

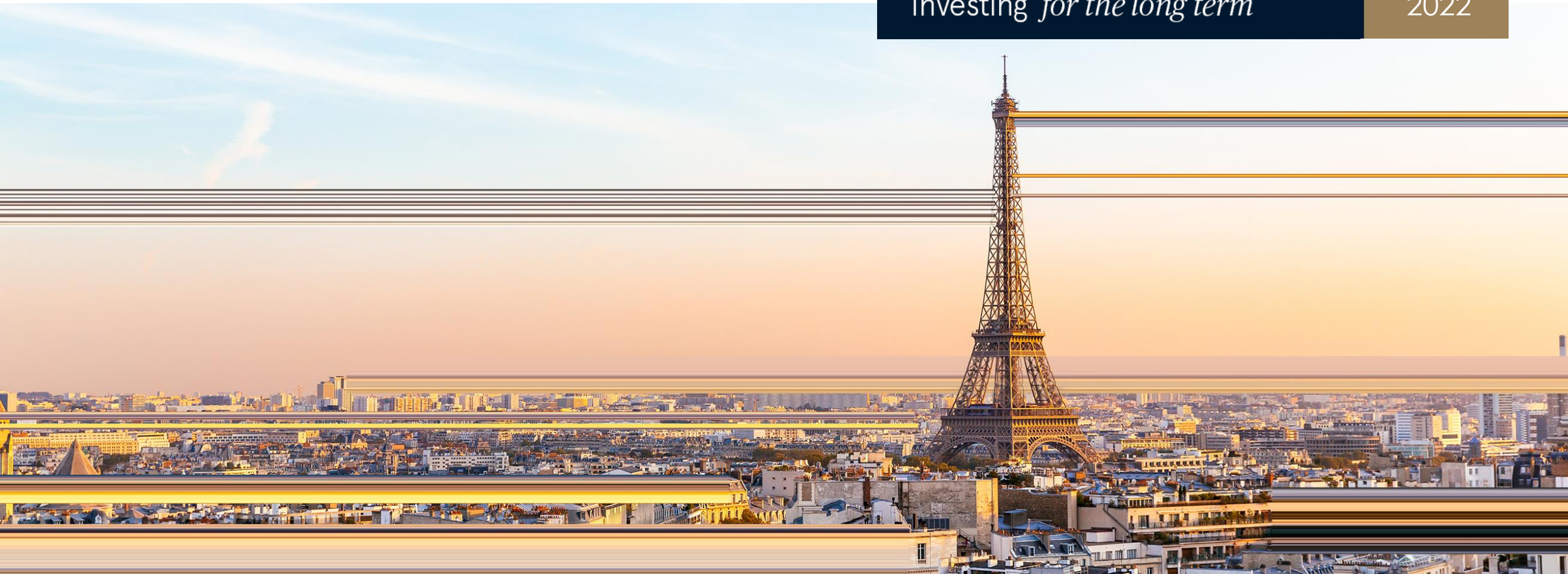
# Investor Day

December 1, 2022



*Investing for the long term*

2022





# Agenda

**01**



**André François-Poncet**  
Group CEO

**David Darmon**  
Group Deputy CEO

**Christine Anglade Pirzadeh,**  
Head of ESG and Corporate  
Communication

**02**



**Jérôme Michiels**  
Executive Vice  
President, CFO, Head  
of Wendel Growth

**Antoine Izsak,** Head of  
Growth Equity at  
Wendel Growth

**03**



**Pim Vervaat**  
CEO

**04**



**Maarten Heijbroek**  
CEO

**05**



**Scott Liles**  
CEO

**Mariah Gause**  
COO

**06**



**Tony Jace**  
CEO

**Susan Driscoll**  
President

# — How to ask questions to our speakers?

**Directly from the room**

**OR**

**Directly from the webcast**



You can submit your questions  
in writing directly via the platform



# Wendel update

André François-Poncet, Group CEO  
David Darmon, Group Deputy CEO



W E N D E L

# — 2022 : where do we stand?



## **Strong growth year-to-date across the portfolio**

- 9M 2022 consolidated sales of €6,507.8m, **up 17.9% overall** and **10.9% organically**



