



WENDEL

PRESS RELEASE - APRIL 28, 2021

Q1 2021 Trading update

Net asset value as of March 31, 2021: €7,488 million or €167.4 per share, up 5.3% since December 31, 2020 (€159.1 per share) and up 41.7% since the low point in March 2020

Q1 2021 consolidated net sales: €1,913 million, up 2.0% overall and up 6.5% organically year-on-year

- Double digit growth for Cromology, +22.6% organic growth
- Strong organic growth for Bureau Veritas (+6.6%) and Stahl (+9.6%)
- Crisis Prevention Institute back to organic growth, with March 2021 revenue above pre-Covid levels
- Nearly flat organic growth for Constantia Flexibles
- Strong FX headwinds across the portfolio (-4.5% consolidated)

Partnership with the Deconinck family to acquire the shares of Tarkett and to support the growth of the company

- This investment will be accompanied by an offer to acquire Tarkett (TKKT.FP) shares
- Wendel will hold up to 30% of Tarkett Participation, alongside the Deconinck family

Investment activity by Group companies since January 1, 2021

- In April 2021 IHS announced the acquisition of Centennial Towers' Brazilian and Colombian tower operations, bringing an additional 602 towers in Brazil, and 217 towers in Colombia
- Acquisition of US-based Bradley Construction Management by Bureau Veritas, accelerating growth in renewable energy market

Other noteworthy developments since January 1, 2021

- On March 11, 2021, Stahl announced the appointment of Maarten Heijbroek as new CEO, starting July 1, 2021. Huub van Beijeren, will retire from Stahl at that time, join Stahl's board and also serve as an advisor to Wendel
- Wendel adopted the 10 Principles of the United Nations Global Compact
- Wendel unwound its euro/dollar cross currency swaps in March 2021, for a gain of €39 million and c. €25 million future interest costs savings

Strong financial structure

- LTV ratio at 6.8% as of March 31, 2021
- Total liquidity of €1.8 billion as of March. 31, 2021, including €1,069 million of cash and a €750 million committed credit facility (fully undrawn)
- Investment grade corporate ratings: Moody's Baa2 with stable outlook / S&P BBB with stable outlook
- Integration of ESG targets into the financial terms of the undrawn €750 million syndicated credit: measurable aspects of the non-financial performance of Wendel and portfolio companies to be now taken into account in the calculation of the margin of this syndicated credit

André François-Poncet, Wendel Group CEO, said:

“The first quarter of 2021 confirmed the overall organic recovery in sales across our portfolio to levels getting closer to, and sometimes above, 2019. Our net asset value also benefited from increased stock valuations of comparable companies and of Bureau Veritas, and we opportunistically took advantage of the sizeable discount to NAV to buy back some Wendel shares. This strong rebound also comes with new challenges regarding raw materials availability and price but our companies have already shown in the recent past their ability to adapt to fast changing environments.

Since the final quarter of 2020, we have resumed our search for new investments as part of the new strategic roadmap which was endorsed by Wendel’s Supervisory Board. A first transaction took place last week with the announcement of an investment in Tarkett alongside the founding family which illustrates the Wendel team’s ability to identify investment opportunities which fit our long-term investor profile.

We are also making good progress on attracting new talent into our team and continuing to help our companies accelerate their growth trajectories.”

Group companies Contribution to Q1 2021 sales

Q1 2021 consolidated sales

(in millions of euros)	Q1 2020	Q1 2021	Δ	Organic Δ
Bureau Veritas	1,139.5	1,154.7	+1.3%	+6.6%
Constantia Flexibles	383.9	366.7	-4.5%	-0.8%
Cromology	135.5	166.0	+22.6%	+22.6%
Stahl	201.0	210.1	+4.6%	+9.6%
Crisis Prevention Institute ⁽¹⁾	15.2	15.3	+0.6%	+2.7%
Consolidated net sales	1875.1	1,912.8	+2.0%	+6.5%

(1) Q1 2020 Sales included a PPA restatement impact of -0,9M\$, included in perimeter effect.

IHS results will be approved by its board next week and IHS Towers will thus report its Q1 2021 consolidated sales in May.

Sales of Group companies

Bureau Veritas – Good start to the year with strong organic revenue growth in Q1

(full consolidation)

Bureau Veritas revenue totalled €1,154.7 million in Q1 2021, +1.3% year-on-year on a reported basis. Organic increase was 6.6%, compared to a 2.0% decrease in the last quarter of 2020 and revenue was up +6.2% at constant currency.

