



W E N D E L

PRESS RELEASE - OCTOBER 28, 2021

Q3 2021 Trading update

Net Asset Value as of September 30, 2021: €8,252 million, or €184.5 per share, up 16.0% since December 31, 2020 (€159.1 per share)

Consolidated net sales for first nine months of 2021 were €5,520.6 million, up 10.3% overall and up 12.0% organically year-on-year. All companies' nine-month sales surpassed those of 2019's on an organic basis.

- Strong organic growth generated by Bureau Veritas (+11.9%) and Stahl (+33.8%)
- At Crisis Prevention Institute, the strong rebound has continued (+68.6%), with 9 months 2021 revenue significantly above pre-Covid levels (+17.6%)
- Resilient organic growth for Constantia Flexibles (+1.5%)
- FX headwinds experienced across the portfolio (-2.3% consolidated)

Major milestones in Wendel's portfolio in Q3 2021:

- IHS Towers was listed on the New York Stock Exchange on October 14, 2021
- Wendel has granted exclusivity to DuluxGroup for the sale of Cromology, with net proceeds¹ for Wendel of c.€907 million. This valuation is c. €369 million above Wendel's valuation in its net asset value as of June 30, 2021, the most recent data point prior to the sale announcement

Deployment of c. €270 million since the beginning of the year

- €221.7 million invested by Wendel in partnership with the Deconinck Family to acquire Tarkett's shares as of October 26, 2021
- Wendel Lab: \$45.0 million committed in 2021 to date, reaching €108 million in cumulative commitments
- €25 million in Wendel shares bought back in the first half of 2021

ESG recent achievements:

- Further improvement of extra-financial ratings and awards:
 - Wendel has been awarded in October the French 2021 *Grand Prix de la Transparence* which ranks the firm number 1 among all SBF 120 companies on the basis of the quality and transparency of all its financial and non-financial communications practices
 - Upgrade from "Low Risk" to "Negligible Risk" at Sustainalytics in September 2021
 - Wendel won the "Diversity in management bodies" award from L'Agefi in October
- Wendel has adopted the 10 Principles of the United Nations Global Compact
- Financial terms of Wendel's Revolving Credit Facility's amended to incorporate ESG targets

¹ Net proceeds after financial debt, dilution to the benefit of the Company's minority investors, transaction costs and other debt-like adjustments.

Strong financial structure

- LTV ratio at 10.2% as of September 30, 2021
- Total liquidity of €1.4 billion as of September 30, 2021, including €685 million of cash and a €750 million committed credit facility (fully undrawn)
- Investment grade corporate ratings: Moody's Baa2 with stable outlook / S&P BBB with stable outlook
- ESG targets embedded in the financial terms of the undrawn €750 million syndicated credit

André François-Poncet, Wendel Group CEO, said:

"Most of our companies continued to perform well in the first nine months of 2021. Their sales exceeded 2019 levels on an organic basis. This growth comes with challenges regarding raw materials, logistics, and labor costs. Thus far they have broadly demonstrated an ability to adapt to market circumstances.

Two major events took place in October: the IPO of IHS Towers on the New York Stock Exchange and the exclusivity which we granted to DuluxGroup for the sale of Cromology. In both cases, we have demonstrated our ability to support these two companies at important times acting as a long-term investor.

Beyond these two milestones in our roadmap, we are further intensifying our search for capital redeployment towards higher-growth companies, directly and through the Wendel Lab. We recently further added to our investment teams in our Paris and NY offices, and we are well equipped with talented individuals to pursue new investments with discipline and opportunism."

