WENDEL

2019 FULL-YEAR RESULTS – PRESS RELEASE – MARCH 18, 2020

Net income (Group share) of €399.7 million
Conservative Portfolio Management with €1.2 billion in realized disposals, €946 million in investments
Solid financial position with liquidity of €1.9 billion[1] and 6% LTV at Dec. 31, 2019

Net Asset Value as of December 31, 2019, at €166.3 per share, up 12.8% for the year

- Mechanically adjusting for only 1) the current Bureau Veritas' share price and 2) recent drops in share prices of comparable peers used to value our unlisted companies: our NAV, as of March 16, could be in the order of 30-35% below December 31, 2019.

Consolidated 2019 sales of €8,562.2 million, up 2.1% overall, net income Group share of €399.7 million

- Most of the consolidated sales growth attributable to Bureau Veritas, which posted +6.3% total growth and +4.3% organic growth for the full year
- Net income from operations of €449.7 million down 12.2%: the good performance of Bureau Veritas and the reduction in Wendel's financial expenses not totally offsetting the lower performance of unlisted assets and accounting (non-cash) items
- Non-recurring income positively impacted by the gain on the sale of Allied Universal shares of €644.2 million
- As a result, consolidated net income of €625.6 million, up 123.1% year-on-year and net income Group share of €399.7 million

€946 million invested in 2019

- $569 million in equity for the acquisition of c.96% of Crisis Prevention Institute ("CPI")
- €200 million share buyback and cancellation of 1,645,338 shares in 2019 (3.6% of capital)
- €125 million capital increase in Cromology in conjunction with its debt renegotiation
- €87.5 million via the Bureau Veritas dividend which was taken in shares
- $17.7 million capital injections in Tsebo to strengthen its financial structure

€1,156 million disposed in 2019

- Disposal of c.79% of our stake in Allied Universal for $721 million
- Disposal of our stake in Saint-Gobain, generating total proceeds of €468 million
- Disposal of PlaYce closed in February; with realized proceeds of €32.2 million

[1] €1.1 billion cash + €750m Revolving Credit Facility

Sustained strategic activity at Group companies over the full year

- Bureau Veritas: 5 acquisitions closed in 2019, supporting the Agri-Food and Buildings & Infrastructure growth initiatives, and the disposal of the North American HSE Consulting business
- Allied Universal: 9 acquisitions closed, representing c.$900 million sales on a combined annualized basis and successfully refinanced its debt in July with extended maturities and increased liquidity
- Tsebo: launched operations in Egypt, via external growth; with an initial development in the Catering business
- Constantia Flexibles: launched its sustainable EcoLam packaging, strengthened its position in Russia by acquiring TT-print, took full control of Oai Hung Co. Ltd. (Vietnam) and disposed its MCC shares
- IHS Towers: early 2020, IHS completed the acquisitions of c. 1,600 towers in Kuwait and c. 2,300 towers in Brazil, Peru and Colombia

Wendel's financial structure further strengthened

- LTV ratio at 6.0% as of December 31, 2019 (LTV pro forma of market decline[1] is estimated at 8 to 9% as of March 16, 2020)
- Successful new issue of 7-year bonds with a 1.375% coupon
- Average debt maturity increased to 5.5 years following:
  - Repayment of the July 2019 bonds exchangeable in Saint-Gobain shares and bonds maturing on September 17, 2019
  - Early repayment (make whole call) of 2020 and 2021 bonds
- Total liquidity of €1.9 billion as of Dec. 31, 2019, including €1,142 million cash and €750 million committed credit facility (fully undrawn)
- Moody's rating reaffirmed at Baa2 with stable outlook / S&P BBB with stable outlook

ESG and extra financial information

- Wendel signed the Principles for Responsible Investment (PRI) and the France Invest Gender Parity Charter in March 2020
- New ESG strategy to be filed as part of Universal Registration Document

2019 Dividend

- Ordinary dividend of €2.90 per share for 2019, up 3.6%, to be proposed at the Annual Shareholders' Meeting on June 4, 2020

André François-Poncet, Wendel Group CEO, commented:

"In 2019, we continued to focus on strengthening our portfolio companies' businesses and accelerating value creation. Bureau Veritas, our largest investment, delivered good organic growth and sustained margin improvement while enhancing its cash generation. IHS delivered strong organic growth. Cromology's turnaround plan produced its first results. Stahl preserved a high level of profitability and cash generation in spite of difficult end markets. Constantia Flexibles started to implement necessary measures to address intense competitive pressure and volume declines observed in 2019.

In a year with record private market valuations and a high degree of investor confidence, we remained disciplined with our deployment of capital. Our acquisition of Crisis Prevention Institute in the U.S. adds to our portfolio a dynamic company uniquely positioned for growth. We strengthened our financial profile with the disposal of the bulk of our stake in Allied Universal and returned capital to shareholders with a growing dividend and €200 million share buyback. And, overall, we sold more than we invested by about one third.

[1] Mechanically adjusting for the current Bureau Veritas' share price and for unlisted companies, only recent drops in peers' share prices

“With great care, we are managing through the uncertainty from the serious situation we and so many other people and companies are grappling with around the world: the outbreak of COVID-19. The health and safety of our employees and those of our portfolio companies and communities is our priority and we are implementing our business continuity plans at Wendel and throughout the Group.

