



WENDEL

LETTER TO SHAREHOLDERS

CSR creates long-term value

July 2019



A tradition
of entrepreneurship
in support
of long-term
investment



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Dear Shareholders,

Your Company's Annual Meeting, which took place on May 16, 2019, was an opportunity to discuss many news items related to Wendel. Firstly, we discussed our financial results. Our net asset value (NAV), the most relevant indicator for an investment company, stood at €166.7 per share as of March 31, 2019, up 13.1% from December 31, 2018, and our consolidated sales also rose 4.1% during the first quarter of the year, to €2,053.3 million.

During the Meeting, we also discussed the situation of our companies, after a mixed first quarter. Bureau Veritas, whose executive committee has been substantially renewed, continued to stand out through the positive momentum of its business. IHS experienced strong organic growth, and Allied Universal continued to successfully integrate USSA while strengthening its range of services. In contrast, market conditions were less positive for Stahl, Constantia Flexibles and Tsebo. Monitoring the operational performance of our companies is a crucial point for Bernard Gautier and me, and for this reason our investment team is collaborating with the executives of these companies to implement the measures necessary to preserve their profitability. In the same vein, we recently created a team of Operating Partners, who seek to accelerate value creation on a broader scale and to adapt the market conditions in which our companies operate.

Finally, at the end of our Annual Meeting, shareholders approved the payment of an ordinary dividend of €2.80 per share. This represents an increase of 5.7% compared with the previous year, in line with the policy we implemented several months ago to return value to shareholders.

I wish you all a very pleasant summer.

André François-Poncet, Chairman of the Executive Board

Key figures

NET ASSET VALUE (NAV)
AS OF MARCH 31, 2019



up 13.1% since December 31, 2018

ORDINARY
DIVIDEND



up 5.7% compared with 2017

€2,053.3^{million}

Q1 2018 CONSOLIDATED SALES

up 4.1%

3.8%

LTV RATIO

as of March 31, 2019

€10,253^{million}

GROSS ASSET VALUE

as of March 31, 2019

1,169,399

SHARES

cancelled on April 25, 2019

Net asset value as of March 31, 2019, at €166.7 per share, up 13.1% since December 31, 2018.

(in millions of euros)			3/31/2019	12/31/2018
Listed equity investments	Number of shares	Share price ⁽¹⁾	3,635	3,268
Bureau Veritas	156.3 m	€21.4 / €18.2	3,350	2,846
Saint-Gobain	8.9 M / 14.2 m	€31.9 / €29.8	285	422
Unlisted investments ⁽²⁾			4,298	3,908
Other assets and liabilities of Wendel and holding companies ⁽³⁾			83	89
Cash and marketable securities ⁽⁴⁾			2,236	2,090
Gross asset value			10,253	9,355
Wendel bond debt and accrued interest			-2,538	-2,532
Net Asset Value			7,715	6,823
Of which net debt			-301	-442
Number of shares			46,281,591	46,280,641
Net Asset Value per share			€166.7	€147.4
Average of 20 most recent Wendel share prices			€112.0	€103.2
Premium (discount) on NAV			-32.8%	-30%

(1) Last 20 trading days average as of December 31, 2018, and March 31, 2019.

(2) Investments in non-publicly traded companies (Cromology, Stahl, IHS, Constantia Flexibles, Allied Universal, PlaYce, Tsebo, indirect investments and debts). As per previous NAV calculation as of December 31, 2018, IHS valuation as of March 31, 2019, was solely performed based on EBITDA which is at this stage the most relevant subtotal. MCC shares owned by Constantia Flexibles are valued at their public offering price of 50\$ per share. Stake in Allied Universal is valued after the CDPQ deal agreement.

(3) Of which 990,833 treasury shares as of March 31, 2019, and 1,013,074 as of December 31, 2018.

(4) Cash position and financial assets of Wendel & holdings. As of March 31, 2019, this comprises €2.0 bn of cash and cash equivalents and €0.3 bn 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.

Multiples and accounting aggregates used to calculate Net Asset Value do not take into account IFRS 16 impacts.

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 303 of the 2018 Registration Document.

To learn more, please read the press release published on May 16, 2019 and available at www.wendelgroup.com

Shareholders' Meeting

Wendel held its Annual Meeting on May 16, 2019. All 23 resolutions put to the vote of Wendel shareholders were approved.

In particular, the shareholders approved the payment of an ordinary cash dividend of €2.80 per share, an increase of 5.7% over the ordinary dividend paid on 2017

earnings. Shareholders also renewed the appointments of Jacqueline Tammenoms Bakker, Gervais Pellissier and Humbert de Wendel.