Nine months 2021 sales of Group companies

Nine months 2021 consolidated sales

(in millions of euros)	9 months 2020	9 months 2021	Δ	Organic Δ
Bureau Veritas	3,348.8	3,664.1	+9.4%	+11.9%
Constantia Flexibles	1,143.0	1,168.3	+2.2%	+1.5%
Stahl	474.6	624.4	+31.6%	+33.8%
Crisis Prevention Institute ⁽¹⁾	40.4	63.9	+58.3%	+62.8%
Consolidated sales ⁽²⁾	5,006.8	5,520.6	+10.3%	+12.0%

(1) The PPA effect corresponds to the PPA restatement impact of \$ -1.8M booked in 9M 2020.

(2) Comparable sales for 9 months 2021 represent 5,006.8M€ vs. 2020 published sales of 5,477.6M€. The difference of 470.8M€ corresponds to sales of Cromology, classified as asset held for sale in accordance with IFRS 5. The contribution of this portfolio company has been reclassified in "Net income from discontinued operations and operations held for sale".

Q3 2021 sales of Group companies

Q3 2021 consolidated sales

(in millions of euros)	Q3 2020	Q3 2021	Δ	Organic Δ
Bureau Veritas	1,148.3	1,245.7	+8.5%	+7.5%
Constantia Flexibles	381.6	416.2	+9.1%	+3.0%
Stahl	157.8	204.6	+29.6%	+28.6%
Crisis Prevention Institute ⁽¹⁾	16.6	27.4	+64.9%	+67.9%
Consolidated sales ⁽²⁾	1,704.3	1,893.8	+11.1%	+9.0%

(1) The PPA effect corresponds to the PPA restatement impact of \$ -0.3M booked in Q3 2020.

(2) Comparable sales for Q3 2020 represent 1,704.3M€ vs. 2020 published sales of 1,885.0M€. The difference of 180.7M€ corresponds to sales of Cromology, classified as asset held for sale in accordance with IFRS 5. The contribution of this portfolio company has been reclassified in "Net income from discontinued operations and operations held for sale".

Sales of Group companies

Bureau Veritas – Strong organic revenue performance in the third quarter of 2021; 2021 Full Year outlook confirmed

(full consolidation)

Note: Bureau Veritas published its Q3 2021 trading update on October 26, 2021

Revenue in the third quarter of 2021 amounted to €1,245.7 million, a 8.5% increase compared with Q3 2020. Organic increase was 7.5%.

Four businesses delivered strong organic growth, Industry +10.4%, Consumer Products +8.7%, Buildings & Infrastructure (B&I) +8.0%, and Agri-Food & Commodities +7.7%. The rest of the portfolio continued to grow, with Marine & Offshore up 2.7% organically, and Certification, up 0.8%, against tough comparables from last year's catch-up audits.

By geography, activities in the Americas strongly outperformed the rest of the group (25% of revenue; up 21.2% organically), led by a 17.3% increase in North America (Buildings & Infrastructure driven) and by a 28.5% increase in Latin America (primarily fueled by the Power and Utilities segment). Activity in Asia Pacific (32% of revenue; up 4.4% organically) benefited from robust growth in China as well as in Australia. Europe (34% of revenue) delivered broadly stable organic growth with resilient performance in France, solid growth in Italy and the Netherlands while weaker in the UK and in Spain. Finally, in Africa and the Middle East (9% of revenue), the business strongly recovered (up 16.6% on an organic basis) fueled by the commodities markets.

The scope effect was a positive 0.2%, reflecting the five bolt-on acquisitions realized since the beginning of 2021.

Currency fluctuations had a positive impact of 0.8%, mainly due to the appreciation of the USD and pegged currencies against the euro, which was partly offset by the depreciation of some emerging countries' currencies.

At the end of September 2021, the Bureau Veritas' adjusted net financial debt slightly increased compared with the level at June 30, 2021 due to the payment of the dividend in July 2021. Bureau Veritas has a solid financial structure with no maturities to refinance until 2023. At September 30, 2021, Bureau Veritas had €1.2 billion in available cash and cash equivalents and €600 million in undrawn committed credit lines.