“We are confident in our team’s ability to weather this extraordinary period and are positioned with a strong balance sheet and modest leverage, ample liquidity, and extended debt maturities and solid investment grade ratings. We have the resources to react to market situations with a disciplined approach.

“We are proposing to the next Annual Shareholders’ meeting an increase in our dividend to €2.9 per share.”

Group companies’ contribution to 2019 sales

2019 consolidated sales

(in millions of euros)	**2018**	**2019**	**Δ**	**Organic Δ**
Bureau Veritas	4,795.5	5,099.7	+6.3%	+4.3%
Constantia Flexibles	1,538.3	1,534.3	-0.3%	-2.4%
Cromology	665.1	667.8	+0.4%	+0.4%
Stahl	866.9	808.7	-6.6%	-7.8%
Tsebo (1)	523.4	451.8	-13.7%	-4.6%
Consolidated net sales	**8,389.2**	**8,562.2**	**+2.1%**	**+1.0%**

(1) In accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", 2019 sales of Tsebo have been restated from the sales of its activity ATS, and are reclassified under "Net income from discontinued operations and operations held for sale". In 2019, these sales were $81m and represented $89m in 2018.

2019 sales of equity-accounted companies

(in millions of euros)	**2018**	**2019**	**Δ**	**Organic Δ**
IHS	989.6	1,099.7	+11.1%	+7.5%

2019 consolidated results

(in millions of euros)	**2018**	**2019**
Consolidated subsidiaries	680.5	589.5
Financing, operating expenses and taxes	-168.4	-139.8
Net income from operations(1)	**512.1**	**449.7**
Net income from operations,(1) Group share	152.7	85.4
Non-recurring net income	-56.4	321.1
Impact of goodwill allocation	-175.3	-145.1
Total net income	**280.4**	**625.6**
Net income, Group share	45.3	399.7

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

2019 net income from operations

(in millions of euros)	2018	2019	Change
Bureau Veritas	443.7	477.7	+7.7%
Stahl	110.3	94.3	-14.5%
Constantia Flexibles	83.2	44.2	-46.9%
Cromology	-5.2	-19.2	-270.0%
Allied Universal (equity method)	11.9	58.5	391.8%
Saint-Gobain dividend	18.4	4.1	-77.7%
IHS (equity method)	5.8	-60.9	NS
Tsebo	7.4	-9.2	-224.3%
Mecatherm	2.0		
CSP Technologies	2.5		
Nippon Oil Pump	1.4		
PlaYce (equity method)	-0.9		
Total contribution from Group companies	**680.5**	**589.5**	**-13.4%**
of which Group share	321.1	233.6	-27.2%
Total operating expenses	**-69.5**	**-72.6**	**+4.5%**
Total financial expense	**-99.0**	**-67.2**	**-32.2%**
Net income from operations	**512.1**	**449.7**	**-12.2%**
of which Group share	152.7	85.4	-44.0%

On March 18, 2020, our Supervisory Board was held under the chairmanship of Nicolas ver Hulst and reviewed Wendel's consolidated financial statements, as approved by the Executive Board on March 11, 2020. Financial statements were audited by the Statutory Auditors prior to their publication.

Wendel Group's consolidated sales totaled €8,562.2 million, up 2.1% overall and up 1.0% organically.

The overall contribution of Group companies to net income from operations amounted to €589.5 million, down 13.4% from 2018. This decline largely resulted from the accounting (one-off) impact of dilutive profit-sharing mechanisms implemented at IHS, a tax effect on Cromology and a lower performance at Stahl and Constantia Flexibles level, which have not been fully offset by the strong performance of Bureau Veritas and the accounting impact of Allied Universal disposal[1].

Financial expenses, operating expenses and taxes totaled €139.8 million, down 17.0% from the €168.4 million reported in 2018. This decrease was concentrated in the financial expense line item, down 32.2% as a result of the reduction in gross debt during the year. Between 2018 and 2019, borrowing costs decreased by 26.1%, i.e., from €62.3 million to €46.1 million.

Non-recurring net result was a gain of €321.1 million in 2019 vs. a loss of €56.4 million in 2018. This is largely due to the disposal of Allied Universal which generated a €644 million capital gain in 2019.

Wendel's net income, was thus €625.6 million in 2019, compared with €280.4 million in 2018. Net income, Group share was €399.7 million, vs. €45.3 million in 2018.

Group companies' results

Figures are **before IFRS 16** unless otherwise specified

Bureau Veritas: strong fundamentals driving an excellent set of 2019 results

(full consolidation)

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[1] Allied Universal net income is impacted by the application of IFRS 5 leading to the discontinuation of amortizations.

Revenue in 2019 amounted to €5,099.7 million, a 6.3% increase compared with 2018. Organic growth was 4.3%, accelerating in H2 compared with H1 (up 4.7% vs. 4.0% respectively). Q4 2019 saw a 5.3% organic growth rate.
Five out of six businesses delivered organic growth of 4.8% on average, including Agri-Food & Commodities at 6.7%, Industry at 6.2%, Marine & Offshore at 4.9%, Buildings & Infrastructure at 3.2% and Consumer Products at 2.3%. Only Certification revenue slightly declined on a full-year basis as expected (down 1.5%) although the trend turned positive in the last quarter as the range of new services, notably those focused on corporate social responsibility continued to gather momentum.

