



WENDEL

Letter to shareholders



January
2024

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Message from Laurent Mignon

Dear Shareholders,

Firstly, allow me to extend my best wishes, on behalf of the Wendel team, to you, your families and all those close to you for a happy and prosperous new year.

As you have seen, and despite a very uncertain economic and financial context, 2023 was a significant, very active year for Wendel in many ways.

In a year's time, through fundamental changes in our model, we created and defined the basis for a business development strategy focused on value creation and on our intention to provide an attractive and recurrent return to shareholders. We have also created the conditions necessary to implement that strategy, thanks to a highly-talented team, a very sound financial structure, as well as your support and the trust you have placed in us.

Our model is now based on two distinct and complementary lines of business. The first of these is permanent capital, the historical expertise that has made Wendel a key market participant, committed to the companies in its portfolio. The second is a new, third-party, private asset management business that Wendel inaugurated with the acquisition of IK Partners. We detailed this strategy to investors and to the financial markets during our Investor Day last December 12.



Laurent Mignon, Group CEO of Wendel



Wendel has significant advantages for growing and strengthening its new asset management platform. We know how to grant managers the autonomy they need, and we have a long-term outlook combined with strong financial capacity. For that matter, we believe that the time is right to enter this new business, which is undergoing a transformation. Fundraising has become more difficult, a new generation of managers is taking the reins, and general partners want the support of long-term investors. Of course, we will do so in a highly disciplined manner, by seeking out the best managers in the asset classes we have chosen, while paying close attention to the caliber of LPs and the quality of the portfolio. We aim to reach €150 million in FRE between now and 2027. In the medium term, this business will constitute a base of sound, recurrent income and a very significant new source of value creation.

In permanent capital, meanwhile, where Wendel has a high-quality portfolio, our objective is to generate double-digit IRR. By gradually redeploying the portfolio, we should be able to concentrate in the future on majority shareholdings in unlisted companies, with a long-term investment horizon, and to focus on assets generating an IRR of 15%.

We are confident that this new business model, based on two sources of value creation and disciplined cost management, will enable us to offer our shareholders a stream of more predictable, more recurrent and increasing dividends. Accordingly, we will distribute most of the income stream generated by our asset management activity and around 20% of the expected value creation from our investment activity.

By 2024, your dividend will have risen by around 20%, representing an implicit yield of around 4.8% on the year-end share price. Our ambition is to further increase our dividend in the medium term, thanks to the growing strength of our third-party asset management business.

Over the next few months, we will implement this strategy in our disciplined fashion. We will start by integrating IK Partners into Wendel. We will meanwhile focus on creating value by working on our portfolio and by ramping up our second line of business so as to rapidly achieve our performance objectives.

In conclusion, let me thank you once again for the long-standing confidence and trust you have placed in Wendel and reiterate our commitment to successfully pursue our objectives.

Laurent Mignon,
Group CEO of Wendel

The 22nd annual Investor Day was held on **December 12, 2023**. Dedicated principally to the Group's unlisted companies, Investor Day is an opportunity for the financial community to get to know the executives of the Group's companies and the long-term value creation potential of its portfolio.

First and foremost, this Investor Day was an opportunity for the Executive Board to present the Group's strategy, oriented around value creation and a recurrent return to shareholders, and Wendel's goal to build a dual model based on two lines of business, permanent capital and third-party private asset management.

A more balanced and attractive long term value-creation model

Permanent capital

- Majority shareholdings in unlisted companies, with a **focus on sectors supported by megatrends**
- **More efficient investing model** (strict control of cost)
- **Enhanced value creation profile** (through operational excellence)
- ▶ **Double-digit average IRR, net of costs**

Asset management

- **Organic growth & acquisition** of new asset management companies **to reach €150 million of FRE in 2027**
- Synergies generation through **a multi-expertise platform**
- Sponsor money deployed in AM platform with **15% IRR compounding**
- ▶ **Recurring and predictable cash flows**

Stronger and recurring return to shareholders : TSR >10% on average

Dividends to increase to around 2.5% of NAV and heading to 3.5% of NAV⁽¹⁾ in the medium term

Targeted increase of dividend in 2024: c.+20%, representing a yield of around 4.8%⁽²⁾

Opportunistic share buybacks (current €100m program ongoing)

1. Based on December N-1 NAV With the objective to at least maintain dividend level in line with previous year at anytime.