## **Significant portfolio rotation and capital deployment since the start of 2022**

- Disposal of Cromology closed in January: €896 million of proceeds to Wendel
- Acquisition of ACAMS in March: €304 million equity invested
- Wendel Growth: €51 million additional commitments in 2022



## **External growth by group companies**

- FFP Packaging Solutions acquisition by Constantia Flexibles
- 4 bolt-on acquisitions by Bureau Veritas



## **Return to shareholders**

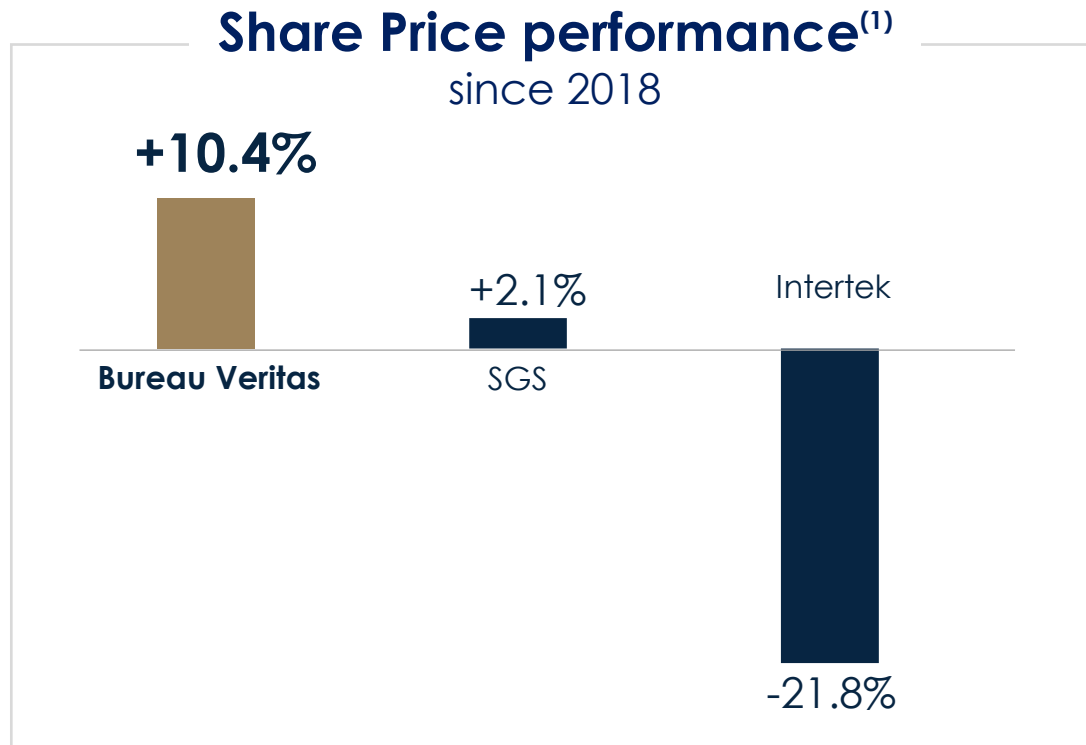
- Cancellation of 377k shares, inducing a positive impact of €0.7/share on NAV
- €3.0 dividend paid on June 22, 2022 and €25 million buy back in 2022



## **Solid financial structure**

- Low leverage at holding and portfolio companies' level

# — The market recognizes Bureau Veritas' transformation



EV/EBIT 2022 <sup>E (2)</sup>	
Bureau Veritas	14.4x
Intertek	14.2x
SGS	18.2x

(1) Source: Factset, as of November 29, 2022. Share price performance and TSR calculated from 12.31.2017