The ex-dividend date was set at May 21, 2019, and the dividend was paid on May 23, 2019.



2.80 €
PER SHARE

an increase of 5.7% compared to 2017



45,132,192
number of shares comprising the capital



44,021,975
number of shares with voting rights



69.789%

attendance representing 30,722,532 shares and
50,501,549 voting rights of the 882 shareholders who
attended or were represented

Results of the voting

As Wendel is an European company, a majority of shareholders is calculated on the basis of votes cast (for or against). Abstentions are not taken into account and are not assimilated with "no" votes.

No.	Resolutions pertaining to the Ordinary Meeting	Outcome	% " For "	Votes " For "	% " Against "	Votes " Against "	Votes cast
1	Approval of the 2018 parent-company financial statements	Adopted	99.93	50,489,170	0.07	34,999	50,524,169
2	Approval of the 2018 consolidated financial statements	Adopted	99.93	50,489,136	0.07	34,999	50,524,135
3	Net income allocation, dividend approval and payment	Adopted	100	50,533,014	0	0	50,533,014
4	Renewal of the appointment of Jacqueline Tammenoms Bakker as Supervisory Board member	Adopted	96.14	48,476,020	3.86	1,947,078	50,423,098
5	Renewal of the appointment of Gervais Pellissier as Supervisory Board member	Adopted	98.60	49,773,962	1.40	708,079	50,482,041
6	Renewal of the appointment of Humbert de Wendel as Supervisory Board member	Adopted	91.05	45,911,652	8.95	4,512,337	50,423,989
7	Approval of the compensation policy for the Chairman of the Executive Board	Adopted	95.40	47,164,829	4.60	2,275,814	49,440,643
8	Approval of the compensation policy for the member of the Executive Board	Adopted	95.55	47,344,171	4.45	2,203,111	49,547,282
9	Approval of the compensation policy for the members of the Supervisory Board	Adopted	99.57	50,247,352	0.43	214,905	50,462,257
10	Approval of the compensation elements paid or granted to André François-Poncet for the year ended December 31, 2018 in his capacity as Chairman of the Executive Board	Adopted	96.27	47,561,526	3.73	1,844,940	49,406,466
11	Approval of the compensation elements paid or granted to Bernard Gautier for the year ended December 31, 2018 in his capacity as member of the Executive Board	Adopted	97.09	47,996,879	2.91	1,438,101	49,434,980
12	Approval of the compensation elements paid or granted for the year ended December 31, 2018 to François de Wendel as Chairman of the Supervisory Board until May 17, 2018	Adopted	99.64	50,352,185	0.36	181,018	50,533,203

13	Approval of the compensation elements paid or granted for the year ended December 31, 2018 to Nicolas ver Hulst as Chairman of the Supervisory Board starting May 17, 2018	Adopted	99.69	50,301,934	0.31	154,923	50,456,857
14	Renewal of Ernst & Young Audit as Statutory Auditor	Adopted	97.73	49,385,542	2.27	1,148,166	50,533,708
15	Appointment of Deloitte Audit as Statutory Auditor	Adopted	99.66	50,360,502	0.34	173,222	50,533,724
16	Authorization given to the Executive Board to allow the Company to purchase Company shares	Adopted	99.74	50,393,329	0.26	130,078	50,523,407
23	Powers for legal formalities	Adopted	100	50,416,765	0.00	0	50,416,765

No.	Resolutions pertaining to the Extraordinary Meeting	Outcome	% " For "	Votes " For "	% " Against "	Votes " Against "	Votes cast
17	Authorization given to the Executive Board to reduce the share capital by canceling shares within a limit of 10% of the capital per twenty-four month period	Adopted	99.77	50,063,232	0.23	117,672	50,180,904
18	Delegation of power to the Executive Board to increase the share capital, through the issue of shares or securities giving access to the capital, reserved for members of the Group savings plan	Adopted	99.58	49,895,340	0.42	210,453	50,105,793
19	Authorization given to the Executive Board to grant stock options to executive corporate officers and employees, or to certain employees	Adopted	97.17	48,687,703	2.83	1,418,645	50,106,348
20	Authorization granted to the Executive Board to grant performance shares to executive corporate officers and employees, or to certain employees	Adopted	98.73	49,468,262	1.27	638,014	50,106,276
21	Amendment to Article 15, paragraph V, of the by-laws	Adopted	> 99.99	50,077,040	< 0.01	1,236	50,078,276
22	Amendment to Article 24 of the by-laws	Adopted	99.93	50,139,045	0.07	37,616	50,176,661

To learn more, please read the press release published on May 21, 2019 and available at www.wendelgroup.com

Interview with...

