

# HANIEL



**INVESTOR UPDATE TOUR 2017**

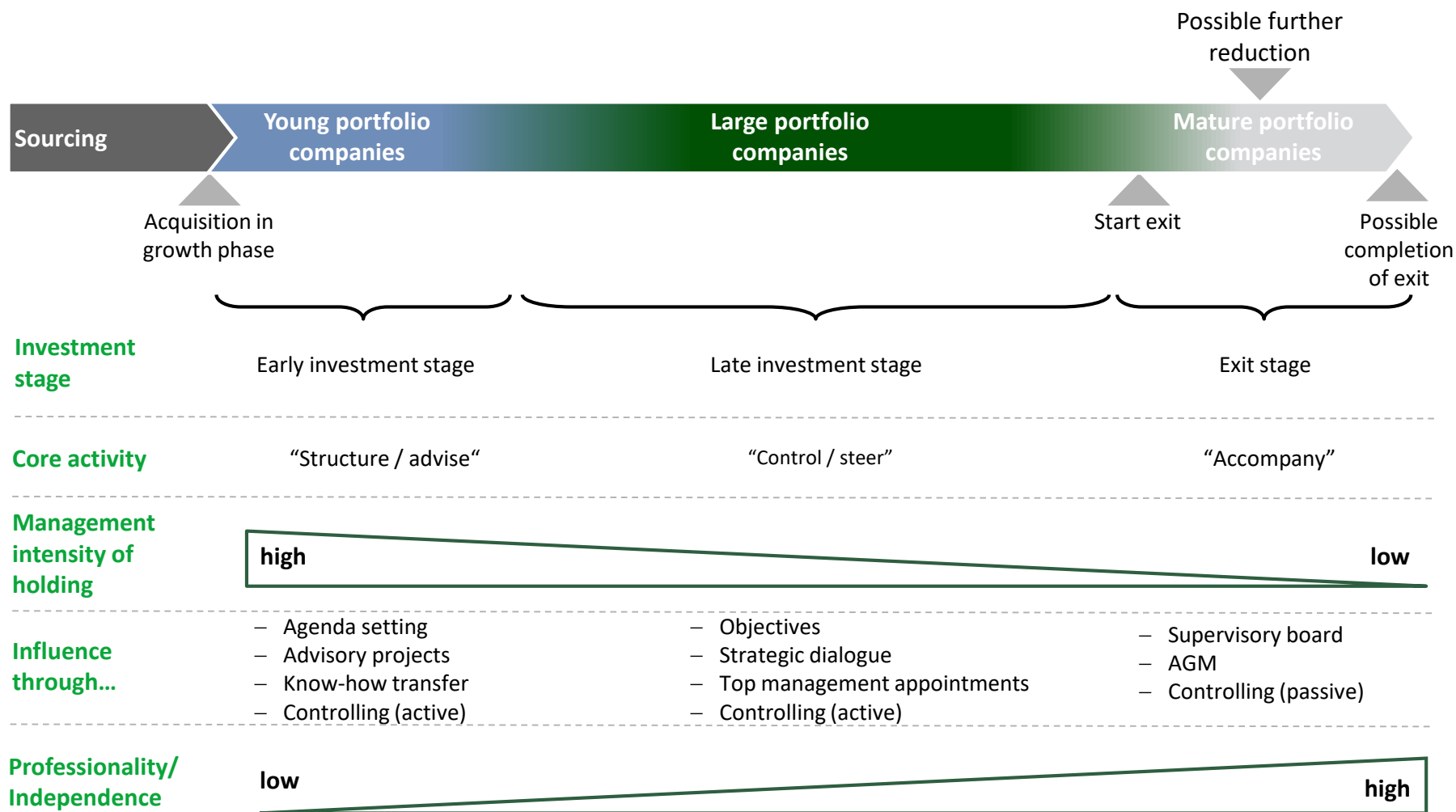
September 2017

# Agenda

**Investment Modus And Strategy**

Results And Rating

# Successful business model of the Family Equity company Haniel – Active portfolio management



## Highlights in first half of 2017

### Operations

- All divisions with increased revenue
- Significant increase in revenue and operating profit at ELG
- Higher investment result from the METRO GROUP

### Strategy

- Successful buy-and-build strategy with acquisition of Rentokil Initial activities by CWS-boco
- Digital initiative is making progress
- Demerger of the METRO GROUP completed on 12 July 2017

### Finance

- Haniel's firepower for acquisitions still above EUR 1 billion
- Higher net financial position (debt) due to acquisition of Rentokil Initial activities
- Total cash cover 2017e increases to 1.2x
- Investment grade rating of Haniel confirmed

### Value and Return

- Net Asset Value of Haniel's portfolio increases by +2% to EUR 5.4 billion
- Total Shareholder Return amounts to +3%

