S&P Global Ratings

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Wendel

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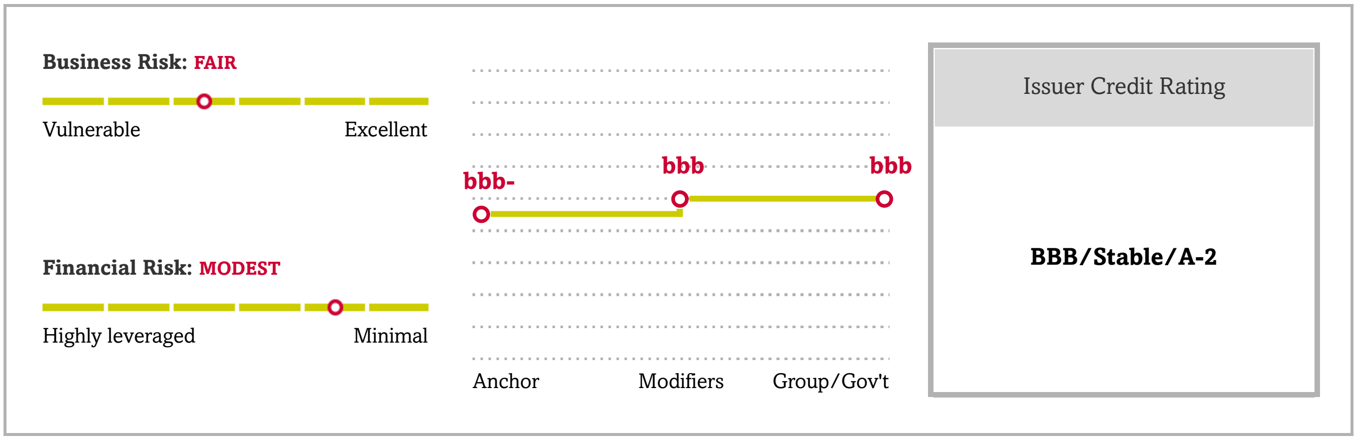


Credit Highlights

Overview

Key strengths	Key risks
Adjusted portfolio of about €7.3 billion (net of cash, including €17 million investment commitments, €44 million in put options and earnout clauses, and €39 million in treasury shares, after an analytical adjustment on unlisted assets of about €250 million), with rebalanced geographic exposure in favor of developed economies as well as a fairly diverse industry mix thanks to Wendel's management active portfolio rotation over 2018-2020.	Wendel's portfolio is concentrated. Bureau Veritas (BV) retains a pivotal role for the portfolio composition and our 'BBB' issuer credit rating on Wendel. BV is for the moment the only listed asset; it represents about 50% of the portfolio value, sustains the portfolio's average creditworthiness, and allows for a degree of stable dividend stream.
Arms-length relations with its investee subsidiaries and an ample cash balance of about €1.2 billion support Wendel's strategy of developing a growth portfolio with sound ESG foundations.	Wendel's unlisted assets weigh on the group's average credit quality, which sits in the 'bb' category, with COVID-19 further hampering growth ambitions for some of its recently acquired assets, notably the Crisis Prevention Institute (CPI).
Some of its unlisted assets could soon be ready for IPO or sale, thereby unlocking value and returns and consolidating Wendel's positive track record of double-digit returns on its investments.	Alternative investment platform, Wendel Lab, needs potentially higher investment before generating tangible returns--to the potential detriment of leverage.
Ample financial flexibility with S&P Global Ratings-adjusted loan-to-value ratio currently estimated at about 7%, against our LTV ceiling of 20%.	Low cash dividends from its investee assets, reflecting Wendel's growth portfolio and the holding's decision to leave its unlisted assets with sufficient resources for organic growth, exacerbated in 2020 by BV's dividend cancellation.
No debt maturities until April 2023 when €300 million euro notes will come due, and a sound liquidity profile supported by a €750 million revolving credit facility (RCF) undrawn coming due in 2024.	

Wendel's recently updated strategy will favor new investments with sustainable growth opportunities, presenting strong ESG elements, with a balanced approach toward listed and private assets. Wendel has rebalanced its portfolio over the past three years: in 2018-2020 this led it to successful exits from non-critical assets such as NOP, Saham, CSP Technologies and, more notably, Allied Universal (full disposal; sale proceeds $918 million compared to $378 million initial investment) and of necessity from Tsebo with a transfer of shares to the company's lenders. Wendel's management is now willing to redeploy capital in new ventures with high growth potential. We expect Wendel to maintain a balanced approach toward listed and private assets and to favor investments in developed economies, in contrast to the holding's previous focus on emerging markets.

Given that Wendel's portfolio is more exposed to unlisted assets, if we exclude BV representing about 50% of the portfolio we do not expect material investments in large listed and yielding assets. Rather, we think Wendel will continue its strategy of unlocking the majority of value from exit strategies or IPOs, thereby maximizing returns on its long-term investments.

