



WENDEL

PRESS RELEASE - OCTOBER 26, 2023

Solid 9 months 2023 activity across the portfolio Dynamic implementation of new strategic directions

Net asset value as of September 30, 2023: €7,192 million or €162.0 per share

- Restated for the €3.2 dividend per share paid in June 2023, NAV is slightly down (-1.6% YTD) and overall stable since June 30, 2023 (+1.2%)

Consolidated 9M 2023 sales of €5,163.5 million, up +3.9% overall and +5.7% organically

- Strong reported growth at CPI (+14.5%) in over 9 months
- Solid organic growth at Bureau Veritas (+8.1% over 9 months)
- ACAMS sales up +2.6% in total over 9 months, strongly impacted by timing effects (sales up +8% excluding timing effects)
- Encouraging Q3 for Stahl (+3.7% total growth), 9-month sales (-2.7%), still impacted by a mixed environment in its industry
- Scalian¹: total sales growth of c. +13% in Q3 2023

Dynamic implementation of new strategic directions

- Wendel launched its expansion in third-party private asset management : agreement to acquire IK Partners signed on October 26. The transaction is expected to be completed in the second quarter of 2024
- Wendel signed an agreement for the sale of Constantia Flexibles end of July
 - Net proceeds for Wendel expected to be around €1.1 billion, translating into a multiple of around 1.94 time Wendel's total invested capital in Constantia Flexibles and a valuation 11% higher than the latest NAV on record before signing (as of March 31, 2023)
- €557 million equity invested to acquire Scalian (closed on July 27, 2023)
- €750 million exchangeable bond into Bureau Veritas shares issued in March 2023

¹ Due to the recent acquisition date of the Scalian group, its contribution is not yet included in consolidated sales and revenues are not audited.

Launch of a €100 million share buyback program

- As previously announced, Wendel intends to launch a €100 million share buyback program. The shares repurchased under this program will be used to cover Wendel's long-term incentive plans and finance potential strategic acquisitions to be paid with Wendel shares (potentially including further IK Partners' shares to be acquired from 2029 onwards)

Strong financial structure: ample liquidity and extended maturities

- Pro forma Loan-to-value (LTV) ratio at 10.4%² as of September 30, 2023
- Syndicated Credit Facility (fully undrawn) increased to €875 million with maturity extended to July 2028
- Total pro forma liquidity of €2.4 billion as of September 30, 2023, including €1.5 billion in cash (pro forma of Constantia Flexibles sale, acquisition of 51% of IK Partners (including Wendel sponsor money to be committed to IK fund X) and €100 million announced share buyback) and €875 million credit facility (fully undrawn)
- Average debt maturity extended to 4.9 years with a weighted average cost of 2.4% following the successful placement of a €300 million 7-year bond bearing a 4.50% coupon, realized on June 12, 2023, and the repurchase of a total amount of €90.8 million of bonds maturing in April 2026

Laurent Mignon, Wendel Group CEO, commented:

"The first nine months of 2023 have been very dynamic for Wendel and its portfolio companies. Consolidated net sales rose organically by 5.7%, driven in particular by the very good performances of Bureau Veritas and Crisis Prevention Institute. Our companies also pressed ahead with their targeted external growth strategies.

We embarked on the new strategic directions announced in March, with a strong portfolio rotation, with the acquisition of a majority stake in the Scalian Group, and the announcement of the ongoing sale of Constantia Flexibles, above Net Asset Value.

Last week, we announced the potential acquisition of IK Partners, a major step in the deployment of the strategy we announced on March 16. It will be the foundation of the private asset management division we are building. Implementing this ambitious strategy will accelerate Wendel's diversification, boost recurring cash flow generation and enhance our attractiveness as an investor and as a listed company.

I am convinced that in the years to come, we will be able to grow our asset management activity through both organic growth or new opportunities for external growth together with direct investments from our permanent capital. This will create value for Wendel's shareholders with both NAV increase and significant dividends while preserving our company's strong financial profile."