## CWS-boco (Cbl) acquires significant activities of competitor Rentokil Initial (RI)



European CWS-boco activities in 17 countries

Initial's activities in 10 European countries, not including Initial's activities in the United Kingdom and France

- Takeover of RI's main activities in the areas of laundry room and work-wear in continental Europe
- Includes activities in Europe with a revenue of ~ EUR 334 million and an adjusted EBITA of EUR 53 million
- Strengthen Germany and BeNeLux and increase synergies, which should lead to a significant increase in the value of the division
- Main synergy potential: optimization of routes, laundry network and administration (EUR 30-35 million p.a. possible)
- From 2020 onwards, RI can sell interests => FHC has purchase option

# From the perspective of FHC, there are good reasons for the transaction

## Attractive market

- Megatrend-supported business model
- Expected Market growth
- Less cyclical service business

## Strengthening of market position

- Strengthening of position in a competitive environment
- Catching up to big European competitors

## Achievement of synergies

- Annual synergies of EUR 30-35 million realistic
- Growth synergies through an improved network

## Taxes

- Use of loss-carry-forward still possible
- Extending German profit base

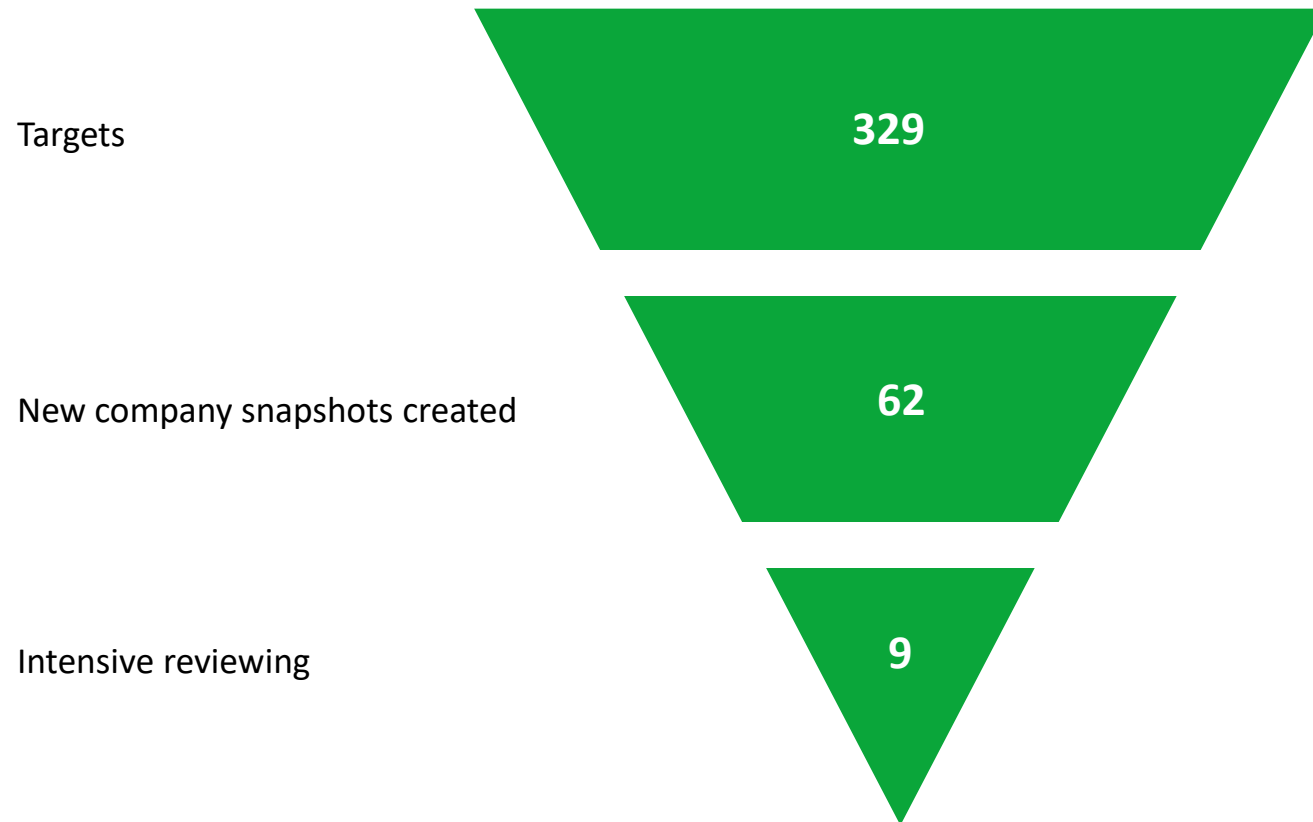
## Investment philosophy

- Further development of the division (buy & build)
- But: Perspectively increasing the weight within the portfolio

