WENDEL

2023

Condensed consolidated half-year financial statements

Investing for the long term

Condensed consolidated half-year financial statements

1st half 2023

BALANCE SHEET – CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

In millions of euros	Note	June 30, 2023	Dec. 31, 2022
Goodwill, net	8 and 9	3,526.2	3,929.1
Intangible assets, net	8	1,272.9	1,710.6
Property, plant and equipment, net	8	520.1	1,089.7
Property, plant and equipment under operating leases	8	431.7	476.8
Non-current financial assets	8 and 12	1,061.9	716.8
Pledged cash and cash equivalents	8 and 11	0.7	0.7
Equity-method investments	8 and 10	72.9	82.1
Deferred tax assets	8	123.3	165.7
Non-current assets		**7,009.6**	**8,171.5**
Discontinued operations and operations held for sale	**22**	**2,641.4**	**83.6**
Inventories	8	211.2	514.2
Trade receivables	8	1,489.6	1,606.9
Contract assets	8	339.9	310.3
Other current assets	8	282.9	299.3
Current tax assets	8	68.2	60.0
Other current financial assets	8 and 12	25.3	67.5
Cash and cash equivalents	8 and 11	3,330.4	3,264.6
Current assets		**5,747.5**	**6,122.9**
TOTAL ASSETS		**15,398.4**	**14,378.0**

The accompanying notes are an integral part of the consolidated financial statements.

In accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the interest in Constantia Flexibles group was reclassified within discontinued operations and operations held for sale as of June 30, 2023. See notes 4 "Changes in scope of consolidation" and 22 "Discontinued operations and operations held for sale".

EQUITY AND LIABILITIES

In millions of euros	Note	June 30, 2023	Dec. 31, 2022
Share capital		177.6	177.6
Share premiums		22.2	22.2
Retained earnings and other reserves		2,699.8	1,932.4
Net income for the period – Group share		39.6	656.4
Equity – Group share		**2,939.2**	**2,788.6**
Non-controlling interests		1,897.6	1,847.7
Total equity	**13**	**4,836.8**	**4,636.2**
Provisions	8 and 14	246.0	303.7
Financial debt	8 and 15	5,210.9	4,621.6
Operating lease liabilities	8 and 15	362.1	398.8
Other non-current financial liabilities	8 and 12	167.4	422.1
Deferred tax liabilities	8	263.0	390.7
Total non-current liabilities		**6,249.4**	**6,137.0**
Liabilities related to discontinued operations and operations held for sale	**22**	**1,586.7**	**33.8**
Provisions	8 and 14	1.5	12.0
Financial debt	8 and 15	558.5	931.7
Operating lease liabilities	8 and 15	104.4	111.6
Other current financial liabilities	8 and 12	84.1	145.2
Trade payables	8	628.8	1,074.4
Contract liabilities	8	19.8	40.8
Other current liabilities	8	1,202.6	1,124.8
Current tax liabilities	8	125.8	130.5
Total current liabilities		**2,725.5**	**3,571.0**
TOTAL EQUITY AND LIABILITIES		**15,398.4**	**14,378.0**

The accompanying notes are an integral part of the consolidated financial statements.

In accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the interest in Constantia Flexibles group was reclassified within discontinued operations and operations held for sale as of June 30, 2023. See notes 4 "Changes in scope of consolidation" and 22 "Discontinued operations and operations held for sale".

CONSOLIDATED INCOME STATEMENT

In millions of euros	Note	1st half 2023	1st half 2022 (adjusted)
Net sales	8 and 16	3,443.6	3,232.3
Other income from operations		0.3	0.7
Operating expenses		(3,063.2)	(2,837.4)
Gains (losses) on divestments		(7.4)	0.5
Asset impairment		-	-
Other income and expense		(1.5)	4.2
OPERATING INCOME	**8 and 17**	**371.9**	**400.2**
Income from cash and cash equivalents		43.7	(0.1)
Finance costs, gross		(109.4)	(77.1)
FINANCE COSTS, NET	**8 and 18**	**(65.6)**	**(77.2)**
Other financial income and expense	8 and 19	13.7	(17.9)
Tax expense	8 and 20	(121.8)	(126.0)
Net income (loss) from equity-method investments	8 and 21	(0.1)	(158.8)
NET INCOME BEFORE INCOME FROM DISCONTINUED OPERATIONS AND OPERATIONS HELD FOR SALE		**198.0**	**20.5**
Net income from discontinued operations and operations held for sale	22	20.7	652.1
NET INCOME		**218.8**	**672.6**
Net income - non-controlling interests		179.1	192.9
NET INCOME - GROUP SHARE		**39.6**	**479.8**

The accompanying notes are an integral part of the consolidated financial statements.

In accordance with IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”, the contribution of Constantia Flexibles to first-half 2023 and first-half 2022 net income has been reclassified to a single line in the income statement: “Net income from discontinued operations and operations held for sale”. See notes 4 “Changes in scope of consolidation” and 22 “Discontinued operations and operations held for sale”.

	Note	1st half 2023	1st half 2022 (adjusted)
Basic earnings per share	23	0.91	11.10
Diluted earnings per share	23	0.90	11.06
Basic earnings (loss) per share from continuing operations	23	0.61	(3.43)
Diluted earnings (loss) per share from continuing operations	23	0.60	(3.50)
Basic earnings per share from discontinued operations	23	0.30	14.53
Diluted earnings per share from discontinued operations	23	0.30	14.56

STATEMENT OF COMPREHENSIVE INCOME

In millions of euros	1st half 2023			1st half 2022 (adjusted)		
	Gross amounts	Tax effect	Net amounts	Gross amounts	Tax effect	Net amounts
Items to be reclassified to net income						
Currency translation reserves (1)	(106.8)	-	(106.8)	268.0	-	268.0
Gains and losses on derivatives qualifying as hedges	(2.9)	0.3	(2.6)	10.3	(0.8)	9.6
Reclassification to income of items previously recorded within equity	1.2	(0.3)	0.9	(5.3)	1.5	(3.8)
Items not to be reclassified to net income				-	-	
Gains and losses on financial assets through other comprehensive income (2)	203.7	-	203.7	(152.2)	-	(152.2)
Actuarial gains and losses	(1.7)	0.7	(1.0)	45.2	(8.3)	36.9
Other			-	-	-	-
INCOME AND EXPENSES RECOGNIZED DIRECTLY IN EQUITY (A)	**93.5**	**0.7**	**94.3**	**166.0**	**(7.6)**	**158.4**
Net income for the period (B)			218.8			672.6
TOTAL INCOME AND EXPENSES RECOGNIZED FOR THE PERIOD (A)+(B)			**313.0**			**831.1**
Attributable to:						
- Wendel shareholders			188.4			513.1
- Non-controlling interests			124.6			318.0

(1) This item includes in particular the contribution of Bureau Veritas for a negative €74.5 million, of which a negative €25.1 million attributable to the Group.

(2) This item corresponds to the change in fair value of the investment in IHS in the first half (see note 12 "Financial assets and liabilities").

The accompanying notes are an integral part of the consolidated financial statements.

STATEMENT OF CHANGES IN EQUITY

In millions of euros	Number of outstanding shares	Share capital	Share premiums	Treasury shares	Retained earnings and other reserves	Cumulative translation adjustments	Equity – Group share	Non-controlling interests	Total equity
EQUITY AS OF DECEMBER 31, 2021	43,631,487	179.0	57.5	(569.7)	3,169.3	(234.7)	2,601.4	1,587.5	4,188.9
Income and expenses recognized directly in equity (A)					(123.8)	157.2	33.4	125.2	158.5
Net income (loss) for the period (B)					479.8	-	479.8	192.9	672.6
TOTAL INCOME AND EXPENSES RECOGNIZED FOR THE PERIOD (A)+(B) (1)					356.0	157.2	513.1	318.0	831.2
Dividends paid (2)					(130.1)	-	(130.1)	(161.7)	(291.8)
Movements in treasury shares	114,711			(25.0)			(25.0)		(25.0)
Cancellation of treasury shares (3)	-377,323	(1.5)	(37.3)	38.8			-		-
Share capital increase							-		-
Company savings plan							-		-
Other							-		-
Share-based payments					15.7	-	15.7	10.6	26.4
Changes in scope of consolidation					4.8	(0.8)	4.0	(16.8)	(12.8)
Other					25.5		25.5	41.8	67.3
EQUITY AS OF JUNE 30, 2022	43,368,875	177.5	20.2	(555.9)	3,441.3	(78.4)	3,004.6	1,779.5	4,784.2
EQUITY AS OF DECEMBER 31, 2022	43,424,362	177.7	22.3	(554.1)	3,323.6	(180.7)	2,788.6	1,847.7	4,636.2
Income and expenses recognized directly in equity (A)					202.2	(53.5)	148.7	(54.5)	94.3
Net income (loss) for the period (B)					39.6		39.6	179.1	218.8
TOTAL INCOME AND EXPENSES RECOGNIZED FOR THE PERIOD (A)+(B) (1)					241.7	(53.5)	188.2	124.6	312.9
Dividends paid (2)					(139.1)		(139.1)	(230.3)	(369.5)
Movements in treasury shares	50,155			5.0			5.0		5.0
Cancellation of treasury shares (3)							-		-
Share capital increase							-		-
Exercise of subscription options							-		-
Company savings plan							-		-
Share-based payments				16.5			16.5	8.4	24.9
Changes in scope of consolidation					(2.3)		(2.3)	0.5	(1.7)
Other (4)					82.3	-	82.3	146.7	229.0
EQUITY AS OF JUNE 30, 2023	43,474,517	177.7	22.3	(532.6)	3,506.2	(234.2)	2,939.2	1,897.6	4,836.8

(1) See the "Statement of comprehensive income".
(2) The 2023 dividend approved by the Shareholders' Meeting of June 15, 2023 was paid in June 2023: it amounted to €3.20 per share (compared to €3.00 in 2022), i.e., a total of €139.1 million.
(3) In the first half of 2022, Wendel reduced its capital by canceling treasury shares for a total amount of €38.8 million.
(4) Other changes include the cancellation of the liquidity commitment granted by Wendel to the H. Turnauer Foundation (its co-shareholder in Constantia Flexibles) for an amount of €221.0 million (see note 12 "Financial assets and liabilities"), the balance corresponding in particular changes in the fair value of other minority shareholder puts.

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

In millions of euros	Note	1st half 2023	1st half 2022 (adjusted)
Net income		218.8	672.6
Share of net income (loss) from equity-method investments		0.1	158.8
Net income (loss) from discontinued operations and operations held for sale		(19.5)	-652.1
Depreciation, amortization, provisions and other non-cash items		361.2	298.6
Investment, financing and tax income		207.0	240.9
Operating cash flow from consolidated companies before tax		**767.6**	**718.7**
Change in working capital requirement related to operating activities		(246.3)	(277.7)
NET CASH FROM OPERATING ACTIVITIES, EXCLUDING TAX	**8**	**521.3**	**441.0**
Acquisitions of property, plant and equipment and intangible assets	24	(129.4)	(99.8)
Disposals of property, plant and equipment and intangible assets		8.1	4.7
Acquisitions of equity investments	25	(217.3)	(362.5)
Disposals of equity investments	25	(0.0)	896.2
Impact of changes in scope of consolidation and of operations held for sale	26	(372.0)	54.0
Dividends received from equity-method investments and unconsolidated companies		0.0	0.3
Change in other financial assets and liabilities and other items	27	(226.1)	1.5
Change in working capital requirements related to investing activities		(24.0)	(18.2)
NET CASH FROM (USED IN) INVESTING ACTIVITIES, EXCLUDING TAX	**8**	**(960.7)**	**476.2**
Share capital increase		-	3.2
Contribution of non-controlling shareholders		3.1	1.0
Movements in treasury shares		**(1.3)**	**(76.0)**
- Wendel		5.0	(25.0)
- Subsidiaries		(6.4)	(50.9)
Dividends paid by Wendel		(139.1)	(137.3)
Dividends paid to non-controlling shareholders of subsidiaries		(0.2)	-
New borrowings	28	1,464.4	354.2
Repayment of borrowings	28	(456.9)	(534.5)
Repayment of lease liabilities and interest	28	(76.0)	(67.5)
Net finance costs		(70.7)	(74.5)
Other financial income and expense		(34.8)	(43.1)
Change in working capital requirements related to financing activities		(6.8)	(11.7)
NET CASH USED IN FINANCING ACTIVITIES, EXCLUDING TAX	**8**	**681.6**	**(586.2)**
Current tax expense		(151.0)	(146.0)
Change in tax assets and liabilities (excl. deferred taxes)		2.1	7.9
NET CASH FLOWS RELATED TO TAXES	**8**	**(148.9)**	**(138.1)**
Effect of currency fluctuations		(12.4)	20.3
Reclassified cash and cash equivalents from discontinued operations and operations held for sale		(15.0)	-
NET CHANGE IN CASH AND CASH EQUIVALENTS		**(65.8)**	**213.3**
Cash and cash equivalents at the beginning of the period		3,265.3	2,232.2
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**11**	**3,331.0**	**2,445.5**

The accompanying notes are an integral part of the consolidated financial statements.

In accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", cash flows relating to companies sold continue to be reported in each of the cash flow categories until the reclassification of these companies as "Discontinued operations and operations held for sale". The cash and cash equivalents of the Constantia Flexibles group at the date of reclassification were recorded within "Impact of changes in scope of consolidation and operations held for sale".

GENERAL PRINCIPLES

Wendel is a European company with an Executive Board and a Supervisory Board, governed by current and future European and French laws and regulations. The Company is registered in the Paris Trade and Company Register (*Registre du commerce et des sociétés*) under number 572 174 035. Its registered office is located at 4 rue Paul Cézanne, Paris, France.

Its business consists in investing for the long term in industrial and service companies, in order to accelerate their growth and development.

As of June 30, 2023, the Wendel Group primarily comprised:

- fully consolidated operating companies: Bureau Veritas (35.5% net of treasury shares), Stahl (68.1%), Crisis Prevention Institute (CPI) (96.3%) and Association of Certified Anti-Money Laundering Specialists (ACAMS) (98.0)%;
- of a company classified under "Discontinued operations and operations held for sale": Constantia Flexibles (60.8%);
- an operating company accounted for under the equity method: Tarkett Participation (25.7%);
- Wendel and its fully consolidated holding companies.

The investment in IHS is recognized within financial assets because the Group does not exercise significant influence over this company.

The Wendel Group condensed consolidated half-year financial statements cover the six-month period from January 1 to June 30, 2023 and are expressed in millions of euros. They include:

- balance sheet (statement of financial position);
- income statement and statement of comprehensive income;
- statement of changes in equity;
- cash flow statement; and
- notes to the financial statements.

Each accounting item in these financial statements includes the contribution of all of the Group's fully consolidated companies (excluding those classified in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations"). However, each of Wendel's investees is managed independently under the responsibility of its own executive management. It is therefore important to analyze the entities' individual performances using aggregate accounting data that are relevant for their respective business activities.
Aggregate data for each fully-consolidated subsidiary are presented in note 8 "Segment information", in the analyses of the income statement, balance sheet, and cash flow statement. Aggregate accounting data for equity-method investments are set out in note 10 "Equity-method investments". An analysis of the Group's overall performance by business activity is provided in note 8 "Segment information", which details recurring net income by business activity and non-recurring net income. There is no financial recourse between the different operating entities or between the operating entities and Wendel or its holding companies (see note 7-2.2 "Liquidity risk of operating subsidiaries"). The debt positions of the fully consolidated subsidiaries, and of Wendel and its holding companies, are presented individually in note 7-2 "Liquidity risk".

These condensed consolidated half-year financial statements were adopted by Wendel's Executive Board on July 26, 2023.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. ACCOUNTING PRINCIPLES

These condensed consolidated half-year financial statements for the six months to June 30, 2023 have been prepared in accordance with IAS 34 "Interim Financial Reporting." These financial statements should be read in conjunction with the financial statements for the 2022 fiscal year included in the Universal Registration Document filed with the AMF on April 14, 2023.

The condensed consolidated half-year financial statements for the six months to June 30, 2023 have been prepared using the same accounting methods as those used for the year ended December 31, 2022.

The following amendments and interpretations, which entered into force on January 1, 2023, were adopted by the Group. The adoption of these amendments did not have a material impact on the condensed consolidated half-year financial statements:

- IFRS 17 "Insurance Contracts" and related amendments;
- Amendment to IAS 1 "Presentation of Financial Statements" – "Disclosure of Accounting Policies";
- Amendment to IAS 8 concerning definitions of accounting estimates; and
- Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction".

The new standards, amendments to standards and interpretations published by the IASB that are not yet mandatory have not been early-adopted.

In December 2022, the European Union adopted a directive aimed at implementing at European level the minimum taxation component, known as Pillar 2, of the OECD's international tax reform.
The directive is aimed at ensuring a global minimum level of taxation of 15% in the form of a top-up tax for multinationals and large-scale domestic groups in the European Union.
France is expected to transpose the provisions of Pillar 2 by the end of 2023, and no deferred tax has been recognized in respect of this tax. In view of the changes resulting from this new legislation, the Group is currently assessing the impact of this reform on its financial statements.

The accounting principles can be consulted on the European Commission's website:

https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/company-reporting-and-auditing/company-reporting/financial-reporting

Use of estimates

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions that affect the amounts reported in those financial statements. These estimates and assumptions are based on Wendel's and its subsidiaries' appreciation of the facts and circumstances existing at the reporting date, as well as on information available on the date the financial statements were adopted. They are established on the basis of the past experience of the management of the Group or its subsidiaries and various other factors deemed reasonable (such as market data or the work of an independent appraiser, etc.) and are reviewed on a regular basis. Prevailing uncertainty makes forecasting difficult, and actual amounts could therefore differ from the forecasts.

Estimates and assessments made in order to prepare these financial statements mainly concern goodwill, impairment tests on goodwill and equity-method investments, provisions, deferred taxes, derivatives, valuation of put options granted to non-controlling interests, and the treatment of co-investments and the reclassification of Constantia Flexibles under "Discontinued operations and operations held for sale".

NOTE 2. EXPOSURE TO THE WAR IN UKRAINE

Wendel is paying close attention to the potential evolution of the situation in Ukraine and its consequences, as one of the most material direct financial impacts could stem from an increase in our companies' cost structures, commodity prices, supply chain and wage inflation, if these impacts are not passed on sufficiently quickly in sales prices, as our companies have been able to do so far. The Group's direct exposure to Russia and Ukraine was limited to approximately 2% of its net sales in 2022.

The conflict had no material impact on estimates and assessments as of June 30, 2023. The Group, through its investments and holding companies, has taken this risk into account in the various sensitivity tests and more specifically in the impairment tests (see note 9-1 "Goodwill impairment tests").

As a reminder, in 2022, the Group's direct exposure to Russia and Ukraine through its companies was as follows:

- for Bureau Veritas: revenue generated in these countries represented less than 1% of total revenue;
- for Constantia Flexibles: revenue generated in these countries represented less than 5% of total revenue; and
- for Stahl: revenue generated in these countries represented around 0.5% of total revenue.

The consequences of the conflict on Tarkett are presented in note 10 "Equity-method investments".

NOTE 3. CONSIDERATION OF CLIMATE-RELATED RISKS

As a responsible company, Wendel has made important commitments to ensure that its internal operations are consistent with its values and the ESG objectives set within its portfolio of companies. Wendel is particularly committed to monitoring its carbon footprint and those of its investees, and to setting reduction targets where material. The portfolio companies' exposure to climate risk was reviewed in 2021. In 2022, the companies for which long-term risks were identified had their Climate Resilience and Adaptation Plan approved at the governance level. The short-term effects have been factored into the strategic plans of the Group's operating subsidiaries, which are used as a basis for testing intangible assets with indefinite useful lives for impairment. The long-term effects of these changes are not quantifiable at this stage.

NOTE 4. CHANGES IN SCOPE OF CONSOLIDATION

The Wendel Group's scope of consolidation is presented under "General principles".

Note 4 - 1. Reclassification of Constantia Flexibles under "Discontinued operations and operations held for sale"

In July 2023, Wendel received binding offers from several potential buyers to acquire Constantia Flexibles.

Wendel considers that the criteria of IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" were met as of June 30, 2023.

As of that date, the amounts reclassified as assets and liabilities held for sale relating to the stake in Constantia Flexibles represented €2,630.1 million and €1,584.8 million, respectively. Similarly, the contribution of this investment to 2022 and 2023 earnings is presented on the line "Net income (loss) from discontinued operations and operations held for sale".

The offers received proposed prices higher than the carrying amount. Therefore, no impairment has been recognized.

Note 4 - 2. Main changes in the scope of consolidation of subsidiaries and associates

Changes in scope of consolidation of the Bureau Veritas group

In July 2023, the Bureau Veritas group sold its automotive inspection business in the United States, representing less than €20 million in annualized revenue. As the sale was in progress as of June 30, 2023, the related assets and liabilities were reclassified in the balance sheet at their carrying amount.

Given that the carrying amount of the assets held for sale was lower than the estimated sale price, no fair value adjustment was recognized as of June 30, 2023.

Changes in scope of consolidation of the Stahl group

During the first half of 2023, the Stahl group acquired 100% of ICP Industrial Solutions Group (ISG), a leader in high-performance packaging coatings.

The acquisition cost of Industrial Solutions Group (ISG) was €188.2 million. As of June 30, 2023, ISG contributed revenue of €34.3 million and EBITDA of €5.3 million. Stahl will allocate the purchase price within 12 months of the acquisition, in accordance with IFRS 3 (revised).

Wendel Growth investments

Wendel, through its investment arm Wendel Growth, has carried out the following investments:

- in January 2023: acquisition of a minority interest of Tadaweb through an equity investment of €15 million. Tadaweb delivers open-source intelligence (OSINT) platforms that enable organizations to generate actionable intelligence by making analysts' investigative methods hyper-efficient. The company is headquartered in Luxembourg and employs 120 people;
- in February 2023: acquisition of a minority stake in Brigad with an equity investment of €7.0 million. Brigad is an online tool connecting self-employed professionals with hospitality and care establishments. The company is headquartered in France and employs 150 people; and
- in March 2023: signature of an investment of up to €15 million in Preligens in the form of convertible bonds and warrants. Preligens develops artificial intelligence solutions that can be used to automate the analysis of multi-source data and cue users towards unusual events requiring their tradecraft.

These assets are recognized as financial assets at fair value through profit or loss.

NOTE 5. RELATED PARTIES

The Wendel Group's main related parties are:

- Tarkett, equity-accounted;
- the members of Wendel's Executive Board and Supervisory Board; and
- Wendel-Participations, parent company of the Wendel Group.

In June 2023, the Group paid a dividend of €3.20 per share, i.e., €55.4 million for Wendel-Participations.

No material changes were recorded over the period in comparison with the description of the transactions with related parties presented in note 4 "Related parties" to the 2022 consolidated financial statements.

NOTE 6. PARTICIPATION OF MANAGEMENT TEAMS IN THE GROUP'S INVESTMENTS

In accordance with the co-investment principles of the 2013-2017 program (see note 5-1 "Participation of Wendel's teams in the Group's investments" to the 2022 consolidated financial statements), the first third of the automatic liquidity of the deal-by-deal co-investment in Constantia Flexibles was triggered on March 26, 2023, the 8th anniversary of this co-investment, in the absence of a prior liquidity event. An independent multi-criteria appraisal will be carried out before September 26, 2023. In accordance with the Group's accounting policies (see note 1-8.19 "Accounting treatment of mechanisms for the participation of management teams in the Group's investments" to the 2022 consolidated financial statements), a provision for this commitment was accrued in the 2022 consolidated financial statements.