(2) Source: IR Nasdaq as of November 29, 2022

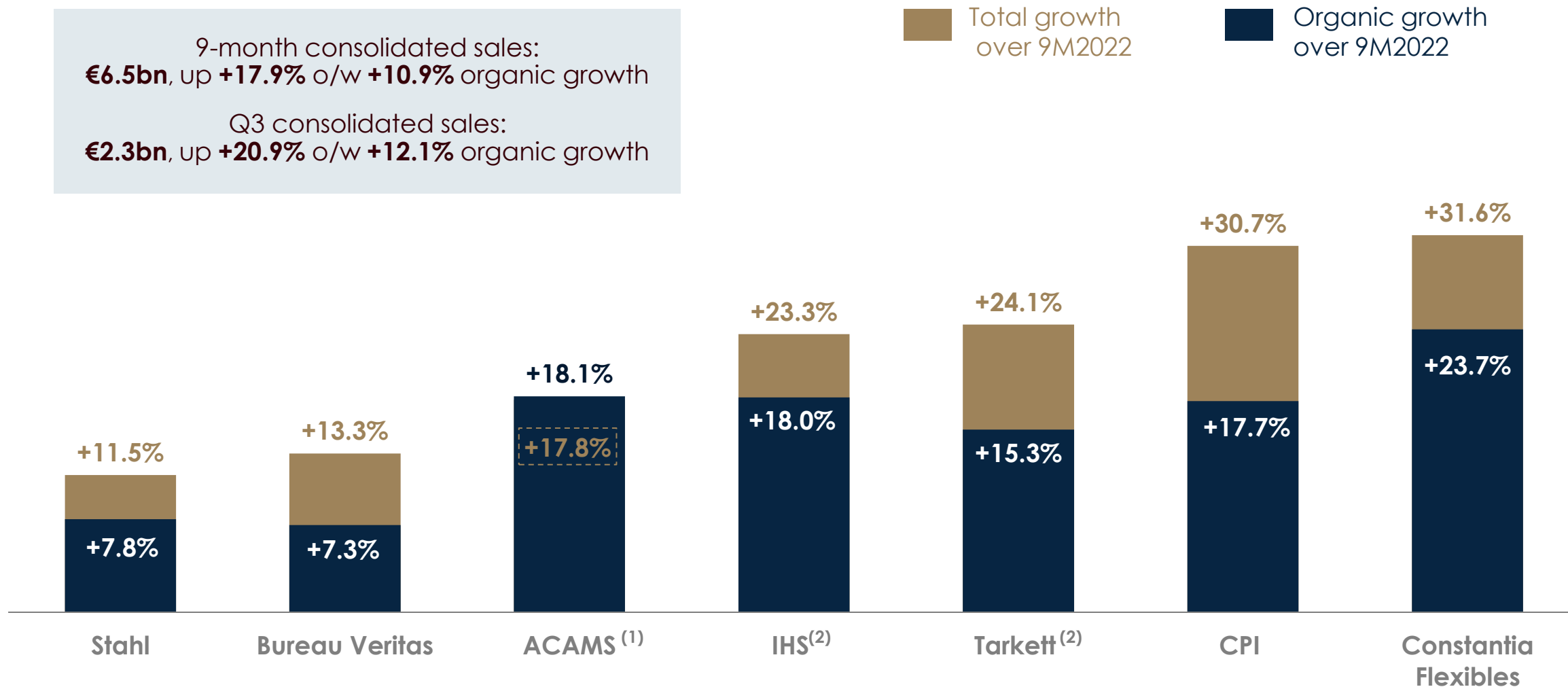
# 9M 2022 Trading update & portfolio developments