2. Compared with share price at end 2023.



Finally, this Investor Day was especially an opportunity for certain company executives to address shareholders directly and answer their questions. As such, Maarten Heijbroek presented Stahl's positive financials, demonstrating his company's consistent, sound performance, despite a challenging economic context. Two other executives, Christopher Masek, CEO of IK Partners, and Yvan Chabanne, CEO of Scalian, presented their companies and fielded shareholders' questions for the first time.

3 questions for Christopher Masek

IK Partners has a very solid track record. What are the drivers of this success?

What defines success in our industry is consistently high cash returns. To achieve this, IK Partners focuses on three core ingredients: positioning, selectivity and engagement. For over three decades, IK Partners has established a leading position across Europe in, what we qualify as, the lower mid-market where valuations range from €100 million to €450 million. This field is attractive due to: the large number of opportunities to choose from; lower entry multiples; availability of financing; greater development potential for the underlying companies and; significantly more optionality when considering an exit.

Positioning - IK Partners has a 100-strong Investment team across seven offices covering this space. With the benefit of numbers relative to peers, (larger teams, greater investment capacity and broader international coverage) we are able to successfully invest in fast-growing companies not covered by larger institutions.

Selectivity - IK Partners focuses on quality assets with: high levels of demonstrated double-digit organic growth; strong profitability and

cashflow; market leadership; and a clear path to at least double in size, in particular through buy-and-build. This allows for greater focus and transformational success.

Engagement - We are a hands-on investor with strong Investment teams and significant in-house Operations, Capital Markets and ESG resources, fully integrated throughout the investment lifecycle. Our teams provide a proactive support which enables us to transform local champions into international leaders which, upon exit, possess a: broader offering; stronger platform (IT, Operations, Finance); and defined roadmap for moving to the next level.

What is the advantage for IK Partners of partnering with an investment company like Wendel?

With Wendel's strong institutional positioning, we anticipate even more opportunities and, most importantly, we will have the means to further invest into our platform and broaden our geographic coverage. We'll also have the ability to add logical strategic adjacencies to further reinforce our European mid-market positioning. With Wendel's support, we plan to open an office in Munich in order to strengthen our offering in the highly attractive DACH region and expand into Southern Europe where we will pursue our systematic coverage of the European market; something our investor base is seeking. We will also plan to broaden our North American investor base by leveraging Wendel's established presence in New York.

The opportunity to partner with Wendel is timely. We believe that our forthcoming partnership is one based on positive dynamics—shared values, mutual respect and with clearly-defined objectives and responsibilities. Wendel, with its over three-hundred-year history of carefully planned growth based



on purpose, is, in this respect, the perfect partner for our next phase of growth.

In turn, we believe that the IK Partners platform with its unique market position, long track-record of top performing and consistent returns, ambitious teams with a clear roadmap for growth in a highly attractive industry, will yield strong financial and strategic benefits for Wendel in the decades to come.

What are your preferred markets and sectors? What criteria do you use to select the companies in which you invest?

We invest between €10m–€300m of equity in companies typically valued between €25m–€1bn, across four complementary strategies (Mid Cap, Small Cap, Development Capital and Partnership Fund) across seven regional offices. Our diverse team operates across four sector groups each comprising individuals from all geographies, investment strategies and operations functions. Whilst the sector references are broad, our teams work to identify distinct trends and focus their efforts on defined subsectors representing an estimated 31% of the overall addressable European market. Our selection of these subsectors is based upon identification of core fundamental trends which we regularly challenge, combined with the pursued replication of our extensive experience.