In accordance with the co-investment principles established for the 2021-2025 period (see note 5-1 "Participation of Wendel's teams in the Group's investments" to the 2022 consolidated financial statements), Wendel's managers made the following investments:

- in February 2023, €31,295 in Brigad alongside the Group, including €3,358 each for Laurent Mignon, Group CEO, and David Darmon, member of the Executive Board.
- in March 2023, €67,765 in TadaWeb alongside the Group, including €7,272 each for Laurent Mignon, Group CEO, and David Darmon, member of the Executive Board.
- in April 2023, €46,295 in Preligens alongside the Group, including €4,968 each for Laurent Mignon, Group CEO, and David Darmon, member of the Executive Board.

NOTE 7. FINANCIAL RISK MANAGEMENT

The management of financial risks (equity, liquidity, interest-rate, credit, currency and commodity risks) is presented in note 7 "Financial risk management" to the 2022 consolidated financial statements. The principal financial risks as of June 30, 2023 are:

Note 7 - 1. Equity market risk

As of June 30, 2023, equity market risk related chiefly to:

- consolidated and equity-method shares, whose recoverable values used for impairment tests are based on market inputs including, as appropriate, the discount rate used in calculating value in use or the market price used in calculating fair value (see impairment tests in note 9 "Goodwill" to the 2022 consolidated financial statements and note 10 "Equity-method investments" to these condensed consolidated half-year financial statements);
- the investment in IHS recorded in non-current financial assets at fair value, i.e., at the market price (see note 12 "Financial assets and liabilities"); changes in this value are recorded in other comprehensive income in accordance with Group accounting principles. As of June 30, 2023, the investment was valued at €567 million, after a gain of €204 million recognized in other comprehensive income corresponding to the change in fair value for the period. Excluding the change in value of the US dollar (the company's quoted currency), a 5% increase or decrease in the market price would lead to a positive or negative impact of €28 million in other comprehensive income;
- direct and indirect investments by Wendel Growth (formerly Wendel Lab), for a total value of €178 million as of June 30, 2023. These investments are recognized at fair value, with changes recognized through profit or loss. A 5% increase or decrease in their value would therefore result in a positive or negative impact of approximately €8.9 million in financial income and expense (see note 12 "Financial assets and liabilities");
- the Wendel syndicated loan covenants, which are based on ratios of financial debt to asset value, are described in note 7-2.4 "Financing agreements and covenants of Wendel and its holding companies" to the 2022 consolidated financial statements. As of June 30, 2023, this loan was not drawn and Wendel was in compliance with these covenants; and
- the financial leverage of Wendel and its holding companies (i.e., net debt/assets), which represents a key indicator of the cost of bond and bank financing for Wendel. This indicator is also tracked by Moody's and Standard & Poor's rating agencies, which Wendel has contracted to rate its financial structure and bonds. Since the end of 2018, this ratio has been at a low level, enabling the Group to consider making new investments while maintaining a solid financial structure.

Note 7 - 2. Liquidity risk

Note 7 - 2.1 Liquidity risk of Wendel and its holding companies

Wendel's cash requirements are related to investments (including the commitments described in note 29 "Off-balance sheet commitments", in particular the minority puts and the commitments of Wendel Growth), debt servicing, operating expenses, treasury share buybacks and dividends paid. These needs are covered by cash and short-term financial investments, asset turnover, bank and bond financing, and dividends received from subsidiaries and associates.

As regards asset turnover, certain agreements, notably shareholder agreements, may temporarily limit Wendel's ability to sell some of its assets. As of June 30, 2023, the main asset subject to this type of restriction is the investment in IHS, which is in fact subject to a mandatory holding requirement expiring gradually after the company's IPO (see note 32-6 "Shareholder agreements and co-investment mechanisms"). An unfavorable environment for the equity market (public or private) or a non-controlling shareholder position without a shareholder agreement permitting the initiation of a sale or IPO process may also limit the Group's ability to sell the assets concerned.

Access to financing may be limited by the items described in note 6-2.1 4. "Managing debt" to the 2022 consolidated financial statements.

Lastly, dividends paid by investees may be limited by their operating and financial position (see note 6-2.2 "Liquidity risk of operating subsidiaries" to the 2022 consolidated financial statements) and any restrictions set out in their financing documentation (see note 15 "Financial debt of operating subsidiaries – Documentation and covenants"). Furthermore, a non-controlling shareholder cannot decide to pay dividends without the agreement of the other shareholders.

Cash and short-term financial investment position

As of June 30, 2023, the cash and short-term financial investments of Wendel and its holding companies (excluding operating subsidiaries) amounted to €1,699.8 million (before the Bureau Veritas dividend of €123.8 million received after closing). They mainly comprise €939.9 million in money-market funds, €939.7 million in bank accounts and deposits, of which €209.2 million in non-current financial assets and €1,489.9 million in cash and cash equivalents.

Financial maturities and debt

On March 27, 2023, Wendel issued a €750 million bond exchangeable for Bureau Veritas shares. This exchangeable bond has a coupon of 2.625% and a maturity date of March 2026. Bondholders have the option of exchanging them for the underlying Bureau Veritas shares (23.2 million Bureau Veritas shares). This option for bondholders would be exercised mainly in the event that the Bureau Veritas share price exceeds the exchange price of €32.3 per share at the maturity date. At its issue date, this exchangeable bond was accounted for by separating the debt component, valued at €723.9 million and recognized using the effective interest rate method, and the option component (sale of purchase options on Bureau Veritas shares), recognized at fair value under financial liabilities for €26.1 million. As of June 30, 2023, the option component was remeasured at fair value through profit or loss at €16.7 million.

In June 2023, a new €300 million bond maturing in June 2030 was issued with a coupon of 4.5%. The net proceeds of this issue were used in particular to buy back €90.8 million of the nominal value of bonds maturing in April 2026. The discount on this buyback was recognized in other financial income for €6.5 million. The transaction was aimed at optimizing the maturity of Wendel's debt. Accordingly, at the reporting date, the maturities of the bonds were spread between March 2026 and January 2034 for a nominal amount of €2.4 billion and the average maturity was 5.1 years.

Wendel also has an undrawn €750 million syndicated loan maturing in July 2027. Wendel has the option of requesting two one-year maturity extensions from the lenders, who may either accept or refuse its request. Wendel was in compliance with its financial covenants as of June 30, 2023. The margin level on this loan is indexed to Wendel achieving its ESG targets; should these targets not be met, the margin would be increased but there would be no impact on the availability of this facility; however, if the targets were to be met, the margin would be reduced. This undrawn line of credit notably gives Wendel enough flexibility to take advantage of investment opportunities.

At the reporting date for the consolidated financial statements, Wendel had a long-term rating of BBB with a stable outlook and a short-term rating of A-2 from Standard & Poor's. Similarly, Moody's assigned Wendel a rating of Baa2 with a stable outlook.

Note 7 - 2.2 Liquidity risk of operating subsidiaries

The management of each operating subsidiary is responsible for managing the cash, debt, and liquidity risk of that entity.

The financial debts of the operating subsidiaries are without recourse to Wendel. The subsidiaries' liquidity risk therefore only affects Wendel when the Group so decides or accepts such risk. Wendel has no legal obligation to support operating subsidiaries experiencing cash flow difficulties. Similarly, subsidiaries are not bound by any mutual support undertakings. As a result, Wendel's liquidity would only be affected if it decided to contribute cash to an operating subsidiary. Such a decision would result from an in-depth analysis of all the restrictions to which Wendel is subject, including returns on investment, Wendel's own liquidity, additional investments in other subsidiaries and new investments.

Changes in the economic and financial situation of subsidiaries can have an impact on Wendel's liquidity via the amount of dividends they pay to Wendel. Similarly, changes in the economic and financial position of investments have an impact on their value; however, this value is taken into account in calculating Wendel's financial leverage (see note 7-1 "Equity market risk").

Note 7 - 2.3 Wendel's liquidity outlook

Wendel's next significant financial milestone is the redemption of the €750 million bond exchangeable for Bureau Veritas shares in March 2026 if the bondholders do not exercise their exchange option (see note 7-2.1 "Liquidity risk of Wendel and its holding companies"). Wendel's liquidity risk over the 12 months following the reporting date is therefore low given its high level of cash and short-term financial investments and its €750 million fully-undrawn syndicated credit line.

Note 7 - 2.4 Financial debt of operating subsidiaries – Documentation and covenants

1. Bureau Veritas financial debt

This debt is without recourse to Wendel.

As of June 30, 2023, Bureau Veritas' gross financial debt amounted to €2,621.7 million (excluding financial liabilities related to the application of IFRS 16) and cash and cash equivalents to €1,687.7 million. At the end of June 2023, Bureau Veritas also had a confirmed undrawn credit line of €600 million.

Certain Bureau Veritas group financing is subject to compliance with contractually defined ratios applicable to the June 30 and December 31 test periods.

As of June 30, 2023, all of these commitments had been met. They can be summarized as follows:

- the first ratio is defined as the ratio of adjusted net financial debt and adjusted consolidated EBITDA (earnings before interest, taxes, depreciation, amortization and provisions), adjusted for any entity acquired over the last 12 months. The ratio should be less than 3.5x. As of June 30, 2023, it was 0.95;

- the second ratio represents consolidated EBITDA (earnings before interest, taxes, depreciation, amortization and provisions), adjusted for any entity acquired over the last 12 months for Bureau Veritas' net financial expenses. This ratio should be greater than 5.5x. As of June 30, 2023, it was 26.10.

2. Stahl financial debt

This debt is without recourse to Wendel.

When it acquired ICP, Stahl refinanced its debt and extended its maturity to 2028.

As of June 30, 2023, Stahl's gross bank debt was €405.1 million (including accrued interest, and excluding issue costs and financial liabilities related to the application of IFRS 16). Its cash balance was €129.9 million. The revolving credit facility of $140 million is undrawn and available.

The ratio of consolidated net debt to LTM EBITDA (gross operating income over the past 12 months) must be less than or equal to 4.25 as of June 30, 2023. This covenant was met, with a ratio of 1.6 at the end of June 2023.

The documentation related to Stahl's debt contains the standard restrictions for this type of credit facility. Certain transactions, such as mergers, asset divestments, granting collateral, acquisitions, additional debt, payment of dividends, share buybacks or changes in ownership structure are prohibited, restricted or require prior approval of the lenders.

3. ACAMS financial debt

This debt is without recourse to Wendel.

As of June 30, 2023, the nominal amount of ACAMS' gross financial debt was $171.4 million (including accrued interest and excluding issue costs and financial liabilities related to the application of IFRS 16). Its cash balance was $16.2 million. A large portion of this cash is held by foreign subsidiaries, and the transfer of part of this cash to the ACAMS group is subject to certain limitations. The revolving credit facility amounted to $20 million, of which $8 million had been drawn down as of June 30, 2023.

The financial covenant relates to the ratio of net financial debt to recurring EBITDA over the last 12 months (defined in the lending documentation), which must be less than 12 as of June 30, 2023 (the maximum limit will be progressively reduced to 9.5 in September 2024). This covenant was met, with a ratio of 6.8 at the end of June 2023.

The documentation related to ACAMS debt contains the standard restrictions for this type of credit facility. Certain transactions, such as mergers, dissolutions, asset divestments, granting of collateral, acquisitions, additional debt, payment of dividends, share buybacks or changes in ownership structure are prohibited, restricted or require prior approval of the lenders.

4. CPI financial debt

This debt is without recourse to Wendel.

