PRESS RELEASE

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Haniel increases revenue and operating profit significantly

- **Revenue up 13 per cent, operating profit up 19 per cent**
- **Financial investments strained profit before and after taxes significantly**
- **Exit from METRO investment initiated, creating additional leeway**
- **Financial resources of approximately EUR 1.4 billion available for portfolio development**
- **Sharp increases in profit expected for 2019**
- **CEO handover from Stephan Gemkow to Thomas Schmidt in preparation**

Duisburg, 10 April 2019. The family equity company Haniel posted encouraging growth in revenue and operating profit in 2018. Impairment losses on the financial investments in CECONOMY AG and METRO AG significantly reduced profit before and after taxes. "Our operating performance shows that we benefit from the increased diversification of our portfolio. However, the results from the financial investments have overshadowed this positive development, and this was disappointing for Haniel. As our financial position remains sound, we will continue to systematically implement our buy-&-build strategy", said CEO Stephan Gemkow.

Portfolio development remains in focus

Previously in the spring of 2018, Haniel made the decision to begin preparing to exit from its investment in METRO AG. In a first step, 7.3 per cent of the ordinary shares issued by METRO AG were sold to EP Global Commerce ("EPGC"). A call option, which EPGC has renewed, offers the company the right to acquire up to 15.2 per cent of the remaining METRO shares from Haniel. Following the sale of the first tranche of the METRO shares, Haniel had financial resources of EUR 1.4 billion at its disposal at year's end 2018 to acquire additional business activities.

Record revenue and integration success at CWS

The division, which has been operating under the name CWS since 1 April 2019, has revamped its strategy and integrated the activities acquired from Initial and organising them into the Hygiene Solutions and Textile Solutions segments. This enabled it to expand its product range and improve its service offering. The company has increased its position by streamlining structures and optimising processes in administration, procurement and IT, as well as its network of locations and services. CWS's growth initiatives also target new offerings and the digitalisation of its product portfolio. In 2018, CWS generated revenue well above the EUR 1 billion-mark for the first time, at EUR 1.141 billion.

Foundation for growth laid with new investments in mechanical engineering

In 2018, Haniel successfully completed the integration of ROVEMA, a premium manufacturer of packaging machines and equipment, and Optimar, a leading manufacturer of high-quality, automated fish handling systems, into the Haniel Group, and established bespoke leadership and governance models, thereby laying the foundation for the strong growth that is planned for each organisation. In just a few months, ROVEMA will complete construction on a new production facility with over 3,300 m² of space at its headquarters in Fernwald, Hesse. Haniel is also providing Optimar with assistance in establishing structures and processes to ensure continued growth. The objective is to shift increasingly away from manufacturing individual components and more towards becoming a systems integrator so as to enable the company to take on even larger, more complex projects going forward.

Encouraging growth underscores success of portfolio development

Haniel generated a total revenue of EUR 4.683 billion in 2018, representing a significant increase of 13 per cent despite negative currency translation effects, particularly in relation to the US dollar. Higher revenue at CWS in particular contributed to the gain. Organically – i.e., adjusted for currency translation effects and company acquisitions and disposals – revenue increased by 6 per cent compared to 2017.

Significant increase in operating profit

At EUR 301 million, operating profit (EBITA[1]) for 2018 was 19 per cent above the previous year's figure of EUR 253 million. The main profit booster in 2018 was the increased contribution from CWS. TAKKT's operating profit was on par with that of the previous year. In a more difficult market environment for trading in stainless steel scrap, the commodity dealer ELG generated an operating profit that was significantly lower than the previous year's level. In particular the challenging market trend in the USA also resulted in an operating profit below that of the previous year's level for the mattress textiles specialist BekaertDeslee. The ROVEMA and Optimar divisions acquired in 2017 contributed to the increase in the Haniel Group's operating profit.

Impairment losses on financial investments weigh down profit before and after taxes
Profit before taxes fell from EUR 235 million to EUR -796 million despite the improvements in EBIT and net financial income. This was due to the extremely negative investment result from the CECONOMY AG and METRO AG financial investments. The negative share price performance for the METRO and the CECONOMY shares in 2018 prompted Haniel to test both financial investments for impairment. The investment result from the two financial investments fell from EUR 80 million in 2017 to EUR -1.028 billion, particularly as a result of the recognised impairment losses. As a result, profit after taxes in 2018 amounted to EUR -848 million.

Financial situation still sound despite impairment losses
Haniel has reduced its debts further so that the Haniel Group's net financial position – defined as net financial liabilities minus the Haniel Holding Company's investment position – fell from EUR 1.331 billion as at 31 December 2017 to EUR 974 million as at 31 December 2018. The reduction in the net financial position was attributable in particular to the sale of the first tranche of METRO shares. The Haniel cash flow rose significantly from EUR 487 million in the previous year to EUR 522 million in financial year 2018 because the impairments recognised with respect to the CECONOMY and METRO financial investments had no impact on it. At 58 per cent, the equity ratio remained at a very high level as at 31 December 2018 compared to 61 per cent in the previous year. Alongside the excellent balance within Haniel's portfolio, the Company's sound financial position is one reason it has received an investment-grade rating from every agency engaged to rate it.