Net acquisition growth was 1.2%, combining the contribution of acquisitions made in 2019, notably in the Buildings & Infrastructure and Agri-Food businesses, acquisitions finalized in 2018 and the reduction following divestment of the HSE consulting business in the U.S., in particular In 2019, Bureau Veritas completed five transactions in different countries to strengthen its footprint, representing around €46 million in annualized revenue (or 0.9% of 2019 group revenue). These supported two of the five Growth Initiatives. Bureau Veritas continued to divest in 2019 non-strategic businesses. It completed the disposal of its health, safety and environmental consulting services in North America in June 2019 (HSE Consulting; $30 million in revenue in 2018 and 170 employees). In total the company divested around €35 million of revenue and reduced its headcount by 250 full-time equivalents in 2019.

Currency fluctuations had a positive impact of 0.8%, mainly due to the appreciation of the USD and pegged currencies against the euro partly offset by the depreciation of some emerging countries' currencies.

Consolidated adjusted operating profit increased by 9.7% to €831.5 million; before applying IFRS 16, it totaled €818.5 million, up 8.0%. The full year 2019 adjusted operating margin gained 50 basis points to 16.3%. Before applying IFRS 16, the margin increased by 25 basis points to 16.1% compared to 15.8% in full year 2018; at constant exchange rates, it progressed by 20 basis points to 16.0% (of which 13 basis points organic and 7 basis points from scope).

Strong free cash flow improvement of 29.2% to €617.9 million

Full year 2019 operating cash flow improved by 19.7% to €820.4 million vs. €685.5 million in 2018. Before applying IFRS 16 operating cash flow increased by 3.8% to €711.4 million. This increase is primarily driven by the improvement in profit before income tax. This was cushioned by a working capital requirement outflow of €17.2 million, compared to a €4.1 million inflow the previous year, as a result of accelerating organic revenue growth in Q4 at 5.3%. The Move For Cash program continued to demonstrate positive effects and is still ongoing with actions all across the organization.

Dividend

Bureau Veritas is proposing a dividend of €0.56 per share for 2019, unchanged compared to 2018. This corresponds to a payout ratio of 55% of adjusted attributable net profit.
This is subject to the approval of the Ordinary Shareholders' Meeting to be held on June 26, 2020. The dividend will be paid to shareholders on the register on July 1st, 2020, and the share will go ex-dividend on June 30, 2020.

IMPACT ON THE BUSINESS DUE TO COVID-19 (information as published on February 27, 2020 and not updated)

Bureau Veritas is closely monitoring the economic inactivity associated with the COVID-19 outbreak. It is having a direct impact on the group's operations, initially in China (17% of group revenue, 16,461 employees as of December 31, 2019), and now elsewhere. Both the group's testing-driven consumer goods activities and audit and inspections activities are affected.
Bureau Veritas is carefully monitoring the situation and has taken the appropriate actions to protect its people. Bureau Veritas will provide further updates on the situation in due course.

2016-2020 AMBITION

Achieving the final year of the 2016-2020 ambition[1] is no longer relevant in the context of the COVID-19 crisis.

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[1] As a reminder, 2016-2020 financial ambition was as follows: Add EUR 1.5 billion of incremental revenue based on the 2015 plan's initial exchange rates as presented at the October 2015 Investor Days, half organic and half through external growth; Reach 5% to 7% of organic growth by 2020; Achieve above 17% adjusted operating margin in 2020 at the 2015 plan's initial exchange rates as presented at the October 2015 Investor Days; Generate continuous high free cash flow.

Bureau Veritas strong fundamentals remain unchanged and clearly demonstrate the soundness of the ongoing strategy. Bureau Veritas will announce its next strategic plan in September 2020, anchored in the current trajectory which is proving to be very successful.

Bureau Veritas remains committed through 2020 to its non-financial performance and mainly aims to:

- Health and Safety: Reduce accident rates by 50% (TAR, LTR)[1];
- Inclusion: Achieve 25% female representation on the group's executive management team;

Environment[2]: Reduce CO_2 emissions by 10% per full-time equivalent; Increase the use of renewable energy by 10%; Achieve 75% of group activities ISO 14001 certified.

For more information: group.bureauveritas.com

Stahl - Leather division impacted by difficult market conditions in the automotive and leather end markets. Profitability stable thanks to management focus.

(Full consolidation)

Stahl's sales totaled €808.7 million over the year, representing a decrease of 6.6% vs. €866.9 million of sales in 2018.

In 2019, Stahl was impacted by the overall macroeconomic weakness in China linked to GDP slowdown, trade war and the downturn in global industrial production, which appears to have affected the wider chemicals sector. Challenging market conditions in the automotive segments and shoe industry weighed notably on Leather Chemicals with a double-digit decline in volumes and, to a lesser extent, on Performance Coatings. Lower volumes were partially compensated by a positive change in price/mix, translating into a negative 7.8% organic sales growth. Foreign exchange rate fluctuations had a slightly favorable impact (+1.1%).

Despite this challenging context and thanks to its management focus and resilient business model, Stahl quickly adjusted its fixed cost base to market conditions. Profitability was further supported by synergies associated with the acquisition of BASF Leather Chemicals, such that EBITDA for the year totaled €180.0 million, translating into a margin of 22.2% (down a moderate 40 bps year-on-year).

As of December 31, 2019, Stahl's net debt was €346.8 million down €69.1 million from a year earlier. Leverage was reported as 1.9x EBITDA at the end of 2019, thanks to Stahl's strong cash generation capacity.