## Strategic options

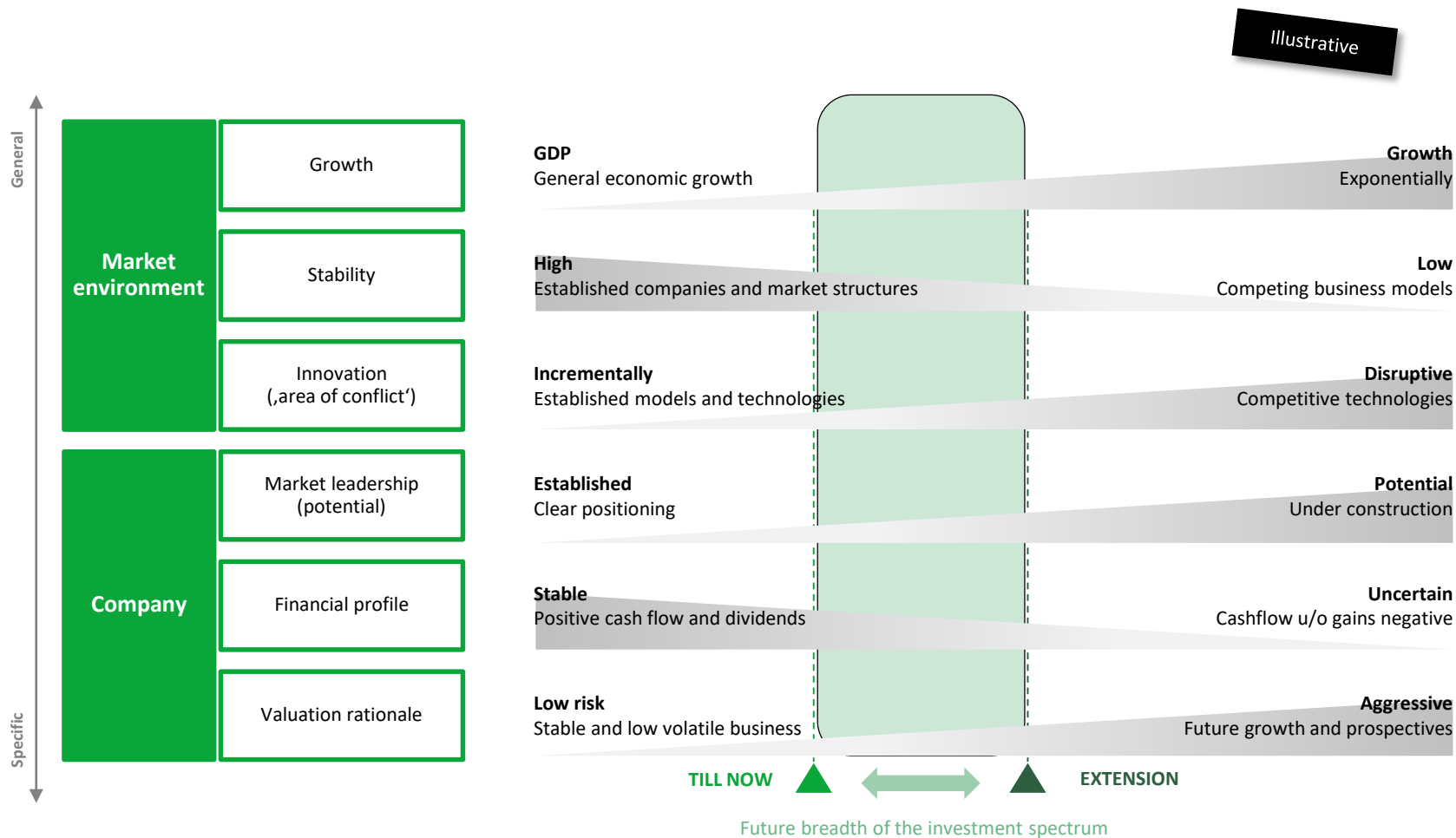
- More attractive size
- New size opens up strategic options