We also expect Wendel will remain an engaged shareholder, occasionally sustaining its unlisted portfolio with new capital injections. Previously it injected $125 million into Cromology and also gave Tsebo a $17.7 million equity injection in 2019. We do not foresee the need for such equity injections in the coming year.

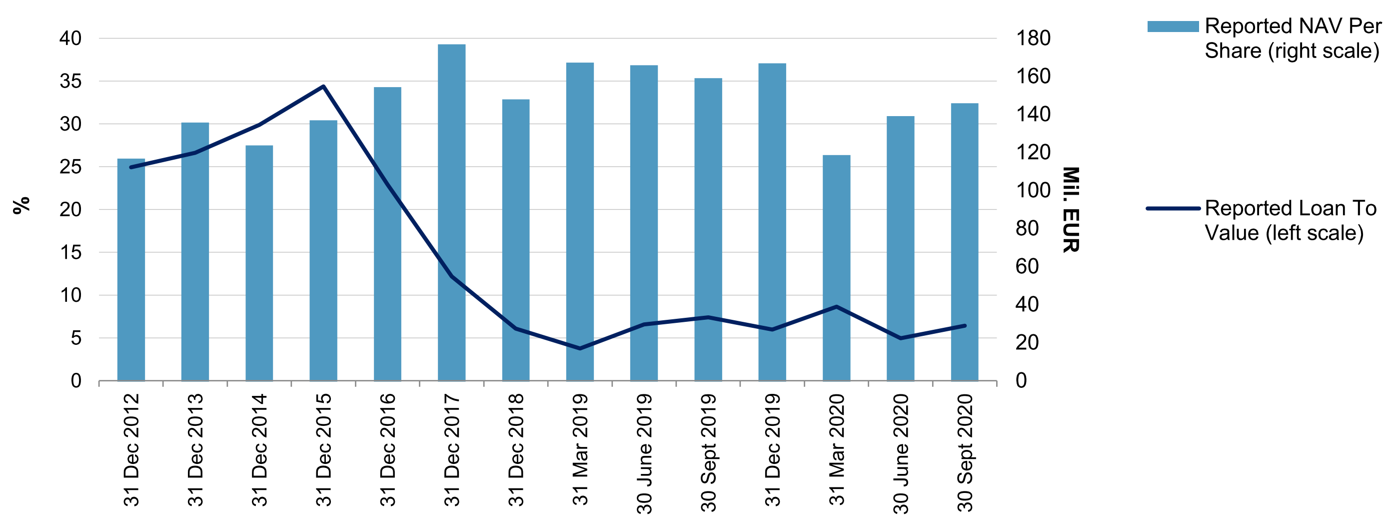
Wendel's updated investment strategy has a sharper focus on companies with strong ESG foundations. To achieve this target, we understand that Wendel has changed its internal processes. For new investment opportunities, management is now systematically running corporate social responsibility (CSR) due diligence.

Wendel aims to develop Wendel Lab, its alternative investment platform engaged in investing directly or in funds of funds that could offer good returns in the future and leverage on these new assets to serve the rest of the portfolio. Management expects Wendel Lab to represent about 4%-5% of its reported NAV in the coming years. As of the end of June 2020, investment commitments to this investment platform, which we see as akin to debt for Wendel, reached €17 million.

Wendel has ample financial flexibility, with an estimated adjusted LTV of 7% currently, allowing for new investments when opportunities arise. We expect Wendel to maintain tight control over its LTV. Unlike other investment holding companies such as Exor, Investor AB, or more recently JAB, Wendel does not have an outspoken leverage tolerance. We also believe that the holding has shown a sufficient track record of maintaining low leverage over the last four years. We anticipate its leverage will not change much in the absence of large acquisitions. Therefore, Wendel has ample financial flexibility under our 20% LTV ceiling. It could easily accommodate slightly more than €1.1 billion of new acquisitions without breaching our leverage limit for the 'BBB' rating, all else being equal.

Chart 1

Wendel's Historical LTV And NAV Per Share Evolution



NAV--Net asset value. Source: S&P Global Ratings.

The sound cash position of about €1.2 billion provides ample room for maneuver to pay dividends and undertake some share buybacks, notwithstanding low dividend prospects. Wendel does not typically rely primarily on cash dividends upstreamed from its investee assets to fund holding operating costs and interest payments. We regard Wendel's business model as closer to that of a private equity firm for which annual dividend extraction from assets is not an absolute priority. Wendel prefers to sustain companies' growth potential rather than receive dividends aiming for higher exit returns.

BV is currently the only asset in Wendel's portfolio with dividend potential. Over 2019 Wendel opted to receive a scrip dividend from BV, then in 2020 the company cancelled its dividend to preserve its cash amid the pandemic. As a result, Wendel's cash dividend income over the last couple of years has been zero. Wendel's structural low-cash-dividend prospects are offset by the high cash balances it retains. Cash now covers Wendel's operating costs and interest expenses for about 10x. This year we expect BV will resume its dividend distribution and not materially depart from €0.56 per share (as declared in 2019 and 2018). This means Wendel could receive about €80 million-€100 million cash income. We therefore expect cash flow adequacy ratio could reach about 0.7x-0.9x in 2021.