COVID-19 update: Stahl is carefully monitoring the economic slowdown associated with the virus outbreak and its potential direct impact on its operations. Initially geographies affected were China, Republic of Korea and Italy, representing c.30% of sales. The impact on January and February is limited and mainly relates to China, where production has been restarting progressively since mid-February. The situation is expected to worsen short term. The company is making the best efforts to manage this exceptional situation, both on its production, supply chain and logistics, and take the appropriate actions to protect its employees' health and safety.

Constantia Flexibles - Financial structure strengthened with the disposal of MCC shares. Profitability impacted by organic sales decline.

(Full consolidation)

Constantia Flexibles' sales were at €1,534.3 million in 2019, down 0.3% of which -2.4% organically. Fluctuations in exchange rates had a slightly positive impact of 0.7%, driven predominantly by the U.S. dollar and the Indian rupee. The consolidation of the Indian company Creative Polypack and the Russian company Constantia TT contributed positively to growth, with a scope effect of 1.4%.

The Consumer division (c.80% of sales) experienced a decline in revenues mostly due to a challenging competitive environment, in addition to temporary negative effects that should recover in the medium term. The Pharma division (c.

[1] TAR: Total Accident Rate, 0.38 in 2019; LTR: Lost Time Rate, 0.23 in 2019; Compared to 2014 consolidated results.

[2] Compared to 2015 consolidated results.

20% of sales) faced a strong comparative period and was also exposed to the adverse impact of lower volumes induced by weaker demand and difficulties experienced in certain emerging markets.

Constantia Flexibles' 2019 EBITDA was €176.8 million, representing a 60-bps year-on-year decrease in margin to 11.5%. As in the first half of 2019, lower volumes combined with the time lag in passing raw material price increases to customers had a negative impact on profitability, which were not offset by the additional cost containment measures taken in Q2. As a result, the combined effect of a challenging topline environment and costs inflation negatively impacted profitability in 2019.

2020 will focus on the roll-out of its EcoLam sustainable technology, boost organic growth and further cost reductions should be implemented to preserve margins.

In early July 2019, Constantia Flexibles completed the sale of its shares in Multi-Color Corporation, for €147.7m. In the first half of 2019, Constantia Flexibles finalized its takeover of 100% of Oai Hung Co., for €46.1m, and settled a minority shareholders' squeeze out litigation which resulted in a €45.4m net cash outlay (fully provisioned). In September 2019, Constantia Flexibles completed the acquisition of a majority stake in the Russian group of companies TT-Print. Now known as Constantia TT, the plant in Voskresensk mainly produces packaging for the pharmaceutical industry. In 2018, it recorded sales of €8.5 million. This acquisition has been consolidated since September 1, 2019.

As of December 31, 2019, Constantia Flexibles' net debt was €362.6million (vs. €452.7 million in 2018), i.e., 2.0x EBITDA. This decrease in net debt was driven by to the improving cash generation trend in 2019 and also reflected cumulated with the one-time effect from the sale of the MCC shares.

COVID-19 update: To date, Constantia Flexibles has had a limited exposure to geographies impacted by COVID-19 (e.g., China, Italy and South Korea represent less than 5% of total sales). Constantia Flexibles has recently seen sustained orders from surge in demand for packaged goods and tablets. The company is monitoring the situation very closely, particularly on supply chain impacts, and is making its best efforts to keep a safe environment for its employees around the world.

Cromology – First effects of turnaround on margin

(Full consolidation)

Cromology's sales totaled €667.8 million in 2019, up 0.4% compared with last year. Organic growth was up 0.4%. Changes in scope (primarily explained by the disposal of integrated stores in Italy in 2018) had a negative effect of 0.2%, while changes in exchange rates had a positive impact of 0.2%. Cromology business activity is driven by the good performance of its integrated network in France, international markets, in particular Spain, Morocco and Portugal but suffers from difficult market conditions especially on the DIY in France.

EBITDA totaled €41.5 million, up 43.0% benefiting from first effects of cost reduction program. Margin stood at 6.2%. Improvements in operational efficiency should continue with a more limited impact on margin in 2020 compared with 2019.

In May, Wendel announced a €125 million equity injection to provide the company with sufficient resources to carry out its recovery plan. In conjunction with the equity injection, Wendel and Cromology have obtained significant concessions from the lenders. Specifically, senior debt maturity has been extended to five years, and financial covenants have been eased considerably. In addition, Cromology management invested c. €5 million in 2019. As of December 31, 2019, Cromology's net debt was €110.6 million.

The operational and financial restructuring under the leadership of the new management team is on track. As already observed in 2019, sales organization improvements and cost optimization initiatives are starting to bear fruits.

COVID-19 update: Cromology realizes 96% of its sales in Europe, of which around two thirds in France, and 12% in Italy. As of end of February, Cromology observed limited impact from COVID-19. Monitoring and contingency plans were in place to face and adapt to future developments, particularly in the field of supply chain and to focus on the health of its employees. Stores shutdown in its European countries will translate into a more severe slowdown.

IHS Towers – Good organic growth and profitability increase

(Equity method)

IHS sales for 2019 totaled $1,231 million, up 5.4% versus the prior year, with growth in all countries. Organic growth stands at +7.5%, driven by new lease amendments (such as 3G and 4G upgrades), new tenants, and the increase in the total number of owned and managed towers (24,0761 as of December 31, 2019, up +0.9% year-on-year) and price escalation mechanisms. The changes in local exchange rates to the U.S. dollar had a negative impact of 2.1% over total revenues. Revenue for the year ended December 31, 2018 also benefited from $38.5 million of revenue resulting from reaching an agreement with a customer on the application of certain contractual terms, which permitted the recognition of revenues in the current year for services provided in prior years.