² LTV as of Sept 30, 2023 stands at 13.8%. Proforma of the €1.1 billion of proceeds to be received from the ongoing disposal of Constantia Flexibles, proforma of the acquisition of 51% of IK Partners (including Wendel sponsor money to be committed to IK fund X) and pro forma of the €100 million share buyback announced, LTV would stand at 10.4%.

Nine-month 2023 sales of Group companies

Nine-month 2023 consolidated sales

(in millions of euros)	9-month 2022	9-month 2023	Δ	Organic Δ
Bureau Veritas	4,150.5	4,328.0	+4.3%	+8.1%
Stahl ⁽¹⁾	696.4	677.3	-2.7%	-10.8%
Crisis Prevention Institute	83.5	95.6	+14.5%	+17.3%
ACAMS ⁽²⁾	39.6	62.7	n.a	n.a
Consolidated net sales ⁽³⁾⁽⁴⁾	4,970.0	5,163.5	+3.9%	+5.7%

- (1) Including the acquisition of ICP Industrial Solutions Group (ISG) since March 2023 (sales' contribution of €62.7 m in the period).
(2) ACAMS accounts have been consolidated since March 11, 2022. Sales include a PPA restatement for an impact of €-3.2 m (vs. €- 11 m as of 9M 2022). Excluding this restatement, sales amount to €65.6 m vs. €50.6 m as of 9M 2022.
(3) Due to the recent acquisition date of the Scalian group, its contribution is not yet included in consolidated sales and revenues are not audited.
(4) In accordance with IFRS 5, the contribution of Constantia Flexibles has been reclassified in "Net income from discontinued operations and operations held for sale". Comparable sales for 9M 2022 represent €4,970.0 m versus 2022 published sales of €6,507.8 m. The difference of €1,537.8 m corresponds to Constantia Flexibles classified as assets held for sale in accordance with IFRS 5.

Nine-month 2023 sales of equity accounted companies

(in millions of euros)	9-month 2022	9-month 2023	Δ	Organic Δ
Tarkett⁽⁵⁾	2,569.4	2,592.6	+0.9%	+4.7%

- (5) Sales price adjustments in CIS countries are historically intended to compensate for currency movements and are therefore excluded from the "organic growth" indicator.

Q3 2023 sales of Group companies

Q3 2023 consolidated sales

(in millions of euros)	Q3 2022	Q3 2023	Δ	Organic Δ
Bureau Veritas	1,457.1	1,423.8	-2.3%	+5.8%
Stahl ⁽¹⁾	225.5	234.3	+3.9%	-3.4%
Crisis Prevention Institute	35.3	42.0	+18.9%	+26.1%
ACAMS	19.8	20.2	+2.4%	+6.3%
Consolidated net sales ^{(2) (3)}	1,737.6	1,720.2	-1.0%	+5.0%

- (1) Acquisition of ICP Industrial Solutions Group (ISG) since March 2023 (sales' contribution of €28.4 m).
(2) Due to the recent acquisition date of the Scalian Group, its contribution is not yet included in consolidated sales and revenues are not audited.
(3) In accordance with IFRS 5, the contribution of Constantia Flexibles has been reclassified in "Net income from discontinued operations and operations held for sale". Comparable sales for 9M 2022 represent €1,738 m versus 2022 published sales of €2,291 m. The difference of €553 m corresponds to Constantia Flexibles classified as assets held for sale in accordance with IFRS 5.

Q3 2023 sales of equity accounted companies

(in millions of euros)	Q3 2022	Q3 2023	Δ	Organic Δ
Tarkett⁽⁴⁾	1,005.4	984.3	-2.1%	+6.0%

- (4) Sales price adjustments in CIS countries are historically intended to offset exchange rate movements, and are therefore excluded from the "organic growth" indicator.

Group companies' sales

Bureau Veritas – Solid organic revenue growth in the third quarter; 2023 outlook confirmed (full consolidation)

Bureau Veritas revenue in the third quarter of 2023 amounted to EUR 1,423.8 million, up +6.1% at constant currency and down -2.3% compared with Q3 2022. Organic growth was +5.8% against a particularly strong Q3 last year. 9-month organic revenue grew by +8.1%.

