



# W E N D E L

PRESS RELEASE | JULY 29, 2021

## Wendel half-year 2021 trading update

Historical high Net Asset Value per share of €189.1,  
up +18.9% vs. Dec. 31, 2020 and up +36.4% year-over-year

Very strong and profitable rebound by portfolio companies in H1  
2021, with activity levels often exceeding H1 2019

€260 million in capital deployed since the beginning of the year

**Historically high Net Asset Value as of June 30, 2021, at €8,456 million, up +18.9% since December 31, 2020 and up +36.4% year on year**

**Trading discount to Net Asset Value remains at a very high level (40.6%)**

Since





that saw the best margin improvement were Consumer Products, Certification and Buildings & Infrastructure, that rebounded the most following the lockdown measures in the prior year. Together, they represented the bulk of the organic increase in Bureau Veritas' margin in the first half of 2021.

Bureau Veritas continued to see a rising demand towards quality, safety, traceability and environmental stewardship which perfectly positions the company for a new step forward in its development. Through BV Green Line of services and solutions dedicated to sustainability, Bureau Veritas is uniquely positioned to help its clients across multiple sectors to implement, measure and monitor their ESG commitments in a more transparent, credible, and data driven way than self-declaration. Bureau Veritas also has the expertise to support them with their energy transition encouraged notably by the large-scale government investment programs around the world. Bureau Veritas now expects strong growth for 2021 and upgraded its full-year outlook accordingly.

**Resumption of disciplined bolt-on M&A in 2021 in strategic areas (renewables, sustainability certification, cybersecurity and consumer in China) for a total revenue of around €25.0 million**

During the first half of 2021, Bureau Veritas resumed its bolt-on M&A activities, completing four transactions in strategic areas, representing around €25.0 million in annualized revenues (or 0.5% of the 2020 Group revenues) with notably the acquisition of Secura B.V. (c. €10 million annualized revenues - Security

## 2021 Outlook upgraded

Based on the excellent half-year performance, considering tough comparables in the second half, and assuming no severe lockdowns in its main countries of operation due to Covid-19, Bureau Veritas now 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: [group.bureauveritas.com](http://group.bureauveritas.com)

## **Stahl – Strong sales rebound, back to 2019 sales levels, resulting in record EBITDA and EBITDA margin thanks to tight fixed costs management. Cash generation profile remains solid, generating outstanding net debt reduction.**

*(Full consolidation)*

Stahl's sales totaled €419.8 million in H1 2021, representing an increase of +32.5% over H1 2020 and +0.8% over H1 2019. Organic growth was +36.4% and foreign exchange rate fluctuations had a negative impact (-3.9%).

After a challenging 2020, Stahl continued its recovery that started in Q3 2020, but accelerated since the end of 2020, despite disruptions in supply markets. This was driven by a strong order book and broad-based volume growth across almost all regions and end markets, in part due to a restocking effect observed across several industries. Growth was particularly strong in Asia Pacific. In addition, Stahl's automotive business continued its good rebound. The restocking effect could ease later in 2021, although timing is unclear. In 2020, thanks to management's focus and resilient business model, Stahl took swift measures and quickly adjusted its fixed cost base to market conditions. Stahl was still able to largely maintain this exceptionally low level of fixed costs in the first half of 2021. Therefore, EBITDA<sup>1</sup> for the half-year totaled €109.3 million, translating into a record EBITDA margin of 26.0%. Full year EBITDA margin is expected to adjust to more normative levels in H2 2021.

Stahl remained highly cash generative in both quarters, notably thanks to the high EBITDA level. As a result, as of June 30, 2021, Stahl's net debt was €199.0 million<sup>2</sup>, thus a €46.0 million reduction year-to-date and almost halving over the last twelve months. Leverage was reported at 0.96x<sup>3</sup> EBITDA as of June 30, 2021.

On March 11<sup>th</sup>, 2021, Stahl announced the appointment of Maarten Heijbroek as new Chief Executive Officer of Stahl. Maarten Heijbroek joined Stahl on July 1<sup>st</sup>, 2021 and took over the CEO responsibilities from Huub van Beijeren, who retired from Stahl at the end of June 2021 after fourteen years at the helm of company. Huub van Beijeren remains on the Stahl's board. Until then Maarten was holding the position of President Consumer Care at Croda International PLC. He started his career at Unilever in the B2B chemical business Uniqema in 1992 where he gained broad senior experience in sales and product management in a global context.

