

Our strategic orientations 2021-2024

Investment in high-quality companies aiming to further diversify the portfolio towards more growth.

The Executive Board roadmap for the next four years will be focused on diversifying Wendel's portfolio with balanced exposure to listed and unlisted companies by generally deploying capital towards higher-growth markets, while retaining a dose of opportunism. Wendel aims at building a portfolio of 7 to 10 companies, with new investments focused on Western Europe, particularly France, and North America, as well as on improving ESG (Environment, Social, Governance) profiles. Standalone equity investments should amount from circa €150 million to €500 million targeting majority /control / large minority investments in listed or unlisted companies. Wendel also contemplates investments in small equity growth opportunities.

Wendel will pursue its long-term shareholder approach, as objective to be a top shareholder with board and critical committee seats, alongside like-minded partners. In terms of sectorial approach, Wendel seeks market leading business or growing sectors with long-term growth prospects and pricing power.

Wendel would generally avoid high cyclical or capitalintensive assets and look for companies with a demonstrated resilience through economic cycles (and pandemic). Attractive sectors meeting those criteria include technology services and software, business services, healthcare and industrial technology. Nevertheless, Wendel remains opportunistic and would contemplate situations in different industries that otherwise meet its criteria.

In the context of the Wendel Lab initiative, Wendel expects to gain greater exposure to the growth of tomorrow, mainly by making commitments to several high-quality technology investment funds. This asset class should eventually represent 5 to 10% of net asset value. Wendel Lab has a multiple objective. Not only does it diversify the portfolio by increasing exposure to high-growth assets, generally with a digital component or with disruptive business models, but also does it improve its knowledge and that of its companies on technological innovations that could impact or enhance their value creation profiles.

As part of its ESG commitment and recent roadmap published in 2020, Wendel will consider assets that have a positive impact on society.

2024 TARGET PORTFOLIO: 7 TO 10 CORE INVESTMENTS

	Percentage of net asset value	Target average annual return profile
Listed equity		above c.7%
	Balanced %	
Private equity buyout		above c.10%
Private equity (Growth equity/VC*)	c.5 to 10%	c.10 to 15% (above 25% in direct investments)

* Including funds.