During the pandemic, Wendel's investee assets' performance has been mixed, with CPI taking a big hit. Over the first nine months of 2020, several of Wendel's assets--BV, IHS Towers, and Constantia Flexibles--were relatively resilient to the pandemic. In early 2020, IHS Towers also announced its intention to explore a potential IPO in the U.S., which could have an interesting positive effect on Wendel's portfolio value. Social distancing measures and government-imposed lockdowns had a more negative impact on Cromology, Stahl, and CPI's toplines. Nevertheless, Stahl has been able to keep its EBITDA margin above 20% and Cromology has improved its profitability, both in absolute and relative value terms. Of all the companies in the portfolio, CPI, acquired in 2019 for $569 million, has been the most affected because it cannot hold in-person on-site training sessions. We therefore anticipate a material decline in CPI's evaluation, which will likely slightly weigh on the holding's LTV. According to Wendel, all its companies were cash generative in 2020, despite the crisis.

Outlook: Stable

The stable outlook on France-based investment holding company Wendel reflects our view that it will maintain defensive leverage over the next 12-24 months, showing ample headroom against our 20% LTV threshold.

Downside scenario

We could consider a negative rating action if the LTV ratio increased above 20% over a prolonged period without Wendel taking steps toward a rapid recovery. We could also lower the ratings over the medium term if Wendel's cash flow adequacy remained below 0.7x and its cash position diminished such that the holding operating deficit was not abundantly compensated by cash held.

Upside scenario

Given the nature of Wendel's investment portfolio and business model, we regard a potential positive rating action as unlikely over the next 24 months. However, we would consider upgrading Wendel if its portfolio value and diversity increases in favor of listed assets such that the share of liquid assets as a portion of the total portfolio value is well above 60%, all else being equal.

Our Base-Case Scenario

Assumptions

- A prudent investment policy and proactive management should help maintain the LTV ratio well below 20% over the coming two years.
- Dividend income of €80 million-€100 million in 2021, solely derived from BV after no cash dividends received in 2019 and 2020.
- Operating costs, which we expect will decrease to about €60 million-€70 million per year as a result of the holding's decision to rationalize its office global footprint.
- Interest expense of €50 million-€60 million in 2020-2021, versus €64 million in 2019.
- Dividend payments of €130 million-€140 million to Wendel's shareholders, not materially different from the €2.9 per share on 2019 profits paid in July 2020.
- Under our base case we do not include any material share buyback. We believe, however, that if Wendel were to undertake such a program in 2021 it would be about €50 million, as has happened previously.

Key metrics

Wendel--Key Metrics*

	--Fiscal year ended Dec. 31--			
	2018a	**2019a**	**2020e**	**2021f**
LTV* (%)	6.6	6.7	About 10%	About 10%
Cash flow Adeqaucy (x)	0.8	0.0	0.0	0.7-0.9

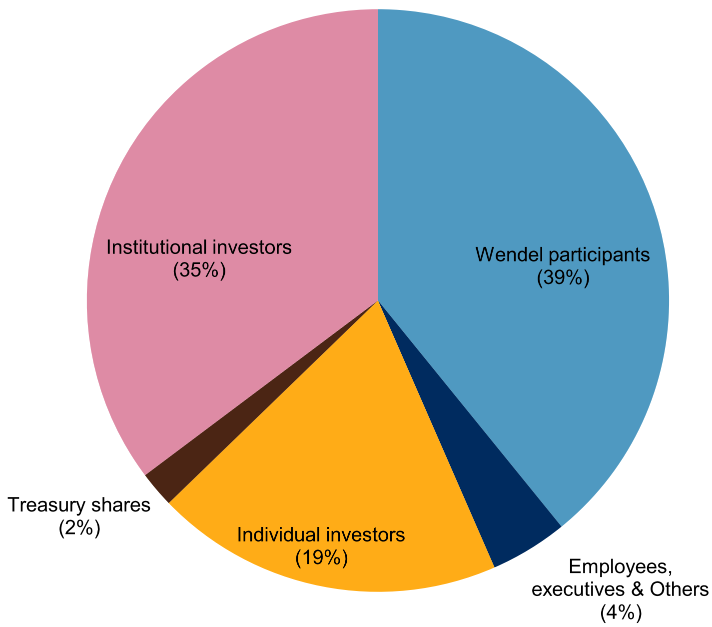
*Fully S&P Global Ratings-adjusted. LTV--Loan to value. a--Actual. e--Estimate f--Forecast.

Company Description

Wendel is a France-based, publicly-listed investment holding company, tracing its history back to the eighteenth century steel industry in eastern France. Wendel-Participations SE, a family vehicle representing the individual interests of more than 1,100 Wendel family members, holds the largest stake in the company, 39.1% (52.2% voting rights) as of Dec. 31, 2019. The family is represented by six members sitting on the supervisory board.

Chart 2

Wendel's Shareholding Composition As Of Dec. 31, 2019



Source: S&P Global Ratings.

