WENDEL

PRESS RELEASE, SEPTEMBER 6, 2018

2018 Half-Year Results
Successful rebalancing of portfolio and steady growth in core holdings
Net Asset Value up 4.2% year-on-year

Net Asset Value as of August 24, 2018 of €172.7 per share, up 4.2% over 12 months

Consolidated H1 2018 sales of €4.2 billion; net income from operations of €240.4 million

- Consolidated sales increased by 3.1% to €4,175.4 million
- Net income from operations up 1.4%, negatively impacted by the deconsolidation of Saint-Gobain following the sale of 21.7 million shares at the end of H1 2017
- Net income of €115.3 million and net loss Group share of €-0.9 million

Development of portfolio companies: steady organic growth for almost all portfolio companies and 22 acquisitions since the start of the year

- Bureau Veritas: robust H1 2018 performance, organic growth accelerating to 4.4% in Q2, and 6 acquisitions. François Chabas appointed Chief Financial Officer.
- IHS: 14% organic growth, partial release of the frozen accounts in Nigeria by EFCC
- Stahl: appointment of Frank Sonnemans as new CFO as of January 1, 2019
- Allied Universal: acquisition of U.S. Security Associates (“USSA”), completion expected for H2
- Constantia Flexibles: completion of the acquisition of Creative Polypack in India
- Cromology: appointment of Pierre Pouletty as Chairman and Loïc Derrien as new CEO
- Tsebo: debt facilities renegotiated with improved terms
- Call options on Saint-Gobain shares purchased, fully hedging the exchangeable bond

Portfolio simplification: 3 disposals announced since the start of the year

- Sale of CSP Technologies to Aptar Group closed on August 27, 2018: $342 million net proceeds
- Sale of Wendel’s stake in Saham Group’s holding for $155 million announced in March 2018
- Exclusivity granted to Unigrains for the disposal of Mecatherm for an enterprise value of €120 million in July 2018

Return to shareholders

- Share buyback program: 424,197 shares repurchased since the start of the year i.e. 0.92% of share capital

Moody’s assigned Baa2 rating to Wendel with a stable outlook

- Moody’s rating is one notch above the one assigned by Standard & Poor’s
- This rating reflects the improvement of Wendel’s financial structure

André François-Poncet, Wendel Group CEO, said:

"Most of Wendel's portfolio companies posted steady organic growth in H1 although several face negative currency effects. As previously announced, we continue to streamline our portfolio and we have taken advantage of a favorable valuations environment to exit our investments in CSP Technologies, Mecatherm and Saham Group. Since the beginning of 2018, we have also endorsed or initiated key management changes in our portfolio companies—notably at Bureau Veritas, Cromology and Stahl—and facilitated and financed 22 bolt-on acquisitions. In coming months, we plan to continue to harvest opportunistically our portfolio and to deploy capital selectively in companies which meet our rigorous investment criteria."

Contribution of Group companies to H1 2018 sales

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 Pump	24.0	25.9	+7.8%	+17.3%
Tsebo (4)	210.7	258.5	+22.7%	+8.9%(5)
Consolidated net 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 equity-accounted companies

(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 (formerly SGI Africa)	3.5	3.9	+13.4%	n.a.

H1 2018 consolidated results

(in millions of euros)	H1 2017	H1 2018
Contribution from subsidiaries	357.0	336.7
Financing, operating expenses and taxes	-120.0	-96.4
Net income from operations(1)	**237.1**	**240.4**
Net income from operations,(1) Group share	*85.7*	*72.2*
Non-recurring net income	-24.4	-41.2
Impact of goodwill allocation	-86.8	-83.8
Total net income	**125.8**	**115.3**
Net income, Group share	*31.3*	*-0.9*