The Point-of-Presence lease-up rate increased to 1.56x while the technology tenancy ratio increased to 2.58x.

IHS continued the successful development and rationalization of its installed base of towers. The company also maintained a tight operating cost control policy and lower capital expenditure since the start of the year. EBIT for the year increased by 11.2% to $276.0m (vs. $248.3m in 2018), representing a margin of 22.4%. The slower growth of the recurring EBIT in H2 can be explained by the aforementioned one-off settlements received by IHS in 2018.

With regards to external growth, in February 2020, IHS completed the acquisitions of c. 1,600 towers from Zain in Kuwait and c. 2,300 towers from Cell Site Solutions in Brazil, Peru and Columbia. In Saudi Arabia (c.8,100 towers), IHS is still working in order to obtain the necessary required licenses and authorizations.

COVID-19 update: IHS has not been impacted from a trading perspective by COVID-19 outbreak over the first two months of 2020 and is monitoring the potential impacts on its supply chain.

As of December 31, 2019, IHS' net debt was $1,157 million.

Tsebo – Tough macro conditions in South- Africa impacted profitability

(Full consolidation)

Tsebo's sales were $505.7 million in 2019, down organically by 4.6%. The sluggish South African macro environment (South Africa fell into a recession in the fourth quarter when GDP contracted by 1.4%) resulted in a depressed local business environment that impacted companies and consumers alike, fostering accrued competition among local players. These conditions resulted in increased pressure on organic growth and on margins.

In order to strengthen its financial structure, Tsebo is contemplating the disposal of ATS (remote camps activity outside of South Africa). Under IFRS 5 rules, this potential disposal generates an $80.9 million restatement contributing to an 18.1% reported sales decrease.

External growth was +7.6%, driven by the acquisitions of Servcor in 2018 and Compass Egypt in 2019. Unfavorable exchange rate fluctuations, especially the weakening of the South African rand against the U.S. dollar, had an impact of –5.7%.

At the end of 2019, a major South African customer did not renew its contract with Tsebo, effective April 2020.

Tsebo's profitability declined over the period, with EBITDA reaching $25.4 million, down 34.9% year-on-year, and margin decreasing to 5.0% (vs. 6.3% a year earlier). Tsebo undertook substantial restructuring measures in the second half of 2019.

As of December 31, 2019, Tsebo's net debt stood at $118.7 million.

To strengthen the company's financial structure, support its turnaround plan and to fund the acquisition of Compass Egypt, Wendel injected $12.1 million in the first half of 2019 and $5.7 million in December 2019. Concurrently, Tsebo has initiated discussions with its lenders and in order to ease the constraints induced by its banking documentation.

COVID-19 update: At the time of publishing, South Africa started implementing strict COVID containment measures including but not limited to school closures with a negative effect to be expected on sales and could further weigh on its financial situation. Tsebo monitors very closely this worrying situation and has contingency measures in place to keep its employees and customers safe.

Crisis Prevention Institute – revenue growth with stable margin

(Full consolidation to start in 2020. 2019 figures are in U.S. GAAP)

In 2019, CPI generated revenues of $87.7 million[1], representing a 7.8% increase over the prior year. 2019 published revenue was negatively impacted by a new accounting standard in U.S. GAAP. On a like-for-like basis, revenue growth would have been 10.2%. Growth was underpinned by strong customer loyalty and a continued expansion of the installed base of Certified Instructors (CIs) through growth in both current and new markets. As part of this growth, international markets posted a double digit increase in sales. In addition, 2019 results were also driven by an expansion of program offerings to provide its Certified Instructors' base of with even more options for specialized, topic-specific training.

CPI generated an adjusted EBITDA of $38.9 million[2], representing a 7.5% increase year on year and a margin of 44.4%.

In 2019, CPI continued to invest in curriculum development, delivery methods, technology, and personnel. In late 2019, CPI implemented a new CRM, which combined with a realignment of the sales organization, should further enhance sales force activity and increase penetration in new growth markets.

As of December 31, 2019, CPI's net debt totaled $330.4 million, or 7.2x EBITDA as defined in Crisis Prevention Institute's credit agreement.

As per its valuation methodology, Wendel's c.96% stake in CPI will be valued at transaction value ($569m in equity) in Net Asset Value until December 31, 2020.

Covid-19 update: As of mid-March 2020, CPI has not yet seen a meaningful impact on trailing financial results, in part due to the comparatively later development of the virus in the U.S. CPI is focusing on ensuring the health and safety of all employees and customers. We therefore expect a significant short-term slowdown in revenues in 2020.

Allied Universal – Strong external growth

In 2019, Allied Universal® generated revenues of $7.5 billion, up 28.0% over the prior year. This increase in sales resulted from a combination of 3.1% pro forma organic growth and the impact of M&A, derived mainly from the consolidation of U.S. Security Associates, which closed in late October 2018, as well as the impact of the other acquisitions completed in 2018 and 2019.

In 2019, Allied Universal® acquired 9 companies that generate $0.9 billion on a combined annualized basis, of which $145 million was reflected in the 2019 reported revenue.