David Darmon, Member of the Executive Board, Group Deputy CEO



W E N D E L

# — 9M2022: Strong growth across the portfolio, from +11.5% to +31.6%

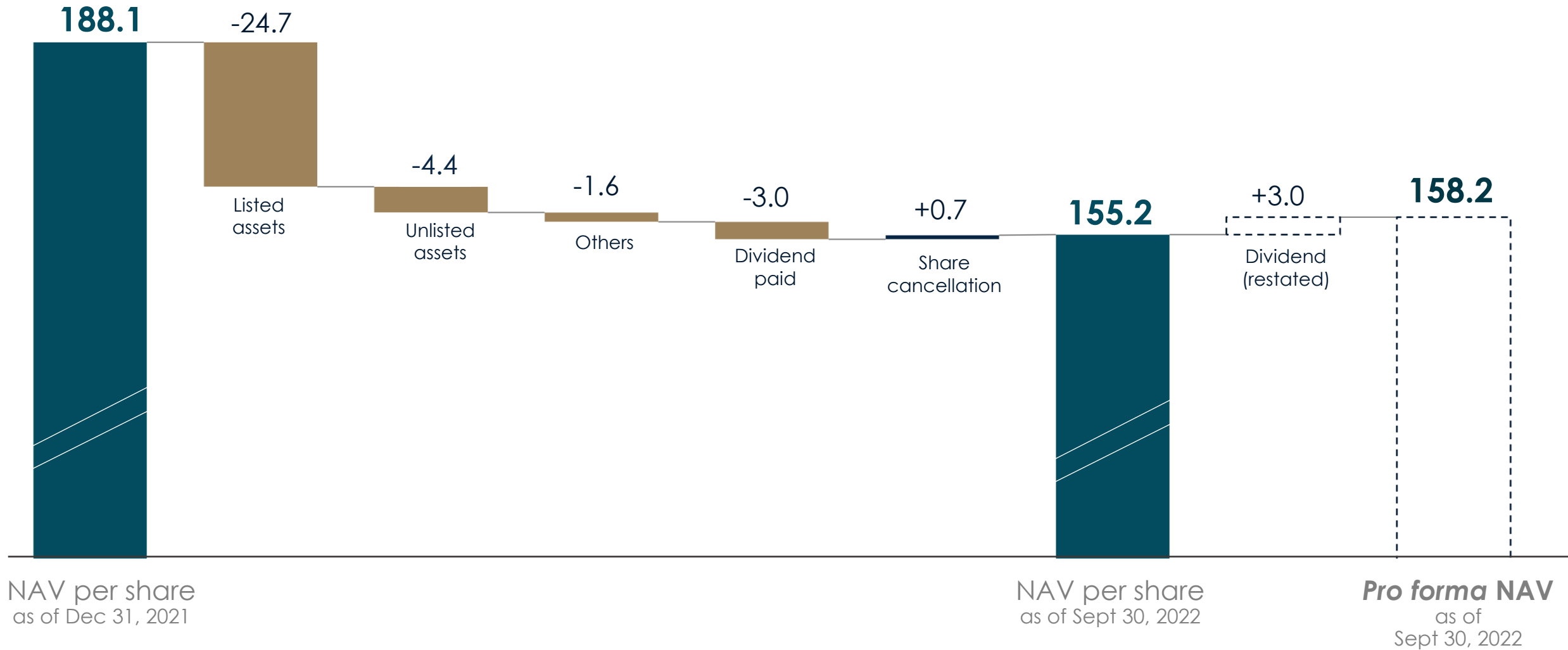


(1) ACAMS' flagship Las Vegas conference, the largest organized by ACAMS, was held in October 2022, one month later than that of the prior year in September 2021, skewing the year-over-year comparison. Normalized for the timing of this event, pro forma organic growth over the first 9 months would have been 18.1% and total reported 9 months growth would have been 17.8%. Reported organic growth is +8.0% and reported total growth is 7.8%.

(2) Tarkett and IHS Towers are accounted for by the equity method.



# — Net Asset Value per share bridge year-to-date



# — Wendel is financed at 1.7% on average and has no maturity before 2026



## — Strong liquidity

- c. **1€ billion of cash**
- +€750 million of undrawn credit facility until July 2027



## — Strong Maturity Profile

- Average maturity of **6.6 years**
- No bond maturity before April 2026
- Successful issue in January 2022 of a **12-year bond @1.375% coupon**



## — Optimized cost of debt















- **100% fixed debt**
- **1.7%** of weighted average cost of bond debt



## — Solid Credit Rating

- **6.0% LTV** ratio
- Moody's credit rating: **Baa2/stable**  
Since September 5, 2018
- S&P credit rating: **BBB/stable**  
Since January 25, 2019

# Overall solid financial structure with balanced maturity profiles for our portfolio companies

	Net debt to EBITDA (end of 2019 end of June 2022 <sup>(1)</sup> )	Net debt (as of June 30 2022 including IFRS 16)	Fixed rate debt <sup>(3)</sup>	Weighted Average maturity <sup>(3)</sup>	
	1.9x 	€1,089m	100%	4.2 y	The lowest leverage level since IPO in 2007
	2.0x 	€392m	36%	2.4 y	Acquisition of Propak in H1 2021
	1.9x 	€184m	50%	1.2 y	Historically low leverage
	7.2x 	\$312m	32%	4.3 y	Debt swapped to fixed rate in 2022
	6.5x 	\$144m <sup>(2)</sup>	70%	4.6 y	Acquisition signed on March 10, 2022 <sup>(2)</sup>
	1.7x 	€778m	81%	5.4 y	4.7x at Tarkett Participation level with €1,136m net debt
	2.0x 	\$3,234m	66%	4.7 y <sup>(4)</sup>	Tower count up from 27.8k to 39.4k

(1) As per credit documentation. Tarkett net debt to EBITDA from end-2020. ACAMS net debt from end-2021.