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

H1 2018 net income from operations

(in millions of euros)	H1 2017	H1 2018	Change
Bureau Veritas	197.8	203.9	+3.1%
Stahl	42.6	57.7	+35.6%
Constantia Flexibles	35.4	40.9	+15.6%
Cromology	7.9	-4.5	-157.6%
Allied Universal (equity method)	5.7	3.6	-37.3%
Saint-Gobain (equity method until May 31, 2017)	40.7	-	n.a.
Saint-Gobain dividend	17.8	18.4	+3.2%
IHS (equity method)	2.7	7.3	+170.3%
Oranje-Nassau Développement	6.4	9.4	+46.6%
Tsebo	1.8	4.5	+151.6%
Mecatherm	-0.4	1.9	n.a.
CSP Technologies	2.4	2.5	+6.7%
Nippon Oil Pump	2.2	1.4	-38.0%
exceet (equity method)	0.4	-	n.a.
PlaYce (equity method)	0.0	-0.9	n.a.
Total contribution from subsidiaries	**357.0**	**336.7**	**-5.7%**
Total contribution from subsidiaries, Group share	*205.7*	*168.6*	-18.0%
Total operating expenses	**-35.8**	**-34.8**	**-2.9%**
Total financial expense	**-84.1**	**-61.6**	**-26.8%**
Net income from operations	**237.1**	**240.4**	+1.4%
Net income from operations, Group share	*85.7*	72.2	-15.7%

The Supervisory Board met on September 5, 2018, under the chairmanship of Nicolas ver Hulst, to review Wendel's condensed consolidated financial statements, as approved by the Executive Board on August 29, 2018. The interim financial statements were subject to a limited review by the Statutory Auditors prior to publication.

The Wendel Group's consolidated sales totaled €4,175.4 million, up 3.1% overall and organically.

At the net income from operations level, the deconsolidation of Saint-Gobain following the June 2017 sale of shares and the sale of the Labels division of Constantia Flexibles have not been fully offset by the improvement in the earnings of the main Group companies. As a result, the overall contribution of the subsidiaries to net income from operations was €336.7 million, down 5.7% from H1 2017.

Financial expenses, operating expenses and taxes were down 19.7%, totaling €96.4 million (€120.0 million in H1 2017). This reduction was concentrated in the financial expense line item and mostly resulted from gross debt reduction. Specifically, borrowing costs declined by 32.7% between H1 2017 and H1 2018, from €52.1 million to €35.0 million. However, the decline of the US dollar had a negative impact of €14.1 million on the Group's cash and financial investments in 2017 (€-28.0 million in H1 2017).

Non-recurring net result was a loss of €41.2 million in H1 2018 vs. a loss of €24.4 million in H1 2017. In H1 2017, the non-recurring loss in Wendel's consolidated statements derived principally from a dilution loss on IHS (€-31.7 million) as well as asset impairment and other non-recurring items (€-76.8 million), which were not entirely offset by the accounting gain of €84.1 million following the deconsolidation of Saint-Gobain at the end of H1 2017.

In comparison, the non-recurring loss recognized in 2018 resulted from the following items:

- a €32.7 million positive change in fair value of the embeded call options of the exchangeable bond into Saint-Gobain shares;
- a €17.6 million impairment on Italian division's intangible assets of Cromology; and
- a €56.3 million expense made up of other non-recurrent items, almost entirely attributable to portfolio companies.

Wendel's consolidated net income was thus €115.3 million in H1 2018, compared with €125.8 million in H1 2017. Net result, Group share was €-0.9 million, vs. €31.3 million in H1 2017.

Results of Group companies

Bureau Veritas – Organic growth of 3.5% in H1 2018. Full-year outlook confirmed by the company.

(Full consolidation)

The full press release detailing Bureau Veritas's H1 2018 revenue is available at www.bureauveritas.fr

Revenue in H1 2018 reached €2,338.3 million, a 0.9% decrease compared with H1 2017. Bureau Veritas achieved 3.5% organic revenue growth in H1 2018, with an acceleration in Q2 to 4.4%. This is explained by:

- Strong growth of the 5 Growth Initiatives (one-third of Bureau Veritas revenue), up 6.6% organically year-on-year (+7.0% in Q2 2018). High single-digit growth was achieved in both Buildings & Infrastructure and Automotive, and low to mid-single digit organic growth for Agri-Food and Opex services. In the meantime, SmartWorld grew double-digit. In Opex Oil & Gas, the Group has won a global contract with Qatargas, the world's largest LNG producer, as the primary supplier of Inspection, NDT[1] and Asset Management services for all their assets in Qatar. This contract, the largest ever in Opex services for Bureau Veritas, will run for 5 years with an option for 2 additional years. It has an estimated total value of €64 million and represents a major step forward for Bureau Veritas Opex Strategic Initiative. It has been awarded as a result of the newly developed Integrated Solution Approach (ISA). The aim is to replicate ISA across Bureau Veritas globally.
- Improving growth of the Base Business (two-thirds of revenue), up 2.0% organically and with organic growth of 3.1% in the second quarter. Most activities performed well in the period, notably Certification which recorded strong growth thanks to revisions of standards (ISO 9001, 14001, AS 9100 and IATF standards). The exceptions were Marine & Offshore (7% of revenue) and Oil & Gas Capex-related activities (less than 4% of revenue) which, whilst experiencing improving markets, remained under cyclical pressure (down 5% and 15% respectively in H1 2018).

[1] NDT: non-destructive testing.

Net acquisition growth was 2.6%, combining the contribution of acquisitions made in 2018, acquisitions finalized in 2017 and the reduction from disposal of non-strategic NDT[1] activities in Europe (€19.7 million of annualized revenue or -0.4% to Group revenue).

In H1 2018[2], Bureau Veritas completed six acquisitions, representing around €85 million in annualized revenue (or 1.8% of 2017 revenue), which supported 3 of the 5 Growth Initiatives. On July 4, Bureau Veritas acquired Permulab Sdn. Bhd., a leading player in Food, Water and Environment laboratory testing services in Malaysia. Founded in 1996 and headquartered in Kuala Lumpur, Permulab will enable Bureau Veritas to reinforce its footprint notably in the Food space in Asia-Pacific. Permulab generated revenue of around € 4 million in 2017.

Currency fluctuations had a negative impact of 7.0%, mainly due to the appreciation of the Euro against the US dollar and pegged currencies as well as most emerging countries' currencies.

Adjusted operating margin was up 10bps organically at 15.3% and up 20bps at constant exchange rates at 15.4%. Two thirds of the portfolio have stable or improving margins, adding 40 basis points to Bureau Veritas organic margin: this is led by a significant improvement in Certification and to some extent Consumer Products. This improvement is the result of a combination of operating leverage, strict cost management, lean efforts and restructuring pay back.

A third of the portfolio has a minus 30 basis points impact on organic margin with: i) -10 basis points coming from Marine & Offshore, due to lower volume of activity, notably for new construction and Offshore Services; ii) -20 basis points resulting from negative mix and price effects in Buildings & Infrastructure.

For full-year 2018, Bureau Veritas confirms its expectations of:

- An acceleration in organic revenue growth compared to full-year 2017
- A slightly improved adjusted operating margin at constant currency compared to full-year 2017
- An improved cash flow generation at constant currency compared to full-year 2017

Constantia Flexibles – Good organic growth of 3.0% driven by good momentum in the Pharma division.

(Full consolidation – In accordance with IFRS 5, H1 2017 figures for Labels are presented in the income statement under "Net income from discontinued operations and operations held for sale".)

H1 2018 sales totalled €759.1 million, up 3.4% compared with H1 2017 (€734.3 million), of which 3.0% was organic growth. Fluctuations in exchange rates had a negative impact of 2.7%, mainly deriving from the weakening of US dollar, Russian ruble and Indian rupee, 4.1% resulted from changes in scope (mainly from the acquisition of Creative Polypack). and the application of IFRS 15 had a 1.1% negative impact.

Organic growth was mainly driven by positive mix effects from the very strong organic growth in high value Pharma products (+7.0% organic growth) as well as a decline in certain lower value Consumer products (particularly plain foil). Organic growth also benefited from price increases implemented across all markets to pass on raw material price increases.