We currently estimate that Wendel's adjusted investment portfolio is about €7.3 billion (net of cash, including €17 million investment commitments, €44 million in put options and earnout clauses, and €39 million in treasury shares, after an analytical adjustment on unlisted assets of about €250 million) composed as follows:

- A 35.6% equity stake in listed testing, inspection, and certification business BV (not rated) which represents about 50% of Wendel's adjusted portfolio value net of cash. BV's topline over the first nine months of 2020 amounted to €3,349 million, down by 10.6% on the same period a year ago. As of the end of January, BV's market capitalization was €9.8 billion.

The remaining half of Wendel's adjusted portfolio value consists of the following unlisted companies, whose portfolio value is not publicly disclosed.

- A 21.3% equity stake in IHS Towers (not rated; we rate one of its subsidiaries IHS Netherlands HoldCo B.V. B-/Stable/--). IHS Towers is an Africa-based provider of telecom tower infrastructure for mobile operators. It has proved resilient to the pandemic given the critical nature of its business. As a result, its topline grew to $1,032.4 million in the first nine months of 2020, up 13% from the same period a year ago. Earlier this year, IHS Towers expanded and amended its tower lease agreement with MTN Nigeria, the most important contractor in the region, which will support sales and operating profits.

- A 67.5% equity stake in Stahl, a market leader in leather chemicals and performance coatings. Stahl's topline shrank to €474.6 million in the first nine months of 2020, down 22.4% year on year. Notwithstanding the material decrease in sales, Stahl is well adjusted to the context and managed to preserve its margins, and we understand that the company managed to remain cash flow positive. Recently, Stahl was able to successfully amend and extend its senior debt to 2023 and obtain a covenant relaxation for the next few quarters to September 2021. As of Sept. 30, 2020, Stahl's net debt to EBITDA ratio was 2.0x as per credit documentation, unchanged from year-end 2019.
- A 60.8% equity stake in Constantia Flexible, the world's third-largest flexible packaging and labels supplier following the merger of Amcor & Bemis. Total sales were €1,143 million in the first nine months of 2020, same as 2019. Sales were supported by good pharma demand more than compensating the weaker consumer end-market in the second quarter. Following the arrival of Pim Vervaat as CEO in 2020, management is preparing a new strategy called Vision 2025.
- A 96.0% equity stake in CPI, the leading provider of behavior management and crisis prevention training in the U.S. CPI's top line dropped by 30.2% for the first nine months of 2020 to $45.3 million. To ease the negative pressure on earnings and cash flows, management had to switch quickly from in-person on-site training to a web-based business model. The company is still struggling with cash flow; during third-quarter 2020, CPI had to request and did obtain a covenant waiver from its lenders until the end of second-quarter 2021, in exchange for a minimum liquidity covenant set at $7.5 million. Liquidity at the end of October at the company level was $22 million.
- A 95.9% equity interest in Cromology. Cromology is a leading decorative paint provider in Europe. During the first nine months of 2020, sales totaled €471 million, down 9.5% on the same period in 2019. Cromology entered the pandemic with rationalization plans so, notwithstanding the challenging environment, its free operating cash flow was positive over the first nine months of the year, as the company delivered stronger than its 2019 operational performance, despite the topline decrease.

The remaining adjusted portfolio is represented by treasury shares; Wendel Lab; investment commitments of €17 million; and adjustments for put options of about €44 million.

Peer Comparison

Table 1

Wendel--Peer Comparison, Figures Adjusted As Per S&P Global Ratings' Criteria

	Wendel	EXOR N.V.	JAB Holding Co. S.a r.l.	Groupe Bruxelles Lambert SA	Industrivarden AB	BevCo Lux Sarl
Rating as of Jan 19, 2020	BBB/Stable/A-2	BBB+/Stable/A-2	BBB+/Stable/--	A+/Stable/--	A+/Stable/A-1	BBB/Stable/--
Business profile	Fair	Satisfactory	Satisfactory	Strong	Strong	Fair

Table 1

Wendel--Peer Comparison, Figures Adjusted As Per S&P Global Ratings' Criteria (cont.)

Portfolio data as of	Debt as of Sept. 30, 2020 with updated market values for listed assets	2020 Pro-forma new €500 million issuance and extraordinary dividend from FCA received Jan. 2021	Debt as of June 30, 2020, pro-forma contracted cash-out for 2H 2020.	Debt as of Sept. 30, 2020 - updated for current listed market values and €500 million bond issuance	Jun. 30, 2020	Jun. 30, 2020
Portfolio size (adjusted; mil. $)	8,616.0	26,651.0	26,273.0	27,397.0	12,302.0	6,233.0
Weight of listed assets (%)	50.0	65.0	82.0	77.4	99.6	75.0
Largest asset (% of portfolio)	50.0	32.0	52.1	17.0	25.0	70.0
Three largest assets (% of potfolio)	80.0	81.0	82.0	45.7	63.0	96.0
Three largest assets	Bureau Veritas, IHS Towers, Stahl	Ferrari, PartnerRE, Stellantis	Keurig Dr Pepper, JACOBS DOUWE EGBERTS International B.V, Pret Panera	Adidas, SGS, Pernod Ricard	Sandvik, Essity, AB Volvo	ABInBev (BevCo Lux), Acorn Holding BV JDE Keurig (BevCo Lux), Immobiliaria Colonial
Cash flow leverage	Modest	Modest	Modest	Modest	Minimal	Modest
Loan to value (%)	6.9	10.8	27.6	13.8	4.5	16.8
Loan to value ceiling (%)	20.0	20.0	25.0	20.0	10.0	20.0

Wendel is one of the most influential holding companies we rate in Europe, Middle East, and Africa.