Leading the growth in Q3 were the three activities, Marine & Offshore, Industry and Certification, which delivered double-digit organic growth, driven by the continued momentum in Sustainability and ESG, including marine decarbonization and renewable energy projects. Agri-Food & Commodities delivered low-single-digit organic revenue growth led by Agri-Food markets and government services. Buildings & Infrastructure and Consumer Products Services were flat. Buildings & Infrastructure having seen particularly strong growth in Q3 2022 and Consumer Products Services continuing to be impacted by the consequences of lower consumer spending seen throughout the year.

The scope effect was a positive +0.3%, reflecting bolt-on acquisitions realized last year, largely offset by a minor disposal. Currency fluctuations had a significant negative impact of -8.4%, mainly due to the strength of the euro against USD and pegged currencies and some emerging countries' currencies.

2023 Outlook confirmed

Based on the 9-month performance, a healthy sales pipeline and the significant growth opportunities related to Sustainability and energy transition, Bureau Veritas expects for full-year 2023 to deliver:

- Mid-to high single-digit organic revenue growth;
- A stable adjusted operating margin at constant exchange rates;
- A strong cash flow, with a cash conversion³ above 90%.

For more information: <https://group.bureauveritas.com>

Stahl – Total sales down -2.7% for the first 9 months of 2023, in a context of weak but recovering demand (full consolidation)

Stahl posted total sales of €677.3 million in the first nine months of 2023, representing a decrease of -2.7% over the period. Organically, sales were down -10.8%, in a context of muted market demand across Leather and Coating, while FX contributed -1.0%. The acquisition of ICP Industrial Solutions Group (ISG) in March 2023 contributed positively (+9.0%) to total sales variation. Management continues to meticulously integrate ISG within Stahl, while realizing higher than estimated synergies in the process and on a much faster timeline.

On a quarterly basis, Stahl's business showed signs of a recovery, as the decline in organic growth significantly reduced compared to previous quarters: in Q3 2023, Stahl's sales organically decreased by -3.4%, compared to -15.4% and -13.1% in Q2 and Q1 respectively. Stahl thus posted total growth of +3.9% in Q3 2023. Stahl has been awarded a Platinum rating by the sustainability rating agency EcoVadis for the second consecutive year. For the 2023 EcoVadis assessment, Stahl's rating increased by three points compared to its 2022 score.

³ Net cash generated from operating activities/Adjusted Operating Profit

Crisis Prevention Institute – Strong 9 months revenue growth of +16.6% and +17.3% organically
(full consolidation)

CPI exhibits strong first nine months revenue of 2023 at \$103.5 million, up +16.6% compared to the same period in 2022. Crisis Prevention Institute had a strong third quarter with revenues up +26.3% compared to the same period of the previous year.

Growth was relatively consistent across geographies. North American revenues were up +18% vs. 2022 driven by higher price and volume mix (+24% increase in renewals), whilst international revenue grew by +10% over the same period, primarily reflecting the +14% year-over-year growth in the UK, Ireland and Australia which collectively comprise 90% of non-North American business.

The targeted country-specific strategies implemented by CPI are yielding early benefits, notably in France and the recently established office in the UAE, to which CPI expanded through a partnership with the US-based Cleveland Clinic.

ACAMS – Q3 sales increased by +5.5% vs. last year and +2.6% year-to-date
(full consolidation)

ACAMS, the global leader in training and certifications for anti-money laundering and financial-crime prevention professionals, generated third-quarter revenue of \$22.3 million⁴, up +5.5% vs. Q3 2022, and year-to-date revenue of \$71.4⁵ million, or +2.6% above the same period in the prior year. As previously noted, 2022 benefited from an unusually large contract with a bank customer that implemented an initial firm-wide training program that has since normalized to include employee groups directly focused on financial crime. Excluding revenue from this customer, year-to-date revenue would have increased 8% versus the same period in 2022. The Company's growth throughout the year reflects momentum in its expanded enterprise sales efforts, notably in the U.S. and Europe, and increased adoption by banks in China in preparation for the Financial Action Task Force (FATF) mutual evaluation.