2021 OUTLOOK CONFIRMED

Based on the excellent year-to-date performance, considering tough comparables in the fourth quarter, and assuming no severe lockdowns in its main countries of operation due to Covid-19, Bureau Veritas still expects for the full year 2021 to:

- Achieve strong organic revenue growth;
- Improve the adjusted operating margin;

- Generate sustained strong cash flow.

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

Constantia Flexibles – Encouraging performance in first nine months’ with reported growth of +2.2%, driven by organic growth of +1.5%, and the acquisition of Propak

(full consolidation)

Sales in the first nine months of 2021 totaled €1,168.3 million, up +1.5% on an organic basis driven by a +3.8% organic growth in the Consumer markets with a good performance in coffee capsules and beverages. The Pharma market was affected by lockdown-induced mild flu and cold season and destocking from customers leading to -5.1% YTD organic decline in sales against a strong comparison in 2020. Encouragingly the recent pharma market order intake has been improving.

These figures are affected by an exceptional base of comparison in 2020 due to the pandemic. For the record, in 2020, Consumer sales were negatively impacted with lower activity levels particularly in India, Mexico and South Africa, partially offset by (i) an increased demand in European Consumer markets due to so-called ‘pantry loading’, and (ii) particularly high pharma sales due to increased demand in the early part of the COVID-19 pandemic. In India, the market has remained very challenging this year in the light of a second lockdown and a very competitive environment with significant price pressure.

The first nine months of the 2021 benefited from the integration of Propak in June (+2.4%) but were negatively impacted (-1.7%) by unfavorable FX, mainly from U.S. dollar, Russian ruble and Indian rupee.

As already mentioned in the first half-year results, Constantia Flexibles is facing an unprecedented increase in all raw material prices. This is impacting performance in 2021 as there usually is a temporary delay between changes in raw material prices and adjusting selling prices to customers. Constantia and its renewed management team accelerated their efforts towards profitability measures, including a new cost reduction initiatives program initiated at the beginning of the year. A dedicated taskforce set up in March has focused on price increase negotiations with customers as to limit the impact of raw material cost increases with good effect although there still will be a negative time lag impact for the full year.

On June 9, 2021, Constantia closed the acquisition of Propak, a packaging producer located in Dücze in Turkey. The purchase price is based on an enterprise value of €120 million, representing a 6.4x multiple of 2020 actual EBITDA. Propak is a leading player in the European packaging industry for the snacks market operating out of one well-invested plant with approximately 360 employees and complements Constantia Flexibles’ packaging solutions portfolio. This significant acquisition elevates Constantia Flexibles to one of the leading players in the European snacks market. Performance since the acquisition has been in line with expectations with good commercial and cost synergies identified for the future.

Good overall progress has been made by the company in implementing its Vision 2025 strategy with a return to organic growth and an acceleration of internal performance improvement measures. With the aforementioned Propak acquisition, Constantia has restarted its efforts to create value through acquisitions in the fragmented and consolidating flexible packaging markets. Outside of Europe, profitability of operations has been significantly enhanced in North America and South Africa.

Stahl – Strong sales rebound confirmed, surpassing 9 months 2019 sales levels

(Full consolidation)

Stahl’s sales totaled €624.4 million over the first 9 months of the year, representing an increase of +31.6% vs. €474.6 million sales over the same period in 2020. Organic growth was +33.8% and foreign exchange rate fluctuations had a negative impact of -2.3%.

This good activity in the first nine months of the year exceeded the 2019 sales level over the same period by 2.1%. Leather Chemicals sales were in line with 2019 levels while Performance Coatings reported growth of +8.2% vs 2019, driven by increases in volumes and average prices, thanks to market rebound and market share gains.

After a challenging 2020, Stahl continued its recovery which started in Q3 2020 and which has accelerated since the end of 2020. This recovery has been driven by a strong order book and broad-based volume growth across almost all regions and end markets, in part due to a general restocking effect. Stahl's order book has declined slightly during Q3 2021, but remains high compared to pre-crisis levels, indicating that the rebound underway since the beginning of the year is, as expected, easing.