# Analysis of investment opportunities 2016



# Investment criteria discussion

The spectrum of potential target companies has expanded





# Investment in selected venture capital funds: diversity for maximum learning opportunities

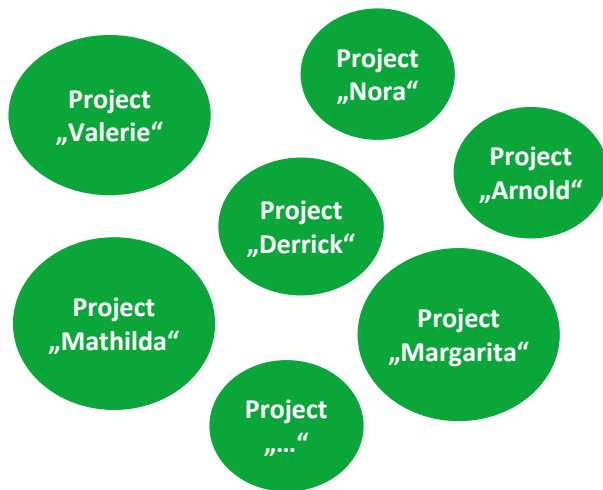
	Fund	# Assets (actual)	# Assets (target)	Examples	
✓ Mar `16		10	28-32	 	<ul style="list-style-type: none"> <li>▪ Online car parts marketplace</li> <li>▪ Marketplace to connect patients and hospitals</li> </ul>
✓ Feb `16		12	~30	 	<ul style="list-style-type: none"> <li>▪ Software-based summaries for mobiles</li> <li>▪ Online video surveillance</li> </ul>
✓ June `16		5	24	 	<ul style="list-style-type: none"> <li>▪ Investment app</li> <li>▪ Fresh pet food</li> </ul>
✓ Feb `16		3	~10	  	<ul style="list-style-type: none"> <li>▪ „Connected“ fitness machines</li> <li>▪ Payment solution provider</li> </ul>
✓ May `16		18	~40	 	<ul style="list-style-type: none"> <li>▪ On demand courier, packaging and delivery service</li> <li>▪ Digital full service freight forwarder</li> </ul>
✓ Q1 `17			150+		<ul style="list-style-type: none"> <li>▪ Final Close end of 2017</li> </ul>

# Schacht One digital unit: one year of results



**The Schacht One approach:** 5-stage process model culminating in scaling of product or business area within the respective division

**Projects with divisions:** across all stages of the Schacht One process model



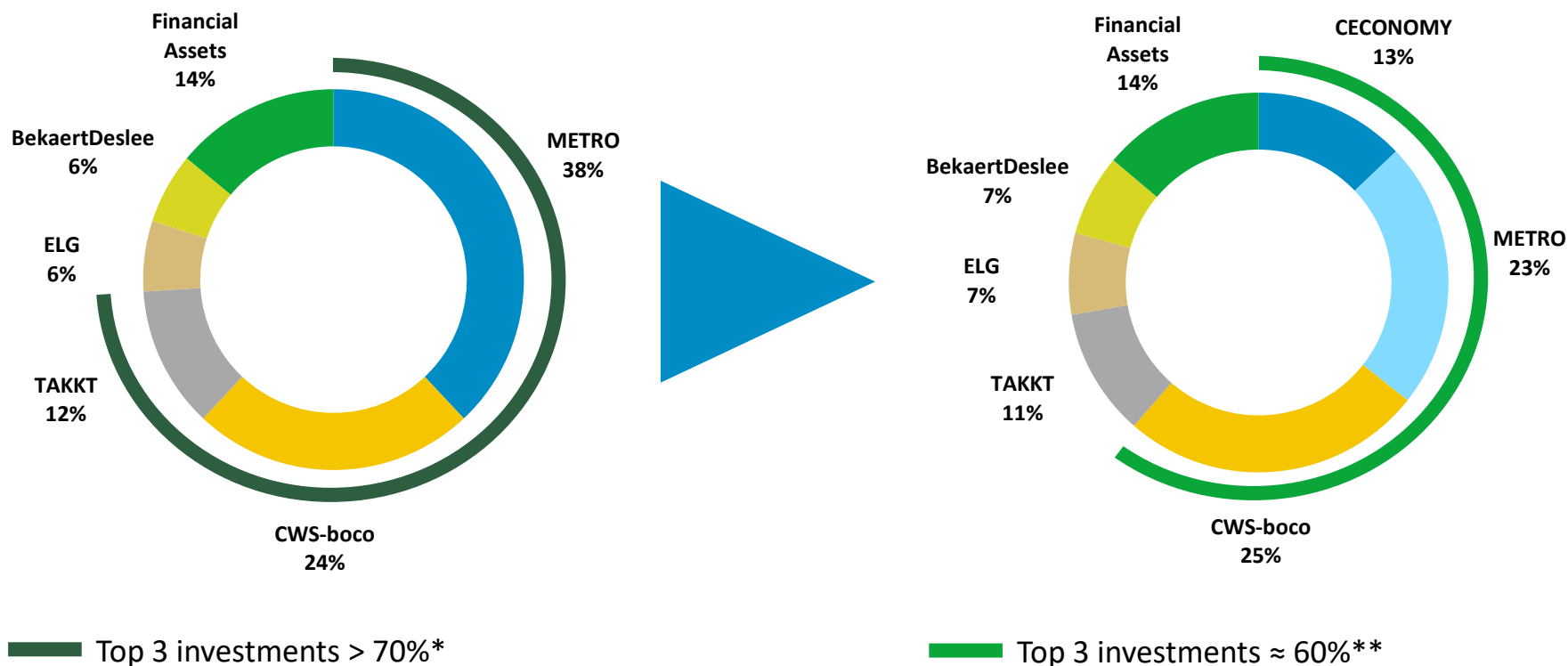
### Der Prüfplaner

- ✓ Hilft Ihnen den Überblick über die Gesetzeslage zu behalten
- ✓ erinnert Sie rechtzeitig an fällige Prüfungen
- ✓ Ermöglicht die Dokumentation und Zusammenarbeit mit Ihrem Team
- ✓ Ist cloudbasiert und ohne Installation sofort für Sie einsatzbereit

[www.pruefplaner.de](http://www.pruefplaner.de)

# Haniel's Increasing Asset Diversification Looking Forward

METRO demerger and Rentokil deal already transform the portfolio...