On December 13, 2019, Wendel completed the sale of a stake in Allied Universal® for net cash proceeds of $721 million. Further, Wendel may sell additional shares, and up to its total remaining stake, to the extent the Warburg Pincus investment group raises additional capital.

As per its valuation methodology, Wendel's c.6% stake in Allied Universal is valued at the December 2019 transaction value of c.$200 million in Wendel's Net Asset Value.

NAV of €166.3 per share as of December 31, 2019

Net asset value was €7,429 million or €166.3 per share as of December 31, 2019 (see Appendix 1 below for details), representing a 12-month increase of 12.8% from €158.5 per share as of December 31, 2018. The discount to the December 31, 2019, NAV was 27.3%, compared with the last 20 trading days average share price as of December 31, 2019.

[1] Figures in US GAAP

[2] Figures in US GAAP

Significant events since the beginning of 2019

Acquisition of Crisis Prevention Institute ("CPI")

On October 15, 2019, Wendel announced it signed an agreement to acquire Crisis Prevention Institute ("CPI" or the "Company") at an enterprise value of $910 million. The acquisition has been completed on December 23, 2019. As part of the Transaction, Wendel made an equity investment of approximately $569 million, for a c. 96% ownership interest in the Company, alongside CPI's management team and certain other minority investors.

Headquartered in Milwaukee, Wisconsin, CPI is the leading provider of behavior management and crisis prevention training programs. For nearly 40 years, CPI has been providing crisis prevention and intervention training programs to help professionals respond to anxious, hostile and violent behaviors with safe and effective methods.

The Company primarily serves education and healthcare customers in the U.S. and is expanding its reach in behavioral and home health care, as well as other industries with similar behavioral encounters, including retail and security services. The Company has expanded internationally over the past several years and now generates more than 20% of its sales outside the U.S., principally in Canada and United Kingdom.

CPI specializes in "train the trainer" programs that teach and certify individuals to instruct staff at their organizations to assess, manage, and safely resolve instances of high-risk, disruptive or aggressive behavior in the workplace.

CPI employs 316 people globally and has an installed base of more than 38,000 active Certified Instructors who train over 1.4 million individuals per year and, who, along with their predecessors for the past 40 years, have trained more than 15 million professionals in North America, Europe and across the globe.

Wendel sells large part of its stake in Allied Universal®

On December 13, 2019, Wendel and Allied Universal's existing shareholders have completed the sale of a majority stake in the company to Caisse de dépôt et placement du Québec (CDPQ), and a new investment group led by Warburg Pincus and an affiliate of the J. Safra Group (the "Transaction").

As part of the Transaction, Wendel sold 79% of its total investment in Allied Universal, for net cash proceeds of $721 million and will retain an approximately 6% ownership interest in the company. The Transaction values Wendel's net investment, including realized and unrealized proceeds, at approximately $920 million, or approximately 2.5x total invested capital in USD.

This valuation is approximately $670 million above the valuation of Allied Universal in Wendel's net asset value as of November 16, 2018, published before the sale announcement. Wendel's residual stake in Allied Universal, per the net asset value calculation methodology, will be valued at the transaction price for one year. As part of the Transaction, Wendel agreed to limited governance and liquidity rights commensurate with the small size of its remaining ownership stake.

The Transaction is subject to typical post-closing adjustments, which may impact the equity interest maintained by Wendel. Further, Wendel will sell additional shares to the extent the Warburg Pincus investment group raises additional capital.

Wendel invested €125 million in Cromology in conjunction with the renegotiation of its debt

On May 13, 2019, Wendel signed an agreement to renegotiate the financial debt of Cromology, successfully capping a process initiated in Q4 2018. End of May, Wendel also invested €125m in equity alongside the new management team. The new equity contributed by Wendel will strengthen Cromology's financial structure, in particular by lightening its debt burden through the early repayment of €75m in senior debt. The new equity will also enable the company to implement its transformation plan and finance its investments. Wendel and Cromology have obtained significant concessions from lenders to give the company sufficient latitude to carry out its recovery plan. Specifically, senior debt maturity has been extended to five years, and financial covenants have been eased considerably, with covenant holiday until March 2022.

Wendel's €200 million share repurchase

The €200 million share repurchase agreement entered on March 26, 2019, with Goldman Sachs International ("Goldman Sachs"), initiated on April 17, 2019, was completed on December 17, 2019.

Between April 17, 2019, and December 17, 2019, in the context of this program, Wendel acquired a total of 1,645,338 ordinary shares (representing 3.55% of outstanding shares count before the launch of the program) at an average adjusted price of €121.5555.

As a reminder, on April 23, 2019, Wendel made a €200 million payment to Goldman Sachs and received 1,169,399 of its own ordinary shares. These shares were canceled on April 25, 2019. Upon completion of the agreement, Wendel received from Goldman Sachs 475,939 additional ordinary shares. This additional number of shares has been determined on the basis of the volume weighted average price per share, less a discount, over the execution period. The additional 475,939 ordinary shares were delivered on December 19, 2019, were canceled on the same day.

Sale of PlaYce

Wendel has sold its 40% holding in PlaYce (formerly SGI Africa) to CFAO for net proceeds of €32.2 million, following an initial investment of €25.3 million at the end of July 2016.

Sale of Saint-Gobain shares

Wendel has sold 14.1 million Saint-Gobain shares since January 2019 in the market for a total sale amount of €468 million.