The solid performance in sales is, however, unsurprisingly mitigated by an unprecedented increase in raw material prices due to tight supply markets, which is impacting margin. This impact is expecting to continue into 2022.

Stahl's sustainability efforts have been rewarded in July with a Gold rating from EcoVadis, placing it within the top 5% of companies assessed by EcoVadis. In 2020, Stahl had been awarded a Silver award. Stahl's 2030 target is to maintain the EcoVadis Gold rating through continuous improvement.

Crisis Prevention Institute – Total growth of +68.6% compared to 2020 and +17.6% versus 2019 supported by market recovery, technology enablement and new programs

(full consolidation)

Crisis Prevention Institute recorded revenue of \$76.4 million in the first nine months of 2021, up +68.6% in total compared to the same period in 2020 and +17.6% versus 2019, reflecting several factors:

- Increased customer engagement and training activity supported by reduction in travel and gathering restrictions and a heightened stress environment
- Overall new Certified Instructors (CI) and renewal volumes above 2019 levels
- Successful new program launches including specialty topics such as Trauma, Autism, and Advanced Physical Skills
- Continued mix shift toward digital solutions for both new and existing CIs, with programs retaining the required in-person components. Virtual Learner Material sales expanded in share, with year-to-date e-learning delivery representing 34% of total Learner Material volumes, above the 28% and 10% levels in 2020 and 2019.

Of the +68.6% nine-month sales increase versus the same period in 2020, +4.0% was related to a purchase accounting adjustment to deferred revenue (impact of -\$1.8 million in the first nine months of 2020), +1.8% was due to FX movements, and + 62.8% was organic growth.

CPI's activity has benefited from the improved ability to gather in person as customers, notably in hospitals and schools, move towards an increasingly normalized work environment. As a result, CPI has leveraged an improved sales force strategy to continue to further penetrating these core US markets as well as expanding into new markets.

The overall heightened level of activity, combined with effective cost management, has led to continued deleveraging over the past few months, maintaining CPI's leverage level at 6.5x, well below the 10.75x Q3 covenant.

IHS Towers – Listed on New York Stock Exchange since October 14, 2021

IHS Holding Limited ordinary shares are now traded on the New York Stock Exchange since October 14, 2021 under the ticker symbol "IHS".

Wendel did not sell any shares in the offering. As a result, Wendel owns 62,975,396 shares of IHS Holding Limited. The shares managed by Wendel for third parties (12,374,657 shares managed through "ATT", not included in the preceding share count) are planned to be allocated to the Limited Partners of ATT in the coming weeks. Following the liquidation of ATT, Wendel will own 19.2% of the share capital of IHS Holding Limited. As part of the IPO transaction, Wendel and

all other existing shareholders have signed a six month underwriter lock-up and have entered into a shareholder lock-up agreement¹ that staggers potential sales of shares over a period of thirty months.

Following the IPO, Mr. Frank Dangeard has been designated by Wendel to sit at the board of IHS which comprises 10 directors in total.

IHS Towers financial announcement will be available on: <https://www.ihstowers.com/investors>.

Cromology – Wendel grants exclusivity to DuluxGroup for the sale of Cromology

(no longer fully consolidated as per IFRS 5)

Wendel received a firm offer from DuluxGroup to acquire 100% of the equity of Cromology (“The Company”), a European leader in decorative paints. The Company designs, manufactures, sells and distributes a wide range of decorative paints and products to professionals and consumers through its presence in eight European countries. 65% of its activity is in France, 35% in Southern Europe and in the rest of the world.

Given the industrial and financial quality of DuluxGroup’s proposal, Wendel has decided to enter into an exclusivity period with DuluxGroup to finalize the transaction.