As of June 30, 2023, the nominal amount of CPI's gross financial debt was $300.6 million (including accrued interest and excluding issue costs and financial liabilities related to the application of IFRS 16). Its cash balance was $6.4 million. An amount of $30 million has been drawn down on the $2 million revolving credit facility.

As of June 30, 2023, the ratio of net financial debt to recurring EBITDA over the last 12 months (as defined in the lending documentation) was 4.79. This is below the maximum leverage of 12 required by the lenders when more than 40% of the revolving facility has been drawn down (not the case at end-June 2023).

The documentation related to CPI debt contains the standard restrictions for this type of credit facility. Certain transactions, such as mergers, dissolutions, asset divestments, granting of collateral, acquisitions, additional debt, payment of dividends, share buybacks or changes in ownership structure are prohibited, restricted or require prior approval of the lenders.

Note 7 - 3. Interest rate risk

As of June 30, 2023, the exposure of the Wendel Group (Wendel, its holding companies and its fully consolidated operating subsidiaries) to interest rates was limited.

In billions of euros	Fixed rate	Capped rate	Floating rate
Gross debt	5.0		0.9
Cash and short-term financial investments	(0.2)		(3.3)
Impact of derivatives	0.4	-	(0.4)
INTEREST RATE EXPOSURE	**5.1**	**-**	**(2.8)**
	223%	0%	-123%

The notional amount of derivative instruments was weighted by the period of 12 months following June 30, 2023 during which they will hedge interest rate risk.

A +100 basis-point increase in the interest rates on which the interest rate exposure of the consolidated Group is indexed would increase financial income before tax by around €28 million over the 12 months after June 30, 2023, based on net financial debt as of June 30, 2023, interest rates on that date, and the maturities of existing interest rate hedging derivatives. This positive impact of a rate increase reflects the Group's very significant cash position (exposed to floating rates), the weight of fixed-rate debt and the interest rate hedges implemented within the Group.

Note 7 - 4. Credit risk

Each operating subsidiary has set up a policy to monitor its customer credit risk. Receivables for which a risk of non-payment exists are written down. As of the reporting date, owing to the Group's geographical and sector diversification, there was no significant concentration of credit risk in trade receivables. The war in Ukraine has not had a significant impact at the Group scale on the impairment of customer receivables recognized as of June 30, 2023 (in particular on the level of expected credit losses).

The cash and financial investments of Wendel SE and its holding companies are placed essentially with top-ranking financial institutions. Given the total amount of cash and short-term financial investments held as of June 30, 2023, significant amounts may be invested with the same financial institution. Derivative contracts are entered into with top-ranking financial institutions.

Note 7 - 5. Currency risk

Note 7 - 5.1 Wendel

Most of the Group's investments operate in several countries and, as a result, derive a share of their earnings in currencies other than the euro, notably the US dollar. As of June 30, 2023, the operating subsidiaries with the greatest exposure to the US dollar or whose reporting currency is the US dollar are Bureau Veritas, Stahl, CPI and ACAMS.

In addition, the IHS share price is denominated in US dollars. As this investment is recognized at fair value under financial assets, a change in the euro/dollar exchange rate would have an impact on the change in this fair value, which is recognized in other comprehensive income (see note 12 "Financial assets and liabilities").

In February 2023, the Group hedged a portion of the currency risk arising on the value of its investments denominated in US dollars. It contracted:

- a two-year $400 million collar protecting it against a decline in the US dollar, which kicks in when the exchange rate exceeds 1.25 and results in it losing any upside if the rise in the US dollar leads to an exchange rate below 0.9151; and
- a three-year $360 million collar protecting it against a decline in the US dollar, which kicks in when the exchange rate exceeds 1.25 and results in it losing any upside if the rise in the US dollar leads to an exchange rate below 0.9471.

These instruments qualify as hedging instruments of a net investment in a foreign operation under IFRS. They are therefore recognized in the balance sheet at fair value, with changes in fair value recognized in other comprehensive income for the effective portion (€0.7 million for the period) and in income for the ineffective portion (€0.4 million for the period). The fair value recognized in other comprehensive income will be released to the income statement when the hedged asset is disposed of or if control of the asset is lost.

Note 7 - 5.2 Bureau Veritas

For Bureau Veritas businesses present in local markets, income and expenses are mainly expressed in local currencies. For Bureau Veritas group businesses relating to international markets, a portion of revenue is denominated in US dollars.

The proportion of US dollar-denominated consolidated revenue generated during first-half 2023 in countries with different functional currencies or currencies linked to the US dollar was 8%.

Note 7 - 5.3 Stahl

In the first half of 2023, 57% of Stahl's revenue was generated in currencies other than the euro, including 31% in US dollars, 14% in Chinese yuan, 5% in Indian rupees and 4% in Brazilian real. A 5% rise or fall in the US dollar or the currencies linked to it against the euro would have had a positive or negative impact of around 6% on EBITDA for the period (excluding goodwill allocation and non-recurring expenses).

In addition, Stahl has financial debt of €185.6 million denominated in US dollars, which is carried by a company whose functional currency is the euro. Therefore, a 5% increase or decrease in the US dollar against the euro would result in the recognition of a positive or negative currency impact of around €9.3 million in financial income and expense. This impact is partly offset by a cash position in US dollars.

Note 7 - 5.4 CPI

CPI operates chiefly in the United States and its functional currency is the US dollar. In the first half of 2023, 22% of CPI's revenue was generated in currencies other than the US dollar, including 9% in Canadian dollars, 8% in pounds sterling and 2% in Australian dollars. A 5% rise or fall in the value of these currencies against the US dollar would have had a positive or negative impact of around 1.5% on EBITDA for the period (excluding goodwill allocation and non-recurring expenses), representing a positive or negative impact of around €0.4 million. In addition, a 5% rise or fall in the value of the dollar against the euro would have a positive or negative impact of around €0.9 million on the EBITDA generated by this investment, expressed in euros in Wendel's consolidated financial statements.

Note 7 - 5.5 ACAMS

ACAMS is a US-based company with international operations. Its functional currency is the US dollar. In first-half 2023, 12% of its revenue was generated in currencies other than the US dollar, including 8% in Chinese yuan and 3% in Canadian dollars. A 5% rise or fall in the value of these currencies against the US dollar would have had a positive or negative impact of around 3.4% on EBITDA for the period (excluding goodwill allocation and non-recurring expenses), representing a positive or negative impact of around €0.3 million. In addition, a 5% rise or fall in the value of the dollar against the euro would have a positive or negative impact of around €0.4 million on the EBITDA generated by this investment, expressed in euros in Wendel's consolidated financial statements.

Note 7 - 6. Commodity price risk

Stahl bears a significant risk of fluctuations in commodity prices.

Stahl purchased around €210 million of commodities in the first half of 2023. A 10% increase in the price of the commodities used by Stahl would have led to a theoretical increase in the cost of these commodities of around €21 million on a full-year basis. Stahl considers that, circumstances permitting, a continued short-term increase in the sales price of its products would offset the overall effect of such commodity price increases. The volatility of commodity prices and the continued increase in ocean freight costs led Stahl to raise its sales prices in 2022 to fully offset these impacts. Since December 31, 2022, commodity prices have leveled off and are starting to fall.

NOTE 8. SEGMENT INFORMATION

The analysis of the income statement by business sector is split between net income from operations, non-recurring items and the impact of goodwill.

A description of each of these items is presented in note 7 "Segment information" to the 2022 consolidated financial statements. The Constantia Flexibles flexible packaging operating segment was reclassified to discontinued operations and operations held for sale in accordance with IFRS 5 as of June 30, 2023.

Note 8 - 1. Income statement by operating segment for the first half of 2023

						Companies accounted for by the equity method		
In millions of euros	Bureau Veritas	Constantia Flexibles	Stahl	CPI	ACAMS	Tarkett	Wendel and holding companies	Total Group
Net income from operations								
Net sales	**2,904.2**		**443.0**	**53.9**	**42.5**			**3,443.6**
EBITDA[1]	**N/A**		**92.0**	**24.1**	**9.0**			
Adjusted operating income[1]	**434.2**		**75.9**	**19.5**	**6.2**			**535.9**
Other recurring operating items			1.6	1.8	0.1			
Operating income (loss)	**434.2**		**77.5**	**21.3**	**6.3**		**(49.3)**	**490.1**
Finance costs, net	(21.1)		(17.7)	(15.2)	(9.2)		(3.8)	(67.0)
Other financial income and expense	5.9		(0.3)	0.1	0.0		(1.8)	3.8
Tax expense	(128.7)		(17.7)	(4.4)	0.9		(0.5)	(150.4)
Share in net income (loss) of equity-method investments	0.2		-	-	-	1.1	-	1.3
Net income from discontinued operations and operations held for s	-	68.9	-	-	-		1.3	70.2
Recurring net income (loss) from operations	**290.6**	**68.9**	**41.8**	**1.7**	**(2.0)**	**1.1**	**(54.1)**	**348.1**
Recurring net income (loss) from operations – Non-controlling interests	192.4	27.0	13.3	0.1	(0.0)		(0.1)	232.7
Recurring net income (loss) from operations – Group share	**98.1**	**41.8**	**28.5**	**1.6**	**(1.9)**	**1.1**	**(54.0)**	**115.3**
Net income from operations								
Operating income (loss)	(61.3)		(17.2)	(15.0)	(17.1)		(7.0)	(117.7)
Net financial income (loss)	-		1.2	1.4	1.6		8.5 [2]	12.7
Tax expense	15.6		4.7	3.2	3.2		-	26.6
Share in net income (loss) of equity-method investments	-		-	-	-	(4.2)	2.7	(1.5)
Net income (loss) from discontinued operations and operations hel	-	(49.4)	(0.0)	-	-			(49.4)
Non-recurring net income (loss)	**(45.8)**	**(49.4)**	**(11.2)**	**(10.5)**	**(12.4)**	**(4.2)**	**4.2**	**(129.2)**
of which:								
- Non recurring items	(13.8)	(37.4)	(4.0)	0.7	(1.0)	(2.9)	1.5	(56.8)
- Goodwill impact	(16.6)	(16.5)	(7.3)	(11.2)	(11.4)	(1.3)	-	(64.3)
- Asset impairment	(15.4)	4.6	-	-	-	-	2.7	(8.1)
Non-recurring net income (loss) – non-controlling interests	(30.0)	(19.3)	(3.6)	(0.4)	(0.2)	-	0.0	(53.6)
Non-recurring net income (loss) – Group share	**(15.7)**	**(30.1)**	**(7.7)**	**(10.1)**	**(12.1)**	**(4.2)**	**4.2**	**(75.7)**
Consolidated net income (loss)	**244.8**	**19.5**	**30.6**	**(8.8)**	**(14.3)**	**(3.1)**	**(49.9)**	**218.8**
Consolidated net income (loss) – non-controlling interests	162.4	7.7	9.7	(0.3)	(0.3)	(0.0)	(0.0)	179.1
Consolidated net income (loss) – Group share	**82.4**	**11.8**	**20.9**	**(8.4)**	**(14.0)**	**(3.0)**	**(49.8)**	**39.6**

(1) Before the impact of goodwill allocations, non-recurring items and management fees.
(2) This item includes the net-of-tax impact of the positive change in Wendel Growth financial assets for a negative €7.1 million. It also includes the impact of the buyback of the 2026 bond for a positive €5.8 million and the fair value of the derivatives on the Bureau Veritas convertible bond for a positive €9.4 million.