(2) There is no IFRS 16 impact on ACAMS. Net debt and leverage are pro forma for transaction closed.

(3) As of end of September 2022. Fixed rate debt or subscribed to a fixed rate swap.

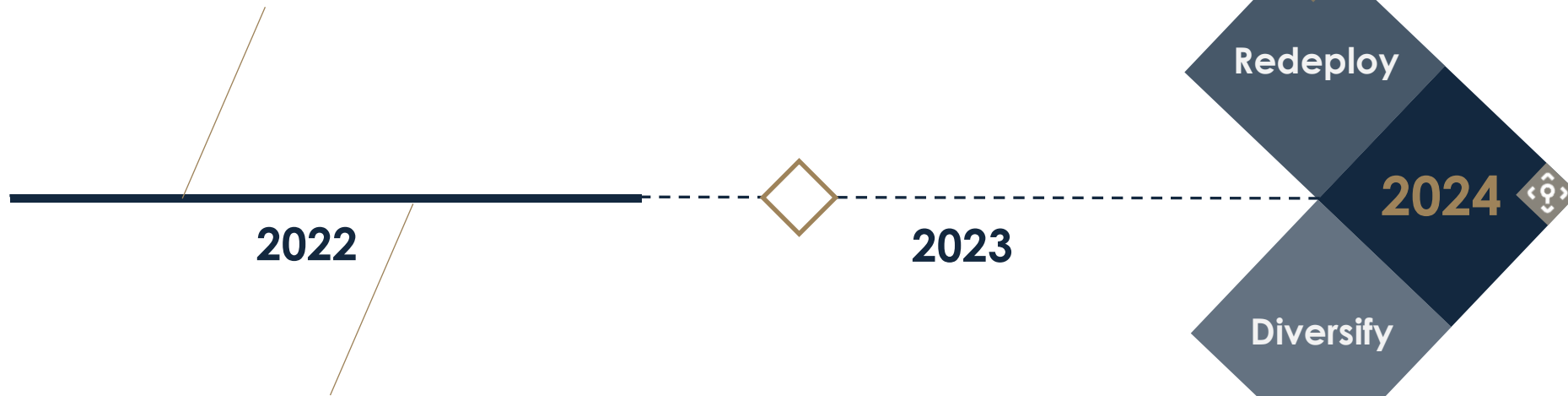
(4) Maturity profile as of September 30, 2022, pro forma for the drawn portion of the new \$600M three-year bullet term loan agreement entered in October 2022. This includes having used the proceeds to repay the IHS Holding bridge facility and U.S. dollar tranche of the Nigeria Senior Credit Facilities in November 2022 and the drawn portion of the BRL 400M (\$74M equiv.) eight-year term loan agreement entered in October 2022 for I-Systems. Maturity profile only includes the current drawn facilities and assumes FX rates as of September 30, 2022. Figures represent full year impact of debt maturity profile (excluding 2022 which only considers Q4 2022) and excludes Letters of Credit.

# Wendel's portfolio in 2024

€380m invested in 2022 <sup>(1)</sup>

c.€304m invested  
to acquire ACAMS

(the world's largest membership organization  
dedicated to fighting financial crime)



Focus on redeploying our capital towards **higher growth companies with a commitment to ESG**, while remaining reasonably opportunistic

- Target portfolio of **7-10 companies** with **new investments in €150-€500M range**
- Reach **5-10% exposure in Wendel Growth** (funds & direct investments)

**Wendel Growth:**  
**€167m total commitments**  
**as of September 2022**

Diversify investment portfolio with **balanced exposure to listed and unlisted companies**

