



W E N D E L



Acquisition of Tsebo

September 20, 2016

On September 19, Wendel signed an agreement with a view to acquiring Tsebo. The company provides solutions such as facilities management, catering, cleaning and security services, as well as remote camp management to clients across Africa.

Tsebo

Wendel's 4th platform in Africa established since 2013

Leading pan-African facilities services provider

Unrivalled footprint in Africa, with presence in 23 countries

Attractive growth prospects organically and through acquisition

Strong cash generation

Resilient business model

Strong management team

The leading pan-African facilities services provider

Founded in **1971**, 'homegrown' African company

ZAR 6.33bn of sales⁽¹⁾

ZAR 507m of EBITDA⁽¹⁾

7,000 + client sites across a variety of industries

34,000 + staff





€ 331m Entreprise Value⁽¹⁾

Up to 4x EBITDA of debt to finance the acquisition,
enabled by a growing, cash-generative business

Co-investment negotiation underway
with management & B-BBEE investors

Up to €200m of equity to be invested by Wendel,
subject to debt financing & syndication to other investors

A long history of outperformance and integrating acquisitions

From a single country business to a Pan African player

“Structuring and consolidation”

“Investment for growth driven by M&A”



1971
Founded as
a contract
catering
business

1998
Rebranded as Tsebo
Outsourcing Group

1997
Listed (as Fedics) on the
Johannesburg Stock Exchange
– delisting in 2000 by Ethos

2005
Become one of the first
organizations of its size to
achieve ‘excellent’ B-BBEE
accreditation

2007
Investment of ABSA
Capital (now
Rockwood PE) into
Tsebo, alongside B-BBEE
shareholders

2009
M&A: TsAfrika
(Catering)

2008
Middle East / Oil & Gas
expansion (through
Karam–Fedics)

2012
M&A: Ubunye Cleaning
and Servco Catering
(Mozambique)

1st Pan-African
contract (Barclays)

2014
M&A: Backbone
Management, Callguard
Security

Merge with ATS (All Terrain
Services Group)