\* As of June 30<sup>th</sup>, 2017

\*\* As of July 31<sup>st</sup>, 2017

# Agenda

Investment Modus And Strategy

Results And Rating

# Haniel Portfolio

## Divisions

## Financial investments

**BekaertDeslee**  
100.00 %



### Light production

BekaertDeslee is the leading specialist for the development and manufacturing of woven and knitted mattress textiles.

Revenue  
310 Mio. Euro

Operating Profit  
28 Mio. Euro

Dividend (2017e)  
15 Mio. Euro

Cyclicality  
**medium, early**

**CWS-boco**  
82.19 %



### Services

CWS-boco ranks among the leading international full-service providers of hygiene services and textile services.

Revenue  
800 Mio. Euro

Operating Profit  
77 Mio. Euro

Dividend  
43 Mio. Euro

Cyclicality  
**low, late**

**ELG**  
100.00 %



### Trading

ELG is a global leader in the trading, processing and recycling of raw materials for the stainless steel industry as well as high performance materials such as superalloys, titanium and carbon fibres.

Revenue  
1,386 Mio. Euro

Operating Profit  
18 Mio. Euro

Dividend  
0 Mio. Euro

Cyclicality  
**high, very early**

**TAKKT**  
50.25 %



### B2B Direct Marketing

TAKKT bundles a portfolio of B2B direct marketing specialists for business equipments in Europe and North America in a single company.

Revenue  
1,125 Mio. Euro

Operating Profit  
142 Mio. Euro

Dividend (paid 2017)  
0.55 Euro per share

Cyclicality  
**medium, early**

**CECONOMY**  
25.00 %



### Retail

CECONOMY is Europe's leading platform for companies, concepts and brands in the sector of consumer electronics.

Revenue  
58,313 Mio. Euro

Operating Profit  
1,006 Mio. Euro

Dividend (paid 2017)  
1.00 Euro per share

Cyclicality  
**high, early**

**METRO**  
22,50 %



### Wholesale

Metro is a leading international company in the wholesale and food service sector.

Revenue

Operating Profit

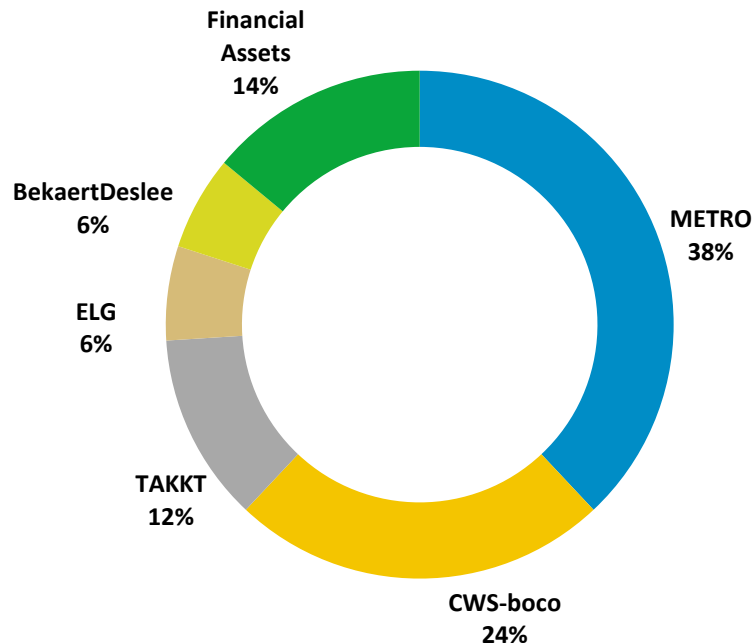
Dividend (paid 2017)