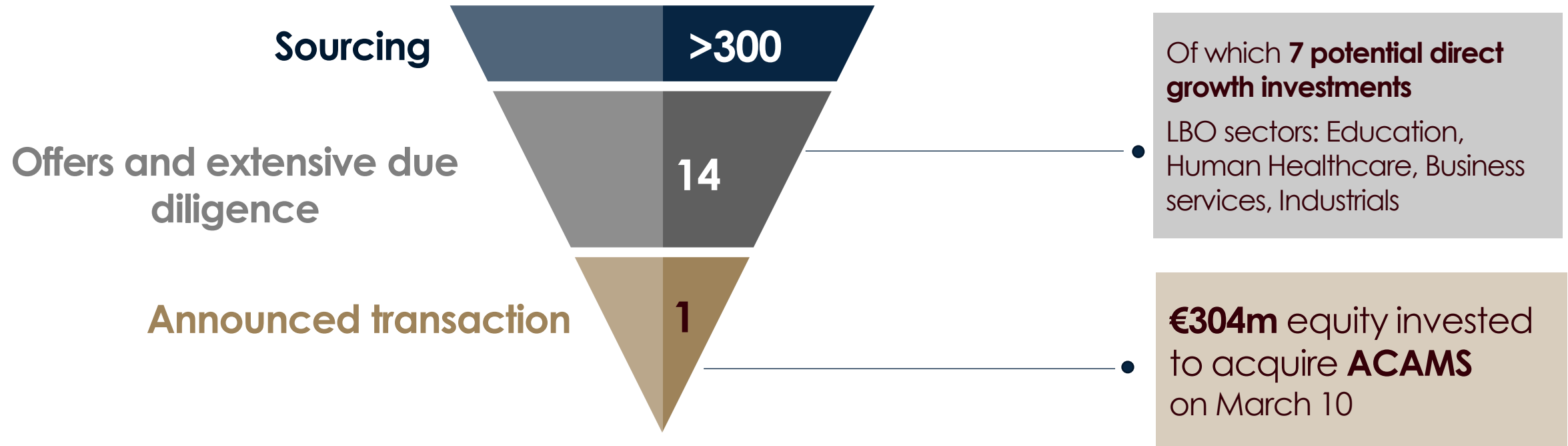
(1) Including €25m of share buyback



# — Sustained activity in 2022, especially for the Wendel Growth team

## New Opportunities

Year to date count



**+5 build-up opportunities** solely financed by Group companies

# — Charles Goulet and Xavier Lemonnier appointed Managing Directors



**Charles Goulet joined Wendel in 2010. He is a Board Member of Tarkett Participation and Observer on the Board of Directors of Tarkett SA.**

Since joining Wendel, Charles has been actively involved in multiple transactions at Wendel, including in recent years the investments in Mecatherm and Cromology which were sold in 2018 and 2022.

Within the investment team, he covers in Europe the Business Services and Healthcare sectors.

Charles started his career at AXA Private Equity (now Ardian) in London as an Analyst in the private debt and fund-of-funds teams.

Charles is a graduate of ESSEC Business School and holds a degree in Law.



**Xavier Lemonnier joined Wendel in 2018. He is a Board member of Stahl and a member of the team managing our investment in Bureau Veritas.**

With a generalist background, Xavier has contributed in recent years to the development of the TMT and Education sectors within the investment team in Europe.

