain in the fair value of the euro-dollar cross-currency swap component relating to Wendel.

Bank and bond debt as of June 30, 2018

In millions of euros	December 31, 2017		June 30, 2018	
	Nominal amount	Maturity	Nominal amount	Maturity
Syndicated credit	**Undrawn**	Oct. 2022/€750m	**Undrawn**	Oct. 2022/€750m
Wendel bond debt	**2,870**		**2,519**	
	350	April 2018	-	-
	500	July 2019	500	July 2019
	212	September 2019	212	September 2019
	300	April 2020	300	April 2020
	207	January 2021	207	January 2021
	300	April 2023	300	April 2023
	500	October 2024	500	October 2024
	500	February 2027	500	February 2027

Reminder : Adjustments to the NAV calculation method – valuation of unlisted investments since 12/31/2017

Before adjustments	After adjustments
H1: EV is the average of the values calculated for **two periods** (previous year and the budget for the current year) **H2:** EV is the average of the values calculated for **three periods** (previous year, the budget for the current year and next year)	**EV is always the average of the values calculated for two periods** (previous year and the budget or budget update for the current year) For the calculation as of Dec. 31, the two periods used are the year just ended (estimated or actual if available) and the budget for the new year.
No specification for smaller portfolio companies	**For smaller portfolio companies** (average sales <€500m): EV corresponds to the **lesser** of (i) the **value calculated using listed peer multiples** and (ii) the **value calculated using acquisition multiples**
No specification for underperforming portfolio companies	**10% discount** applied to listed peer multiples if current year EBIT/EBITDA down by at least 10% compared to the previous year (if this decrease is not due to FX impact or managerial decision)

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