On April 27, 2018, Constantia Flexibles announced the closing of the acquisition of a majority shareholding in Creative Polypack Limited in India. The company contributed with consolidated sales of €24.2 million in H1 2017. Through this acquisition, Constantia Flexibles will become India's third largest flexible packaging player and is expecting to double its sales by 2022, through market growth and ongoing investments, including a significant expansion of Constantia Flexibles' existing plant in India that is currently under construction. The flexible packaging market in India is expected to grow by more than 10 percent per annum in the next five years.

Constantia Flexibles' H1 2018 EBITDA[3] was €96.0 million, representing a 30-bps year-on-year increase in margin to 12.6%. Constantia Flexibles' profitability benefited from the positive effects mentioned above and in particular the strong growth in the higher margin Pharma business. Rising material and production costs continue to put margin under pressure, however their impact has been mitigated by price increases and lower SG&A.

As of June 30, 2018, Constantia Flexibles' net debt was €458.8 million, i.e. 2.3x LTM EBITDA (excluding MCC shares). This low leverage level gives Constantia Flexibles' firepower to pursue its external growth strategy and play a significant role in the flexible packaging market consolidation.

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[1] NDT: non-destructive testing.

[2] Including Permulab signed on June 27, 2018 and closed on July 4, 2018.

[3] EBITDA before non-recurring items.

Cromology – Organic decrease in sales of 5.1% reflecting poor performance in particular in France and Italy.

(Full consolidation - in accordance with IFRS 5, the H1 2017 contribution from Colorín's activities is included in "Net income from discontinued operations and operations held for sale".)

In H1 2018, Cromology posted sales of €341.3 million, down €26 million, i.e. 7.1% compared to H1 2017. Cromology's business was down 5.1% organically for H1, primarily the result of low performance in France (-4.9%) and Italy (-15.0%). The application of IFRS 15 had a negative 0.9% impact. Changes in scope had a slightly negative impact of 0.7%, while changes in exchange rates had a negative 0.5% impact on sales.

Cromology's activities suffered mainly from very poor market conditions in France and Italy, which represent 67% and 13% respectively of Cromology's sales. DIY market in France was also very poor.

Titanium Dioxide's price, the main covering component in the paint manufacturing, increased sharply since Q2 2016, and remained high in H1 2018, thus penalizing the production costs. It started declining for the first time during the summer. Nevertheless, emulsion prices have kept increasing. To compensate for this increase in raw materials, Cromology revised its pricing policy and increased the sales prices for its products by 3.4%.

Cromology also strictly controls all its costs, which enabled the company to reduce its general and administrative expenses by €10.9 million compared to H1 2017.

Despite these measures, Cromology's EBITDA fell by 39.6% to €17.1 million, or a margin of 5.0%.

On February 6, 2018, Cromology finalized the sale of Colorin, its Argentinian subsidiary, which represented around 4% of sales.

On March 14, 2018, Wendel supported Cromology through a €25 million cash injection, increasing Cromology's financial flexibility to pursue its plans for operational improvement. The company's net debt was €250.5 million as of June 30, 2018.

Wendel brought in a new Chairman, Pierre Pouletty, who joined Cromology on June 12, and a new CEO, Loïc Derrien, who took office on August 27.

Stahl – Robust organic growth of 4.2% and BASF Leather Chemicals business integration on track

(Full consolidation)

Stahl's sales totaled €452.4 million in H1 2018, representing an increase of 27.7% versus €354.3 million of sales in H1 2017. This increase in sales resulted from a combination of robust organic growth (+4.2%) and a scope effect (+28.4%), deriving from the integration of BASF Leather Chemicals business having a positive impact of €96.3m, partly offset by fluctuations in exchange rates (weakening of the US dollar versus the euro) which had a negative impact of 4.9% on sales.

Organic sales growth was mainly driven by ongoing double-digit growth within Performance Coatings, partially offset by somewhat weaker performance in the Leather Chemicals divisions due to more challenging market circumstances.

Stahl's EBITDA rose 20.3% in H1 2018 compared with H1 2017, to €105.1 million, representing a margin of 23.2%. EBITDA growth was driven by further successful consolidation of the BASF's Leather Chemicals business, organic sales growth and solid cost control. Synergy roll out in relation to the BASF Leather Chemicals acquisition is well on track with estimated annual synergies and cost savings currently at a level of €25 million and more to come.