DuluxGroup proposes to acquire 100% of the equity of the Company for an enterprise value of around €1,262 million, which represents a multiple of 13.2x LTM EBITDA² as of June 30, 2021. For Wendel, net proceeds³ would amount to c.€907 million. This would represent a multiple of 1.6x Wendel’s total investment in Materis Group since 2006.

The closing of the transaction should take place during the first half of 2022, subject to customary regulatory approvals.

Wendel’s net asset value: €184.5 per share as of September 30, 2021

Wendel’s Net Asset Value as of September 30, 2021 was prepared by Wendel to the best of its knowledge and on the basis of market data available at this date and in compliance with its methodology⁴.

Net Asset Value was €8,252 million or €184.5 per share as of September 30, 2021 (see detail in Appendix 1 below), as compared to €159.1 on December 31, 2020, representing an increase of +16.0% since the start of the year.

Compared to June 30, 2021, Net Asset Value decreased by -2.4%, principally as a result of the valuation gap between the first trading days of IHS vs. the June 30 Net Asset Value, which has been almost entirely offset by the Dulux Group offer for Cromology and the performance of Bureau Veritas’ share price.

The discount to NAV was 33.8% as of September 30, 2021.

Strong financial structure: €1.4 billion liquidity and strong debt profile

- Loan-to-value (LTV) ratio at 10.2% as of September 30, 2021
- Total liquidity of €1.4 billion as of September 30, 2021, including €685 million of cash and €750 million committed credit facility (fully undrawn)
- Average debt maturity extended to 5.3 years following the successful placement of a €300 million 10-year bond at 1.0% interest on May 26, 2021. Proceeds from this offering have been used for the early repayment, in whole of the bond maturing in April 2023 on July 1, 2021.
- Investment grade corporate ratings: Moody’s Baa2 with stable outlook / S&P BBB with stable outlook

¹Details of which are available in the prospectus

² Enterprise value and EBITDA exclude the impact of IFRS 16

³ Net proceeds after financial debt, dilution to the benefit of the Company’s minority investors, transaction costs and other debt-like adjustments

⁴ See page 332 of the 2020 Universal Registration Document for the NAV methodology.

Other significant events since the beginning of 2021

Integration of ESG targets into the financial terms of the undrawn €750 million syndicated credit facility

Wendel has signed an amendment to its undrawn €750 million syndicated credit facility maturing in October 2024 in order to integrate Environmental, Social and Governance (ESG) criteria. Measurable aspects of the non-financial performance of Wendel and the companies in its portfolio will henceforth be taken into account in the calculation of the financing cost of this syndicated credit. They are in line with certain quantitative ESG targets the Group has set in its ESG 2023 roadmap.

The three non-financial criteria selected to be integrated into the calculation of the syndicated credit's financing cost are as follows:

- ESG due diligence must systematically be carried out on new investments directly made by Wendel, and the controlled companies in its portfolio must implement an ESG roadmap;
- the main climate risks and carbon footprint associated with each controlled portfolio company must be evaluated and action plans developed;
- at least 30% of Wendel Group representatives on the boards of directors of portfolio companies and of certain Group holdings must be women, by end of 2023.

These criteria will be evaluated annually by an independent third party and will as the case may be giving rise to adjustments to the margin of the facility.

Wendel partners with the Deconinck family to acquire shares of Tarkett and to support the growth of the company

As part of its 2021-24 investment strategy, Wendel has teamed up with the Deconinck family to form Tarkett Participation, which will support Tarkett's growth. This investment was accompanied by an offer to acquire Tarkett shares. According to the partnership, Wendel will hold up to 30% of Tarkett Participation, alongside the Deconinck family. The Deconinck family will maintain a controlling stake in the company.

On October 26, 2021, Tarkett Participation announced that it held, directly or indirectly, 90.41% of Tarkett's share capital (compared with 86.27% following the close of the simplified tender offer on July 9, 2021). Minority shareholders of Tarkett now hold less than 10% of share capital and voting rights.