Note 8 - 2. Analysis of the adjusted income statement for the first half of 2022 by operating segment

In millions of euros	Bureau Veritas	Constantia Flexibles	Stahl	CPI	ACAMS	Companies accounted for by the equity method Tarkett	Wendel and holding companies	Total Group
Net income from operations								
Net sales	**2,693.4**		**470.9**	**48.2**	**19.8**			**3,232.3**
EBITDA[(1)]	**N/A**		**104.5**	**24.0**	**6.1**			
Adjusted operating income[(1)]	**410.9**		**90.1**	**20.7**	**4.6**			**526.3**
Other recurring operating items			0.8	0.2	-			
Operating income (loss)	**410.9**	**-**	**90.8**	**20.9**	**4.6**		**(41.5)**	**485.7**
Finance costs, net	(37.3)		(7.5)	(10.9)	(3.1)		(18.2)	(77.0)
Other financial income and expense	7.8		18.3	(0.2)	(0.8)		(0.5)	24.7
Tax expense	(119.6)		(24.5)	(5.8)	(0.3)		(0.3)	(150.5)
Share in net income (loss) of equity-method investments	0.1		-	-	-	1.5	-	1.6
Net income from discontinued operations and operations held for sale	-	**69.0**	-	-	-		1.3	70.3
Recurring net income (loss) from operations	**262.0**	**69.0**	**77.2**	**4.0**	**0.5**	**1.5**	**(59.3)**	**354.9**
Recurring net income (loss) from operations – Non-controlling interests	173.6	28.5	24.7	0.1	0.0		-	227.0
Recurring net income (loss) from operations – Group share	**88.4**	**40.4**	**52.5**	**3.9**	**0.5**	**1.5**	**(59.3)**	**127.9**
Net income from operations								
Operating income (loss)	(35.8)		(11.2)	(10.4)	(35.1)		7.0	(85.3)
Net financial income (loss)	-		(33.3) [(2)]	-	(0.7)		(13.4) [(3)]	(47.4)
Tax expense	8.5		11.2	3.4	5.9		-	29.0
Share in net income (loss) of equity-method investments	-		-	-	-	(1.4)	(158.9) [(4)]	(160.4)
Net income (loss) from discontinued operations and operations held for sale	-	(8.0)	(0.0)	-	-		589.9 [(5)]	581.9
Non-recurring net income (loss)	**(27.3)**	**(8.0)**	**(33.3)**	**(6.9)**	**(29.9)**	**(1.4)**	**424.5**	**317.7**
of which:								
- Non recurring items	(7.8)	(0.8)	(26.0)	-	(16.9) [(6)]	1.5	583.5	533.5
- Goodwill impact	(16.7)	(16.3)	(7.3)	(6.9)	(13.0)	(1.4)	-	(61.6)
- Asset impairment	(2.8)	9.1	-	-	-	(1.5)	(158.9)	(154.0)
Non-recurring net income (loss) – non-controlling interests	(19.0)	(3.1)	(10.7)	(0.3)	(0.6)	-	(0.5)	(34.1)
Non-recurring net income (loss) – Group share	**(8.3)**	**(4.9)**	**(22.6)**	**(6.7)**	**(29.3)**	**(1.4)**	**425.1**	**351.9**
Consolidated net income (loss)	**234.7**	**61.0**	**43.9**	**(2.9)**	**(29.4)**	**0.1**	**365.3**	**672.7**
Consolidated net income (loss) – non-controlling interests	154.6	25.4	14.1	(0.1)	(0.6)	0.0	(0.5)	192.8
Consolidated net income (loss) – Group share	**80.1**	**35.6**	**29.8**	**(2.8)**	**(28.8)**	**0.1**	**365.8**	**479.8**

(1) Before the impact of goodwill allocations, non-recurring items and management fees.
(2) This item corresponded to the foreign exchange impact during the period.
(3) This item included the net-of-tax impact of the positive change in the fair value of Wendel Growth financial assets for €21 million. It also included the early redemption premium on the 2024 bond for a negative €34.4 million.
(4) This item corresponded to the impairment of Tarkett shares.
(5) This item corresponded to the net gain on the sale of Cromology.
(6) This item included €10.8 million of buyers' fees related to the acquisition of ACAMS and €7 million of fees related to the implementation of the new structure.

Note 8 - 3. Balance sheet by operating segment as of June 30, 2023

In millions of euros	Bureau Veritas	Constantia Flexibles	Stahl	CPI	ACAMS	Tarkett	Wendel and holding companies	Total Group
Goodwill, net	2,487.3	-	263.0	463.3	312.5	-	(0.0)	3,526.2
Intangible assets, net	564.2	-	214.5	329.1	165.1	-	0.0	1,272.9
Property, plant and equipment, net	366.1	-	135.8	2.0	0.2	-	15.9	520.1
Property, plant and equipment under operating leases	378.7	-	15.4	3.2	1.0	-	33.2	431.7
Non-current financial assets	102.6	-	0.6	0.2	3.5	-	954.9	1,061.9
Pledged cash and cash equivalents	-	-	-	-	-	-	0.7	0.7
Equity-method investments	1.2	-	-	-	-	71.7 (1)	0.0	72.9
Deferred tax assets	103.4	-	19.8	-	-	-	0.0	123.3
Non-current assets	**4,003.6**	**-**	**649.2**	**797.9**	**482.4**	**71.7**	**1,004.8**	**7,009.6**
Discontinued operations and operations held for sale	**9.4**	**2,630.1**	**1.8**	**-**	**-**	**-**	**-**	**2,641.4**
Inventories	55.6	-	154.2	1.5	-	-	(0.0)	211.2
Trade receivables	1,282.2	-	191.5	13.7	1.9	-	0.2	1,489.6
Contract assets	339.9	-	-	-	-	-	-	339.9
Other current assets	250.2	-	21.5	4.5	2.8	-	3.8	282.9
Current tax assets	56.3	-	8.0	4.0	-	-	(0.0)	68.2
Other current financial assets	23.7	-	0.3	-	-	-	1.4	25.3
Cash and cash equivalents	1,687.7	-	129.9	5.9	14.9	-	1,492.0	3,330.4
Current assets	**3,695.6**	**-**	**505.3**	**29.7**	**19.6**	**-**	**1,497.4**	**5,747.5**
TOTAL ASSETS								15,398.4
Equity – Group share								2,938.9
Non-controlling interests								1,897.6
Total equity								**4,836.8**
Provisions	212.8	-	18.6	-	-	-	14.6	246.0
Financial debt	2,090.3	-	380.3	269.0	152.9	-	2,318.4	5,210.9
Operating lease liabilities	306.8	-	16.2	2.8	0.2	-	36.1	362.1
Other non-current financial liabilities	92.8	-	1.2	42.1	2.8	-	28.6	167.4
Deferred tax liabilities	128.4	-	41.8	49.3	38.3	-	5.2	263.0
Total non-current liabilities	**2,831.2**	**-**	**458.0**	**363.1**	**194.2**	**-**	**2,403.0**	**6,249.4**
Liabilities related to discontinued operations and operations held for sale	**1.8**	**1,584.8**	**0.0**	**-**	**-**	**-**	**-**	**1,586.7**
Provisions	-	-	1.1	0.4	-	-	0.0	1.5
Financial debt	531.4	-	8.7	3.7	1.5	-	13.3	558.5
Operating lease liabilities	100.2	-	1.7	1.0	0.9	-	0.6	104.4
Other current financial liabilities	82.6	-	-	-	-	-	0.5	84.1
Trade payables	519.4	-	87.7	2.1	6.0	-	13.5	628.8
Contract liabilities	19.8	-	0.0	-	-	-	(0.0)	19.8
Other current liabilities	1,101.7	-	40.4	12.4	33.6	-	14.5	1,202.6
Current tax liabilities	113.6	-	5.7	4.9	1.6	-	0.0	125.8
Total current liabilities	**2,468.7**	**-**	**145.3**	**24.5**	**43.6**	**-**	**42.4**	**2,725.5**
TOTAL EQUITY AND LIABILITIES								15,398.4

(1) As of June 30, 2023, this item includes the impairment of Tarkett Participation's shares for negative €159.7 million (see note 10 "Equity-method investments").

Note 8 - 4. Balance sheet by operating segment as of December 31, 2022

In millions of euros	Bureau Veritas	Constantia Flexibles	Stahl	CPI	ACAMS	Tarkett	Wendel and holding companies	Total Group
Goodwill, net	2,515.7	492.5	130.5	472.0	318.4	-	-	3,929.1
Intangible assets, net	590.0	392.3	199.7	348.8	179.6	-	0.2	1,710.6
Property, plant and equipment, net	374.8	571.6	126.9	2.4	0.0	-	14.0	1,089.7
Property, plant and equipment under operating leases	381.4	43.0	14.6	3.0	-	-	34.9	476.8
Non-current financial assets	107.3	87.5	0.5	0.2	2.0	-	519.4	716.8
Pledged cash and cash equivalents	-	-	-	-	-	-	0.7	0.7
Equity-method investments	0.9	-	-	-	-	81.3 (1)	-	82.1
Deferred tax assets	122.6	27.9	15.2	-	-	-	-	165.7
Non-current assets	**4,092.5**	**1,614.8**	**487.5**	**826.3**	**500.0**	**81.3**	**569.2**	**8,171.5**
Discontinued operations and operations held for sale	**-**	**81.8**	**1.8**	**-**	**-**	**-**	**-**	**83.6**
Inventories	53.9	318.3	141.2	0.8	-	-	-	514.2
Trade receivables	1,263.4	167.2	163.5	11.6	1.1	-	0.0	1,606.9
Contract assets	310.3	-	-	-	-	-	-	310.3
Other current assets	235.8	35.3	19.5	3.2	2.6	-	2.8	299.3
Current tax assets	42.2	10.5	7.2	0.1	-	-	-	60.0
Other current financial assets	28.3	4.0	0.2	-	-	-	35.0	67.5
Cash and cash equivalents	1,662.1	366.2	281.5	5.3	21.5	-	928.0	3,264.6
Current assets	**3,596.2**	**901.5**	**613.1**	**21.0**	**25.2**	**-**	**965.9**	**6,122.9**
TOTAL ASSETS								14,378.0
Equity – Group share								2,788.6
Non-controlling interests								1,847.7
Total equity								**4,636.2**
Provisions	214.6	56.6	18.6	-	-	-	13.9	303.7
Financial debt	2,102.0	703.4	-	274.9	151.0	-	1,390.3	4,621.6
Operating lease liabilities	308.4	37.4	14.4	2.7	-	-	35.9	398.8
Other non-current financial liabilities	99.1	49.6	-	38.8	2.1	-	232.4	422.1
Deferred tax liabilities	139.1	111.4	28.5	60.5	44.3	-	6.9	390.7
Total non-current liabilities	**2,863.2**	**958.5**	**61.5**	**376.8**	**197.4**	**-**	**1,679.5**	**6,137.0**
Liabilities related to discontinued operations and operations held for sale	**-**	**33.6**	**0.2**	**-**	**-**	**-**	**-**	**33.8**
Provisions	-	10.8	0.8	0.5	-	-	-	12.0
Financial debt	535.4	10.1	361.0	3.8	1.5	-	19.8	931.7
Operating lease liabilities	99.4	8.6	2.3	0.9	-	-	0.5	111.6
Other current financial liabilities	118.1	25.2	-	-	-	-	1.8	145.2
Trade payables	557.6	411.4	84.4	2.4	11.4	-	7.4	1,074.4
Contract liabilities	28.3	12.5	-	-	-	-	-	40.8
Other current liabilities	936.6	79.5	54.0	5.0	29.7	-	20.0	1,124.8
Current tax liabilities	103.7	18.0	5.2	1.1	2.1	-	0.3	130.5
Total current liabilities	**2,379.1**	**576.2**	**509.2**	**13.5**	**44.7**	**-**	**48.4**	**3,571.0**
TOTAL EQUITY AND LIABILITIES								14,378.0

(1) As of December 31, 2022, this item includes the impairment of Tarkett Participation's shares for a negative €162.3 million.