As of June 30, 2018, Stahl's net debt was €520.6 million, up €67.2 million year-on-year due to the cash consideration of €111 million paid by the company for BASF's leather chemicals business in 2017 and initial working capital build-up following the closure of the transaction. Stahl's decreasing leverage ratio (below 2.5x EBITDA) shows ongoing improvement as a consequence of the strong cash flow generation.

Lastly, on August 28, 2018 Stahl announced the appointment of a new CFO and member of the Board of Stahl Holdings B.V. at the start of 2019. Frank Sonnemans (57) will take over the responsibilities of the current CFO, Bram Drexhage, who has decided to retire from Stahl mid-2019. Frank Sonnemans is currently employed at Kendrion N.V., where he has served as CFO since February 2013.

IHS – Strong organic growth of 14%, offset by FX conversion rate in Nigeria. Some accounts released by EFCC.

(Equity method)

IHS' H1 2018 sales totalled $554.8 million, up 14% organically from H1 2017. Organic growth was driven by the increase of total number of owned & MLL towers that reached 23,276[1] as of June 30, 2018, up 2.4% Y-o-Y, and by price escalation mechanisms. H1 2017 Nigerian revenues were translated at the CBN rate (305 NGN for 1 USD) whereas H1 2018 Nigerian revenues, which represent c.70% of total sales, are translated at the NAFEX rate (c. 360 NGN for 1 USD) thereby negatively impacting reported USD revenues. As a result, total revenue growth is up 2.5%.

With regards to profitability, IHS' EBIT for the half-year decreased by 12.8% to $118.7 million (vs. $136.1 million in H1 2017), representing a margin of 21.4% in H1 2018. The decrease was largely driven by the new conversion rate (NAFEX) and higher central SG&A costs. EBIT growth in constant currency grew 1.9% in H1 2018 Y-o-Y.

The EFCC released restrictions on some affected bank accounts after 30 June: Restricted cash at the end of June 2018 was $196.5m but declined to approximately $83.9m as of August 20, 2018.

IHS continues to fully co-operate with the EFCC's information requests, while working constructively with them to understand the basis of its actions in respect of IHS' accounts. To IHS' knowledge, no formal allegation or investigation against IHS has been notified to them as part of the EFCC's enquiries. IHS currently expects that "post no debit" orders 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

As of June 30, 2018, IHS' net debt was $1,475.8 million.

Allied Universal – Organic growth of 3.6% in the first half of 2018, acquisition of USSA.

(Equity method)

In H1 2018, Allied Universal generated revenue of $2.7 billion, representing a 5.2% increase over the prior year. This growth includes the benefit of completed acquisitions and 3.6% organic growth, driven by a favorable mix shift in the business, higher rates and net new business wins when compared to the first half of 2018. Since the start of the year, Allied Universal has continued to pursue its acquisition strategy, purchasing Covenant Security, a Philadelphia-based security firm, on February 5, 2018. With 1,900 employees and a presence throughout the U.S., Covenant generates approximately $80 million of annual revenue.

Adjusted EBITDA for H1 2018 increased by 8.5% year-over-year to $201.9 million, representing a margin equal to 7.4% of revenue. The improvement was driven by organic growth, acquisitions completed in 2017 and 2018, and the realization of synergies from the merger and subsequent acquisitions, partially offset by the impact of the labor costs in the historically tight U.S. employment environment. As of the end of June 2018, nearly 100% of the $100 million synergy target from the merger had been implemented, and the complete annual effect of these synergies is expected to benefit full-year 2018 results.

As of June 30, 2018, Allied Universal's net debt totaled $3,078 million, or 6.8 times pro forma adjusted EBITDA as defined in the company's credit agreement.

Allied Universal announced on July 16, 2018 an agreement to acquire U.S. Security Associates ("USSA") for approximately $1 billion. Based in Roswell, Georgia, USSA is one of the leading providers of security and related services in the United States, employing more than 50,000 security professionals serving several thousand clients across a wide range of industries. USSA generated pro forma revenues and Adjusted EBITDA of approximately $1.5 billion and $95 million, respectively.

