

Franz Haniel Subgroup
Investor Information
2020

- 4 Statement of financial position
- 6 Income statement
- 7 Statement of comprehensive income
- 8 Statement of changes in equity
- 9 Statement of cash flows

10 Notes

Franz Haniel Subgroup

Statement of financial position

ASSETS				
EUR million	Note	Dec. 31, 2020	Dec. 31, 2019	
Property, plant and equipment		27.2	28.9	
Intangible assets		19.4	20.5	
Investments in affiliated companies	1	1,835.4	1,959.3	
Investments accounted for at equity	2	303.8	295.3	
Financial assets	3	361.5	337.9	
Other non-current assets		0.0	0.2	
Deferred taxes		100.5	86.6	
Non-current assets		2,647.8	2,728.8	
Inventories		0.0	0.0	
Receivables from affiliated companies and other current assets	4	293.3	298.0	
Financial assets	5	19.9	101.8	
Income tax assets		21.7	20.4	
Cash and cash equivalents		155.7	531.7	
Assets held for sale	6	82.5	115.5	
Current assets		573.2	1,067.3	
Total assets		3,221.0	3,796.1	

EQUITY AND LIABILITIES

EUR million	Note	Dec. 31, 2020	Dec. 31, 2019
Equity of shareholders of Franz Haniel & Cie. GmbH		2,769.2	2,983.2
Non-controlling interests		2.7	2.7
Equity	7	2,772.0	2,985.9
Financial liabilities	8	103.3	115.8
Pension provisions	9	135.5	126.3
Other non-current provisions	9	43.8	25.1
Deferred taxes		0.0	0.0
Non-current liabilities		282.6	267.3
Financial liabilities	8	116.9	501.6
Current provisions	9	22.8	23.0
Trade payables and similar liabilities		1.0	0.4
Income tax liabilities		0.7	0.6
Other current liabilities	10	24.9	17.3
Current liabilities		166.3	542.9
Total equity and liabilities		3,221.0	3,796.1

Franz Haniel Subgroup

Income statement

EUR million	Note	2020	2019
Other operating income		6.7	6.5
Personnel expenses	11	-47.0	-43.0
Other operating expenses		-24.4	-22.8
EBITDA		-64.7	-59.3
Depreciation and amortization		-2.5	-2.4
Operating profit		-67.3	-61.7
Result from investments accounted for at equity	2	29.9	40.7
Other investment result	12	-91.7	113.6
Finance costs	13	-16.3	-20.9
Other net financial income	14	7.4	9.1
Net financial income		-70.7	142.6
Profit before taxes		-138.0	80.9
Income tax expenses		37.1	41.5
Profit after taxes from continuing operations		-100.9	122.4
Profit after taxes from discontinued operations	15	-22.8	-23.6
Profit after taxes		-123.7	98.9
of which attributable to non-controlling interests		0.1	-0.1
of which attributable to shareholders of Franz Haniel & Cie. GmbH		-123.8	99.0

Franz Haniel Subgroup

Statement of comprehensive income

EUR million	Note	2020	2019
Profit after taxes		-123.7	98.9
Remeasurements of defined benefit plans recognized in other comprehensive income		-10.5	-18.1
Deferred taxes on remeasurements of defined benefit plans recognized in other comprehensive income		3.2	5.5
Remeasurements of defined benefit plans		-7.3	-12.5
Pro-rata other comprehensive income not to be reclassified to profit or loss from investments accounted for at equity		-1.4	-32.7
Income and expenses recognized in equity from remeasurement of financial investments in equity instruments		0.0	0.0
Deferred taxes on remeasurement of equity instruments		0.0	0.0
Remeasurement of financial investments in equity instruments		0.0	0.0
Total other comprehensive income not to be reclassified to profit or loss		-8.7	-45.2
Income and expenses recognized in equity from changes recognized directly in equity of investments accounted for at equity		-20.0	38.7
Reversals recognized in profit or loss		0.0	105.6
Other comprehensive income from investments accounted for at equity		-20.0	144.3
Total other comprehensive income to be reclassified to profit or loss and reversals recognized in profit or loss		-19.8	144.3
Total other comprehensive income		-28.5	99.1
of which attributable to non-controlling interests		-0.1	0.0
of which attributable to shareholders of Franz Haniel & Cie. GmbH		-28.4	99.1
Comprehensive income		-152.2	198.0
of which attributable to non-controlling interests		-0.0	-0.1
of which attributable to shareholders of Franz Haniel & Cie. GmbH		-152.2	198.0