Cyclicality  
**low, mid**

# Haniel Portfolio Value

## Gross Asset Value

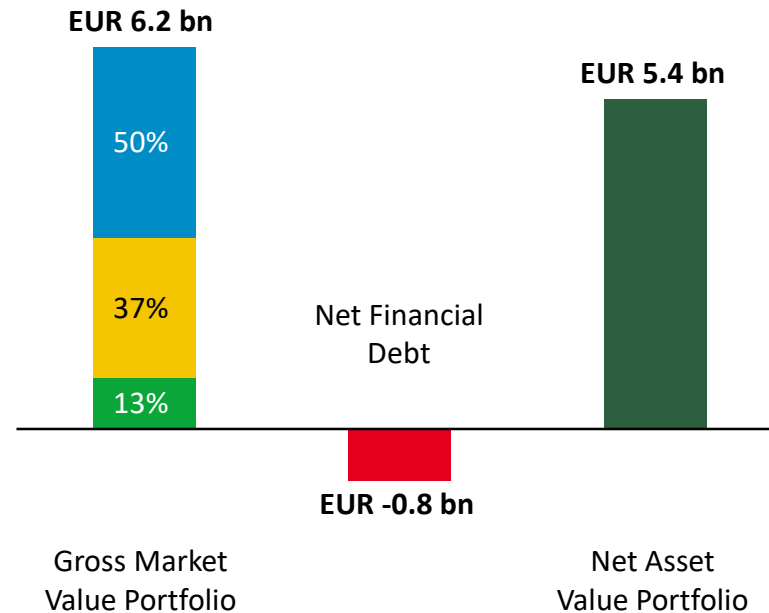
as of June 30<sup>th</sup>, 2017



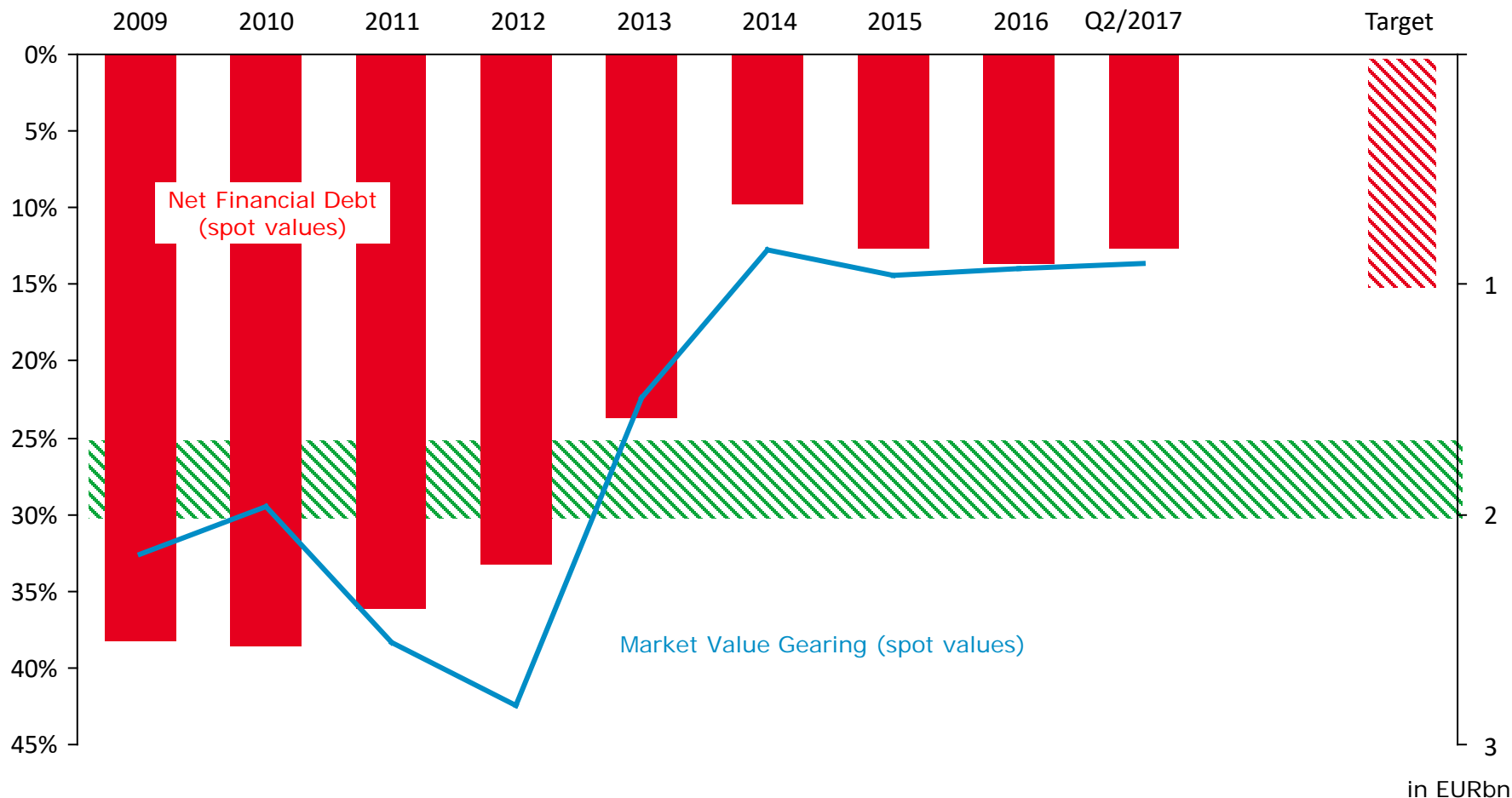
Asset values at spot market prices

## Net Asset Value

as of June 30<sup>th</sup>, 2017



# Market Value Gearing Stable within Investment Grade Area

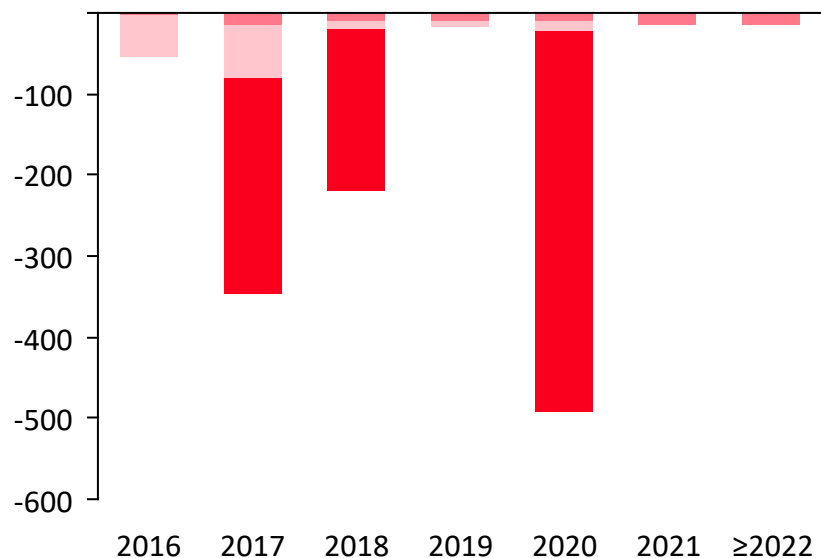