ACAMS anticipates modest growth through the end of the year, the extent of which will depend upon the execution timing of certain large enterprise contracts. In late September, ACAMS' Chief Operating Officer, Mariah Gause, was named Interim CEO, replacing Scott Liles. Mr. Liles will continue to serve as an executive advisor through the end of 2023. The ACAMS Board of Directors is working with an executive search firm to identify a new CEO.

⁴ Revenue excludes PPA restatement impact of \$0.3m. Including this restatement, revenue is \$22.0m in Q3 2023.

⁵ Revenue excludes PPA restatement impact of \$3.5m. Including this restatement, revenue is \$67.9m over 9 months 2023.

Tarkett – Organic sales growth of +6.0% in Q3 2023. Record revenue in Sports. Good levels of activity in CIS countries and resilience in the Commercial segments in North America

(Accounted for by the equity method)

Net revenue of the Group amounted to €984 million, down -2.1% compared to the third quarter of 2022. Organic growth was +6.0% (or +5.7% including sales price variations in the CIS region). The total effect of the selling price increases implemented across all segments is +3.1% on average compared to the third quarter of 2022. Sales prices were generally stable compared to Q2 2023.

The EMEA segment achieved a net revenue of €209 million, down -5.0% compared to the third quarter of 2022, including an unfavorable currency effect of -1.2% and negative organic growth of -3.8%. The economic context of high inflation and interest rates is penalizing renovation and new construction projects throughout the area. Activity in the Residential segment was significantly lower than in 2022 due to an unfavorable product mix, with vinyl rolls performing better than more expensive categories such as parquet. Activity in the Commercial segments fell only slightly compared to 2022 thanks to the good performance of volumes in the two main categories, vinyl products for the health and education sector and carpets for offices. In a dynamic market, Sports continues to grow at a sustained pace (+15.8% organic) despite a high basis for comparison in Q3 2022.

For more information: <https://www.tarkett-group.com/en/investors/>

Scalian – Total sales growth of c.+13% in Q3 2023

(Due to the recent acquisition date of the Scalian Group, its contribution is not yet included in Q3 2023 Group consolidated sales and revenues are not audited. – full consolidation)

Net sales of the Scalian Group amounted to €126.8 million for the third quarter, up c.+13% compared to the third quarter of 2022. Over the first nine months of the year, organic sales growth was c. +18%.

IHS Towers (not consolidated)

IHS Towers will report its Q3 2023 consolidated sales in November.

We continue to engage in constructive dialogue with IHS Towers and are making progress toward our goals to improve the company's corporate governance.

Wendel's net asset value: €162.0 per share as of September 30, 2023

Net asset value was €7,192 million, or €162.0 per share, as of September 30, 2023 (see Appendices 1 and 2 for details), a decrease of -3.5% from the €167.9 per share as of December 31, 2022, and stable overall (- 1.6%) when adding back the dividend paid in June 2023. Compared to the last 20-day average Wendel share price as of September 30, 2023 the discount on the September 30, 2023, NAV per share was 51.3%.

Strong financial structure: Ample liquidity and maturity further extended

- Pro forma Loan-to-Value (LTV) ratio at 10.4%⁶ as of September 30, 2023
- Syndicated Credit Facility (fully undrawn) increased to €875 million with maturity in extended to July 2028
- Total liquidity of €2.4 billion as of September 30, 2023, including €1.5 billion in cash (pro forma of Constantia Flexibles sale, acquisition of 51% of IK Partners (including Wendel sponsor money to be committed to IK fund X) and €100 million announced share buyback) and €875 million in committed credit facility (fully undrawn)
- Average debt maturity extended to 4.9 years with a weighted average cost of 2.4% following the successful placement of a €300 million 7-year bond with a 4.50% coupon realized on June 12, 2023, and the repurchase for a total amount of €90.8 million of its bonds maturing in April 2026

2023 other significant events:

Wendel launches its expansion in third-party private asset management: agreement to acquire IK Partners signed on October 26.