Franz Haniel Subgroup

Statement of changes in equity

CHANGES IN 2020

EUR million	Subscribed capital	Capital reserve	Accumulated other comprehensive income	Retained earnings	Treasury shares	Equity of shareholders of Franz Haniel & Cie. GmbH	Non-controlling interests	Equity
As of Jan. 1, 2020	1,000.0	678.0	-198.7	1,531.3	-27.3	2,983.2	2.7	2,985.9
Dividends				-60.0		-60.0		-60.0
Changes in the scope of consolidation						0.0		0.0
Capital measures						0.0		0.0
Changes in treasury shares					-1.7	-1.7		-1.7
Comprehensive income			-28.4	-123.8		-152.2	0.0	-152.2
of which profit after taxes				-123.8		-123.8	0.1	-123.7
of which other comprehensive income			-28.4			-28.4	-0.0	-28.5
As of Dec. 31, 2020	1,000.0	678.0	-227.1	1,347.5	-29.1	2,769.3	2.7	2,772.0

CHANGES IN 2019

EUR million	Subscribed capital	Capital reserve	Accumulated other comprehensive income	Retained earnings	Treasury shares	Equity of shareholders of Franz Haniel & Cie. GmbH	Non-controlling interests	Equity
As of Jan. 1, 2019	1,000.0	678.0	-361.0	1,555.5	-23.3	2,849.2	3.0	2,852.1
Dividends				-60.0		-60.0	-0.2	-60.2
Changes in the scope of consolidation		0.0	63.2	-63.2		0.0		0.0
Capital measures						0.0		0.0
Changes in treasury shares					-4.0	-4.0		-4.0
Comprehensive income			99.1	99.0		198.0	-0.1	198.0
of which profit after taxes				99.0		99.0	-0.1	98.9
of which other comprehensive income			99.1			99.1		99.1
As of Dec. 31, 2019	1,000.0	678.0	-198.7	1,531.3	-27.3	2,983.2	2.7	2,985.9

Franz Haniel Subgroup

Statement of cash flows

For the purpose of providing information to investors, the cash flow of the Franz Haniel Subgroup is presented below in a format that reflects the source and application of funds approach used for business management purposes. The measure of earnings indicated by the statement of cash flows is the change in net financial liabilities to third parties, which is calculated by subtracting cash and cash equivalents from financial liabilities to third parties (Note 8).

EUR million	2020	2019
Dividends received	132	178
Other operating cash flow	-40	-58
Interest paid	6	-2
Operating cash flow	98	118
Dividend payments to shareholders	-60	-60
Purchase of treasury shares	-2	-4
Divestments/investments	-10	400
Cash flows from miscellaneous derivatives	0	15
Cash change in net financial liabilities to third parties	26	469
Non-cash change in net financial liabilities to third parties	-1	-6
Change in net financial liabilities to third parties	25	463

Interest payments include EUR 17 million in interest inflows (previous year: EUR 13 million) and EUR 11 million in interest outflows (previous year: EUR 15 million). Income tax payments in the amount of EUR 0 million (previous year: EUR 2 million) were made during the fiscal year.

In the previous year, cash flows from miscellaneous derivatives consisted solely of the proceeds in relation to an obligation to deliver ordinary shares in METRO AG in connection with their sale.

Notes

A. General basis of presentation

Accounting principles

These consolidated financial statements of the Franz Haniel Subgroup serve the purpose of informing the capital market about the net assets, financial position and results of operations of Franz Haniel & Cie. in its capacity as an investor. Against this background, the majority investments in the BekaertDeslee, CWS, ELG, Emma, Optimar, ROVEMA and TAKKT business units, and their subsidiaries, have not been fully consolidated in these consolidated financial statements of the Franz Haniel Subgroup.

