

Simone Fuchs

Corporate Communications

T +49 203 806-578

M +49 170 9051510

E sfuchs@haniel.de

4/14/2021

Haniel announces solid performance and tangible progress towards "*enkelfähig*" transformation in 2020

- Revenue grows with only a slight dip in operating profit in the shadow of the coronavirus pandemic
- Operating performance improves in nearly every business unit
- "*Enkelfähig*" transformation ahead of schedule: EUR 475 million invested to restructure portfolio; management structures within Holding Company and business units strengthened; work to establish performance-based culture commences
- Around EUR 1.6 billion still available for portfolio development

Duisburg, April 14, 2021. The family equity company Haniel concluded fiscal year 2020 on solid footing, and is pleased to report that it has made faster progress than expected in implementing its new "*enkelfähig*" strategy to create value for generations. Haniel successfully continued to grow its portfolio by adding the newly acquired business unit Emma as well by investing EUR 475 million in a number of takeovers within the business units. The Group has introduced its uniform management model – the Haniel Operating Way – throughout core areas while continuing to develop its corporate culture by reinforcing and diversifying management teams across the Group and by stepping up diversity initiatives.

In an economic environment that proved highly challenging, the Haniel Group reported EUR 3,105 million in revenue at the close of the fiscal year – representing a five percent increase. At EUR 235 million, operating profit (EBITA) was EUR 12 million lower than in the previous year. This was due mainly to a negative earnings trend at the TAKKT business unit due to the coronavirus pandemic. Every other business unit – CWS, ROVEMA, BekaertDeslee, Optimar and the recently acquired Emma – reported encouraging profit growth. Profit after taxes also entered negative territory, mainly because of negative earnings from discontinued operations – which included in particular ELG due to the fact that the process of selling the business unit was initiated during the year.

"2020 was a very trying year for all of us – from both a personal as well a professional standpoint. We are thus all the more pleased that our discipline and perseverance throughout the year enabled us to

develop flexible solutions that kept us on track to achieve the Group's strategic objectives," said Haniel's CEO, Thomas Schmidt.

The aim of Haniel's strategic realignment is to become "*enkelfähig*" and to create value for generations. This strategy is borne of the conviction that only sustainable business models will be fit for purpose in the future and that this will enable Haniel to create value not only for the planet but also for the Group's stakeholders. Haniel is therefore transforming its portfolio in line with clear sustainability and performance criteria under the "People, Planet, Progress (PPP)" investment approach. Every company in the portfolio will be managed uniformly according to standardized performance criteria and the Group will continue to actively develop its culture.

Portfolio successfully expanded

In 2020, Haniel took great strides in developing its portfolio and bolstered the People investment pillar in the summer by acquiring a 50.1 percent interest in Emma – The Sleep Company. Since its formation in 2013, the company has grown from an online platform for mattresses into an internationally operating sleep-tech provider. The existing business units completed some 20 smaller acquisitions, with CWS's deals in the fire safety segment standing out in particular. ROVEMA took over DL Packaging, the Dutch processor of used packaging machines, as well as Hassia India. At the end of fiscal year 2020, Haniel had approximately EUR 1.6 billion at its disposal to invest in further portfolio expansion. In February of this year, the Company used a portion of that sum to acquire the European market leader for outdoor security solutions, BauWatch. BauWatch is also managed within the People investment pillar, which bundles activities in the fields of health, wellbeing and security.

Haniel also expanded its PPP Growth investment area, in which the Company invests in PPP-compliant funds and individual young, rapidly growing companies – among other things, it invested in Gilde Healthcare, a fund specializing in medical technology. It has also invested directly in the vertical-farming company infarm, as well as in the Dresden-based robotics start-up wandelbots.

New management model established, work initiated to continue developing the Group's corporate culture

In 2020, Haniel dedicated its efforts to the introduction of a Group-wide system for managing the business units: the Haniel Operating Way (HOW). Work to develop and implement strategies was closely coordinated across all business units, while at the same time a system of indicators was introduced to enable the monthly tracking of operational progress. The use of tools and systems developed under HOW initiatives has already led to improved performance by the production departments of the business units: for instance, pilot projects at CWS leveraged HOW to significantly increase productivity, while ROVEMA achieved better supply punctuality.

The continued development of the Group's culture mainly took the form of diversity initiatives at the business units. The rising number of women in top management positions is an initial success in this area. In 2020, the Group's management teams were strengthened significantly, around half of the management positions were newly filled; one-third of the new hires are female.

Improved performance expected for 2021

"Our solid revenue and earnings trend in 2020 – the year of the coronavirus – leaves us optimistic that we will significantly improve our performance in 2021 across every business unit," said CFO Florian Funck. "The Group will continue its transformation project and the further implementation of the joint management approach HOW will bolster the Haniel Group's earnings performance." All in all, Haniel's Management Board expects the Haniel Group's revenue and operating profit to be up significantly as compared to 2020, a year which was dominated by the ravages of the coronavirus pandemic.

2020 in figures: overview

IFRSs (EUR million)	2019	2020	Change (%)
Haniel Group¹			
Revenue	2,953	3,105	+5%
Operating profit (EBITA)	247	235	-5%
Profit before taxes	192	153	-20%
Profit after taxes	130	-96	>-100%
Net financial position	823	438	-47%
Equity ratio (in percent)	53%	48%	-5% points
Annual average number of employees (headcount)	19,302	20,400	+6%

¹ ELG is reported as a "discontinued operation" following the initiation of the business unit's sale. The table above presents revenue, operating profit, profit before taxes and net financial position as adjusted to eliminate ELG in accordance with IFRS accounting rules. Prior-year figures have been adjusted accordingly.

- [Download](#) this press release here.
- Haniel is on [LinkedIn](#).
- You will find [photos and videos](#) for Haniel and the business units here.

About Haniel

Franz Haniel & Cie. GmbH is a 100 percent family-owned company which has been headquartered in Duisburg since it was founded in 1756. It manages a portfolio of independent businesses with the goal to make all investments "enkelfähig" and create value for generations. To that end, it pursues a structured investment strategy along the three pillars "People. Planet. Progress"; combining a strict focus on sustainability with a clear focus on performance. The portfolio companies are managed on the basis of a joint management model – the Haniel Operating Way (HOW) – and are expected to share a performance-oriented culture. Currently, the Haniel portfolio comprises eight business units: BauWatch, BekaertDeslee, CWS, ELG, EMMA, Optimar, ROVEMA and TAKKT. In addition, there is also a financial investment in CECONOMY.

You can find more information about Haniel at www.haniel.de/en and www.enkelfaehig.de.
You will also find this press release at www.haniel.de/en.

Contact

Simone Fuchs, Corporate Communications, +49 203 806-578,
Fax: +49 203 806-80578, e-mail: sfuchs@haniel.de