Nicolas ver Hulst began his career at the French Department of Telecommunications before joining BNP. Between 1985 and 1995, he held various positions at CGIP. From 1989 to 2017, he held management positions at Alpha Associés Conseil, initially as a member of the Executive Board, then as CEO, and finally as Chairman. Nicolas ver Hulst is member of the Supervisory Board since May 2017 and is Chairman of the Supervisory Board since May 2018.

Nicolas ver Hulst

Chairman of the Supervisory Board



What is your assessment of the 2018 financial year? More specifically, what is your perspective on the development of Bureau Veritas?

NVH. 2018 was an important year for the Group due to all the simplification work done. Wendel sold many assets which did not fully align with the Group's size and ambition. Today, our assets mainly comprise "star" companies which are solid, hold outstanding strategic positions, and are profitable and growing. We are pleased that Bureau Veritas has resumed organic growth. We have full confidence in its prospects: the company is Wendel's flagship and we are proud to be its controlling shareholder, as we have been for 24 years. Bureau Veritas's services meet a simple but crucial need: that of a trusted third party. This need exists across most industries (shipbuilding, infrastructure, consumer goods, commodities, etc.) making Bureau Veritas a highly diversified major global group. In addition, there is another dimension to Bureau Veritas, which is the increasing technical aspect of its services.

What relations have been established with management?

NVH. The key words for the Supervisory Board are clarity and dialogue. The Supervisory Board appoints members of the Executive Board, determines their compensation, reviews the accuracy of Wendel's financial statements by controlling the process of preparing financial information, and participates in defining the company's strategy. What it does not do is manage the company. But it works in full transparency with management, which, I believe, is fundamental. I would like to emphasize that the Supervisory Board and the Executive Board work together closely, and I am grateful to management for their dedication and the quality of our relationship.



CSR creates long-term value

Wendel believes that corporate social responsibility (CSR) drives growth for companies. Through its long-term action, Wendel encourages its companies to implement

CSR practices. At the same time, it defines its own CSR policy, which is adapted to its role of investor and applied by a core team of professionals.



We intensified our CSR initiatives in 2018

CSR picked up speed in 2018, both at Wendel and at our subsidiaries.

Since 2018, CSR objectives have been integrated into the Executive Board's variable compensation. These CSR objectives are also applied to the variable compensation of the members of Wendel's Coordination Committee, which includes Wendel's principal managers from around the world. In addition, the executives of the companies in our Group also have extra-financial objectives to meet with regard to their variable compensation; these are adapted to the specific challenges they face.

As a professional shareholder, Wendel has felt very strongly for many years about two principles with regard to its subsidiaries:

- employee and consumer health and safety;
- integrating ESG (Environment, Social, Governance) criteria in the design of products and services.

We have asked all companies required to report their extra-financial performance* to integrate these two criteria into their analysis of risks and opportunities. Not only are these principles virtuous in and of themselves, they also contribute to creating value and making the companies' economic activity viable over the long term.



Stahl

More than 85% of Stahl's products are water-based.



Constantia Flexibles

100% of its packaging will be recyclable between now and 2025.



Bureau Veritas

Reduce the accident rate by 50% between now and 2020 (down 47% since 2014).

Creating sustainable value

The new extra-financial reporting rules require companies to take a more concrete, and, more importantly, a more effective approach to their corporate social responsibility. Each company must identify and monitor the aspects that are key for its business and specific issues, not only in order to manage related risks but to turn these risks into opportunities. Through this approach, CSR becomes a major strategic driver of the companies' future growth. This is Wendel's vision of sustainable development as a creator of long-term value.

«By reasoning from a long-term perspective, every constraint can be turned into an opportunity.»

Bernard Gautier

Member of the Executive Board

* Fully consolidated companies: Bureau Veritas, Constantia Flexibles, Cromology, Stahl and Tsebo.

Sustainable development and value creation

Can't companies consider that running their business in a sustainable manner might be profitable? Many companies still view CSR regulations as constraints, whereas Wendel is one of those that see them as a growth engine.

Let's take the example of Stahl, the world leader in process chemicals and related services for leather products. Stahl has tripled its sales since it was acquired in 2006; its performance in the Wendel group has been very impressive. Over the years the company has developed both organically and through acquisitions. With the support of Wendel and its long-term vision, Stahl has made a concerted effort to become the preferred, trustworthy, responsible and value-adding partner for prestigious luxury goods and automotive industry customers. To get there, Stahl made innovation and sustainable development central to its strategy, both by investing in cutting-edge technology and by promoting sustainable development in its industry.

100% of our companies have societal commitments...