For the rest, subject to certain limitations, the consolidated financial statements of the Franz Haniel Subgroup for the year ended December 31, 2020 have been prepared in accordance with the mandatory International Financial Reporting Standards (IFRS) in effect on the reporting date and adopted by the Commission of the European Union, and in accordance with the supplementary requirements applicable under Section 315e (1) HGB (Handelsgesetzbuch – German Commercial Code). These limitations relate to the scope of disclosures in the notes.

The accounting policies applied by the Haniel Group were also applied in the preparation of these consolidated financial statements of the Subgroup. They are described in Haniel's consolidated financial statements, which are published on its website (www.haniel.de/en). Given that the function of the consolidated financial statements for the Subgroup is primarily to provide investors with relevant information, the disclosures and explanations contained in these notes deviate from IFRSs.

The Franz Haniel Subgroup consolidated financial statements are integrated, in the present form, into Haniel's consolidated financial statements. Excerpts are contained in the "Holding and other companies" segment as well as the "CECONOMY financial investment" segment of the segment report in Haniel's consolidated financial statements.

The reporting currency is the euro; all figures are presented in millions of euros (EUR million). In rare cases, this can give rise to rounding differences. For enhanced transparency of presentation, certain items in the statement of financial position and the income statement have been combined. These are explained in detail in the notes. In accordance with IAS 1, the statement of financial position has been classified into non-current and current items. The income statement has been prepared using the nature of expense method.

Consolidation principles

The investments in the holding companies of the BekaertDeslee, CWS, ELG, Emma, Optimar, ROVEMA and TAKKT business units are measured at cost and are included in the investments in affiliated companies.

Associates as defined by IFRS 11 and associates as defined by IAS 28 are accounted for using the equity method. Associates are companies on which significant influence is exercised. This is normally assumed to be the case with an equity investment of between 20 and 50 percent.

Intragroup profits and losses, sales, income and expenses as well as receivables and payables between companies included in the consolidated financial statements of the Subgroup are eliminated.

Scope of consolidation

Aside from Franz Haniel & Cie. GmbH, eight (previous year: eleven) companies were fully included in the consolidated financial statements of the Subgroup as of December 31, 2020.

- Haniel Finance Deutschland GmbH
- Haniel Beteiligungs-GmbH

- GEWERKSCHAFT SCHIFFSRUDER Verwaltungsgesellschaft für Bergvermögen mbH
- Objekt Niederlehme Verwaltungsgesellschaft mbH
- Objekt Niederlehme Verwaltungsgesellschaft mbH & Co. Grundstücks KG
- VBM Grundstücks- und Projektentwicklungsgesellschaft AG
- Haniel Immobilien Verwaltungsgesellschaft mbH
- Haniel Immobilien GmbH & Co. KG

The fully consolidated subsidiaries are generally wholly owned. The changes as compared to the previous year occurred due to mergers and liquidations.

Aside from the fully consolidated subsidiaries, as in the previous year, one associated company is recognized in the Subgroup's consolidated financial statements using the equity method.

B. Notes to the statement of financial position

1 Investments in affiliated companies

Investments in affiliated companies chiefly comprise the investments in the holding companies of the BekaertDeslee, CWS, ELG, Emma, Optimar, ROVEMA and TAKKT business units and are measured at cost in the amount of EUR 1,835 million (previous year: EUR 1,959 million).

Total investments during the current fiscal year amounted to EUR 80 million as a result of the acquisition of Emma and a capital increase at ROVEMA. In addition, due to a change in the business outlook, it was necessary to recognize write-downs of EUR 204 million in total in respect of the carrying amounts of investments in two affiliated companies.

