



# W E N D E L

PRESS RELEASE - DECEMBER 13, 2019

## Wendel Completes Sale of Stake in Allied Universal® for Net Cash Proceeds of \$721M

Wendel and Allied Universal's existing shareholders have completed the sale of a majority stake in the company to Caisse de dépôt et placement du Québec (CDPQ), and a new investment group led by Warburg Pincus and an affiliate of the J. Safra Group (the "Transaction").

As part of the Transaction, Wendel sold 79% of its total investment in Allied Universal, for net cash proceeds of \$721 million and will retain an approximately 6% ownership interest in the company. The Transaction values Wendel's net investment, including realized and unrealized proceeds, at approximately \$920 million, or approximately 2.5x total invested capital in USD. This valuation is approximately \$670 million above the valuation of Allied Universal in Wendel's net asset value as of November 16, 2018, published before the sale announcement.

Wendel's residual stake in Allied Universal, per the net asset value calculation methodology, will be valued at the transaction price for one year. As part of the Transaction, Wendel agreed to limited governance and liquidity rights commensurate with the small size of its remaining ownership stake. The Transaction is subject to typical post-closing adjustments, which may impact the equity interest maintained by Wendel. Further, Wendel will sell additional shares to the extent the Warburg Pincus investment group raises additional capital.

Following the completion of the transaction, Wendel will recognize the full capital gain on the entirety of its stake in Allied Universal (including the remaining stake) in its 2019 consolidated financial statements, it is estimated at approximately €600 million (unaudited). Moreover, Wendel will no longer account for the remaining stake in Allied Universal under the equity method but as a financial asset at fair value.

*"Since we acquired AlliedBarton in 2015, the company has grown revenues from \$2 billion to over \$7 billion, achieved through organic growth, tuck-in M&A, and the merger with Universal Services of America. We are extremely proud of the business that Steve Jones and the entire Allied Universal team have built during our partnership and look forward to supporting the company's continued success,"* **said Adam Reinmann, Managing Director and CEO of Wendel North America.**

**David Darmon, Wendel Group's Deputy CEO, said:** *"I am delighted to see more high-quality investors join Allied Universal to further develop and strengthen its leadership position in the industry. This transaction further solidifies Wendel's success in the U.S. market and provides*

*additional capital with which to invest in other high-quality companies to grow its portfolio over the long-term.”*

### **History of Wendel’s Investment in Allied Universal**

In December 2015, Wendel acquired AlliedBarton Security Services for approximately \$1.68 billion. As part of the transaction, Wendel made an investment of approximately \$687 million, for a 95% ownership stake in the Company, alongside AlliedBarton's management team. In 2016, AlliedBarton merged with Universal Services of America, owned by Warburg Pincus, creating Allied Universal, the leading security company in North America. Following the completion of the merger, in exchange for its contribution of its shareholding in AlliedBarton, Wendel received approximately 33% of the shares of Allied Universal and a cash payment of \$388 million. In October 2018, Wendel invested an additional \$78 million to support Allied Universal’s acquisition of U.S. Security Associates.

Allied Universal’s shareholders announced they entered into an agreement to sell an approximately 40% stake to CDPQ in February 2019 at an enterprise value of more than \$7 billion, and an additional stake to a new investment group led by Warburg Pincus and an affiliate of the J. Safra Group in September 2019.

### **About Allied Universal**

Allied Universal, a leading security and facility services company in North America with over 215,000 employees and revenues over \$7.5 billion, provides unparalleled security services and technology solutions. With offices located throughout the U.S. as well as internationally (Canada, Mexico and the United Kingdom), Allied Universal is responsible for protecting client sites covering multiple specialty sectors such as higher education, healthcare, retail, commercial real estate, government and corporate campuses, etc. Supported by vast experience gained from being in business for over 60 years, Allied Universal provides proactive security services and cutting-edge smart technology to deliver evolving, tailored solutions that allow clients to focus on their core business. Through world-class customer service, highly advanced systems and cohesive technology solutions...Allied Universal is There for you™. For more information, please visit [www.aus.com](http://www.aus.com).

# Agenda

03.18.2020

**2019 FY Results** / Publication of NAV of December 31, 2019 (post-market release)

04.30.2020

**Q1 2020 Trading update** / Publication of NAV as of March 31, 2020 (pre-market release).

06.04.2020

**2020 Annual General Meeting**

07.30.2020

**H1 2020 results** / Publication of NAV as of June 30, 2020, and condensed Half-Year consolidated financial statements (post-market release).

11.04.2020

**2020 Investor Day** / Presentation of NAV as of September 30, 2020, and Q3 2019 trading update (publication post-market release on 11/03/2020).

## About Wendel

Wendel is one of Europe's leading listed investment firms. The Group invests in Europe, North America and Africa in companies which are leaders in their field, such as Bureau Veritas, Cromology, Stahl, IHS, Constantia Flexibles, Allied Universal and Tsebo. Wendel plays an active role as a controlling or lead shareholder in these companies. We implement long-term development strategies, which involve boosting growth and margins of companies so as to enhance their leading market positions.

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 – Short-term: P-2 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:

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