2015
M&A: Malandela and
Thorburn (Security)



A diversified model, generating strong & resilient growth

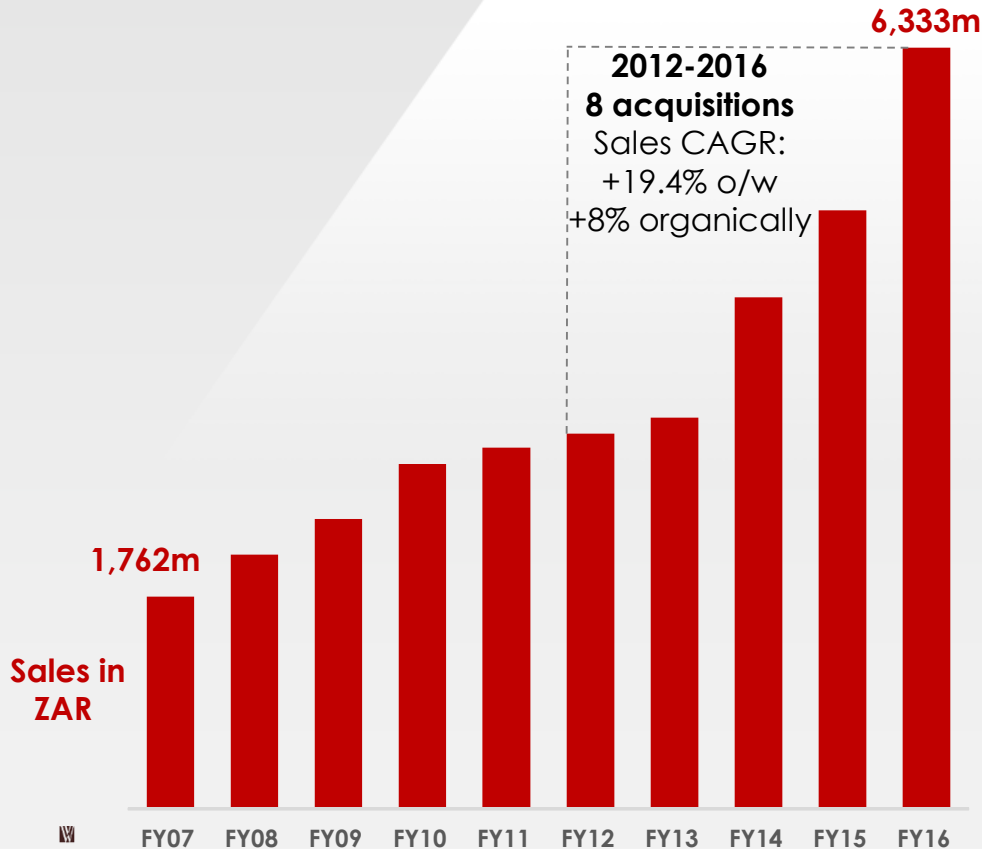
Through organic & external growth

Growth driven by a combination of organic and external growth ...

2007-2016

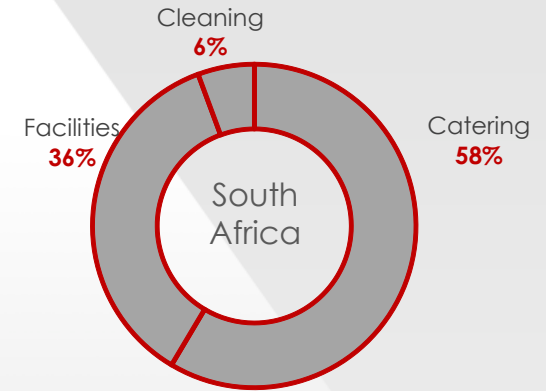
Sales CAGR: +15.3%

EBITDA margin : +220 bps, from 5.8% to 8.0%

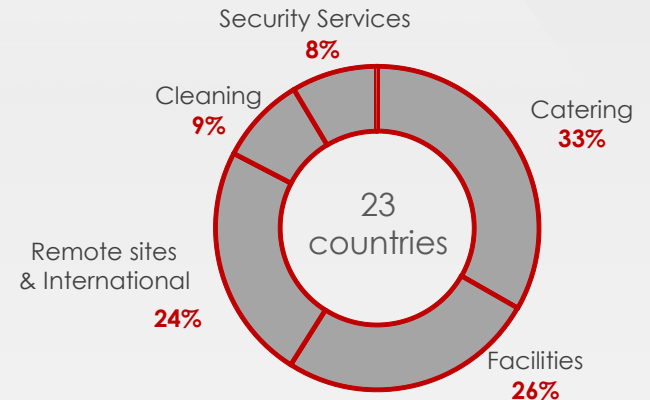


... with a progressive diversification of service offering and geographic presence

2010 Sales



2016 Sales



Tsebo, the pan-African leader in facility services

African Expertise, Global Standards

What they do

- Tsebo takes responsibility for non-core activities outside of its clients expertise, enabling them to focus on their core businesses
- Solutions and services offered include: facilities management, remote camp management, catering, cleaning, hygiene, security services, energy management, procurement

How they do it

- African Expertise, Global Standards
 - Strong African footprint with presence in 23 countries
 - On-the-ground capacity
 - Excellent Level 1 B-BBEE rating

Who they serve

- ~7,000 clients sites across a variety of industries & services:
Financial services, resources & energy, healthcare, education, leisure & entertainment, infrastructure projects, corporate & industry, manufacturing, pharmaceutical, government, retail & wholesale

Results

- Consistent revenue and EBITDA growth, strong cash conversion
- Steady growth in market share
- Successfully integrated 8 acquisitions since 2012

Business overview

Facilities management



Technical services

Tsebo maintains buildings, lifts and escalators, Heating Ventilation and AC, plumbing and electrical systems and provide construction and cabling services.



Soft services

provides and manages furnishings, interiors, parking, waste, storage as well as space planning services.