2 Investments accounted for at equity

EUR million	2020	2019
As of Jan. 1	295.3	989.9
Changes in equity interest recognised in profit or loss	-57.1	-15.3
Profit distributions		-38.3
Changes in equity interest recognised in other comprehensive income	-21.4	111.6
Impairments and reversals of impairments	87.0	
Disposals and transfers		-501.2
As of Dec. 31	303.8	295.3

As of the reporting date, the item again consisted exclusively of the Subgroup's investment in CECONOMY AG. As of January 1, 2019, the item had also included the investment in METRO AG. In the previous year, 12.49 percent of the ordinary shares in METRO AG were sold. The remaining shares in METRO AG have consequently been reclassified as assets held for sale.

The CECONOMY investment contributed earnings in the amount of EUR 30 million (previous year: EUR 41 million). The result for the current year included EUR 87 million in reversals of impairment losses. As in the previous year, the Subgroup did not receive any dividends from CECONOMY AG during the current fiscal year.

The stock market value of Haniel's 22.54 percent interest (previous year: 22.54 percent) in the ordinary and preferred shares of CECONOMY AG as of the reporting date amounted to EUR 459 million (previous year: EUR 438 million), valued at a share price of EUR 5.67 (previous year: EUR 5.41) per ordinary share.

3 Financial assets

EUR million	Dec. 31, 2020	Dec. 31, 2019
Debt instruments measured at fair value through profit or loss	211.9	133.6
Equity instruments measured at fair value through profit or loss	22.4	1.7
Loans to affiliated companies	101.7	202.6
	361.5	337.9

Debt instruments measured at fair value through profit or loss comprises investment funds held as medium- and long-term investments and structured debt instruments, as well as the Subgroup's investments in equity funds.

Equity instruments measured at fair value through profit or loss included shares held as medium- and long-term investments and a direct investment in a start-up.

Loans to affiliated companies include long-term loans to Group companies. That change related primarily to the transfer of a loan tranche falling due as scheduled in the coming year to current financial assets.

4 Receivables from affiliated companies and other current assets

EUR million	31 Dec. 2020	31 Dec. 2019
Receivables from affiliated companies	285.9	294.6
Derivative financial instruments	3.0	0.8
Other current assets	4.4	2.5
	293.3	298.0

Receivables from affiliated companies include receivables from the financing of Group companies.

Current assets included interest claims in the amount of EUR 1 million (previous year: EUR 0 million).

5 Financial assets

EUR million	31 Dec. 2020	31 Dec. 2019
Other securities and fixed-term deposits	0.0	20.0
Debt instruments measured at amortised cost	19.9	81.8
	19.9	101.8

In both years, debt instruments measured at amortized cost included short-term investments in commercial paper, which are held until their scheduled maturity as investments of cash and cash equivalents.

6 Assets held for sale

Assets held for sale consist exclusively of the remaining 2.7 per cent interest in the ordinary shares of METRO AG, in respect of which the acquirer has been granted a unilateral option which has not been exercised as at the reporting date.

7 Equity

As of December 31, 2020, the subscribed capital of Franz Haniel & Cie. GmbH remained unchanged at EUR 1,000 million. All shares are fully paid-in and held either directly or indirectly by the Haniel family.

Changes in equity are shown in the statement of changes in equity on page 8.

Treasury shares with a par value of EUR 1 million (previous year: EUR 1 million) were acquired.

The changes in the scope of consolidation in the previous year related to the disposal of shares in METRO AG, which in the previous year had been included in the consolidated financial statements of the Subgroup as an investment accounted for in accordance with the equity method, until their disposal.

8 Current and non-current financial liabilities

Financial liabilities comprise all interest-bearing obligations of the Franz Haniel Subgroup that existed as at the respective reporting dates. The different types and maturities of the current and non-current financial liabilities are shown in the table below:

EUR million	Dec. 31, 2020				Dec. 31, 2019			
	Up to 1 year	1 to 5 years	More than 5 years	Total	Up to 1 year	1 to 5 years	More than 5 years	Total
Liabilities due to banks	5.3			5.3	23.2			23.2
Bonds, commercial paper and other securitised debt	20.0			20.0	405.1			405.1
Liabilities to shareholders	66.7	71.9		138.7	58.7	70.5		129.2
Other financial liabilities	21.6	30.9	0.4	52.9	14.3	45.1		59.5
Financial liabilities to third parties	113.8	102.9	0.4	217.1	501.6	115.8		617.4
Liabilities to affiliated companies	3.1			3.1				0.0
Financial liabilities	116.9	102.9	0.4	220.2	501.6	115.8		617.4

The maturities of the liabilities due to banks correspond to the respective financing commitments.