Allied Universal intends to fund the transaction with a combination of additional indebtedness and up to $200 million of equity from existing shareholders, including up to $80 million from Wendel, increasing its total investment to $380 million. Wendel and Warburg Pincus are expected to each maintain approximately one-third economic ownership.

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 (per the company's financing documentation) of approximately $600 million including anticipated synergies. As a result of the transaction, the company's leverage ratio on the basis of this EBITDA metric is expected to improve over current levels.

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[1] Tower count excluding managed services and WIP

The transaction is expected to close by the end of 2018, subject to customary regulatory approvals.

Saint-Gobain – Organic growth of 4.9% (including 8.0% in the second quarter), with volumes up 2.4%. Acceleration of strategy.

(Not consolidated)

The full press release detailing Saint-Gobain's H1 2018 revenue is available at www.saint-gobain.com

First-half consolidated sales were €20,787 million, an increase of 1.9% year-on-year on a reported basis and of 4.9% like-for-like. Organic growth was driven both by volumes (up 2.4%) and by prices (up 2.5%) with a progression in all Business Sectors and all regions. Price rises accelerated in the second quarter, up 3.0% in a context of continued raw material and energy cost inflation. The growth in Saint-Gobain's main markets, aided by a weak prior-year comparison basis (June 2017 cyber-attack) and a positive 1% calendar effect, also contributed to the 5.0% uptick in volumes in the second quarter. The calendar effect had a slightly negative impact of around 0.5% over the half-year period as a whole. Saint-Gobain structure impact added 1.4% to overall growth, essentially reflecting the consolidation of acquisitions in Asia and emerging countries (KIMMCO, Megaflex, Tumelero, Isoroc Poland), in new niche technologies and services (TekBond, Scotframe, Maris) and to consolidate Saint-Gobain's strong positions (Glava, Kirson, Biolink, Wattex, SimTek, bolt-on acquisitions in Building Distribution such as Per Strand). Overall growth was affected by a 4.4% negative currency impact however, mainly due to the depreciation of the US dollar, Brazilian real, Nordic krona and other Asian and emerging country currencies against the euro. Saint-Gobain's operating income remained stable on a reported basis (up 0.3%) and increased 1.7% like-for-like. The operating margin[1] came in at 7.1% compared to 7.2% in first-half 2017.

Net debt rose from €6.8 billion to €9.3 billion at June 30, 2018, with in particular the Sika transaction for €933 million and €389 million in share buybacks over the period. Net debt represents 48% of consolidated equity compared to 36% at June 30, 2017. The net debt to EBITDA ratio over the last 12-month rolling period was 2.2 at end-June 2018 compared to 1.7 at end-June 2017

After having agreed a transaction with Sika on excellent financial terms, Saint-Gobain will continue and accelerate the roll-out of its strategy:

- Acceleration in divestments by the end of 2019, representing sales of at least €3 billion, with a positive impact of around 40 basis points on the operating margin.
- Ongoing value-creating acquisitions policy representing over €500 million per year on average through to 2020, with three focuses: Asia and emerging countries, new niche technologies and services, and the consolidation of the Saint-Gobain's strong positions.
- Launch of a review of the company's organizational structure to give greater priority to the regional dimension of construction businesses in order to: increase market proximity, enhance agility in order to drive growth, leverage new opportunities from digital transformation programs and reinforce competitiveness, while maintaining business synergies. The new organizational structure that results from this review will be unveiled before the end of 2018. In line with its culture of social dialog, employee representative bodies will be kept informed.

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.

[1] 1. Operating margin = operating income expressed as a percentage of sales

Oranje-Nassau Développement

Through Oranje-Nassau Développement, Wendel brings together opportunities for investment in growth, diversification and innovation. In particular, it has invested in Japan (Nippon Oil Pump) as well as in Africa (Tsebo and PlaYce).

Tsebo – Organic growth of 8.9% driven by the strong growth of Cleaning, Facilities Management, and Catering.