Tarkett Participation could contemplate a potential squeeze-out procedure, in accordance with the regulation, but this is not on the table at this time. Tarkett Participation is a company controlled by the Deconinck family, alongside Wendel.

As a result, Wendel has invested a total of €221.7 million for a total stake of 25.9% of Tarkett Participation's capital.

Josselin de Roquemaurel, Wendel's Executive Vice-President and Managing Director of Wendel, joined Tarkett SA's Supervisory Board as Observer on July 29, 2021.

Return to shareholders and dividend

As announced on March 18, 2021, Wendel bought back €25 million of its own shares over the first half of 2021. Wendel will continue to buy back additional shares opportunistically in the remainder of 2021.

Agenda

12.02.2021

2021 Investor Day / Meeting to take place in the afternoon

03.18.2022

2021 Full Year Results - Publication of NAV as of December 31, 2021 (pre-market release)

04.28.2022

Q1 2022 Trading update - Publication of NAV as of March 31, 2022 (pre-market release)

06.16.2022

Annual General Meeting

07.29.2022

H1 2022 results - Publication of NAV as of June 30, 2022, and condensed Half-Year consolidated financial statements (pre-market release).

10.28.2022

Q3 2022 Trading update - Publication of NAV as of September 30, 2022 (pre-market release).

12.01.2022

2022 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 Bureau Veritas, Tarkett, Cromology, Stahl, IHS Towers, Constantia Flexibles, and Crisis Prevention Institute. 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.

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: wendelgroup.com

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Press contacts

Christine Anglade-Pirzadeh: +33 (0)1 42 85 63 24
c.anglade@wendelgroup.com

Caroline Decaux: +33 (0)1 42 85 91 27
c.decaux@wendelgroup.com

Alexis de Maigret / Jawad Khatib: +33 (0)6 12 66 22 49
Vae Solis Communications
wendel@vae-solis.com

Todd Fogarty: + 1 212 521 4854
Kekst CNC
todd.fogarty@kekstcnc.com

Analysts and investors contacts

Olivier Allot: +33 (0)1 42 85 63 73
o.allot@wendelgroup.com

Lucile Roch: +33 (0)1 42 85 63 72
l.roch@wendelgroup.com

Appendix 1: NAV as of September 30, 2021: €184.5 per share

(in millions of euros)			09/30/2021
Listed equity investments	<u>Number of shares</u>	<u>Share price</u> ⁽¹⁾	5,655
Bureau Veritas	160.8 m	€28.0	4,506
IHS Towers	63.0 m	\$17.1	928
Tarkett		€20.2	221
Unlisted investments ⁽²⁾			3,444
Other assets and liabilities of Wendel and holding companies ⁽³⁾			92
Cash and marketable securities ⁽⁴⁾			685
Gross asset value			9,876
Wendel bond debt and accrued interest			-1,625
Net Asset Value			8,252
<i>Of which net debt</i>			-939
<i>Number of shares</i>			44,719,119
Net Asset Value per share			€184.5
Average of 20 most recent Wendel share prices			€122.2
Premium (discount) on NAV			-33.8%

(1) Last 20 trading days average as of September 30, 2021. For IHS Towers, stock price is based on the average between October 14 and October 20, 2021.

(2) Investments in non-publicly traded companies (Cromology, Stahl, Constantia Flexibles, Crisis Prevention Institute, Wendel Lab). As of September 30, 2021 Cromology is valued in line with the offer received from DuluxGroup. Aggregates retained for the calculation exclude the impact of IFRS16.

(3) Of which 1,055,361 treasury shares as of September 30, 2021

(4) Cash position and financial assets of Wendel and holdings. As of September 30, 2021, this comprises € 0.4 billion of cash and cash equivalents and € 0.3 billion short term financial investment.

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 managements LTIP conditions are realized, subsequent dilutive effects on Wendel's economic ownership are accounted for in NAV calculations. See page 360 of the 2020 Universal Registration Document.