Note 8 - 5. Cash flow statement by operating segment for the first half of 2023

In millions of euros	Bureau Veritas	Constantia Flexibles	Stahl	CPI	ACAMS	Wendel and holding companies	Total Group
Net cash from (used in) operating activities, excluding tax	331.0	134.5	64.5	30.1	1.9	(40.6)	**521.3**
Net cash from (used in) investing activities, excluding tax	(88.9)	(460.3)	(205.2)	(1.7)	(1.1)	(203.5)	**(960.7)**
Net cash from (used in) financing activities, excluding tax	(94.9)	(14.8)	(4.0)	(16.2)	(5.0)	808.5	**681.6**
Net cash related to taxes	(105.0)	(16.6)	(13.7)	(11.4)	(1.7)	(0.5)	**(148.9)**

Note 8 - 6. Cash flow statement by operating segment for the first half of 2022

In millions of euros	Bureau Veritas	Constantia Flexibles	Stahl	CPI	ACAMS	Wendel and holding companies	Total Group
Net cash from (used in) operating activities, excluding tax	325.0	60.4	57.5	27.8	7.5	(37.0)	**441.2**
Net cash from (used in) investing activities, excluding tax	(91.6)	(33.6)	(12.5)	(0.3)	17.5	596.7	**476.2**
Net cash from (used in) financing activities, excluding tax	(106.5)	(7.8)	(30.2)	(15.2)	(3.8)	(423.0)	**(586.5)**
Net cash related to taxes	(110.7)	(7.3)	(12.8)	(7.0)	(0.4)	(0.0)	**(138.2)**

NOTES TO THE BALANCE SHEET

NOTE 9. GOODWILL

	June 30, 2023		
In millions of euros	Gross amount	Impairment	Net amount
Bureau Veritas	2,627.7	(140.4)	2,487.3
Stahl	263.0	-	263.0
CPI	489.1	(25.8)	463.3
ACAMS	312.5	-	312.5
TOTAL	**3,692.3**	**(166.2)**	**3,526.2**

	Dec. 31, 2022		
In millions of euros	Gross amount	Impairment	Net amount
Bureau Veritas	2,659.7	(144.0)	2,515.7
Constantia Flexibles	492.5	0.0	492.5
ACAMS	318.4	-	318.4
Stahl	130.5	-	130.5
CPI	498.2	(26.2)	472.0
TOTAL	**4,099.3**	**(170.3)**	**3,929.1**

The main changes during the period were as follows:

In millions of euros	1st half 2023	1st half 2022
Net amount at beginning of period	**3,929.1**	**3,510.6**
Acquisition by the Group entities(1)	144.2	35.4
Reclassification under "Discontinued operations and operations held for sale"(2)	(498.8)	-
Impact of changes in currency translation adjustments and other	(48.3)	482.6
Impairment for the period	0.0	-
NET AMOUNT AT END OF PERIOD	**3,526.2**	**4,028.6**

(1) This item corresponds to goodwill accounted for by Stahl following the acquisition of ISG (see note 4-2 "Main changes in the scope of consolidation of subsidiaries and associates").
(2) This item corresponds to the reclassification of goodwill of Constantia Flexible as assets held for sale. See note 4 "Changes in scope of consolidation".

Note 9 - 1. Goodwill impairment tests

In accordance with accounting standards, goodwill for each cash-generating unit (CGU) is tested for impairment as soon as there is any indication that its value may be impaired, and at least once per year on December 31 (see the "Accounting principles" section, note 1-8.1 "Goodwill" to the 2022 consolidated financial statements). Wendel's CGUs correspond to its fully consolidated investments. The principal indicators of a loss in value are adherence to the budget and business plan and, for Bureau Veritas, which is listed, market price compared with the carrying amount.

As of June 30, 2023, Wendel had not identified any indication of impairment of its CGUs. As a result, no test was prepared at the level of Wendel's scope of consolidation and no losses were recognized in this respect.

Fully consolidated investments have also reviewed their own CGUs, and no significant losses have been recognized.

NOTE 10. EQUITY-METHOD INVESTMENTS

The change in equity-method investments breaks down as follows:

In millions of euros	1st half 2023
Net amount at beginning of period	**82.1**
Share in net income (loss) for the period:	
Tarkett Participation	(3.2)
Other	0.1
Impairment on Tarkett investment	2.7
Impact of changes in currency translation adjustments and other	(8.8)
NET AMOUNT AT END OF PERIOD	**72.9**

Equity-method investments mainly correspond to Tarkett Participation: €71.7 million as of the end of June 2023 compared to €81.2 million at the end of 2022. This company is controlled by the Deconinck family and Wendel holds 25.7% of the share capital. Tarkett Participation holds 90.2% of the share capital of the Tarkett group.

Additional information on Tarkett Participation

In millions of euros	June 30, 2023	Dec. 31, 2022
Carrying amounts at 100%		
Total non-current assets	1,423.4	1,465.3
Total current assets	1,285.4	1,206.0
Goodwill adjustment (Wendel)	437.1	442.3
Total assets	**3,146.0**	**3,113.5**
Non-controlling interests	86.6	88.9
Total non-current liabilities	1,332.5	1,330.9
Total current liabilities	832.2	751.7
Total equity and liabilities	**2,251.3**	**2171.5**
including cash and cash equivalents	**230.8**	**237.0**
including financial debt	**1,255.6**	**1,259.5**

In millions of euros	1st half 2023	1st half 2022
Net sales	1,608.3	1,564.0
Operating income (loss)	47.8	44.3
Net financial income (loss)	(42.9)	(23.2)
Net income (loss) – Group share	(12.4)	2.6

Exposure of the Tarkett group to the war in Ukraine and sanctions against Russia

The war in Ukraine makes it difficult to assess changes in demand on the Russian and Ukrainian markets.

In Russia, sales were stable compared with the first half of 2022; the negative currency effect related to the depreciation of the ruble against the euro was offset by an increase in volumes. Russia represents around 8% of the Tarkett group's total revenue.
Tarkett has continued doing business in the country in strict compliance with international and local regulations but has frozen all significant new investments.

In Ukraine, business continues to pick up. Sales improved in the first half of 2023, representing just under 0.6% of Tarkett group's total revenue. The production site, located in the west of the country, is currently able to maintain its activity. In view of the uncertainty on this market, an impairment loss of €4.8 million was recognized against trade receivables.

Commodity risk

After an unprecedented rise in commodity prices over the full year 2022 leading to price increases to neutralize the inflation balance, the first half of 2023 saw a stable trend and even a turnaround in the prices of certain products, in certain geographical areas. Tarkett group has maintained its sales prices in order to offset losses due to inflation in commodities prices since the second half of 2021.

Impairment test on the investment in Tarkett

Tarkett SA's share price fell slightly during the first half of 2023, from €11.50/share at the end of 2022 to €11.05/share at the end of June 2023. This was used to determine the recoverable amount of Tarkett Participation. The provision was adjusted accordingly, and a reversal of €2.6 million was recognized in net income (loss) from equity-method investments.

NOTE 11. CASH AND CASH EQUIVALENTS

In millions of euros	June 30, 2023	Dec. 31, 2022
Cash and cash equivalents of Wendel and holding companies pledged as collateral, classified as non-current assets	0.7	0.7
Cash and cash equivalents of Wendel and its holding companies pledged as collateral, classified as current assets	1,492.0	928.0
Cash and cash equivalents of Wendel and its holding companies[(1)]	**1,492.7**	**928.7**
Bureau Veritas	1,687.7	1,662.1
Constantia Flexibles	-	366.2
ACAMS	14.9	21.5
Stahl	129.9	281.5
CPI	5.9	5.3
Cash and cash equivalents of investees	**1,838.4**	**2,336.6**
Cash and cash equivalents	3,331.0	3,265.3
of which non-current assets	**0.7**	**0.7**
of which current assets	**3,330.4**	**3,264.6**

(1) In addition to this cash, €209.2 million in short-term financial investments was recognized under financial assets.

NOTE 12. FINANCIAL ASSETS AND LIABILITIES (EXCLUDING FINANCIAL DEBT AND OPERATING RECEIVABLES AND PAYABLES)

Financial assets

In millions of euros	FV method	Level	June 30, 2023	Dec. 31, 2022
Pledged cash and cash equivalents of Wendel and holding companies	PL	1	0.7	0.7
Unpledged cash and cash equivalents of Wendel and holding companies	PL	1	1,492.0	928.0
Wendel short-term financial investments	PL	1	0.0	33.8
Cash and short-term financial investments of Wendel and holding companies			**1,492.7**	**962.5**
Cash and cash equivalents of subsidiaries	PL	1	1,838.4	2,336.6
Financial assets at fair value through equity – A	E	1	566.8	364.2
Financial assets at fair value through profit or loss – B	PL	3	177.0	155.3
Deposits and guarantees – C	Amortized cost	N/A	292.7	89.5
Derivatives – D	PL and E	3	13.3	13.7
Other			37.4	127.8
TOTAL			4,418.3	4,049.6
of which non-current financial assets, including pledged cash and cash equivalents			**1,062.6**	**717.5**
of which current financial assets, including cash and cash equivalents			**3,355.7**	**3,332.1**

Financial liabilities

In millions of euros	FV method	Level	June 30, 2023	Dec. 31, 2022
Derivatives – D	PL and E	3	23.5	9.4
Minority puts, earn-outs and other financial liabilities of subsidiaries – E	PL and E	3	198.0	323.5
Minority puts, earn-outs and other financial liabilities of Wendel and holding companies – F	PL and E	3	30.0	234.3
TOTAL			251.5	567.2
of which non-current financial liabilities			**167.4**	**422.1**
of which current financial liabilities			**84.1**	**145.2**

(PL) Change in fair value through profit and loss.
(E) Change in fair value through equity.

A - As of June 30, 2023, this item corresponds mainly to the investment in **IHS**, which is listed for €567 million. In accordance with the Group's accounting principles, the increase in fair value (market price) recorded over the period is recognized in other comprehensive income for €204 million.

B - As of June 30, 2023, this item includes the fair value of **Wendel Growth (formerly Wendel Lab)** for €146.1 million in funds (based on the latest valuations provided by the fund managers, most of which date from March 31, 2023). The negative change in fair value of €6.8 million is recognized in financial income and expense in addition to direct investments by Wendel Growth for €32 million recognized at fair value (see note 4 "Changes in scope of consolidation").

C - This item includes €209 million in Wendel bank deposits maturing in 2026.

D - Derivative instruments correspond in particular to interest rate hedges of investees (see note 7-3 "Interest-rate risk"), as well as the sale of the call option on the bond exchangeable for Bureau Veritas shares for €16.7 million (compared with €26.1 million on issue, with the €9.4 million change in fair value recognized in net financial income).

E - **Minority puts, earn out and other financial liabilities of subsidiaries:** as of June 30, 2023, this item mainly corresponds to other financial liabilities and minority puts relating to Bureau Veritas and CPI.

F - **Minority puts and other financial liabilities of Wendel and its holding companies:** as of December 31, 2022, this amount included the liquidity commitment granted by Wendel to the H. Turnauer Foundation for 50% of its stake in Constantia Flexibles. It expired in the first half of 2023 and was not exercised. The financial liability (€221 million) was therefore canceled against shareholders' equity.

NOTE 13. EQUITY

	Par value	Total number of shares	Treasury shares	Number of outstanding shares
As of December 31, 2022	€4	44,407,677	983,315	43,424,362
As of June 30, 2023	€4	44,407,677	933,160	43,474,517

The number of treasury shares held under the liquidity agreement was 50,319 as of June 30, 2023 (61,832 treasury shares as of December 31, 2022).

As of June 30, 2023, Wendel held 882,841 treasury shares outside the scope of its liquidity agreement (921,483 as of December 31, 2022).

In total, treasury shares represented 2.10% of the share capital as of June 30, 2023.