Wendel announced on October 17, 2023 that it has entered into exclusive negotiations with a view to acquiring a controlling stake in IK Partners (“IK” or “the Company”) from its partners who would also reinvest a portion of their proceeds in future IK funds as part of the envisaged transaction. IK Partners is a leading European private equity (“PE”) firm specializing in European mid-market buyouts. For Wendel, this transaction will constitute the foundation its new third-party asset management business, which is aimed at generating additional sources of recurring income and intrinsic value creation.

The agreement to acquire IK Partners was signed on October 26, 2023. Subject to the conditions for completion (including regulatory approvals), the acquisition of a controlling stake in IK is expected to be completed in Q2 2024.

Founded in 1989, IK is one of Europe’s most recognized PE firms, with teams across a number of Northern European countries focusing on the mid-market segment. The Company invests in the Business Services, Healthcare, Consumer and Industrials sectors in Benelux, DACH, France, Nordics and the UK.

IK manages €11.8⁷ billion of private assets on behalf of third-party investors and since inception, has invested in over 180 companies.

Wendel’s ambition is to build a sizeable platform managing multiple private asset classes, alongside its historical permanent capital investment activity. The development of this platform will provide Wendel with recurring cashflows and exposure to the performance of multiple asset classes. This objective will be achieved both organically and through new targeted acquisitions.

This evolution of Wendel’s business model is designed to enable the development, over time, of a value-creating platform with the potential to generate operational synergies.

The third-party asset management platform will be developed alongside the permanent capital strategy of Wendel, with the objective to generate double-digit Total Shareholder Return.

The acquisition of IK is part of Wendel’s €2 billion investment target over 24 months announced on March 16, 2023.

⁶ LTV as of September 30, 2023 stands at 13.8%. Proforma of the €1.1 billion of net proceeds to be received from the ongoing disposal of Constantia Flexibles, proforma of the acquisition of 51% of IK Partners (including Wendel sponsor money to be committed to IK fund X) and pro forma of the €100 million share buyback announced, LTV would stand at 10.4%.

⁷ Including co-invest direct investments from significant LPs, and from third-party co-control co-investment.

Wendel acquired the Scalian Group, a leading European consulting firm in digital transformation, project management and operational performance

On July 27, 2023, Wendel completed the acquisition of Scalian. Wendel invested €557 million of equity, i.e. an Enterprise Value of c. €965 million. Wendel holds a c. 82% interest in Scalian, alongside management of the company.

Founded in 1989, Scalian is ranked among France's Top 10 engineering consulting firms, is also active internationally, providing industrial project management services for issues pertaining to supply chain (costs, quality, deadlines, performance), digital engineering from architecture to embedded digital systems development and system applications, big data and AI. Scalian also addresses optimization and performance of projects and organizations, as well as providing digital transformation support for industry and service sector leaders.

Since 2015, the company has delivered average annual growth of around +30% of its revenues, including +12% of organic growth despite Covid, amplified by a selective external growth strategy, in France and internationally, with nine acquisitions completed over the same period.

Wendel SE commits to SBTi

The Science-Based Targets initiative (SBTi) is a global body enabling businesses to set ambitious emissions reductions targets in line with the latest climate science. It is focused on accelerating companies across the world to halve emissions before 2030 and achieve net-zero emissions before 2050.

Wendel has committed to set near-term company-wide emission reductions in line with climate science with the SBTi. Wendel's targets will be submitted to SBTi for approval by the end of 2023.

Wendel's near-term targets will be set at two levels:

- Greenhouse gas emissions from Wendel's offices (scopes 1 and 2)
- Greenhouse gas emissions from eligible companies in Wendel's portfolio⁸, using the "portfolio coverage approach" from SBTi guidelines (scope 3)

These targets are in addition to the SBTi commitments already approved for portfolio companies: Bureau Veritas, Constantia Flexibles, Stahl and Tarkett.