Preparations being made to pass on the baton
Haniel has more than EUR 1.4 billion in financial resources available for the acquisition of further business activities as part of its buy-&-build strategy, even after the successful portfolio measures implemented in previous years. "This is a comfortable financial situation, which allows us to not only acquire new divisions but also expand our existing portfolio to include interesting companies. Haniel benefits from having a diverse

network", said Stephan Gemkow of the situation. Gemkow intends to leave the Company on 30 June 2019 by mutual agreement with the shareholders. He will be succeeded by Thomas Schmidt, who joined the Management Board of the Haniel Holding Company on 30 January 2017 and is currently CEO of CWS. Going forward, he and Florian Funck will lead the Company together. "We are ensuring a seamless transition and have been working since the beginning of the year within the Management Board and with our leadership team to develop initiatives that will enable us to keep the Haniel Group *enkelfähig*", said Thomas Schmidt. "We want to add new companies to our portfolio quickly. The potential and the growth path of the new and existing divisions will be the focus of our efforts. Cultivating value at the investments – that is our mission."

Haniel expects significant increase in operating profit in 2019
Overall, Haniel's Management Board expects organic revenue to be at least at the same level in 2019 as in the previous year. By contrast, operating profit is expected to rise significantly, buoyed by organic growth at the divisions. Following the significant impairment losses on the CECONOMY and METRO financial investments in 2018, it is assumed that the two companies will once again make a positive contribution to the investment result. Thus, profit before and after taxes for 2019 overall is expected to rise sharply.

2018 financial figures at a glance:

IFRSs (EUR million)	2017	**2018**	Change (%)
Haniel Group			
Revenue	4,138	**4,683**	+13%
Operating profit[1]	253	**301**	+19%
Profit before taxes	235	**-796**	<-100%
Profit after taxes	248	**-848**	<-100%
Net financial position	1,331	**974**	-27%
Equity ratio (in per cent)	61%	**58%**	-3% points
Annual average number of employees (headcount)	18,481	**18,824**	+2%
BekaertDeslee			
Revenue	337	**318**	-6%
Operating profit	38	**21**	-45%
Annual average number of employees (headcount)	2,677	**2,876**	+7%
CWS			
Revenue	970	**1,141**	+18%
Operating profit	68	**140**	>+100%
Annual average number of employees (headcount)	10,768	**10,585**	-2%
ELG			
Revenue	1,696	**1,811**	+7%
Operating profit	49	**33**	-33%
Annual average number of employees (headcount)	1,240	**1,343**	+8%
Optimar			
Revenue		**123**	
Operating profit		**3**	
Annual average number of employees (headcount)	375	**422**	+13%
ROVEMA			
Revenue		**110**	
Operating profit		**11**	
Annual average number of employees (headcount)	649	**676**	+4%

IFRSs (EUR million)	2017	**2018**	Change (%)
TAKKT			
Revenue	1,116	**1,181**	+6%
Operating profit	134	**133**	-1%
Annual average number of employees (headcount)	2,566	**2,718**	+6%
Financial investments			
Investment result from financial investments	80	**-1,028**	<-100%

[1] Operating profit is defined as earnings before interest, taxes, and amortisation on intangible assets from purchase price allocations.

Notes to editors:

- You will find more information in our interactive 2018 Online Annual Report, which has been optimised for mobile devices, and includes in-depth articles and new films about Haniel's family background, its Holding Company strategy, tradition and future, the development of Optimar and the digital initiative. You will also find our creditor relations information.
- The press conference for media representatives will be broadcast (in German and English) by live webcast starting at 10:00 a.m. (CET).
- You will find further information in our digital press kit.
- Haniel on Facebook and LinkedIn
- You will find images and videos for Haniel and the divisions at our Media database.

Haniel
Franz Haniel & Cie. GmbH is a German family equity company which has been headquartered in Duisburg-Ruhrort since it was founded in 1756. It is from there that the Holding Company, which is wholly owned by the family, manages a diversified portfolio in line with a long-term investment strategy as a value developer. Haniel's portfolio currently includes six divisions which are independently responsible for their own operating business and which hold a leading market position in their respective sectors: BekaertDeslee, CWS, ELG, Optimar, ROVEMA and TAKKT. The portfolio also includes financial investments in CECONOMY and METRO.

You can find more information about Haniel at www.haniel.com and www.enkelfaehig.de.

You can also find this press release at www.haniel.com.

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