58% of Bureau Veritas' portfolio grew double-digit organically on average during the quarter explained by:

- Continued strong rebound in the Certification business (+21.6% organic growth), benefiting from both catch-up of audits and strong momentum on CSR related services across most geographies
- Recovery of the Buildings & Infrastructure portfolio (+13.3% organic growth), primarily driven by the Chinese and the US platforms
- Strong return to growth for Consumer Products (+18.7% organic growth) fuelled by Asia and helped by very favorable comparables
- Solid growth in Marine & Offshore (+3.4% organic growth) thanks to the Core In-service activity
- Mixed environment for Agri-Food & Commodities (-3.6% organic growth - solid trends in Agri-food and Metals & Minerals were largely offset by weak Oil markets) and Industry (-0.4% organic growth - where the dynamic Power & Utilities contracts were offset by subdued Oil & Gas Capex activities)

New bolt-on acquisitions since the start of 2021 (Secura and Zhejiang Jianchuang Testing Technology Services Company Limited) resulted in a positive scope impact on revenue, this being offset by the impact from the disposal of the Emissions Monitoring business unit in the US last year thus resulting in a -0.4% impact.

Currency fluctuations had a negative impact of 4.9%, mainly due to the depreciation of the USD and pegged currencies as well as some emerging countries' currencies against the euro.

2021 outlook confirmed:

Bureau Veritas remains uniquely positioned with the diversity, the resilience of its portfolio and its numerous growth opportunities. Based on the current uncertainties around the Covid-19 pandemic and assuming no severe lockdowns in its main countries of operation, Bureau Veritas expects for the full year 2021 to:

- Achieve solid organic revenue growth;
- Improve the adjusted operating margin;
- Generate sustained strong cash flow.

For more information: <https://group.bureauveritas.com>

Constantia Flexibles – Slight organic decline (-0.8%) and total sales impacted by negative FX impact

(full consolidation)

Q1 2021 sales totalled €366.7 million, down 4.5% compared with Q1 2020 (€383.9 million). Constantia's sales declined organically by -0.8% over the period, reflecting a slow start of activity in January followed by quite strong growth in March.

The -0.8% organic performance is the result of mixed performance in Consumer and Pharma: in the Consumer market, the poor performance of the confectionery in Europe was not compensated by positive impacts in pet food and beverages, while Pharma sales were affected by lockdown-induced mild flu and cold season. In emerging countries, India is still experiencing an oversupply situation. Q1 2021 sales were also adversely impacted (-3.7%) by unfavorable FX, mainly from U.S. dollar, Russian ruble, Indian rupee and South African rand.

From a peak in activity level in March and April 2020, due to the essential nature of Constantia's products within the context of COVID-19 outbreak, the overall order intake has remained resilient. This resilience is expected to continue over the course of 2021 although there are still some lingering effects of lower demand in certain product categories.

In Q1 2021, Constantia Flexibles continued to deliver a strong margin. The raw material price environment is much less favorable in 2021 and there have been significant price increases in nearly all categories since the start of 2021 which will start to impact from Q2 onwards.

Cromology – First quarter total sales up by 22.6% compared with Q1 2020, confirming the strong rebound in activity observed since H12020.

(full consolidation)

During the first quarter of 2021, Cromology's sales totaled €166.0 million, up +22.6% compared with Q1 2020, which was impacted by the first COVID-19 related lock down in Europe. Organic growth is up +22.6% over the period.

Since the H1 2020 lockdown ended, recovery was quicker than expected, with a significant rebound, in paint sales following end consumers' strong demand. This led to strong a return to organic growth in Q3 and in Q4 2020, confirmed in Q12021. This strong performance was observed in all Cromology's key geographies.

Cromology is focusing its efforts on planning and managing operations in the context of the resumption of the pandemic in Europe as well as pursuing the execution of transformation plans it has launched since 2019 and prioritizing sources of value creation. Cromology also monitors closely its supply chain since the strong rebound of activity has resulted in tight material supplies and raw materials price increases. Given its solid financial structure and the successful reorganization of the company, Cromology is well positioned to look for potential bolt on acquisitions.

Stahl – Sales up 4.6 % in Q1 2021, with organic growth up +9.6%. Strong order book due in part to restocking effects.

(full consolidation)

Stahl's sales totaled €210.1 million in Q1 2021, representing an increase of +4.6% versus Q1 2020. Organic growth is up +9.6% over the quarter while FX was negative (-5.1%).