Christopher Masek, CEO of IK Partners

3 questions for Yvan Chabanne

Scalian has performed well over the past ten years. What makes your model unique? What future trends are developing and what is the outlook for them?

Scalian offers expertise and solutions in two key areas that address industry challenges: digital technology and performance management.

Our organization is aligned with our positioning, enabling our experts to use their sector-specific experience to address all market segments and clients. As such, our marketing and technical teams act in concert to implement efficient solutions to the most complex problems. This is one of the principal reasons why we are often able to respond quicker than other companies in the market.

Our medium - and long-term trends remain extremely promising. We must address numerous subjects with our clients: reindustrializing Europe and North America, environmental issues, energy sovereignty, healthcare, communications, defense, etc. Geopolitical crises and economic rebalancing at the continental level are causing uncertainties and holding back economic growth, but Scalian's outlook remains sound and the company has a strong position as a member of the Wendel group. Together, Scalian and Wendel are ready to take advantage of new opportunities.

How will the Wendel team help you to create value?

Our ambition is high and we focus on several geographic fronts and businesses. Our growth is driven by many sub-projects, requiring both strong coordination and attention to structuring our management team. We will create value in two ways, by achieving our objectives and by building a sound structure for Scalian that can support our efforts over the long term. We can benefit from Wendel's experience and the support of the Wendel team to help us grow and develop and to structure our organization.

How do you guide your customers toward sustainable and responsible performance?

Scalian often provides advice on environmental issues, for example to ADEME, France's ecological transition agency, to the European Space Agency, to the ONF, the French national forestry office, and to RTE, the French electricity transport network. Specifically, Scalian develops applications using algorithms and AI to decarbonize urban transport and logistics systems, to detect water pollution via satellite imagery, to manage woodland biodiversity also via imagery and to model energy management with the inclusion of wind farms.

All market sectors have been stepping up their initiatives to find the most suitable environmental compromises, and we believe that digital technologies have a significant role to play. Scalian is and will remain central to both present and future challenges.



Yvan Chabanne, CEO of Scalian



WENDEL NEWS

01.04.2024

Completion of the sale of Constantia Flexibles

On January 4, 2024, Wendel finalized the sale of Constantia Flexibles, a world leader in flexible packaging, to a subsidiary of One Rock Capital Partners.

The transaction generated net proceeds of €1,121 million for Wendel, representing a multiple of 2.0x Wendel's total investment in Constantia Flexibles since 2015. It was one of the largest transactions in the European private equity market in 2023. Constantia's valuation was more than 10% higher than its NAV as of March 31, 2023, the most recently published NAV prior to the transaction.

For more information, please read the [press release available on Wendel's website.](#)

NEWS ABOUT OUR COMPANIES

12.04.2023

Bureau Veritas has acquired Impactiva SA, a leader in quality assurance for the footwear and apparel industry.

Recognized for its innovative solutions, Impactiva helps improve its clients' industrial processes so as to optimize their use of raw materials, minimize waste and eliminate defects in finished products.



This acquisition is a significant milestone for the Consumer Products Services division of Bureau Veritas. It strengthens BV's presence in upstream services in the footwear and apparel industry, thereby increasing its ability to provide solutions for supply chains in line with their economic, quality and sustainability objectives. The acquisition of Impactiva represents a major step forward in quality assurance for the footwear and apparel industry.

Hinda Gharbi, CEO of Bureau Veritas, said: *"Expansion into key strategic segments such as footwear and supply chain services, including upstream quality assurance and factory capacity building, is a top priority for Bureau Veritas and is right in line with our diversification strategy."*

For more information, please read the [press release available on Wendel's website.](#)

12.07.2023

FAST and ACAMS take aim at human trafficking with the French version of the “Fighting Modern Slavery and Human Trafficking Certificate”.

