



W E N D E L

PRESS RELEASE, OCTOBER 26, 2018

Allied Universal completes acquisition of U.S. Security Associates for approximately \$1 billion

Wendel today announced that the acquisition of U.S. Security Associates (“USSA”) by Allied Universal, for approximately \$1.0 billion, has been completed. 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 2017 pro forma revenues and adjusted EBITDA of c. \$1.5 billion and \$95 million, respectively.

Allied Universal funded the transaction with a combination of additional indebtedness and \$200 million of equity from existing shareholders, including c. \$78 million from Wendel, increasing its total investment to c. \$378 million. Wendel and Warburg Pincus will each maintain approximately one-third economic ownership. As part of the transaction, the existing shareholders also committed an additional unfunded equity liquidity line. Wendel’s share of the commitment is up to \$40 million.

As a result of the acquisition, Allied Universal is now an organization with annual revenues of approximately \$7 billion and over 200,000 security professionals. The acquisition also increases Allied Universal’s national presence and customer service capabilities and also enhances Allied Universal’s presence in Canada. The transaction also expands its footprint to Central and Latin America and the United Kingdom. With this acquisition, Allied Universal enters the consulting and investigations business as well as event staffing, enhancing its unparalleled and comprehensive security offerings to its customer base throughout its service areas. Pro forma for the transaction, Allied Universal will generate combined pro forma 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.

“I look forward to working with the USSA team, which has evolved over the years as a leader in security. Together we will bring unprecedented value to all of our customers with an array of combined offerings and concepts,” **said Steve Jones, Chief Executive Officer of Allied Universal.**

Wendel North America CEO David Darmon said, “As one of the two principal shareholders of Allied Universal, Wendel is supporting the Company’s continued growth as the industry continues to evolve. This is consistent with our original investment thesis and we think will further enhance the Company’s leadership position.”

Key milestones of Wendel’s investment in Allied Universal

- Wendel acquired AlliedBarton Security Services in December 2015 for approximately \$1.68 billion. As part of the transaction, Wendel made an equity investment of approximately \$687 million, for an approximate 95% ownership in the company, alongside AlliedBarton’s management team.
- In 2016, AlliedBarton Security Services merged with Universal Services of America, owned by Warburg Pincus, creating the leading security company in North America. Following completion of the merger, in exchange for

its contribution of its shareholding in AlliedBarton Security Services Wendel SE received approximately 33% of the shares of Allied Universal and a cash payment of \$388 million.

- Following the USSA transaction in which Wendel invested an additional c. \$78 million, Wendel's total equity investment reaches c. \$378 million.

About Allied Universal

Allied Universal, a leading facility services company and the largest security force in North America with over 200,000 employees, provides unparalleled security services and solutions. The enterprise combines people and technology to deliver evolving, tailored solutions that allow our clients to focus on their core business. An unrelenting focus on clients' success creates partnerships rooted in quality and value, and is supported by experience gained from being in business for over 60 years. Through our people and leading services, systems and solutions...Allied Universal is there for you. For more information, please visit www.aus.com.

Agenda

11.29.2018

2018 Investor Day / Publication of NAV and trading update (pre-market release).

03.21.2019

2018 Full-Year Results / Publication of NAV as of December 31, 2018 (pre-market release).

05.16.2019

2019 Annual General Meeting / Publication of NAV as of March 31, 2019 and Q1 trading update (pre-market release).

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, Saint-Gobain, Cromology, Stahl, IHS, Constantia Flexibles and Allied Universal. 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. Through Oranje-Nassau Développement, which brings together opportunities for investment in growth, diversification and innovation, Wendel is also a shareholder of Nippon Oil Pump in Japan, PlaYce and Tsebo in Africa.

Wendel is listed on Eurolist by Euronext Paris.

Standard & Poor's ratings: Long-term: BBB-, stable outlook – Short-term: A-3 since July 7, 2014

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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