Its total S&P Global Ratings-adjusted portfolio value of €7.3 billion is comparable to that of BevCo (BBB/Stable/--; SACP 'bbb-') or Industrivärden AB (A+/Stable/A-1), while JAB, Exor, and GBL manage equities of $25 billion-$27 billion.

Similarly to JAB or BevCo, Wendel is relatively concentrated in one single asset, BV, representing about 50% of our adjusted portfolio value after an analytical haircut of about €250 million on the value of its unlisted assets, as disclosed as of Sept. 30, 2020. JAB's exposure to KDP is similar, while BevCo's reliance on ABI is much higher at about 70%. Both BevCo and JAB's portfolios are composed of a higher share of listed assets compared to Wendel.

We regard Wendel's business model as similar to JAB's, reflecting its active portfolio management and strategic mandate to invest in new ventures, maximizing returns over time through exit strategies or IPOs. Annual dividend inflows are a secondary priority with the exception of BV. JAB relies on a more mature, less cyclical, and overall less credit-quality-risky portfolio.

We regard Wendel's pipeline of investee assets that could be IPO-ready in the intermediate term--such as IHS--as evidence of its ability to unlock value and relative strength. We also consider Wendel to be one of the more financially flexible holdings compared to some peers. All these elements are differentiating factors and supportive elements for the 'BBB' rating.

Business Risk: Fair

Wendel has a demonstrated ability to sell down unlisted assets, in varying market conditions. Most unlisted asset disposals over the last two years closed with a double-digit internal rate of return. These included Nippon Oil Pump, CSP Technologies, and Allied Universal. These exemplify Wendel's proven capacity to sell down unlisted assets in the face of sometimes challenging market circumstances.

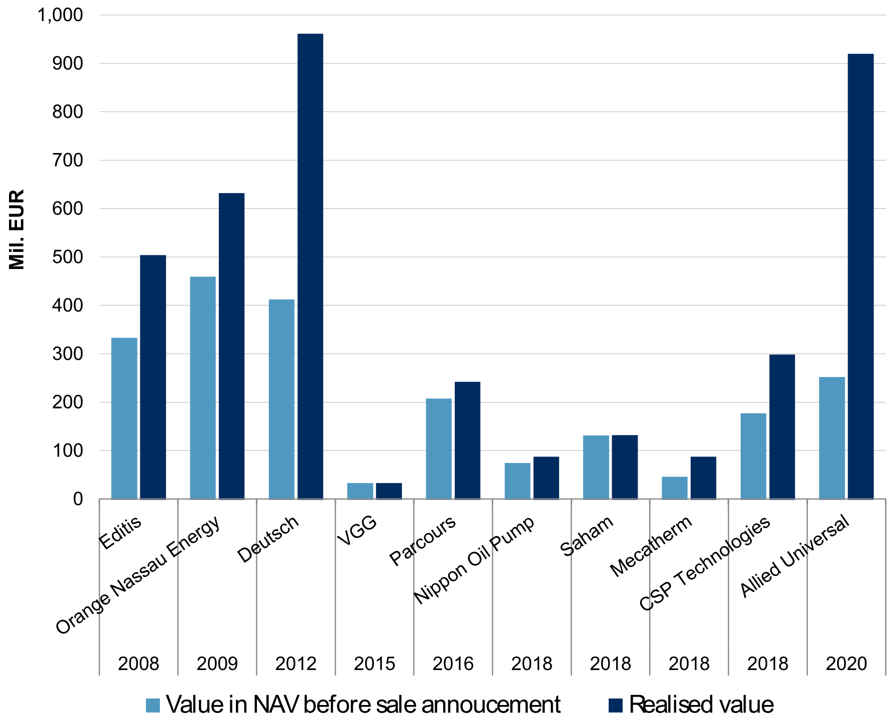
We estimate that in 2018 the holding divested about €600 million against a NAV before the divestment of €420 million, reaching an average of 1.4x value increase. In 2020, Wendel disposed Allied Universal for $918 million against an initial investment of $378 million.

Occasionally some investments have closed with a loss, or the operating environment has become more challenging. In 2020, Wendel lost its equity investment in Tsebo. Wendel had initially acquired 65% of Tsebo's share capital for €159 million in 2017.

More recently, CPI has faced high operational challenges from COVID-19. We therefore think the asset value could materially diminish from the acquisition price of $569 million in late 2019.

Chart 3

Wendel Track Record Of Asset Sales



NAV--Net asset value. Source: S&P Global Ratings.