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 continual improvement. In addition, earlier this year, Stahl has taken another important step in its sustainable development strategy after achieving certification for the highest level of ZDHC compliance for multiple Performance Coating



During the first half of 2021, Cromology's sales totaled €370.7 million, up +27.7% compared with H1 2020, which was impacted by the first lockdown measures instituted in Europe to combat COVID-19. Organic growth for the first half stood at 27.8%, with a slight currency effect of -0.1%. Compared with 2019, Cromology's sales were up a total of +6.3%. Since the H1 2020 lockdown, paint sales have bounced back significantly, driven by strong end-consumer demand, which made organic growth turn positive in Q3 and Q4 2020. This trend continued into the first half of 2021, with strong performances in all of Cromology's key geographies.

Cromology's EBITDA was €72.9 million<sup>1</sup> in H1 2021, up +80.4%, reflecting the combined effect of a favorable base of comparison, a positive mix in terms of customers, products and countries, and a favorable price trend, in addition to the cost-saving measures that have been implemented. EBITDA margin stood at 19.7%, significantly higher than in 2019, demonstrating the positive trajectory driven by Cromology's management, despite tension in raw material prices, which have not yet had a significant impact on margins. In addition, structural cost reductions continued, with savings achieved in various line items.

As in 2020, the company generated high cash flow and reduced its already very low financial leverage by optimizing working capital and continuing to make use of factoring. The company's net debt was €110.3 million<sup>2</sup> as of June 30, 2021, representing a €27.7 million decline from December 31, 2020. The financial leverage ratio, as defined in the banki





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.

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10.28.2021

**Q3 2021 Trading update** - Publication of NAV as of September 30, 2021 (pre-market release).

12.02.2021

**2021 Investor Day** - Meeting to take place in the morning

03.18.2022

**2021 Full Year Results**

## Appendix 1: NAV as of June 30, 2021: €189.1 per share

(in millions of euros)		06/30/2021	12/31/2020
<b>Listed equity investments</b>	<u>Number of shares</u>	<u>Share price</u> <sup>(1)</sup>	
Bureau Veritas	160.8/160.8 m	€26.4/€22.4	
Tarkett		99	
<b>Investment in unlisted assets</b> <sup>(2)</sup>		<b>4,831</b>	<b>3,910</b>
Other assets and liabilities of Wendel and holding companies <sup>(3)</sup>		105	74
Net cash position & financial assets <sup>(4)</sup>		1,219 <sup>(5)</sup>	1,079
<b>Gross asset value</b>		<b>10,508</b>	<b>8,662</b>
Wendel bond debt including accrued interest		-1,925 <sup>(5)</sup>	-1,548
Dividend approved to be paid		-127	-
<b>Net Asset Value</b>		<b>8,456</b>	<b>7,114</b>
<i>Of which net debt</i>		-832 <sup>(5)</sup>	-468
<i>Number of shares</i>		44,719,119	44,719,119
<b>Net Asset Value per share</b>		<b>€189.1</b>	<b>€159.1</b>
Wendel's 20 days share price average		€112.2	€97.9
<b>Premium (discount) on NAV</b>		<b>-40.6%</b>	<b>-38.5%</b>

(1) Last 20 trading days average as of December 31, 2020, and June 30, 2021

(2) Investments in non-publicly traded companies (Cromology, Stahl, IHS, Constantia Flexibles, Crisis Prevention Institute, Wendel Lab). As per previous NAV calculation IHS valuation was solely performed based on EBITDA which is at this stage the most relevant sub-total. Aggregates retained for the calculation exclude the impact of IFRS 16.

(3) Of which 1,077,275 treasury shares as of June 30, 2021 and 900,665 as of December 31, 2020.

(4) Cash position and financial assets of Wendel & holdings. As of June 30, 2021, this comprises € 0.9bn of cash and cash equivalents and € 0.3bn short term financial investments.

(5) Early repayment on July 1<sup>st</sup>, 2021 (€308m) of Bond maturing April 2023 is not included in cash position and gross debt calculation as of June 30, 2021. Bureau Veritas dividend payment took place in July and is not included in June 30, 2021 cash position.

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