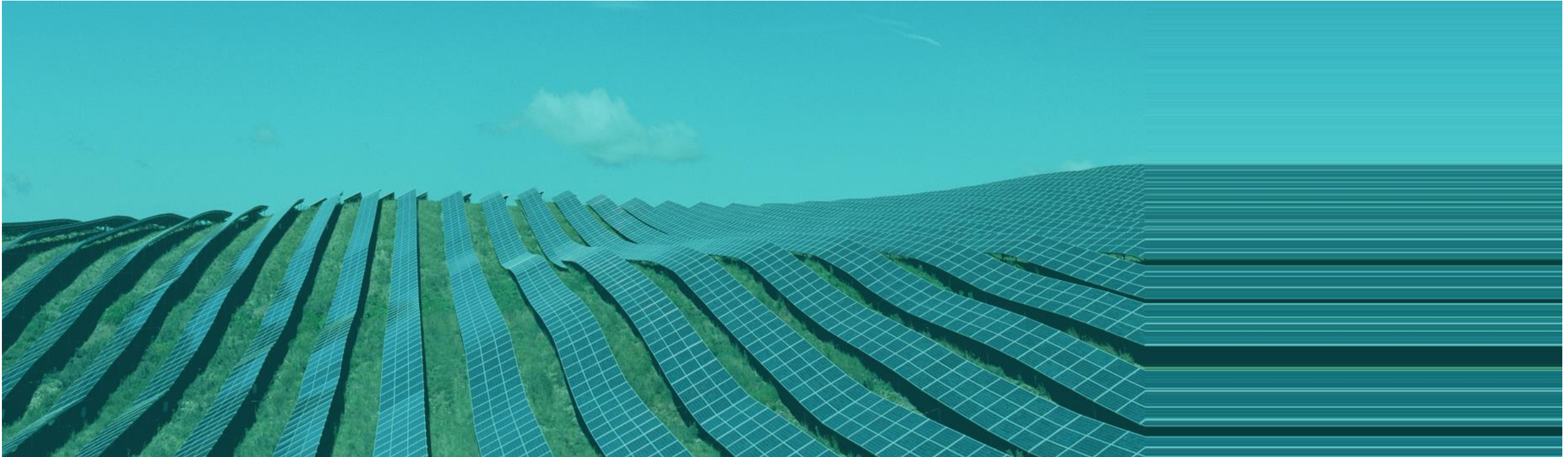
Prior to joining Wendel, Xavier worked for nine years at BC Partners, in Paris and then in London, where he was involved in numerous investments across Europe, in a variety of sectors notably Consumer & Retail and Financial Services.

Xavier started his career in 2008 at Merrill Lynch's investment banking group where he worked on cross-border transactions involving French clients.

Xavier is a graduate of École Polytechnique and ENSAE ParisTech.

# ESG

Christine Anglade Pirzadeh, Head of ESG and Corporate Communication



W E N D E L

— In three years, Wendel has become a company recognized for its ESG performance

- **4 priorities: climate, gender, health and eco-conception**  
(55%<sup>(1)</sup> of Bureau Veritas sales)



- **ESG integrated throughout the investment cycle**  
(exclusion list, due diligence, roadmap and divestment)
- **Solid ESG Ratings**



# — Wendel has embedded ESG through its investment cycle



# — Wendel ESG disclosures comply with leading reporting standards

## Regulatory



**NFRD** (EFPD)



**Duty of Care**



## Best practices



## Commitment



**Gender Parity Charter**

# Robust ESG ratings



## Solid ESG ratings confirmed in 2022

Member of  
**Dow Jones  
Sustainability Indices**  
Powered by the S&P Global CSA

2021

**76/100**

DJSI World and Europe

**MSCI**



**AA score**

Among the 39% best  
rated

 **SUSTAINALYTICS**

**Negligible Risk**

Inclusion in the Global top  
50 best-rated companies

**REFINITIV**



**79**

4/57 Out of Investment  
Holding Companies in 2022

**MOODY'S** | ESG Solutions

**58/100**

#4 among diversified  
financials (june 2022)

 **CDP**

2021

**B-**



**81/100**



**Ranked 9<sup>th</sup> in the SBF120** according to the last ranking of the **number of women in the executive bodies** of SBF120 companies, commissioned by the French government

# — Climate change - Mitigation

Consolidated  
perimeter as of  
12.31.2021,  
excluding  
ACAMS,  
integrated in 2022

GHG scope 1, 2,  
3 weighted by  
the shareholding  
rate (CO<sub>2</sub> Teq)

Reduction target  
(scope 1, 2, 3)



**Committed**

637,512



**Aligned – well below 2°**

1,639,120 <sup>(1)</sup>



**Committed**

597,711 <sup>(2)</sup>



**226,577**

**986,813**

**399,271**

**2,256**

**-30% by 2025 <sup>(3)</sup>**  
2019 basis

**(currently -13%)**

**- 24% by 2030**  
2015 basis

**(currently -17%)**

**- 25% by 2031**  
2021 basis <sup>(4)</sup>

**-38% by 2024 <sup>(5)</sup>**  
2021 basis

**100%**  
of portfolio controlled  
companies have  
defined a  
**reduction  
target**

**75%**  
of controlled portfolio  
companies are under  
**SBTi  
commitment**

(1) 2021 emissions scope 3 have been reassessed. The reassessment for 2021 emissions will be published in 2023