(Full consolidation since February 1, 2017)

Tsebo's H1 2018 sales reached $312.8 million, up 16.2% from H1 2017. Tsebo benefited from strong organic growth (+8.9%) driven by its Cleaning, Facilities Management and Catering businesses, and favorable exchange rate fluctuations (+6.5%), in particular the South African Rand's appreciation against the US dollar. Growth was also supported by a positive scope change (+0.8%) resulting from the acquisitions of Superclean and Rapid FM.

Tsebo's EBITDA was $21.0 million in H1 2018, an increase of 12.7% compared to H1 2017. EBITDA margin decreased slightly to 6.7% compared to 7.0% in the previous half-year, partly due to the integration of newly acquired businesses, a subdued South African economy and progressive ramp up of new pan-African facility management contracts.

As of June 30, 2018, Tsebo's net debt stood at $116.5 million.

Tsebo reached an agreement to amend, upsize and extend its debt facilities with its existing lending group, taking advantage of the strengthening debt market conditions in South Africa. The main enhancements of this agreement are an increase in debt commitments from ZAR 2.3bn to ZAR 2.8bn (including ZAR 150m WC facilities), a decrease in margin of up to 50bps, and a one-year maturity extension for all facilities (until March 2023).

This agreement, to be closed in the coming weeks, will provide Tsebo with additional covenant headroom as well as enhanced financing flexibility for potential acquisitions.

Nippon Oil Pump ("NOP") – Strong organic growth in sales of 17.3% over the first half.

(Full consolidation)

NOP posted sales of ¥3,410 million in H1 2018, up 16.6% overall. Organic growth was 17.3% mainly driven by a buoyant machine tools market and the successful integration of Streamware in Europe. While revenues exceeded previous year for all regions and products, they were particularly good for the Trochoid segment (up 15.9%) and Vortex pumps continued to exhibit a high sales growth of 52% due to a higher degree of market penetration in Japan and Europe. Exchange rate fluctuations had a slightly negative impact of 0.7%

On the back of strong topline growth and benefiting from the impact of the strict cost control policy and selective price increases launched in 2016, NOP achieved a significantly improved level of profitability: EBITDA has increased by 20.2% since last year and EBITDA margin went up 70bps to 22.4%.

As of June 30, 2018, NOP's net debt totaled ¥2,156 million.

NAV of €172.7 per share as of August 24, 2018

Net asset value was €7,993 million or €172.7 per share as of August 24, 2018 (see Appendix 1 below for details), representing a 12-month rise of 4.2% from €165.8 per share as of August 25, 2017. The discount to NAV was 28.0% as of August 24, 2018.

Other significant events since the beginning of 2018

Portfolio simplification

Disposal of CSP Technologies completed

On August 27, 2018, after obtaining the necessary authorizations, Wendel announced it completed the sale of CSP Technologies to AptarGroup, Inc. For Wendel, the transaction generated net proceeds of $342 million or $140 million above CSP's valuation in Wendel's net asset value as of May 2, 2018.

Sale of Wendel's stake in Saham group

On March 3, 2018, Wendel announced the sale of its shares in the Saham group's holding company for $155 million. Wendel will also have the right to receive 13.3% of the capital gains Saham realizes in the event it sells the group's other activities (Customer service centers, Real estate, Healthcare and Education) during the next 24 months at valuations in excess of certain pre-defined thresholds. Settlement of the transfer price for Wendel's stake in Saham is accompanied by a conditionality clause related to the effective completion of the transaction between the Saham group and Sanlam, which is expected to take place in the second half of 2018.

Exclusivity granted to Unigrains for sale of Mecatherm

On July 31, 2018, Wendel announced that it has received a firm offer from Unigrains to acquire 100% of Mecatherm's share capital for an enterprise value of €120 million, or about 10 times expected EBITDA for year-end 2018. Wendel subsequently entered into exclusive negotiations with Unigrains to finalize the transaction, which should close in the fourth quarter of 2018, subject to obtaining the necessary regulatory and legal authorizations.

Based on this offer, Wendel would receive net proceeds of around €83 million, or about €40 million above Mecatherm's valuation in Wendel's net asset value at May 2, 2018.