⁸ Portfolio companies over 25% owned with at least one seat on the Board of Directors (15% threshold for Wendel Growth)

Agenda

Tuesday December 12, 2023

2023 Investor Day

Wednesday February 28, 2024

FY 2023 results – Publication of NAV as of December 31, 2023, and Full-Year consolidated financial statements (post-market release)

Thursday April 25, 2024

Q1 2024 Trading update – Publication of NAV as of March 31, 2024 (post-market release)

Thursday May 16, 2024

Annual General Meeting

Wednesday July 31, 2024

H1 2024 results – Publication of NAV as of June 30, 2024, and condensed Half-Year consolidated financial statements (post-market release)

Thursday October 24, 2024

Q3 2024 Trading update – Publication of NAV as of September 30, 2024 (post-market release)

Thursday December 5, 2024

2024 Investor Day

About Wendel

Wendel is one of Europe's leading listed investment firms. The Group invests in Europe and North America in companies which are leaders in their field, such as ACAMS, Bureau Veritas, Constantia Flexibles, Crisis Prevention Institute, IHS Towers, Scalian, Stahl and Tarkett. Wendel often plays an active role as a controlling or significant shareholder in its portfolio companies. Wendel seeks to implement long-term development strategies, which involve boosting growth and margins of companies so as to enhance their leading market positions. With Wendel Growth (formerly known as Wendel Lab), Wendel also invests via funds or directly in innovative, high-growth companies.

Wendel is listed on Eurolist by Euronext Paris.

Standard & Poor's ratings: Long-term: BBB, stable outlook – Short-term: A-2 since January 25, 2019

Moody's ratings: Long-term: Baa2, stable outlook since September 5, 2018

Wendel is the Founding Sponsor of Centre Pompidou-Metz. In recognition of its long-term patronage of the arts, Wendel received the distinction of 'Grand Mécène de la Culture' in 2012.

For more information: [wendelgroup.com](https://www.wendelgroup.com)

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Appendix 1: NAV as of September 30, 2023: €162.0 per share

(in millions of euros)			Sept. 30, 2023	Dec. 31, 2022
Listed equity investments	<u>Number of shares</u>	<u>Share price</u> ⁽¹⁾	4,242	4,460
Bureau Veritas	160.8/160.8 m	€23.9/€24.8	3,846	3,990
IHS	63.0/63.0m	\$5.6/\$6.5	334	382
Tarkett		€10.3/€11.9	61	88
Investment in unlisted assets ⁽²⁾			4,113	3,440
Other assets and liabilities of Wendel and holding companies ⁽³⁾			-12	15
Net cash position & financial assets ⁽⁴⁾			1,236	961
Gross asset value			9,579	8,876
Wendel bond debt			-2,387	-1,420
Net Asset Value			7,192	7,456
<i>Of which net debt</i>			<i>-1,150</i>	<i>-459</i>
<i>Number of shares</i>			<i>44,407,677</i>	<i>44,407,677</i>
Net Asset Value per share			€162.0	€167.9
Wendel's 20 days share price average			€78.8	€88.2
Premium (discount) on NAV			-51.3%	-47.5%

(1) Last 20 trading days average as of December 31, 2022, and September 30, 2023

(2) Investments in unlisted companies (Stahl, Constantia Flexibles, Crisis Prevention Institute, ACAMS, Scalian, Wendel Growth). Aggregates retained for the calculation exclude the impact of IFRS16. As of September 30, 2023, as per Wendel methodology, ACAMS valuation is weighted at 0% on acquisition multiple and 100% on listed peer-group multiples and Scalian valuation is weighted at 100% on acquisition multiple and 0% on listed peer-group multiples. The value of Constantia Flexibles as of September 30, 2023 is based on the binding offer received on July 25, 2023

(3) Of which 983,315 treasury shares as of December 31, 2022, and 914,003 treasury shares as of September 30, 2023

(4) Cash position and financial assets of Wendel and holdings companies

Assets and liabilities denominated in currencies other than the euro have been converted at exchange rates prevailing on the date of the NAV calculation.

If co-investment and management LTIP conditions are realized, subsequent dilutive effects on Wendel's economic ownership are accounted for in NAV calculations. See page 332 of the 2022 Universal Registration Document.

Appendix 2: Net Asset Value per share bridge year-to-date