... For Wendel, this commitment exists through our two long-term partnerships with Centre Pompidou-Metz and Insead.

Since 1996, Wendel has been supporting Insead via the Wendel International Center for Family Enterprise.

Since 2010, Wendel has also been involved in a commitment with the Centre Pompidou-Metz, of which it is the founding sponsor. In 2016, Wendel renewed its partnership for five years.



Some key figures for 2018*



* Fully consolidated companies: Bureau Veritas, Constantia Flexibles, Cromology, Stahl and Tsebo.

ENVIRONMENT

Management

100%

of companies have set up an environmental management system

(in particular through ISO 14001 certification of all or part of their business scope).

Energy transition

80%

of companies have implemented measures to increase the share of renewable energy in their energy consumption.

SOCIAL

Societal

100%

of companies have societal commitments

in order to redistribute the value created by their business.

Health and Safety

100%

of companies have a policy dedicated

to employee health and safety and hold training sessions for this purpose.

GOVERNANCE

Compensation

100%

of Wendel's operating committees

have a portion of their variable compensation dependent on reaching CSR objectives.

Boards

100%

of companies had a Committee

or Board of Directors meeting including CSR topics in 2018.

Risk indicators

100 %

of companies have identified the non-financial risks

related to their business activities and have established indicators for monitoring and reducing them.



• A sound start to the year for Bureau Veritas

On April 25, Bureau Veritas published its first-quarter results. The world's second-largest inspection, certification and compliance company posted sales of €1,175 million, up 6.8% over the previous year, including 5.8% at constant exchange rates.

When results were published, Didier Michaud-Daniel, CEO of Bureau Veritas, said, "During the first quarter of 2019, we continued to make progress in transforming the group, posting organic growth of 4.0%. Five of the group's six activities achieved growth of 4.5% on average. Agri-Food and Commodities performed the best, growing 7.8%. Our cyclical activities recovered gradually, as expected. Industry has started to benefit from increased capex in the Oil & Gas sector. Moreover, we finalized four transactions, in support of our Buildings & Infrastructure and Agri-Food Growth Initiatives. These transactions will bolster our presence in the United States and Asia.

Our outlook for 2019 is confirmed. We are aiming for sound organic growth in sales with continued improvement in the adjusted operating margin at constant exchange rates, and continued high cash flow generation."

To learn more, please read the press release published on April 25, 2019 and available at www.wendelgroup.com



• Cromology: Wendel reinvests €125 million in conjunction with the renegotiation of Cromology's debt

On May 13, 2019, Wendel signed an agreement to renegotiate the financial debt of Cromology, one of Europe's leaders in decorative paints, successfully capping a process initiated in Q4 2018. Wendel will reinvest €125 million in equity alongside the new management team.

The new equity contributed by Wendel will strengthen Cromology's financial structure, in particular by lightning its debt burden through the early repayment of €75 million in senior debt. The new equity will also enable the company to implement its transformation plan and finance its investments.

To learn more, please read the press release published on May 13, 2019 and available at www.wendelgroup.com

• Two new exhibitions at the Centre Pompidou-Metz

Take advantage of the summer to see two exhibitions that have been added to the schedule at the Centre Pompidou-Metz. *Rebecca Horn. Theater of Metamorphoses* and *Opera as the World. The quest for a total work of art*.

Rebecca Horn. Theater of Metamorphoses

With *Theater of Metamorphoses*, the Centre Pompidou-Metz presents an exhibition that highlights the rich range of forms of expression used by Rebecca Horn. Considered one of the most extraordinary artists of her generation, Rebecca Horn made the body the preferred material in her work. The exhibition explores the process of metamorphosis, from animist, surrealist and mechanistic perspectives, placing special emphasis on the role of film as a matrix within the German artist's work, turning her sculptures into a theatrical production.

At the same time, the Tinguely Museum in Basel presents *Body Fantasies*. This exhibition highlights the transformation process, from the augmented bodies to the moving machines that have characterized Rebecca Horn's work.



Rebecca Horn, *Die sanfte Gefangene*
[the Feathered Prison Fan], 1978
Still from the film *Der Eintänzer*
Rebecca Horn Collection
© Adagp, Paris, 2019 © All rights reserved



Opera as the World. The quest for a total work of art

Timed to coincide with the celebration of the 350th anniversary of the Opéra National de Paris, *Opera as the World* witnesses the encounter between the visual arts and opera since the beginning of the 20th century. The exhibition proposes a journey into the world of opera through set designs, costumes and scenographic elements. A total art form invoking all senses, opera has also been a forum for expressing social and political demands. *Opera as the World* attempts to evoke the sensory power and enchantment of opera, to disturb and to dazzle, and shows how opera is ultimately a symbol of freedom, of a shared vision of a new utopia.