Weak asset credit quality at the investee companies reflects the speculative grade nature of unlisted assets based on S&P Global Ratings' views on the overall private equity assets. Wendel's average creditworthiness is in the 'bb' category. The portfolio's asset quality receives support from BV, which we view as investment grade. This is, however, offset by less its unlisted assets that we would score as highly speculative.

The low creditworthiness of Wendel's unlisted assets is part of Wendel's DNA and reflects the private equity nature of a material part of its portfolio.

Renewed investment discipline and business diversity could offer more resilience in the future. We expect Wendel to invest in companies with limited business-cycle exposure, robust cash generation, and a low correlation with other assets. We believe this should help better manage future disruptions. Additionally, we regard Wendel's recently improved business diversity as a source of relative stability for the portfolio. Wendel has invested in business services (BV; about 50% of portfolio value), Telecoms (IHS Towers), Chemicals (Cromology and Stahl), packaging (Constantia Flexibles).

Toward the end of 2020, Wendel's Supervisory Board decided to reappoint André François-Poncet as Wendel's CEO, and David Darmon as deputy CEO for four years up to April 6, 2025. The previous mandate was aimed at refocusing the portfolio and the organization, as well as deploying a consistent ESG strategy. This new mandate aims at deploying resources into new assets and seeks to further improve the growth profile of Wendel's portfolio.

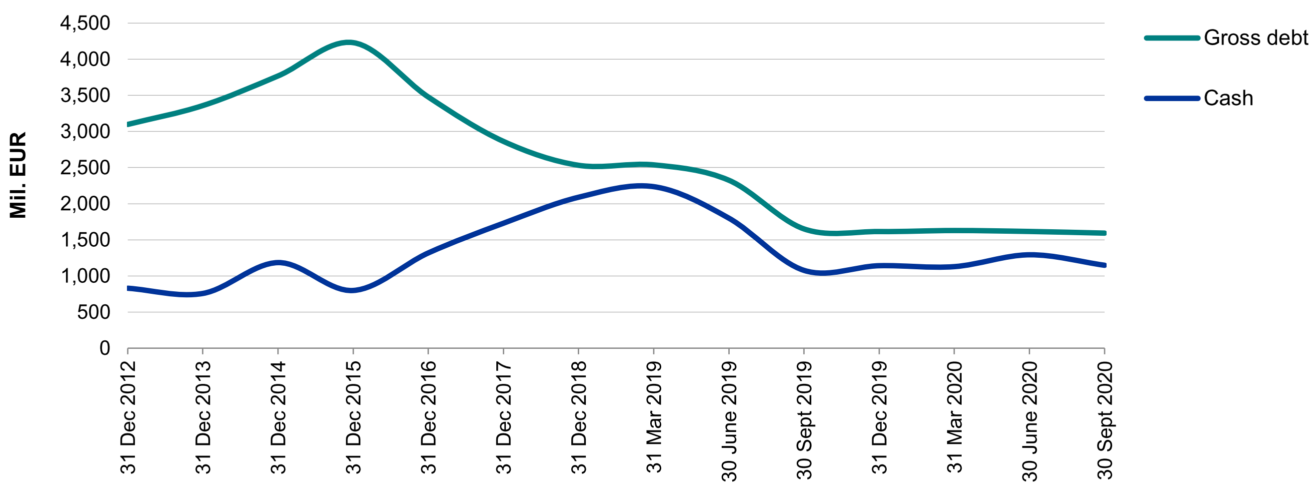
Financial Risk: Modest

Tight control over leverage and ample cash balances. Our assessment of Wendel's financial risk profile reflects management's fairly conservative stance on leverage at both the holding level and for its investee companies. Compared to a few years ago, its investment policy guidance now emphasises the arms-length nature of its operations vis-à-vis all subsidiaries. It also has a more cautious approach to new investments when it comes to market exposure and cash flow stability.

Over the last decade or so we have seen Wendel's gross debt decrease quite steeply while its cash has remained on average in excess of €1.3 billion (average 2012-2019).

Chart 4

Wendel's Historical Reported Gross Debt And Cash Position Evolution



Source: S&P Global Ratings.