After a challenging 2020, Stahl continued its recovery that started in Q3 2020. This recovery accelerated since the end of 2020, in spite of disruptions in supply markets, driven by a strong order book and volumes growth, in part due to a restocking effect observed across several industries. Growth was particularly strong in East Asia Pacific, notably China. In addition, Stahl's automotive business, representing about one third of total sales, continued its rebound. The recovery in other main end markets was more mixed with a very strong development in the upholstery segment but a more gradual recovery in Footwear and Luxury goods markets. The smaller Polymers division also capitalized on increased demand from the print and packaging markets. The restocking effect could ease later in 2021, although timing is unclear.

On March 11th, 2021, Stahl announced the appointment of Maarten Heijbroek as new Chief Executive Officer of Stahl. Maarten Heijbroek will join Stahl on July 1st, 2021 and will take over the CEO responsibilities from Huub van Beijeren, who will retire from Stahl at the end of June 2021 after fourteen years at the helm of company. Huub van Beijeren will stay on Stahl's board. Until now Maarten was holding the position of President Consumer Care at Croda International PLC. He started his career at Unilever in the B2B chemical business Uniqema in 1992 where he gained broad senior experience in sales and product management in a global context.

IHS Towers – IHS results will be approved by its board next week and IHS Towers will thus report its Q1 2021 consolidated sales in May.

(Equity method)

Crisis Prevention Institute – Total growth of +10% as compared with 2020, of which +2.7% organic, with March sales exceeding 2020 and 2019 levels

(full consolidation)

Crisis Prevention Institute recorded first quarter 2021 revenue of \$18.5 million, up +10% in total from Q1 2020. Of this increase, +5.4% was related to a purchase accounting adjustment to deferred revenue (impact of -0,9M\$ in Q1 2020), +1.9% was due to FX movements, and +2.7% was organic growth.

For the first time since the 2020 COVID lockdowns, quarterly sales nearly reached 2019 levels, with Q1 2021 sales falling -1% short of the 2019 level. Of note is that sales for the month of March 2021 outperformed 2020 and 2019 levels on an organic basis. This continued improvement is the result of several factors, including:

- Increasing customer engagement occurring through the early spring as training activity has increased for both new and existing Certified Instructors (“CIs”), as well as for Learners;
- Stabilizing overall Certified Instructor (“CI”) count;
- March 2021 new CI volumes 87% above 2020 levels and matching 2019 levels;
- Continued mix shift toward digital solutions for new and existing CIs while remaining required in-person components, as well as for Learners, with e-Learning delivery representing 33% of total Learner Material volumes.

CPI's activity should benefit from the positive near-term recovery trend in the market amidst accelerating vaccinations and warming weather in the U.S., which are lessening restrictions around travel and gathering and driving a more usual work environment for customers, notably in hospitals and schools.

Wendel's net asset value: €167.4 per share as of March 31, 2021

NAV as of March 31, 2021, was prepared by Wendel to the best of its knowledge and on the basis of market data available at this date and in compliance with its methodology¹.

Net Asset Value was €7,488 million or €167.4 per share as of March 31, 2021 (see detail in Appendix 1 below), vs. €159.1 on December 31, 2020, representing an increase of 5.3%. The increase equally results from the appreciation of Bureau Veritas' share price, an increase of multiples used for private companies and positive FX translation.

The discount to NAV was 38.9% as of March 31, 2021.

Significant events since the beginning of 2021

Strong financial structure: €1.8 billion liquidity and improved debt profile

- LTV ratio at 6.8% as of March 31, 2021
- Total liquidity of €1.8 billion as of March 31, 2021, including €1,069 million cash and €750 million committed credit facility (fully undrawn)
- Investment grade corporate ratings: Moody's Baa2 with stable outlook / S&P BBB with stable outlook

¹ See page 332 of the 2020 Universal Registration Document for the NAV methodology.

Integration of ESG targets into the financial terms of the undrawn €750 million syndicated credit facility

Wendel has signed an amendment to its undrawn €750 million syndicated credit facility maturing in October 2024 in order to integrate Environmental, Social and Governance (ESG) criteria. Measurable aspects of the non-financial performance of Wendel and the companies in its portfolio will henceforth be taken into account in the calculation of the financing cost of this syndicated credit. They are in line with certain quantitative ESG targets the Group has set in its ESG 2023 roadmap.