NOTE 14. PROVISIONS

In millions of euros	June 30, 2023	Dec. 31, 2022
Provisions for contingencies and expenses	86.7	98.6
Provisions for employee benefits	160.9	217.2
TOTAL	**247.6**	**315.8**
of which non-current	**246.0**	**303.7**
of which current	**1.5**	**12.0**

Provisions for contingencies and expenses break down as follows:

In millions of euros	June 30, 2023	Dec. 31, 2022
Bureau Veritas	71.8	72.9
Constantia Flexibles	-	10.8
CPI	0.4	0.5
Stahl	1.5	1.5
Wendel and holding companies	13.0	12.9
TOTAL	**86.7**	**98.6**

Provisions for retirement and other long-term benefit obligations are as follows:

In millions of euros	June 30, 2023	Dec. 31, 2022
Bureau Veritas	141.0	141.7
Constantia Flexibles	-	56.5
Stahl	18.2	17.9
Wendel and holding companies	1.7	1.1
TOTAL	**160.9**	**217.2**

NOTE 15. FINANCIAL DEBT

Note 15 - 1. Borrowings (excluding IFRS 16)

In millions of euros	Currency	Interest rate – Coupon	Effective interest rate[1]	Maturity	Repayment	Total facilities	June 30, 2023	Dec. 31, 2022
Wendel and holding companies								
2026 bonds	€	1.375%	1.452%	04-2026	at maturity		209.2	300.0
2027 bonds	€	2.500%	2.576%	02-2027	at maturity		500.0	500.0
2031 bonds	€	1.000%	1.110%	06-2031	at maturity		300.0	300.0
2034 bonds	€	1.375%	1.477%	01-2034	at maturity		300.0	300.0
2030 bonds	€	4.500%	4.671%	06-2030	at maturity		300.0	-
2026 BV bonds exchangeable for ordinary shares[2]	€	2.625%	2.891%	03-2026	at maturity		750.0	-
Syndicated loan	€	Euribor + margin		07-2027	revolving	€750 million	-	-
Amortized cost of bonds and syndicated loan							(40.8)	(9.7)
Other borrowings and accrued interest							13.3	19.8
Bureau Veritas								
2023 bonds	€	1.250%		09-2023	at maturity		500.0	500.0
2025 bonds	€	1.875%		01-2025	at maturity		500.0	500.0
2026 bonds	€	2.000%		09-2026	at maturity		200.0	200.0
2027 bonds	€	1.125%		01-2027	at maturity		500.0	500.0
2030 bonds	$	3.210%		01-2030	at maturity		184.1	187.5
2032 bonds	€	3.630%		09-2032	at maturity		200.0	200.0
Liquidity credit line						€600 million	-	-
Borrowings and debt from lending institutions – fixed rate							533.0	543.4
Borrowings and debt from lending institutions – floating rate							4.6	6.4
Constantia Flexibles								
Financial debt							-	713.5
Stahl								
Bank borrowings	$	Libor + margin		09-2023	in instalments		-	51.4
Bank borrowings	$	Libor + margin		12-2023	at maturity		-	310.9
Bank borrowings[3]	€	Euribor + margin		03-2028	in instalments		9.4	
Bank borrowings[3]	€	Euribor + margin		03-2028	at maturity		17.3	
Bank borrowings[3]	$	SOFR + margin		03-2028	in instalments		91.9	
Bank borrowings[3]	$	SOFR + margin		03-2028	at maturity		286.3	
Revolving credit facility	$					USD 140 million		
Deferred issue costs							(16)	(1.2)
CPI								
Bank borrowings	$	Libor + margin		12-2026	in instalments		247.8	281.5
Revolving credit facility	$	Libor + margin		12-2025	revolving	USD 30 million	1.5	1.9
Deferred issue costs							(4.0)	(4.7)
ACAMS								
Bank borrowings	$	SOFR + margin		03-2027	in instalments		150.3	153.9
Revolving credit facility	$	SOFR + margin		03-2027	revolving	USD 20 million	7.4	2.3
Deferred issue costs							(3.3)	(3.7)
TOTAL							5,769.4	5,553.3
of which non-current							**5,210.9**	**4,621.6**
of which current							**558.5**	**931.7**

(1) The effective interest rate is calculated inclusive of issue premiums/discounts and bank issue fees. For bonds issued in several tranches, the effective interest rate corresponds to the average weighted by the nominal amount issued.
(2) See note 7-2 “Liquidity risk”.
(3) Stahl has set up a further $440 million in financing, extending its maturities to 2028. It was used to finance the acquisition of ICP Industrial Solutions Group (ISG), to refinance its existing credit facilities and could be used to fund any future external growth.

Note 15 - 2. Maturity of financial debt

In millions of euros	Less than one year	Between one and five years	Over five years	June 30, 2023
Wendel and holding companies	-	(1,459.8)	(900.0)	(2,359.8)
Investees	(516.9)	(2,206.3)	(710.8)	(3,433.9)
TOTAL	**(516.9)**	**(3,666.1)**	**(1,610.8)**	**(5,793.7)**

Note 15 - 3. Operating lease liabilities

In millions of euros	June 30, 2023	Dec. 31, 2022
Bureau Veritas	407.0	407.9
Constantia Flexibles	-	46.0
Stahl	17.9	16.7
CPI	3.8	3.5
ACAMS	1.0	-
Wendel and holding companies	37.8	36.4
TOTAL	**466.5**	**510.5**
of which non-current	362.1	398.8
of which current	104.4	111.6

NOTES TO THE INCOME STATEMENT

NOTE 16. NET SALES

In millions of euros	1st half 2023	1st half 2022 (adjusted)
Bureau Veritas	2,904.2	2,693.4
Stahl	443.0	470.9
CPI	53.9	48.2
ACAMS	42.5	19.8
TOTAL	3,443.6	3,232.3

NOTE 17. OPERATING INCOME

In millions of euros	1st half 2023	1st half 2022 (adjusted)
Bureau Veritas	372.9	375.2
Constantia Flexibles	-	-
Stahl	60.3	79.7
CPI	6.2	10.6
ACAMS	(10.8)	(30.5)
Wendel and holding companies	(56.8)	(34.7)
TOTAL	371.9	400.2

NOTE 18. FINANCE COSTS, NET

In millions of euros	1st half 2023	1st half 2022 (adjusted)
Income from cash and cash equivalents	**43.7**	**(0.1)**
Finance costs, gross		
Interest expense	(87.1)	(66.5)
Element without cash impact	(9.6)	(1.8)
Interest expenses on operating leases	(12.7)	(8.8)
Total finance costs, gross	**(109.4)**	**(77.1)**
TOTAL	(65.6)	(77.2)

NOTE 19. OTHER FINANCIAL INCOME AND EXPENSE

In millions of euros	1st half 2023	1st half 2022 (adjusted)
Dividends received from unconsolidated companies	0.0	0.0
Gains (losses) on interest rate, currency and equity derivatives	(0.1)	(2.3)
Forex gains and losses	14.7	(2.2)
Impact of discounting	3.2	1.6
Other	(4.0)	(15.0)
TOTAL	13.7	(17.9)

NOTE 20. TAX EXPENSE

In millions of euros	1st half 2023	1st half 2022 (adjusted)
Current taxes	(135.8)	(132.5)
Deferred taxes	14.0	6.5
TOTAL	**(121.8)**	**(126.0)**

CVAE tax on value added was recognized as an income tax in accordance with IAS 12 and with the position statement of the CNC (French National Accounting Board) of January 14, 2010.

NOTE 21. NET INCOME (LOSS) FROM EQUITY-METHOD INVESTMENTS

In millions of euros	1st half 2023	1st half 2022 (adjusted)
Tarkett Participations net income (loss)	(3.1)	0.1
Impairment on Tarkett Participations investment	2.7	(158.9)
Other	0.2	0.0
TOTAL	**(0.1)**	**(158.8)**

NOTE 22. DISCONTINUED OPERATIONS AND OPERATIONS HELD FOR SALE

The accounting principles applied to discontinued operations and operations held for sale are described in note 1-8.15 "Discontinued operations and operations held for sale" to the 2022 consolidated financial statements.

Net income (loss) from discontinued operations and operations held for sale:

In millions of euros	1st half 2023	1st half 2022 (adjusted)
Constantia Flexibles[(1)]	20.7	62.3
Wendel and holding companies	-	589.9
TOTAL	**20.7**	**652.1**

(1) This item corresponds to net income from discontinued operations and operations held for sale of Constantia Flexibles (see note 4-2 "Main changes in the scope of consolidation of subsidiaries and associates").

Assets and liabilities held for sale recorded in the balance sheet as of June 30, 2023 correspond mainly to the assets and liabilities of Constantia Flexibles.

Constantia Flexibles' assets and liabilities before reclassification under discontinued operations and operations held for sale

In millions of euros	June 30, 2023
Goodwill, net	489.5
Intangible assets, net	368.1
Property, plant and equipment, net	565.6
Property, plant and equipment under operating leases	45.9
Non-current financial assets	92.8
Equity-method investments	47.2
Deferred tax assets	28.5
Non-current assets	**1,637.7**
Discontinued operations and operations held for sale	**60.9**
Inventories	316.4
Trade receivables	199.2
Other current assets	34.9
Current tax assets	10.0
Other current financial assets	1.5
Cash and cash equivalents	369.6
Current assets	**931.5**
TOTAL ASSETS	**2,630.1**

Equity	**478.8**
Provisions	53.0
Financial debt	703.5
Operating lease liabilities	40.3
Other non-current financial liabilities	65.9
Deferred tax liabilities	106.4
Total non-current liabilities	**969.1**
Liabilities related to discontinued operations and operations held for sale	**23.5**
Provisions	16.6
Financial debt	11.2
Operating lease liabilities	8.2
Other current financial liabilities	30.9
Trade payables	419.5
Contract liabilities	13.7
Other current liabilities	77.0
Current tax liabilities	15.2
Total current liabilities	**592.2**
Income statement	566.4
TOTAL EQUITY AND LIABILITIES	**2,630.1**

Constantia Flexibles' income statement before reclassification under net income (loss) from discontinued operations and operations held for sale:

In millions of euros	1st half 2023	1st half 2022
Net sales	1,039.6	985.2
Other income from operations	8.2	5.2
Operating expenses	(991.6)	(921.6)
Gains (losses) on divestments	0.3	1.0
Asset impairment	4.6	(0.0)
Other income and expense	-	0.1
OPERATING INCOME	**61.0**	**69.8**
Income from cash and cash equivalents	6.6	2.5
Finance costs, gross	(20.0)	(8.7)
FINANCE COSTS, NET	**(13.4)**	**(6.2)**
Other financial income and expense	(1.9)	2.1
Tax expense	(11.1)	(4.8)
Net income (loss) from equity-method investments	(0.2)	-
NET INCOME BEFORE INCOME FROM DISCONTINUED OPERATIONS AND OPERATIONS HELD FOR SALE	**34.3**	**61.0**
Net income from discontinued operations and operations held for sale	(14.9)	-
NET INCOME	**19.5**	**61.0**
Net income - non-controlling interests	7.7	25.4
NET INCOME - GROUP SHARE	**11.8**	**35.6**

NOTE 23. EARNINGS PER SHARE

In euros and millions of euros	1st half 2023	1st half 2022 (adjusted)
Net income (loss) – Group share	39.6	479.8
Impact of dilutive instruments on subsidiaries	(0.1)	(2.5)
Diluted net income (loss)	**39.5**	**477.2**
Average number of shares, net of treasury shares	43,689,830	43,237,829
Potential dilution due to Wendel stock options[1]	393,428	(105,250)
Diluted number of shares	**44,083,258**	**43,132,579**
Basic earnings (loss) per share (in euros)	0.91	11.10
Diluted earnings (loss) per share (in euros)	0.90	11.06
Basic earnings (loss) per share from continuing operations (in euros)	0.61	(3.43)
Diluted earnings (loss) per share from continuing operations (in euros)	0.60	(3.50)
Basic earnings (loss) per share from discontinued operations (in euros)	0.30	14.53
Diluted earnings (loss) per share from discontinued operations (in euros)	0.30	14.56

(1) In accordance with the treasury stock method: it is assumed that the cash received from the exercise of dilutive instruments will be used to buy back the shares and partially neutralize the resulting dilution. The potential dilution therefore represents the net impact.