As part of their efforts to strengthen the global response to forced labor and sex trafficking, Finance Against Slavery and Trafficking (FAST), an initiative hosted by the United Nations University Centre for Policy Research (UNU-CPR), and ACAMS are launching the French language version of a training certificate for anti-financial crime professionals in the public and private sectors.

The Fighting Modern Slavery and Human Trafficking certificate outlines strategies to identify, investigate, and report financial activity linked to traffickers, including through the analysis of new case studies. Composed of video lessons created by experts in the sector, the training takes around two hours and is provided online and free of charge.

About social impact training certificates

To promote its mission to combat financial crime and as part of its commitment to foster ESG initiatives, ACAMS provides six social impact training certificates free of charge to anti-financial crime professionals. These certificates reflect both ACAMS’s ability to mobilize its partner organizations and the entire anti-financial crime community, as well as its objective to ensure that the public and private sectors have the tools they need to take concrete action.

For more information, please read the [press release](#) available on [Wendel’s website](#).



12.08.2023

Bureau Veritas reshapes and strengthens its Executive Committee.

Designed to align the organization with its strategic imperatives, these changes will put Bureau Veritas in an ideal position to seize key future growth opportunities.

Firstly, Bureau Veritas aims to leverage the full potential of growing market opportunities specific to each region, and to facilitate the scaling of solutions and improve resource utilization. As a result, Bureau Veritas has decided to split the Asia-Pacific and Middle East region into two new regions: Middle East, Caspian Sea & Africa on the one hand and Asia-Pacific on the other.

Secondly, the role of Executive Vice-President, Corporate Development & Sustainability has been created to reflect Bureau Veritas's ambition to make sustainability central to its activities and to accelerate the development and execution of its strategy.

Finally, the position of Chief Digital Officer (CDO) has been created to drive innovation through broad digital enablement to capture increased efficiency and productivity in BV's internal operations, and to develop new solutions and provide a differentiated customer experience for BV's clients.

To fill these roles, Bureau Veritas is pleased to announce the following appointments effective January 1, 2024:

Juliano Cardoso, Executive Vice-President, Corporate Development & Sustainability;

Surachet Tanwongsva, Executive Vice-President Commodities, Industries & Facilities, Asia-Pacific;

Philipp Karmires, Executive Vice-President and Group Chief Digital Officer.

For more information, please read the [press release](#) available on Wendel's website.

 **ESG COMMITMENTS**

09.19.2023

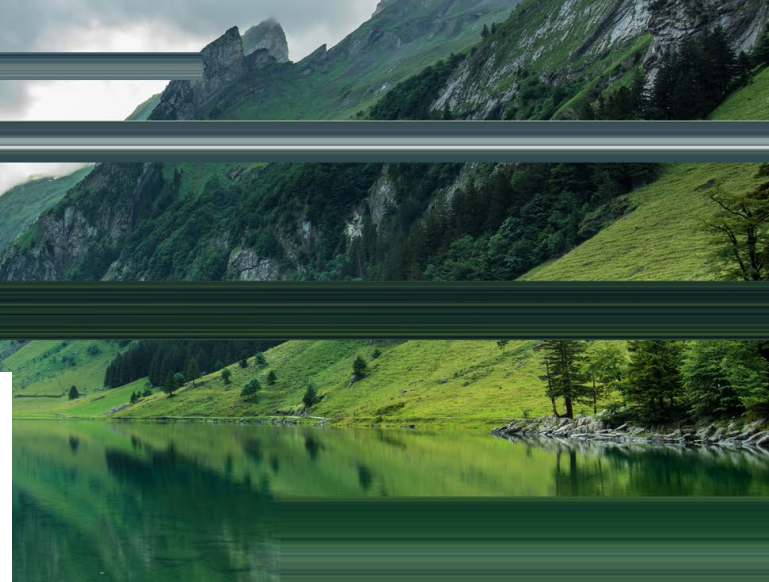
Stahl has once again been awarded the EcoVadis Platinum rating.