Improved debt profile

€350 million bond debt repayment on April 20, 2018

Wendel has repaid its 6.75% bonds maturing on April 20, 2018. This repayment further improves Wendel's debt profile even further. The average cost of Wendel's bond debt now stands at 2.19%, vs. 2.74% previously. This will reduce Wendel's bond interest expense by more than €20 million p.a.

Acquisition of call options on Saint-Gobain shares

In August 2018, Wendel purchased call options on Saint-Gobain shares whose characteristics are identical to the optional component of the exchangeable bond into Saint-Gobain shares issued on May 12, 2016. The risk of having to deliver Saint-Gobain shares as part of the exchangeable bond is thus fully covered by these options. As a result of this transaction, the bond exchangeable into Saint-Gobain shares effectively became a straight bond.

Moody's assigns Baa2 rating to Wendel with a stable outlook

On September 5, 2018 Moody's assigned Baa2 long term issuer rating to Wendel. As stated in Moody's credit opinion, this rating, 2 notches above the investment grade threshold, reflects the company's consistent and prudent investment strategy as well as its conservative financial policy as exemplified by a very low point-in-time market value leverage and a commitment to maintain a low market value leverage through market cycles.

Share buybacks

Since the start of the year, Wendel has repurchased 424,197 of its shares in the market, amounting to €51.6 million, and now holds 873,479 of its shares in treasury, or 1.9% of its share capital. In doing so, the Company took advantage of the significant share price discount.

Agenda

In 2019, Wendel will change its NAV calculation and publication dates to align with generally observed market practices. NAV will be calculated at the end of each quarter and published as per the schedule below.

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 of December 31, 2018 (pre-market release)
May 16, 2019	**AGM, Q1 2019 Trading Update & NAV**	Publication of NAV as of March 31, 2019 and Q1 trading update (pre-market release)
July 30, 2019	**Q2 2019 Trading update & NAV**	Publication of NAV as of 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 of September 30, 2019 and Q3 2019 trading update (pre-market release)

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Appendix 1: NAV as of August 24, 2018: €172.7 per share

(in millions of euros)			8/25/2017	8/24/2018
Listed equity investments	Number of shares	Share price (1)	**4,162**	**4,456**
Bureau Veritas	177.2m	€19.7 / €22.2	3,497	3,937
Saint-Gobain	14.2m	€46.9 / €36.7	664	519
Unlisted investments and Oranje-Nassau Développement (2)			4,535	4,726
Other assets and liabilities of Wendel and holding companies (3)			146	94
Cash and marketable securities (4)			1,863	1,251
Gross asset value			**10,706**	**10,526**
Wendel bond debt and accrued interest			-2,882	-2,533
Net Asset Value			**7,824**	**7,993**
Of which net debt			*-1,019*	*-1,282*
Number of shares			*47,195,153*	*46,280,641*
Net Asset Value per share			**€165.8**	**€172.7**
Average of 20 most recent Wendel share prices			€129.8	€124.4
Premium (discount) on NAV			-21.7%	-28.0%

(1) Average share price of the 20 trading days prior to August 25, 2017 and August 24, 2018.

(2) Unlisted equity investments (Cromology, Stahl, IHS, Constantia Flexibles, Allied Universal) and Oranje-Nassau Développement (Nippon Oil Pump, Saham, Mecatherm, exceet, 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 1,495,057 Wendel shares held in treasury as of August 25, 2017 and 873,479 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

Appendix 2: Conversion from accounting presentation to economic presentation

(in millions of euros)	Bureau Veritas	Constantia Flexibles	Cromology	Stahl	OND	Equity-method investments		Holding companies	Total Group
						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**
Recurring net income from operations	**203.9**	**40.9**	**(4.5)**	**57.7**	**9.4**	**7.3**	**3.6**	**(78.0)**	**240.4**
Recurring net income from operations – non-controlling interests	126.8	16.5	(0.5)	21.6	3.6	-	0.1	-	**168.1**
Recurring 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 net income									
Operating income	(57.1)	(25.4)	(37.4)	(20.8)	(6.3)	-	-	4.3	**(142.8)**
Net financial income (expense)	-	(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.