Strong financial structure, €1.9[1] billion liquidity and improved debt profile

Gross debt as of the end of December stood at €1,615 million, with, net cash position of €1,142 million resulting in a net debt of €473 million. LTV ratio was 6.0%. LTV pro forma of market decline2 is estimated at 8 to 9% as of March 16, 2020.

Successful extension of credit lines

In-mid October 2019, Wendel again successfully extended its undrawn credit facility of €750 million with a new maturity of October 2024.

Moody's reaffirms Wendel Baa2 rating with a stable outlook

On September 25, 2019, Moody's reaffirmed its Baa2 long-term issuer rating to Wendel. As stated in Moody's credit opinion, this rating, one notch 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.

€300 million 7-year bond issue bearing interest at 1.375%

On April 23, 2019, Wendel successfully placed a €300 million bond issue maturing in April 2026 and bearing interest at 1.375%. The issue was well received by investors and was more than 7 times oversubscribed. Proceeds of this issue were used for general corporate purposes and for full, early repayment of bonds maturing in April 2020 (€300m) and in January 2021 (€207m) pursuant to their make-whole redemption provisions. These two transactions enabled Wendel to extend its debt maturities while also reducing its gross debt and lowering its average cost.

Reimbursements of €712 million bond debts

Wendel repaid the €500 million exchangeable bond in Saint-Gobain on July 31, 2019, as well as the bond bearing 5.875% interest and maturing in September 19, 2019, for a total of €212 million.

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[1] €1.1 billion cash + €750m Revolving Credit Facility

[2] Mechanically adjusting for the current Bureau Veritas' share price and for unlisted companies, only recent drops in peers' share prices

Dividend for 2019

Wendel is proposing a dividend of €2.90 per share for 2019, up 3.6% compared to 2018. This is subject to the approval of the Shareholders' Meeting to be held on June 4, 2020. The dividend will be paid in cash on June 11, 2020, and the share will go ex-dividend on June 9, 2020.

New Supervisory Board member to be proposed to shareholders at 2020 Annual Meeting

François de Wendel, whose term will expire at the close of the shareholder's meeting of June 4, 2020 has expressed his intent not to renew his term. It will be proposed to shareholders to appoint to the Board a new Wendel family member, Mr. Thomas de Villeneuve. He will bring to the Supervisory board his decades of experience and strong background in the investment industry and private equity.

ESG commitment

In 2019, Wendel initiated a program of strategic initiatives aimed at placing important environmental, social and corporate governance topics (ESG) at the heart of its strategy. As a long-term shareholder, Wendel strongly believes that a commitment to engagement and action on ESG areas is key in creating sustainable value. This ambitious new ESG focus will be described in Wendel's Universal Registration Document, which will be published in April.

In that spirit, in March 2020, Wendel signed the UN PRI (Principles for Responsible Investment) as well as the Gender Parity Charter by France Invest, and will continue to transparently share information about our commitments throughout the year.

Agenda

04.30.2020

Q1 2020 Trading update / Publication of NAV as of March 31, 2020 (pre-market release).

06.04.2020

2020 Annual General Meeting

07.30.2020

H1 2020 results / Publication of NAV as of June 30, 2020, and condensed Half-Year consolidated financial statements (post-market release).

11.04.2020

2020 Investor Day / Presentation of NAV as of September 30, 2020, and Q3 2019 trading update (publication post-market release on 11/03/2020).

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, Allied Universal, 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:

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Appendix 1: NAV as of December 31, 2019: €166.3 per share

(in millions of euros)			12/31/2019	12/31/2018
Listed equity investments	Number of shares	Share price [(1)]	**3,775**	**3,268**
Bureau Veritas	160.8/156.3 m	€23.5/€18.2	3,775	2,846
Saint-Gobain				422
Investment in unlisted assets [(2)]			**4,026**	**3,908**
Other assets and liabilities of Wendel and holding companies[(3)]			101	89
Net cash position & financial assets [(4)]			1,142	2,090
Gross asset value			**9,044**	**9,355**
Wendel bond debt			-1,615	-2,532
Net Asset Value			**7,429**	**6,823**
Of which net debt			*-473*	*-442*
Number of shares			*44,682,308*	*46,280,641*
Net Asset Value per share			**€166.3**	**€147.4**
Wendel's 20 days share price average			€120.8	€103.2
Premium (discount) on NAV			-27.3%	-30.0%

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

(2) Investments in non-publicly traded companies (Cromology, Stahl, IHS, Constantia Flexibles, Allied Universal, Tsebo, indirect investments and debts). As per previous NAV calculation as of September 30, 2019, IHS valuation as of December 31, 2018, was solely performed based on EBITDA, which is the most relevant valuation aggregate at this stage. Residual stake in Allied Universal is valued after the closing of Wendel's partial disposal.

(3) Of which 908,950 treasury shares as of December 31, 2019, and 1,013,074 treasury shares as of December 31, 2018

(4) Cash position and financial assets of Wendel & holdings. As of December 31, 2019, this comprises € 0.8 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.