Business support services

manages Occupational Health and Safety, asset management, document management, procurement, switchboard, reception, printing and stationery needs



Hygiene

provides sanitation equipment that ensures the highest standard of cleanliness in the workplace.



Security services

provides soft guarding and access control, using both technology and human capital to ensure the safety of employees and customers in all environments.



Remote camp management

provides full, turnkey establishment and management of remote camps in isolated locations across Africa.



Catering

Tsebo is the largest caterer on the continent and its segmented offering is designed to meet the needs of all industries and institutions.



Cleaning

provides high quality cleaning services that support the health of employees, customers and workspaces



Energy management

provides technology-based solutions that reduce electricity and water consumption, lessening dependence on "the grid."












Procurement










Tsebo provides third party procurement and manage vendors, ensuring lower cost and a consistent supply of materials.

Tsebo's brand values

- 1 Building productivity In Africa & The Middle East**
provide clients with a dependable operational foundation that supports their growth across Africa & the Middle East
- 2 Measurable client benefits**
Create powerful solutions for clients that they can measure in hard terms
- 3 Innovation for tomorrow's needs**
Provide clients with matchless value for money by offering them diverse, inventive yet practical, long-term business solution
- 4 Social development through visionary leadership**
Provide vision and practical solutions that drive growth priorities – skills development, job creation, entrepreneurship development, health and nutrition
- 5 Sustainability ingrained**
By protecting the interests of communities and the environment, Tsebo encourages a collective welfare that bridges generations

An outstanding management team

	Clive Smith	Tim Walters	Chris Jardine	W Louw	J Wentzel	M Kalawe	FC Smit	S Narain	K Khan
	CEO	CFO	Exec Director Operations	CEO Cleaning / CIO	CEO – FM	CEO – Catering	CEO – Security services	CEO – ATS	GM – Karam
									
Years at Tsebo	24	15	6	12	5	2	2	20	27
Qualification	ACIS	CA	PhD	BSc Eng. CA	PhD	BSc Eng. CA	n.a.	BTech	MBA
Countries working in	15	15	10	15	10	9	12	15	5

	D Thoby	B Doran	R van der Zwan	K Fussell	W Gould	D Govender	A McElnea	G Maina	J Tuck
	HR Director	CFO – Int.	Marketing Director	COO – Catering	CEO – Energy	CPO	COO – FM	GM – East Africa	Nat Ops Dir – Cleaning
									
Years at Tsebo	5	3	7	27	22	2	14	15	19
Qualification	BA	CA	BSocSc, MBA	N. Dip	PrEng. BCom	N. Dip, MBA	EDP (GiBS)	BA	N.Dip, BCom
Countries working in	5	30	20	10	5	26	10	5	1

Average tenure at Tsebo: 12+ Years

Average countries worked in: 10

Average qualification: Post Graduate

Investment thesis fully aligned with Wendel's strategy

Tsebo is a unique platform to support African growth



Strong macro trends



Africa is one of world's fastest-growing region, underpinned by strong fundamentals, e.g. **demographics & urbanization**

Established value proposition



Clear value proposition for customers seeking to outsource to a best-in-class provider



Top market position



Pan-african leader with the largest footprint in the industry

Strong revenue growth



CAGR of 15% since 2007 driven by organic growth & acquisitions



Recession resilient



2007-2010: Revenue up 18% p.a & EBITDA up 10% p.a.

Extremely diversified



Revenue diversified **across various African countries & end-markets**



Positioning for growth



Strong pipeline of **near-term revenue growth opportunities** with existing & new clients. **Strong demand for remote camps services across Africa. Strong M&A potential.**

Best-in-class management team



Experienced, dedicated, innovative management team who emphasize the highest levels of service and ethics, and have driven historical growth

Conclusion



Tsebo

Increases Wendel's African footprint

4th direct acquisition in Africa

Tsebo is an ideal platform to benefit from the African growth

€1+ bn invested in in IHS, Saham, SGI Africa & Tsebo

Enhanced African portfolio diversification

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