The three non-financial criteria selected to be integrated into the calculation of the syndicated credit's financing cost are as follows:

- ESG due diligence must systematically be carried out on new investments directly made by Wendel, and the controlled companies in its portfolio must implement an ESG roadmap;
- the main climate risks and carbon footprint associated with each controlled portfolio company must be evaluated and action plans developed;
- at least 30% of Wendel Group representatives on the boards of directors of portfolio companies and of certain Group holdings must be women, by end of 2023.

These criteria will be evaluated annually by an independent third party and will give rise to adjustments to the margin of the facility.

Return to shareholders and dividend for 2020

Wendel is proposing a dividend of €2.9 per share for 2020, up 3.6 % compared to 2019 and representing a dividend yield of 3% based on Wendel's share price as of December 31, 2020. This is subject to the approval of the Shareholders' Meeting to be held on June 29, 2021. The dividend will be paid in cash on July 5, 2021, and the share will go ex-dividend on July 1st, 2021.

Wendel announced on March 18, 2021, it was contemplating buying around €25 million of its own shares. As of mid-April 2021, c. €12 million of shares have been bought back.

Wendel partners with the Deconinck family to acquire the shares of Tarkett and to support the growth of the company

As part of its 2021-24 investment strategy, Wendel (MF.FP) has teamed up with the Deconinck family to form Tarkett Participation, which will support Tarkett's growth. This investment will be accompanied by an offer to acquire Tarkett (TKKT.FP) shares. Depending on the success of this offer, announced today by Tarkett Participation, Wendel will hold up to 30% of Tarkett Participation, alongside the Deconinck family. The Deconinck family will maintain a controlling stake in the company.

Wendel will be represented on Tarkett's board of directors and will have corporate governance rights commensurate with the level of its minority shareholding.

For more information, www.wendelgroup.com

Agenda

06.29.2021

Annual General Meeting

07.29.2021

H1 2021 results / Publication of NAV as of June 30, 2021, and condensed Half-Year consolidated financial statements (pre-market release)

10.28.2021

Q3 2021 Trading update / Presentation of NAV as of September 30, 2021 (pre-market release)

12.02.2021

2021 Investor Day / Meeting to take place in the morning

About Wendel

Wendel is one of Europe's leading listed investment firms. The Group invests in Europe, North America and Africa in companies which are leaders in their field, such as Bureau Veritas, Cromology, Stahl, IHS, Constantia Flexibles, Crisis Prevention Institute and Tsebo. Wendel plays an active role as a controlling or lead shareholder in these companies. We implement long-term development strategies, which involve boosting growth and margins of companies so as to enhance their leading market positions.

Wendel is listed on Eurolist by Euronext Paris.

Standard & Poor's ratings: Long-term: BBB, stable outlook – Short-term: A-2 since January 25, 2019

Moody's ratings: Long-term: Baa2, stable outlook – Short-term: P-2 since September 5, 2018

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

For more information: wendelgroup.com

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Appendix 1: NAV as of March 31, 2021: €167.4 per share

(in millions of euros)		03/31/2021	12/31/2020
Listed equity investments	<u>Number of shares</u>	<u>Share price</u> ⁽¹⁾	
Bureau Veritas	160.8 m	€23.7 / €22.4	
Unlisted investments ⁽²⁾			
Other assets and liabilities of Wendel and holding companies ⁽³⁾			
Cash and marketable securities ⁽⁴⁾			
Gross asset value		9,103	8,662
Wendel bond debt and accrued interest		-1,615	-1,548
Net Asset Value		7,488	7,114
<i>Of which net debt</i>		-546	-468
<i>Number of shares</i>		44,719,119	44,719,119
Net Asset Value per share		€167.4	€159.1
Average of 20 most recent Wendel share prices		€102.3	€97.9
Premium (discount) on NAV		-38.9%	-38.5%

(1) Last 20 trading days average as of December 31, 2020, and March 31, 2021.

(2) Investments in non-publicly traded companies (Cromology, Stahl, IHS, Constantia Flexibles, Crisis Prevention Institute, indirect investments). As per previous NAV calculation IHS valuation was solely performed based on EBITDA which is at this stage the most relevant sub-total. Aggregates retained for the calculation exclude the impact of IFRS 16

(3) Of which 961,077 treasury shares as of March 31, 2021, and 900,665 as of December 31, 2020.

(4) Cash position and financial assets of Wendel & holdings. As of March 31, 2021, this comprises € 0.7 bn of cash and cash equivalents and € 0.4 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 360 of the 2020 Universal Registration Document.