During the fiscal year, bonds, commercial paper and other securitized debt consisted exclusively of the exchangeable bond linked to ordinary shares in CECONOMY AG, which matured during the current fiscal year. Because not all conversion rights were exercised by the bondholders, the bonds were repaid in cash.

Liabilities to shareholders relate to shareholders of Franz Haniel & Cie. GmbH.

Net financial liabilities to third parties, including cash and cash equivalents, amounted to EUR 61 million (previous year: EUR 86 million).

9 Provisions

EUR million	Dec. 31, 2020	Dec. 31, 2019
Pension provisions	135.5	126.3
Provisions for personnel	38.0	14.3
Miscellaneous non-current provisions	5.8	10.8
Other non-current provisions	43.8	25.1
Provisions for personnel	10.4	12.1
Miscellaneous current provisions	12.5	10.9
Current provisions	22.8	23.0

The increase in non-current provisions for personnel was attributable in particular to the introduction of a long-term remuneration plan during the current fiscal year. The decrease in other non-current provisions was due entirely to the reversal of provisions for warranties under a purchase agreement.

10 Other current liabilities

The Other current liabilities are presented in the table below:

EUR million	Dec. 31, 2020	Dec. 31, 2019
Liabilities for other taxes	0.5	0.9
Accrued expenses	14.7	5.2
Derivative financial instruments	3.5	4.9
Miscellaneous current liabilities	6.1	6.2
	24.9	17.3

The increase in accrued expenses was attributable primarily to M&A advisory services received but not yet invoiced.

C. Notes to the income statement

11 Personnel expenses

EUR million	2020	2019
Wages and salaries	-43.6	-38.7
Social security	-1.5	-2.2
Expenses for pensions and other benefits	-3.9	-3.2
Reversals of provisions for personnel expenses	2.0	1.2
	-47.0	-42.9

During the current fiscal year, wages and salaries included expenses in relation to the introduction of a long-term remuneration plan, while during the previous year the item contained non-recurring expenses in connection with the Company's strategic realignment.

12 Other investment result

EUR million	2020	2019
Result from investments in affiliated companies	101.5	108.6
Impairments on carrying amounts of affiliated companies	-204.0	0.0
Result from financial assets measured at fair value through profit or loss	10.7	5.1
	-91.7	113.6

During the current fiscal year, the carrying amounts of investments in two affiliated companies were written down.

The result from financial assets measured at fair value through profit or loss consists primarily of the change in fair value of investments in equity funds.

13 Finance costs

EUR million	2020	2019
Interest and similar expenses	-14.9	-18.5
Interest expenses for pension and other provisions	-1.3	-2.4
	-16.3	-20.9

The decrease in interest and similar expenses is mainly related to the scheduled repayment of the exchangeable bond on ordinary shares of CECONOMY AG.

14 Other net financial income

EUR million	2020	2019
Interest and similar income	13.7	10.8
Miscellaneous financial income	-6.3	-1.7
	7.4	9.1

Changes in the fair value of derivative financial instruments recognized in profit or loss amounted to EUR 0 million in the fiscal year (previous year: EUR -1 million) and are included in miscellaneous financial income.

The net exchange differences amounted to EUR -3 million in the fiscal year (previous year: EUR -1 million) and are recognized in miscellaneous financial income.

15 Profit after taxes from discontinued operations

As in the previous year, the profit or loss from discontinued operations included the earnings contribution from the investment in METRO AG.

D. Other notes

16 Financial risk management

In the context of its operating activities, the Franz Haniel Subgroup and its business units are exposed to financial risks. These primarily include liquidity risks, default risks, and risks resulting from changes in interest and exchange rates. The purpose of financial risk management is to reduce the extent of these financial risks.