# Solid Maturity Profile

## Gross Debt

as of December 31<sup>st</sup>, 2015

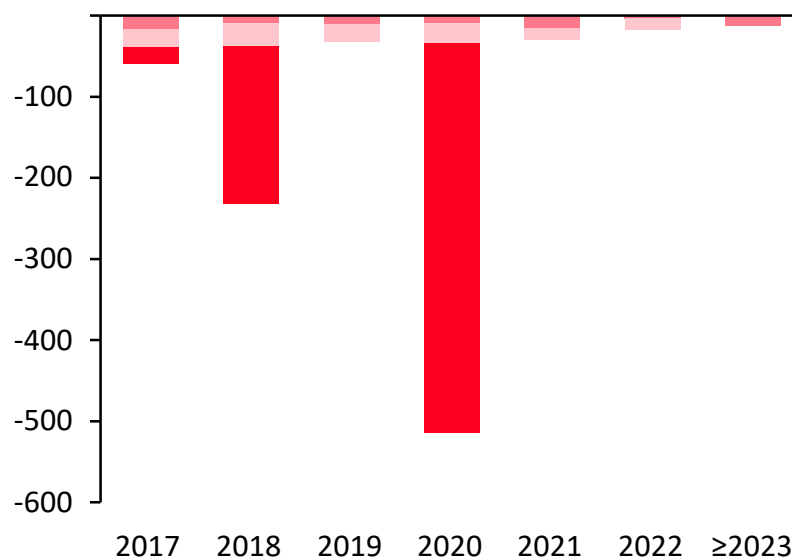
in EURm



## Gross Debt

as of June 30<sup>th</sup>, 2017

in EURm



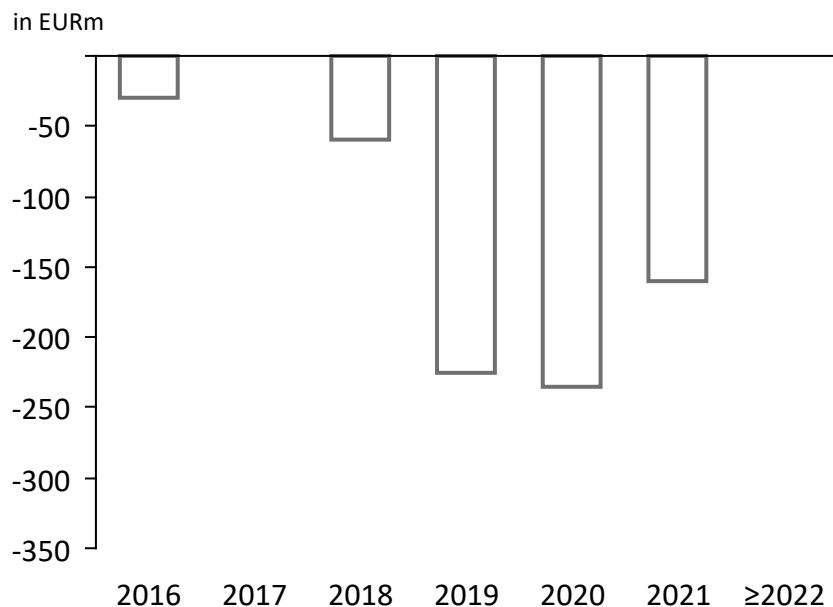
- Committed facilities used
- Liabilities against shareholders (subordinated)
- Other financial liabilities
- Bonds, Commercial Paper and other securities