Congratulations to Stahl, which has been recognized for its environmental commitment for the second year in a row, with the EcoVadis Platinum rating.

The Platinum rating is the highest level of certification granted by EcoVadis, which measures the environmental, social and ethical impact of companies, according to CSR principles. Ranked in the top 1% of the companies evaluated, Stahl improved its rating by three points this year compared with 2022, reflecting continuous improvement in the company's performance with respect to labor and human rights.

Stahl has set 2030 as a target for maintaining its EcoVadis Platinum rating by working closely with its partners to help them reduce their impact. In 2022, 83% of Stahl total raw materials expense derived from EcoVadis-rated suppliers.

For more information, please read the [press release](#) available on [Wendel's website](#).



83/100

83% of Stahl's raw materials spend in 2022 came from EcoVadis-rated suppliers



58.9/100

Averages Stahl supplier EcoVadis score: 58.9/100



7 Stahl staff dedicated to the EcoVadis assessment process



247+

247+ Stahl suppliers now assessed by EcoVadis

12.05.2023

Bureau Veritas has signed a strategic partnership to provide companies with a solution to help them combat deforestation.

Bureau Veritas, Kayrros, a leading environmental intelligence services company, and OPTEL, one of the world's leading suppliers of traceability systems, announced at COP 28 in Dubai the signing of a strategic partnership to provide companies with a solution to help them combat deforestation. The partnership is designed to help companies comply with the European Union Deforestation Regulation (EUDR), which aims to combat deforestation caused by the import of certain products.

The joint offering is based on the complementary skills of the three companies:

- verification of production conditions and reliability of information by Bureau Veritas, thanks to its international network of auditors;
- tracking of deforestation or forest degradation over time, thanks to satellite data and the reconstitution of biomes (a set of ecosystems) provided by Kayrros;
- transparency on the origin of the commodities concerned, thanks to OPTEL's traceability system.

For more information, please read the [press release](#) available on Wendel's website.

12.15.2023

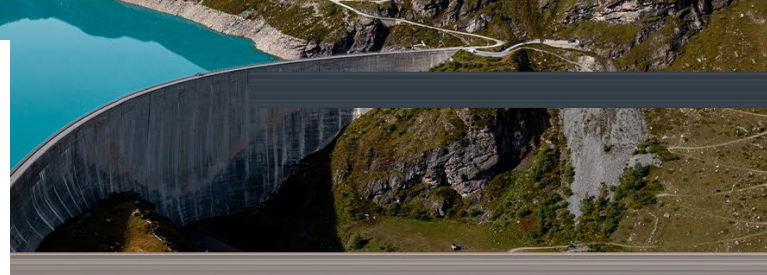
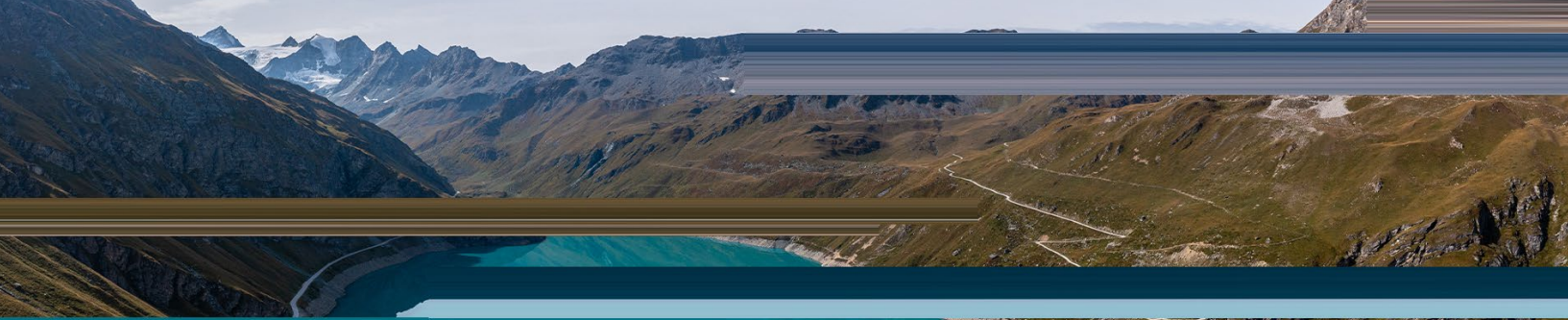
ESG performance: Wendel is once again a member of the DJSI Europe and World indices, and Bureau Veritas ranks first in its category.