Haniel's Management Board lays down the basic guidelines for financial risk management and determines the general procedures to be followed for hedging financial risks. The Subgroup's financial risk management structure mirrors that implemented by the Haniel Group. Further information is provided in Haniel's consolidated financial statements, which are published on its website (www.haniel.de/en).

17 Contingent liabilities

EUR million	31 Dec. 2020	31 Dec. 2019
Liabilities from		
miscellaneous guarantees	421.2	416.2
	421.2	416.2

As in the previous year, no contingent receivables exist as of the reporting date.

18 Value of the investment portfolio

The value of the investment portfolio as of December 31, 2020 amounted to EUR 5,103 million (previous year: EUR 4,245 million). The market value is calculated as the sum of the valuations of the business units, the CECONOMY AG financial investment and other assets, less net financial liabilities. The listed business units and the financial investment are valued on the basis of three-month average share prices, while the remainder of the business units are valued on the basis of market multiples, and for the financial assets on the basis of fair values as of the reporting date.

19 Events after the reporting date

In February 2021, the Subgroup entered into an agreement concerning the acquisition of all shares in BauWatch. The transaction is expected to close in the first quarter of 2021.

20 Profit appropriation proposal of Franz Haniel & Cie. GmbH

After deducting appropriate write-downs and recognizing adequate valuation allowances and provisions, the net loss for the fiscal year reported in the annual financial statements of Franz Haniel & Cie. GmbH, prepared in accordance with the German Commercial Code, amounts to EUR 91 million.

The Management Board proposes to pay out a dividend of EUR 60 million.

The shareholders will therefore receive a dividend of 6 percent on the subscribed capital of EUR 1,000 million. This represents an amount of EUR 3.00 per EUR 50 ordinary share.

Duisburg, 9 March 2021

The Management Board

A handwritten signature in black ink, appearing to be 'S Schmidt', written in a cursive style.

Schmidt

A handwritten signature in black ink, appearing to be 'Funck', written in a cursive style.

Funck

Contact / Publication details

Franz Haniel & Cie. GmbH
 Franz-Haniel-Platz 1
 47119 Duisburg
 Germany
 Telephone +49 203 806 - 0
 info@haniel.de
 www.haniel.de/en

ELG Haniel GmbH
 Kremerskamp 16
 47138 Duisburg
 Germany
 Telephone +49 203 4501 - 0
 info@elg.de
 www.elg.de/en

ROVEMA International GmbH
 Industriestraße 1
 35463 Fernwald
 Germany
 Telephone +49 641 409 0
 info@rovema.de
 www.rovema.com/en

BekaertDeslee Holding NV
 Deerlijkseweg 22
 8790 Waregem
 Belgium
 Telephone +32 56 62 41 11
 info@bekaertdeslee.com
 www.bekaertdeslee.com

Emma Sleep GmbH
 Wilhelm-Leuschner-Straße 78
 60329 Frankfurt am Main
 Germany
 Telephone +49 69 989 723 - 300
 info@emma-sleep.com
 www.team.emma-sleep.com

TAKKT AG
 Presselstraße 12
 70191 Stuttgart
 Germany
 Telephone +49 711 3465 - 80
 service@takkt.de
 www.takkt.de/en

CWS International GmbH
 Franz-Haniel-Platz 6 - 8
 47119 Duisburg
 Germany
 Telephone +49 203 987165 - 8000
 info@cws-boco.com
 www.cws.com

Optimar International AS
 Valderøyvegen 1129
 6050 Valderøy
 Norway
 Telephone +47 70 10 80 00
 info@optimar.no
 www.optimar.no

CECONOMY AG
 Benrather Straße 18 - 20
 40213 Düsseldorf
 Germany
 Telephone +49 211 5408 - 7000
 info@ceconomy.de
 www.ceconomy.de/en

Responsible for the content
 Franz Haniel & Cie. GmbH
 Franz-Haniel-Platz 1
 47119 Duisburg
 Germany
 Telephone +49 203 806 - 0
 info@haniel.de
 www.haniel.de/en

hanieI.de/en