If co-investment and managements LTIP conditions are realized, subsequent dilutive effects on Wendel's economic ownership are accounted for in NAV calculations. See page 303 of the 2018 Registration Document

Appendix 2: Conversion from accounting presentation to economic presentation

						Equity-method investments			
(in millions of euros)	Bureau Veritas	Constantia Flexibles	Cromo logy	Stahl	Tsebo	IHS	Allied Universal	Wendel and holding companies	Total Group
Net income from operations									
Net sales	**5,099.7**	**1,534.3**	**667.8**	**808.7**	**451.8**	-	-	-	**8,562.2**
EBITDA [1]	**N/A**	**186.1**	**73.0**	**183.0**	**24.3**	-	-	-	-
Adjusted operating income [1]	**831.5**	**82.9**	**24.1**	**155.6**	**17.2**	-	**-**	-	1,111.2
Other recurring operating items	-	2.0	0.9	1.5	0.9	-	-	-	-
Operating income	**831.5**	**84.9**	**25.0**	**157.1**	**18.1**	-	**-**	**-71.1**	**1,045.5**
Finance costs, net	-102.7	-18.7	-25.0	-26.7	-16.5	-	-	-67.9	**-257.4**
Other financial income and expense	-15.9	-0.7	-0.5	-0.4	-1.6	-	-	4.8 [2]	**-14.4**
Tax expense	-235.8	-21.3	-18.9	-34.9	-3.5	-	-	-1.5	**-315.8**
Share in net income of equity-method investments	0.6	-2.4	0.2	-	0.0	-60.9	-	-	**-62.5**
Net income from discontinued operations and operations held for sale	-0.0	2.4	-	-0.9	-5.7	-	58.5	-	54.3
Recurring net income from operations	**477.7**	**44.2**	**-19.2**	**94.3**	**-9.2**	**-60.9**	**58.5**	**-135.7**	**449.7**
Recurring net income from operations – non-controlling interests	315.0	16.1	-0.8	30.6	-4.7	-0.3	0.0	8.4	**364.2**
Recurring net income from operations – Group share	**162.7**	**28.2**	**-18.4**	**63.7**	**-4.5**	**-60.6**	**58.5**	**-144.1**	**85.4**
Non-recurring net income									
Operating income	-110.2	-78.4	-28.2	-44.1	-120.2	-	-	-38.0 [3]	**-419.0**
Net financial income (expense)	-	12.0	-47.3	-10.0	-0.5	-	-	29.1 [4]	**-16.7**
Tax expense	25.1	18.6	4.8	13.6	15.3	-	-	-	**77.5**
Share in net income of equity-method investments	-	2.4	-	-	-	-18.1	-	-	**-15.7**
Net income from discontinued operations and operations held for sale	-	-	-	-	-	-	-101.8	651.6 [5]	**549.8**
Non-recurring net income	**-85.1**	**-45.4**	**-70.6**	**-40.5**	**-105.4**	**-18.1**	**-101.8**	**642.6**	**175.9**
of which:									
- Non-recurring items	-25.4	-3.5	-57.6	-21.0	-6.2	-13.9	-69.5	639.3	**442.1**
– Impact of goodwill allocation	-59.6	-29.8	-0.4	-19.3	-7.0	-	-29.0	-	**-145.1**
- Asset impairment	-	-12.0	-12.6	-0.1	-92.2	-4.1	-	-	**-121.1**
Non-recurring net income – non-controlling interests	-54.5	-19.8	-5.8	-13.1	-38.2	-0.1	-0.5	-6.4	**-138.4**
Non-recurring net income – Group share	**-30.6**	**-25.6**	**-64.8**	**-27.3**	**-67.2**	**-18.0**	**-98.0**	**645.7**	**314.3**
Consolidated net income	**392.6**	**-1.2**	**-89.8**	**53.8**	**-114.6**	**-79.0**	**-40.0**	**503.7**	**625.6**
Consolidated net income – non-controlling interests	260.5	-3.8	-6.6	17.4	-42.9	-0.4	-0.4	2.1	**225.8**
Consolidated net income – Group share	**132.2**	**2.6**	**-83.2**	**36.4**	**-71.7**	**-78.6**	**-39.5**	**501.6**	**399.7**

(1) Before the impact of goodwill allocation, non-recurring items and management fees.
(2) Including €4.1 million corresponding to dividends received from Saint-Gobain.
(3) This item notably includes the effect of the recognition of the provision for the guarantee relating to the financing of Tsebo's investor of -€27 million (see note 15.1 on provisions).
(4) This item notably includes the change in fair value of the cross-currency swap for -€21.4 million, the intra-group interest received from Cromology Group for +€47.3 million, the cost of the early redemption of bonds for -€20 million, and the positive result of +€21.2 million related to the unwinding of the co-investment mechanism of the former managers of Matéris.
(5) This item notably includes the proceeds from the disposal of Allied Universal for €644.2 million and PlaYce for €7.3 million.

Appendix 3: Summary table of main aggregates before and after the application of IFRS 16

(in millions)	Sales		EBITDA (EBIT for IHS)			Net debt	
	FY 2018	FY 2019	FY 2018	FY 2019 before IFRS 16	FY 2019 after IFRS 16	FY 2019 before IFRS 16	FY 2019 after IFRS 16
IHS	$1,168.1	$1,231.1	$248.3	$276.0	$284.1	$1,157.1	$1, 341.6
Stahl	€866.9	€808.7	€196.8	€180.0	€183.0	€346.8	€364.4
Constantia Flexibles	€1,538.3	€1,534.3	€186.5	€176.8	€186.1	€362.6	€396.2
Tsebo	$617.8	$505.7	$38.6	$25.4	$28.6	$118.7	$126.3
Cromology	€665.1	€667.8	€29.0	€41.5	€72.2	€110.6	€214.1