NOTES ON CHANGES IN CASH POSITION

NOTE 24. ACQUISITIONS OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

In millions of euros	1st half 2023	1st half 2022 (adjusted)
By Bureau Veritas	78.1	53.8
By Constantia Flexibles	30.6	30.1
By Stahl	15.2	12.9
By CPI	1.7	0.3
By ACAMS	1.1	0.5
By Wendel and holding companies	2.7	2.2
TOTAL	**129.4**	99.8

NOTE 25. DIVESTMENTS, ACQUISITIONS AND SUBSCRIPTIONS OF EQUITY INVESTMENTS

Note 25 - 1. Acquisitions of equity investments

In the first half of 2023, this item mainly includes the investment of Stahl in ISG for €188.2 million.

In the first half of 2022, this item included the investment in ACAMS for €304.4 million as well as the acquisitions of Bureau Veritas for €58 million.

Note 25 - 2. Disposals of equity investments

In the first half of 2022, this item mainly included the sale of Cromology for €895.7 million.

NOTE 26. IMPACT OF CHANGES IN SCOPE OF CONSOLIDATION AND OF OPERATIONS HELD FOR SALE

The impact of changes in scope of consolidation and operations held for sale primarily mainly concerns the reclassification of Constantia Flexible's cash and cash equivalents.

NOTE 27. CHANGE IN OTHER FINANCIAL ASSETS AND LIABILITIES AND OTHER ITEMS

This item corresponds mainly to a Wendel term deposit for a negative €209.2 million and Wendel Growth direct investments for a negative €32.2 million (Tadaweb, Brigade and Preligens, see note 4 "Changes in scope of consolidation")

NOTE 28. NET CHANGE IN BORROWINGS AND OTHER FINANCIAL DEBT

A breakdown of financial debt is presented in note 15 “Financial debt”.

In millions of euros	1st half 2023	1st half 2022 (adjusted)
New borrowings by:		
Bureau Veritas	-	46.5
Constantia Flexibles	0.2	3.5
Stahl	409.3	4.3
ACAMS	5.1	
Wendel and holding companies[1]	1,050.0	300.0
	1,464.4	**354.2**
Borrowings repaid by[2]:		
Bureau Veritas	(65.7)	(64.0)
Constantia Flexibles	(11.3)	(4.8)
Stahl	(361.9)	(28.4)
CPI	(2.0)	(4.7)
ACAMS	(1.3)	
Wendel and holding companies	(91.0)	(500.2)
	(533.1)	**(602.0)**
TOTAL	**931.4**	**(247.8)**

(1) This item includes €750 million in bonds exchangeable for Bureau Veritas shares (maturing in 2026) and €300 million in bonds maturing in 2030.
(2) This item includes repayments of operating lease liabilities following the application of IFRS 16 “Leases.”

OTHER NOTES

NOTE 29. OFF-BALANCE SHEET COMMITMENTS

As of June 30, 2023, no commitment was likely to have a significant impact on the Group's financial position other than those mentioned below.

Note 29 - 1. Collateral and other security given in connection with financing

In millions of euros	June 30, 2023	Dec. 31, 2022
Pledge by Constantia Flexibles group entities of shares of the principal companies and of certain bank accounts, trade receivables as collateral for the repayment of debt owed by the Consantia Flexibles group.	716.2	712.0
Pledge by Stahl group entities of shares of the principal companies and of certain bank accounts, trade receivables and assets as collateral for the repayment of debt owed by the Stahl group.	404.9	362.3
Pledge by CPI group entities of shares of the principal companies and of certain bank accounts and trade receivables as collateral for the repayment of debt owed by the CPI group.	276.7	283.4
Pledge by ACAMS group entities of shares of the principal companies and of certain bank accounts and trade receivables as collateral for the repayment of debt owed by the ACAMS group.	157.7	156.3
TOTAL	1,555.5	**1,514.0**

Note 29 - 2. Guarantees given as part of asset sales

In connection with the disposals of Cromology, PlaYce and Tsebo, the Group issued the usual representations and warranties (fundamental warranties as to the existence, capacity and ownership of securities) up to certain specified amounts. Some of these may still be called as of June 30, 2023. No claims are outstanding in respect of guarantees received.

Note 29 - 3. Guarantees received in connection with asset acquisitions

In connection with certain direct investments via Wendel Growth, the Group benefits from the usual representations and warranties up to certain specified amounts and for variable claim periods, depending on the warranties concerned, which may still be called upon. As of June 30, 2023, no claims are outstanding in respect of these warranties.

Note 29 - 4. Off-balance sheet commitments given and received in connection with operating activities

In millions of euros	June 30, 2023	Dec. 31, 2022
Counter-guarantees on contracts and other commitments given		
By Bureau Veritas	396.6	392.9
by Stahl	3.7	6.1
Total commitments given	400.4	**399.0**

(1) Commitments given by Bureau Veritas included guarantees such as bank and parent-company guarantees.

Note 29 - 5. Subscription commitments

As of June 30, 2023, the Group had committed to investing a total of around €550 million in equity to acquire the Scalian group. The transaction is expected to close in the second half of 2023, subject to compliance with all conditions, including obtaining regulatory clearance.

As of June 30, 2023, as part of its investments through Wendel Growth, the Group was committed to investing approximately €166.1 million in private equity funds, of which €115.5 million has already been called, and €4.8 million in direct investments.

Note 29 - 6. Shareholder agreements and co-investment mechanisms

The Group is party to a number of agreements governing its relationships with its co-investors, whether co-investors in its subsidiaries or holding companies (ACAMS, Constantia Flexibles, Crisis Prevention Institute, IHS, Stahl, Tarkett and direct investments via Wendel Growth) or managers (or former managers) of portfolio companies, relating to mechanisms aimed at aligning their interests with their respective companies' performance (ACAMS, Constantia Flexibles, Crisis Prevention Institute, Stahl, Tarkett and direct investments via Wendel Growth).

These agreements contain various clauses, notably covering:

- corporate governance (composition of governing bodies, veto rights on certain strategic decisions and rights to information);
- terms and conditions for share transfers (lock-up periods, pre-emptive rights and rights of first refusal, ban on selling to certain individuals);
- anti-dilution rules in the event of transactions involving the share capital;
- exit terms in the event of a sale (tag-along and drag-along rights) or IPO; and
- non-competition and priority commitments involving acquisition opportunities.

As part of the IHS IPO on October 14, 2021, the Group entered into a commitment covering the sale of IHS securities on the market by releasing successive tranches of 20% every six months as from mid-April 2022 until the 30th month following the IPO.

With respect to Tarkett, the shareholders' agreement includes an undertaking by the Group not to sell Tarkett Participation shares during the first years of its investment, subject to the usual exceptions.

The agreements with the management teams (managers or former managers) of subsidiaries (ACAMS, Constantia Flexibles, Crisis Prevention Institute, Stahl, Tarkett and direct investments via Wendel Growth) also contain provisions relative to:

- where applicable, the right to liquidate their co-investment in successive tranches, in the absence of a sale or IPO, beyond a certain period (between the 6th and 12th anniversaries of the completion of the co-investment, depending on the agreement in question); and/or
- the handling of executive departures (commitment to sell shares in the event of the departure of an executive from a subsidiary and/or commitment to buy shares in certain specific cases).

Co-investment terms for senior managers in the subsidiary companies are described in greater detail in note 5-2 "Participation of investees' managers in the performance of their companies" to the 2022 consolidated financial statements.

As part of the liquidity commitments under these agreements, in the absence of a liquidity event (divestment or IPO) before certain predetermined dates, the Wendel Group (Wendel's holding companies or the subsidiaries themselves, as appropriate) can be required to buy back or guarantee the buyback of the shares held by the managers (or former managers) in Constantia Flexibles, Crisis Prevention Institute, Stahl and Tarkett. The value retained in the context of these liquidity commitments corresponds to the market value determined by the parties, either by applying a predetermined method or by an independent expert.

Provisions for liquidity mechanisms also exist for Wendel managers with exposure, in connection with co-investment mechanisms, to ACAMS, Constantia Flexibles, Crisis Prevention Institute, Tarkett and direct investments via Wendel Growth (see note 5-1 "Participation of Wendel's teams in the Group's investments" to the 2022 consolidated financial statements).

As of June 30, 2023, based on the value of the investments included in the NAV or, where appropriate, based on the price formulas or appraisals provided for in these agreements, the value of the portion of the *pari passu* investments made under the same risk and return conditions as Wendel by all the co-investor managers of subsidiaries and of Wendel benefiting from liquidity rights granted by the fully consolidated companies was €31.7 million. The portion of the non-*pari passu* investments made by the co-investor managers of subsidiaries and of Wendel benefiting from liquidity rights granted by the fully consolidated companies amounts to €39.3 million. These amounts do not include any unpaid amounts owing to the co-investors on the investments sold or automatic liquidities.

In accordance with Group accounting principles, a portion of these amounts is recognized as a liability of €38.4 million. The accounting principles applicable to co-investments are described in note 1-8.19 "Accounting treatment of mechanisms for the participation of management teams in the Group's investments" to the 2022 consolidated financial statements.

The value of the co-investments and liquidity commitments vary with the value of each investment. As a result, they may be lower (or nil) or higher in future fiscal years.

Note 29 - 7. Other agreements concluded by the Wendel Group for its financing and acquisition or divestment transactions

Subordinated (mezzanine and second lien) lenders to Stahl who waived their claims as creditors during the 2010 restructuring in exchange for a non-controlling interest in the share capital (representing only 0.5% of the capital as of June 30, 2023) notably received a right to the capital gain exercisable only upon the total or partial divestment of the Group's stake in Stahl. This right is exercisable by Stahl's mezzanine and second lien shareholders in the event of the divestment by the Wendel Group if Wendel's overall return is more than 2.5 times greater than its 2010 reinvestment. It is equivalent to the allocation of one to two free shares per share held by these former subordinated lenders. In accordance with accounting standards, this commitment is not recognized on the balance sheet, as the exercise of this right depends on the Group's decision to divest.

As part of the syndication with Maxburg of a non-controlling investment in the Constantia Flexibles group, the Group is entitled to receive an additional amount on the portion transferred in this manner subject to Maxburg meeting minimum profitability thresholds over the term of its investment in Constantia Flexibles in case of divestment. This right is recognized within financial assets, with any changes in value recognized in the income statement.

NOTE 30. SUBSEQUENT EVENTS

None.

DELOITTE & ASSOCIES ERNST & YOUNG Audit

This is a translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes the information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Wendel

Period from January 1 to June 30, 2023

Statutory auditors' review report on the half-yearly financial information

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572 028 041 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
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344 366 315 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles et du Centre

Wendel

For the period from January 1 to June 30, 2023

Statutory auditors' review report on the half-yearly financial information

To the Shareholders,

In compliance with the assignment entrusted to us by your by your Annual General Meeting and in accordance with the requirements of Article L. 451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Wendel, for the period from January 1 to June 30, 2023;

- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Executive Board. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject of our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris-La Défense, July 27, 2023

The Statutory Auditors
French original signed by

DELOITTE & ASSOCIES		ERNST & YOUNG Audit	
Mansour Belhiba	Emmanuel Rollin	Alain Perroux	Ioulia Vermelle

WENDEL

Societas Europea with an Executive Board and a supervisory Board with capital of €177,630,708
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July 2023

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