(2) 2021 emissions scope 3 have been reassessed in the context of SBTi submission. The reassessment for 2021 emissions will be published in 2023

(3) Scope 1, 2, 3 business travel– target for the full scope 3 will be published in 2023. The relative target is currently calculated in tons per employee

(4) Scope 3 - representing 90% of the carbon footprint

(5) Absolute target calculated in tons per employee



# — ESG fully embedded in management compensation and recent financing

## Management



**17%** of Wendel's CEO total compensation **is conditioned to ESG objectives**



For FY2021, **100%** of our controlled companies' CEOs\* have an element of **variable compensation** tied to the **achievement of ESG objectives**

## Employees



**>20% of Wendel SE employees** have a part of their variable compensation **tied to ESG objectives**



**94% of Wendel's employees** received **stock-options with an ESG performance condition** (assessment of climate risk)

## Finance



ESG objectives embedded in the financial conditions of the **€750 million undrawn syndicated loan maturing in 2027**

\* excluding ACAMS, integrated in 2022

# Q&A session



W E N D E L

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# Appendix



W E N D E L





— Wendel's 2024 target portfolio & returns

	Listed Equity	Private Equity Buyout	Private Equity Growth Equity/ VC <sup>1</sup>
% of NAV	Balanced %		c. 5 to 10% <sup>(2)</sup>
Target average annual return profile	Above c.7%	Above c.10%	c. 10-15% (for funds) Above 25% in direct investments

(1) Including funds

(2) Ambition to reach €500m exposure in the medium term (5 to 10% of NAV)

# — Snapshot of the FY21 ESG performance of our consolidated portfolio companies

		CONSOLIDATED PARTICIPATIONS*	HOLDING (Wendel SE)
 <b>Climate change</b>	Adaptation to Climate change	<b>100%</b> have defined a climate adaptation plan. These adaptation plans will be approved by the boards of directors*	
	Reduction target	<b>75%</b> have committed to defining a reduction target aligned on the Paris Agreement requirements	TBD
 <b>Diversity and Gender Parity</b>	% of women on the board of directors	<b>26 %</b>	<b>50 %</b>
	% of women in management positions	<b>23 %</b>	<b>42 %</b>
	Commitment to better gender balance	<b>100%</b> committed to better gender balance	
 <b>Health and Safety</b>	Frequency rate of accidents at work	<b>1.14</b>	<b>1.14</b>
	Health and safety management system	<b>100%</b> of all companies have included health & safety as a priority in their ESG roadmap	N/A
 <b>Sustainability of products and services</b>	% of turnover generated from sustainable products and services	<b>54%</b>	N/A
	Associated action plans	<b>100%</b> have identified action plans to deliver sustainable products and services	

\*Consolidated perimeter as of 12.31.2021, excluding ACAMS, integrated in 2022

# — A yearly update of our Exclusion Policy

On Nov 9th, 2021, The executive Board approved an update of Wendel's exclusion policy, adding new banned sectors and guidelines to be observed in our investment process. **Wendel is committed to reviewing its exclusion policy every year.**

*« In addition to refraining from investing in entities involved in the production, marketing trade, or use of illegal products or activities, Wendel will also not invest in entities directly responsible for the production, distribution, marketing or trading in :*



1. Tobacco
2. Pornography
3. Controversial weapons: Nuclear weapons (Treaty on the Nonproliferation of Nuclear Weapons (1968)), and depleted uranium munitions, biological and chemical weapons (biological and Toxin Weapons Convention (1972), anti-personnel mines (Ottawa Treaty (1997)), *cluster weapons (Oslo Convention on Cluster Munitions (2008))*, goods which have no practical use other than for the purpose of “*capital punishment, torture or other cruel, inhuman or degrading treatment or punishment*”
4. Firearms ➡
5. Gambling facilities or products
6. Coal mining and coal-based power generation
8. Narcotics
9. Fur ➡
10. Asbestos ➡