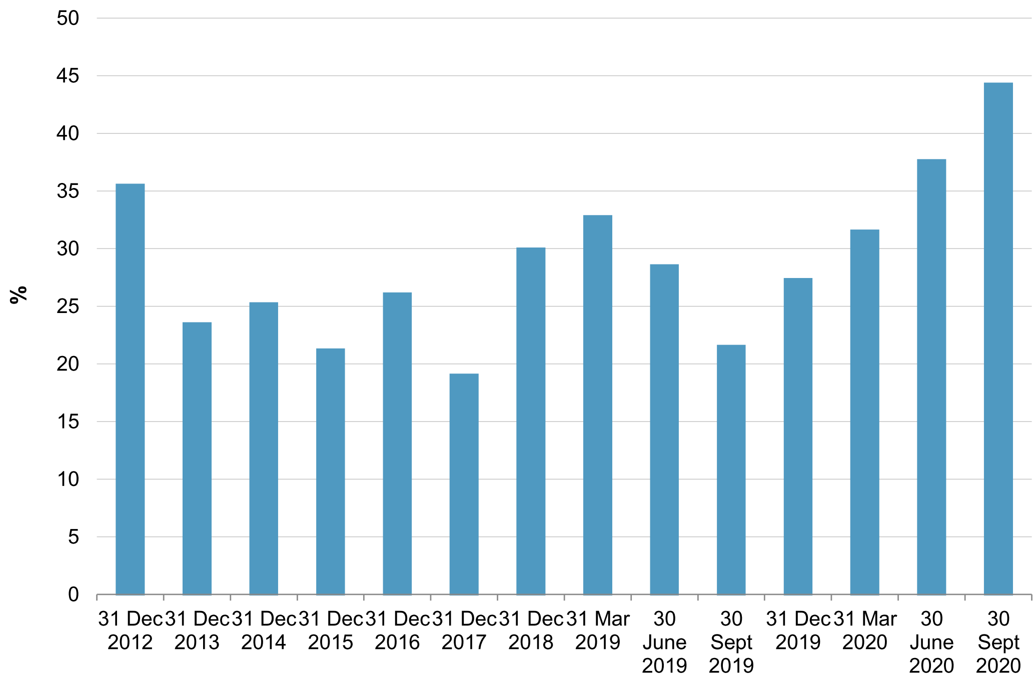
Shareholder remuneration and occasional share buybacks could drain resources for new investments. Over the last 10 years, Wendel has returned €1.8 billion to its shareholders of which about €970 million through ordinary dividends and the remainder through share buybacks.

Dividends increased to €2.8 per share in 2018 and 2019 from €1.75 declared in 2012, more than double the value in less than a decade. In 2020 cash out for dividends over 2019 results reached about €125 million, from €86 million in 2013. We believe that Wendel's shareholder remuneration will continue to grow steadily. This reflects Wendel's dividend policy to offer its investors an increasing dividend.

We could see Wendel initiating the occasional share buyback program to reduce the gap between its share price and its NAV, which was at a record 44.4% discount as of Sept. 30, 2020. We note, however, that the average discount since 2000 is about 25%.

Chart 5

Wendel's Historical NAV Discount



Source: S&P Global Ratings.

Financial summary

Table 2

Wendel--Financial Summary

	S&P Global Ratings-Adjusted Portfolio Value As Of							
	31-Dec-16	**31-Dec-17**	**31-Dec-18**	**31-Dec-19**	**31-Mar-20**	**30-Jun-20**	**30-Sep-20**	**Debt as of Sept. 30, 2020 after analytical haircut on potrfolio value of unlisted assets and BV share price as of Jan. 27, 2021**
Reported portfolio value net of cash in EUR million	9,406	9,291	7,265	7,902	5,780	6,514	6,939	7,546
Reported net debt	1,319	1,730	442	473	500	323	445	445
Portfolio as adjusted*	9,406	9,291	7,306	7,963	5,841	6,575	7,000	7,302
Net debt as adjusted*	2,158	1,133	483	534	561	384	506	506

Table 2

Wendel--Financial Summary (cont.)

	S&P Global Ratings-Adjusted Portfolio Value As Of							
	31-Dec-16	31-Dec-17	31-Dec-18	31-Dec-19	31-Mar-20	30-Jun-20	30-Sep-20	Debt as of Sept. 30, 2020 after analytical haircut on potrfolio value of unlisted assets and BV share price as of Jan. 27, 2021
Loan to value as adjusted (%)	22.9%	12.2%	6.6%	6.7%	9.6%	5.8%	7.2%	6.9%
Dividend cash income	182.0	369.0	138.0	0				
Operating charges and tax expenses	51.0	71.0	56.0	81.8				
Interest expenses	136.0	109.0	185.0	64.0				
Cash flow cover (x)	2.0	1.0	0.6	0.0				
Dividend paid	99.0	107.0	121.0	123.7				
Share buybacks	50.0	49.0	61.0	197.2				

*adjs include data as of Sept. 2020 - investment commitments of €17 million and €44 million earn-out redemption clauses to be paid in cash