# Excellent Liquidity Situation in Line with Financial Strategy

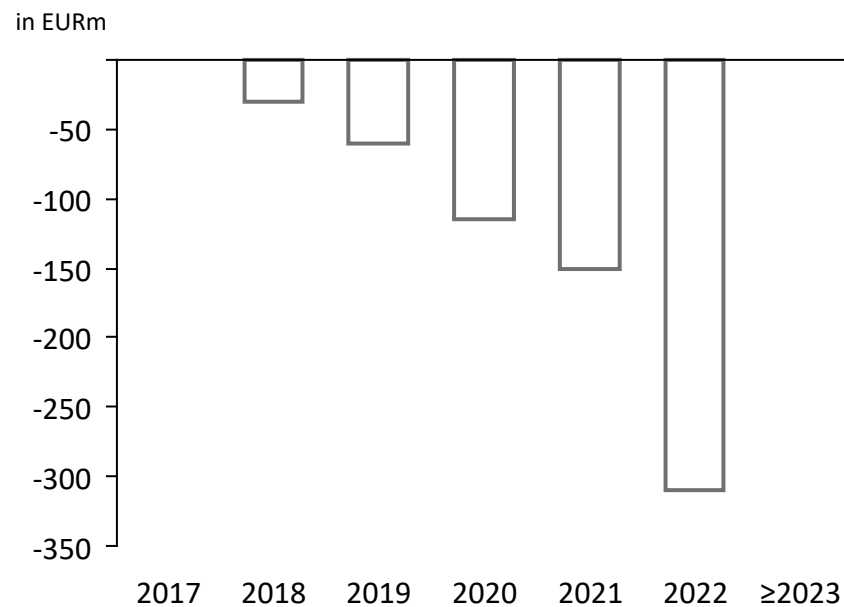
## Committed Bank Facilities

as of December 31<sup>st</sup>, 2015



## Committed Bank Facilities

as of June 30<sup>th</sup>, 2017



■ Committed facilities used □ Committed facilities unused

# Exchangeable Bond

## Exchangeable Bond Basic Information

<b>Volume</b>	EUR 500m nominal
<b>Maturity</b>	12.05.2020

	Before Metro spin-off	After Metro spin-off
<b>Underlying</b>	Metro AG	Ceconomy AG
<b>Exchange Price</b>	EUR 38.6021 <i>Initially EUR 41.6069</i>	EUR 14.4812 <i>Initially EUR 41.6069</i>
<b># of Shares</b>	12.95 Mio. Ordinary shares (4.00%) <i>Initially 12.02 Mio. Ordinary shares (3.71%)</i>	34.53 Mio. Ordinary shares (10.65%) <i>Initially 12.02 Mio. Ordinary shares (3.71%)</i>
<b>Bond documentation</b>		Remained unchanged

## Improved and Stabilised Total Cash Cover

in EURm

	2015	2016	2017e
Dividends received	151	159	170
Interest paid	-32	-48	-43
Interest received	split n.a.	19	9
Interest payments one-off effects	-1	-1	0
Holding costs	-43	-42	-44
Cash outflow one-off effects (Kalksandstein)	-18	-16	-5
<b>Funds from operations</b>	<b>57</b>	<b>71</b>	<b>87</b>
Dividends paid to shareholders	-40	-50	-50
Share buyback	-4	-4	-5
Interest expense (P&L)	33	57	40
<b>Total Cash Cover</b>	<b>1,1x</b>	<b>1,1x</b>	<b>1,2x</b>



## Rating Agencies with different methodologies and ratings

Haniel's objective is to have a stable investment grade rating

– Ba1, positive outlook, since January 2017.

The logo for Moody's, featuring the word "MOODY'S" in a blue, serif font.

– BBB-, stable outlook, since February 2016.

The logo for Scope, featuring the word "SCOPE" in a blue, serif font, centered within a grey square frame that has a white circle cutout in the middle.

– BBB-, stable outlook, since April 2016.

The logo for Standard & Poor's, featuring the words "STANDARD" and "&POOR'S" in a black, serif font, with red horizontal lines above and below the text.

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The presentation will be available as pdf download on  
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