For the fourth consecutive year, Wendel is one of the companies in the Dow Jones Sustainability (DJSI) World and Europe indices, validating the Group's continuing ESG performance.

As such, Wendel is among the top 2% of the companies in its category (Diversified Financials). This year, the category included 644 companies, evaluated according to S&P Global's Corporate Sustainability Assessment (CSA) questionnaire. With a score of 66/100, Wendel remains well above the average score of companies in its category (23/100). Wendel also obtained the best rating in its sector on the subject of decarbonization.

Wendel is also very pleased with Bureau Veritas's ESG performance. Bureau Veritas was ranked first in professional services this year, scoring 83/100. This category is comprised of 168 companies and includes the ICT sector. These results place Bureau Veritas among the best-performing companies in the DJSI for the fifth consecutive year.

For more information, please read the [press release](#) available on Wendel's website.



Wendel Cares Lunch and Plastic Odyssey

On Friday, October 6, Wendel employees attended a presentation of Plastic Odyssey given by its co-founder and CEO Simon Bernard at Wendel's Paris headquarters. This Wendel Cares-supported program is both a ship and a laboratory, and it acts as an ambassador of plastic waste reduction and recycling.

This unique ship is designed to promote simple solutions for reducing plastic pollution the world over, solutions that we can all implement. The Plastic Odyssey team has taken on a dual mission: "Clean up the Past" and "Build the Future".

This inspiring presentation, followed by a lively discussion, enabled Wendel employees to better understand the ship's ecosystem and the land-based initiatives associated with it, as well as Plastic Odyssey's scientific and educational role in the development of local solutions that can be deployed on a wide scale.



Simon Bernard, co-founder and CEO of Plastic Odyssey



Wendel wins a 2023 “best shareholder relations” trophy

As part of its 2023 trophies for best shareholder relations among non-CAC 40 SBF 120 companies, the “Le Revenu” magazine awarded Wendel its Special Jury Prize on December 7, 2023 for the quality of Wendel’s shareholder relations.

This distinction, which highlights the quality of the shareholder relations of publicly-traded companies, encourages Wendel staff to pursue their efforts to inform shareholders and interact with them as best they can.



Christine Anglade, Director of Sustainable Development and Communication and **Olivier Allot**, Director of Financial Communication and Data Intelligence

Save the date

**Thursday, Feb. 29, 2024
at 11:30 AM.**

Laurent Mignon, David Darmon, Jérôme Michiels and **Benoît Drillaud** will present Wendel’s 2023 full-year earnings and Net Asset Value as of December 31, 2023. Alternatively, you can watch this presentation live on Wendel’s website.

**For more information, please visit
www.wendelgroup.com**

Agenda

02.28.2024

2023 Full-Year Results

Publication of NAV as of December 31, 2023 and full-year results (post-market release).

04.25.2024

Q1 2024 trading update

Publication of NAV as of March 31, 2024 (post-market release)

05.16.2024

2024 Shareholders’ Meeting

07.31.2024

H1 2024 Results

Publication of NAV as of June 30, 2024 and first-half results (post-market release).

10.24.2024

Q3 2024 trading update

Publication of NAV as of September 30, 2024 (post-market release)

12.05.2024

Investor Day 2024





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