Liquidity: Strong

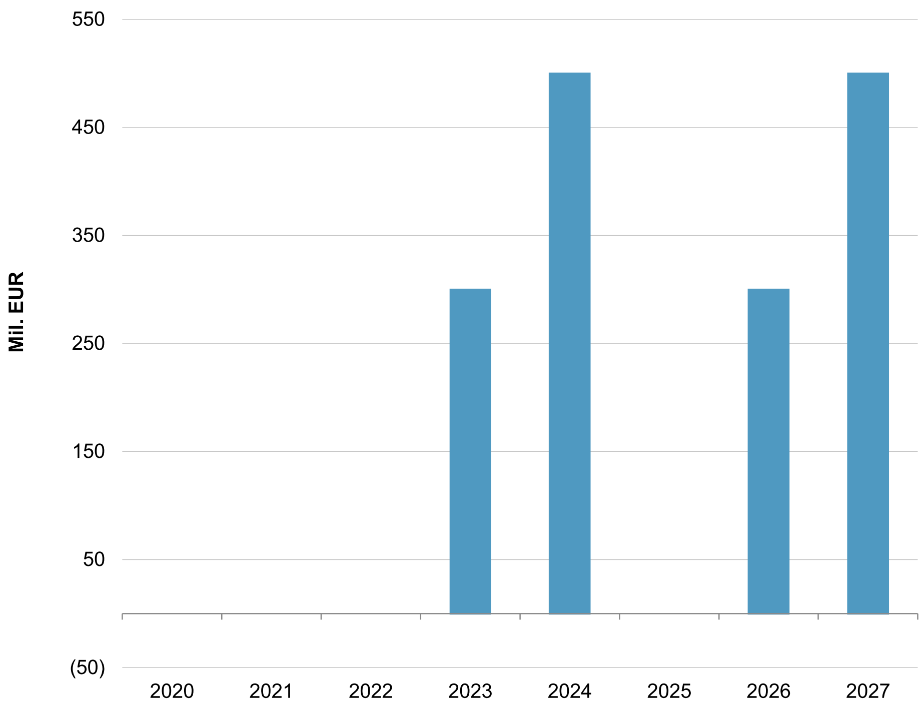
Our assessment of Wendel's liquidity as strong reflects our expectation that its sources of liquidity will likely exceed liquidity uses by more than 6.3x in the next 12 months and about 6.9x over the following 24 months. Despite limited dividend inflows from investee companies, Wendel's generally good access to the bond market, solid relations with banking counterparties, and comfortable headroom under covenants supports our assessment. We believe Wendel could use its available cash for new investments or for minor share buybacks currently not included in our liquidity analysis. This is why we limit our assessment of Wendel's liquidity to strong.

Principal liquidity sources	Principal liquidity uses
• Net cash and cash equivalents of €1.1 billion; • Full availability under the €750 million RCF expiring in October 2024; and • Dividend income of about €47.1 million under our assumption of 30% decrease over the following 12 months increasing to €63 million over the following 24 months.	• No debt maturities till April 2023, when €300 million euro notes are coming due; • Operating expenses of about €60 million per year; • Interest expenses of approximately €50 million per year; • Dividends of €130 million-€140 million per year; and • About €60 million cash out for committed investments and for co-investment liquidation.

Debt maturities

Chart 6

Wendel's Maturity Profile As Of June 30, 2020



Source: S&P Global Ratings.

Covenant Analysis

Compliance expectations

As the line is undrawn, there is no obligation for covenant headroom reporting but headroom would be comfortable.

Requirements

Wendel's €750 million RCF bears two LTV covenants, tested semiannually but only if the line is drawn down.

Issue Ratings - Subordination Risk Analysis

Capital structure

Wendel's capital structure consists of about €1.6 billion of senior unsecured debt issued at the holding company level. Wendel's RCF is also unsecured. We assess Wendel's financial risk profile as modest.

Analytical conclusions

The issue rating on Wendel's senior unsecured notes is 'BBB', the same as the issuer credit rating, because there are no significant elements of subordination risk present in Wendel's capital structure.

Ratings Score Snapshot

Issuer Credit Rating

BBB/Stable/A-2

Business risk: Fair

- **Country risk:** Low
- **Industry risk:** Intermediate
- **Competitive position:** Fair

Financial risk: Modest

- **Cash flow/leverage:** Modest

Anchor: bbb-

Modifiers

- **Liquidity:** Strong (no impact)
- **Management and governance:** Satisfactory (no impact)
- **Comparable rating analysis:** Positive (+1 notch)

Stand-alone credit profile : bbb

Related Criteria

- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, April 1, 2019
- Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings, March 28, 2018
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Criteria | Corporates | Industrials: Methodology: Investment Holding Companies, Dec. 1, 2015
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- Criteria | Corporates | General: Corporate Methodology, Nov. 19, 2013
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities, Nov. 13, 2012

- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Business And Financial Risk Matrix

	Financial Risk Profile					
Business Risk Profile	Minimal	**Modest**	Intermediate	Significant	Aggressive	Highly leveraged
Excellent	aaa/aa+	aa	a+/a	a-	bbb	bbb-/bb+
Strong	aa/aa-	a+/a	a-/bbb+	bbb	bb+	bb
Satisfactory	a/a-	bbb+	bbb/bbb-	bbb-/bb+	bb	b+
Fair	bbb/bbb-	**bbb-**	bb+	bb	bb-	b
Weak	bb+	bb+	bb	bb-	b+	b/b-
Vulnerable	bb-	bb-	bb-/b+	b+	b	b-

Ratings Detail (As Of February 11, 2021)*

Wendel	
Issuer Credit Rating	BBB/Stable/A-2
Senior Unsecured	BBB
Issuer Credit Ratings History	
25-Jan-2019	BBB/Stable/A-2
07-Jul-2014	BBB-/Stable/A-3
24-Apr-2013	BB+/Stable/B

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.