For more information, please visit the website of the Centre Pompidou-Metz:
www.centrepompidou-metz.fr/en/welcome

Die Zauberflöte (The Magic Flute), staging, sets and costumes by William Kentridge, Royal Theater of the Mint, Brussels, 2005, with Sumi Jo as the Queen of the Night.

Photo Johan Jacobs

Courtesy of the photographer and the Mint, Brussels

© Johan Jacobs / Royal Theater of the Mint, Brussels

© William Kentridge, courtesy of the Marian Goodman Gallery

• New Family Enterprise Day

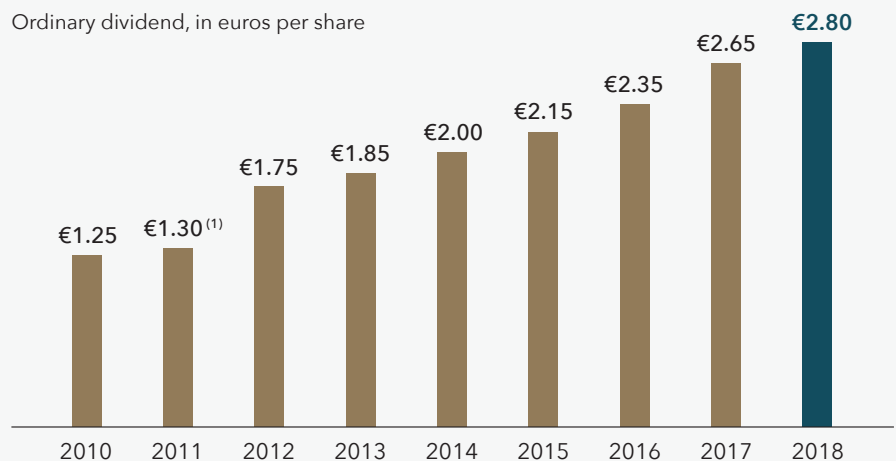
The Wendel International Center for Family Enterprise held a Family Enterprise Day on June 15th with the following theme: «The Henokiens: leadership through wars and revolutions, upheavals and transformation!»

This event was a big success. More than 70 participants had the opportunity to exchange ideas with the experts and scholars who led the discussions.

For more information, please visit the Center's website:
www.insead.edu



DIVIDEND INCREASES EVERY YEAR



(1) The 2011 ordinary dividend included an exceptional distribution of 1 Legrand share for every 50 Wendel shares held.

AGENDA

07/30/2019

Q2 2019 results

Publication of NAV as of June 30, 2019, and Q2 trading update (post-market release)

09/06/2019

2019 Half-Year consolidated financial statements

Condensed Half-Year consolidated financial statements (pre-market release)

11/07/2019

2019 Investor Day

Publication of NAV as of September 30, 2019, and Q3 2019 trading update (pre-market release)



THE SHAREHOLDER'S voice

Consulting and managing your portfolio of shares held in «pure» registered form

As a holder of Wendel shares in «pure» registered form, you benefit from specific services: a website for managing your portfolio and telephone assistance. It is easier for you to access information and to submit your orders.

Société Générale – Securities Services offers the following methods for viewing and managing your shares held in «pure» registered form:

- a voice server: **NOMILIA**, accessible by dialing the following number:
+33 (0)2 51 85 53 42
- a website: **SHARINBOX**, accessible at sharinbox.societegenerale.com

NOMILIA

A voice server for consulting your portfolio by telephone, accessible 24/7 in six languages.

Using this server, you can:

- contact an operator Monday to Friday from 8:30 AM to 6 PM (French time) to obtain information ;
- obtain the balance and the most recent transactions on your securities account ;
- submit your orders, in French or in English.

SHARINBOX

With SHARINBOX, available in six languages, you can do the following at any time:

- consult your securities account to see your recent transactions and balance ;
- download information about managing your account ;
- submit orders and track their execution ;
- consult the type of voting rights (single or double) that are attached to your shares and any changes to these voting rights.

If you would like further information, you can download the «Shareholder's Guide» brochure from the Individual Shareholders section of Wendel's website, individual shareholders.



CONTACT US


Tel: +33 (0)1 42 85 30 00
Fax: +33 (0)1 42 80 68 67
N° vert: 0 800 89 70 67
Tel (from abroad): 00 33 1 42 85 63 95
communication@wendelgroup.com

Individual shareholders

Wendel - Relations actionnaires individuels
89 rue Taitbout - 75312 Paris Cedex 09

www.wendelgroup.com

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 @WendelGroup

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