

# Henkel CABC

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December 5<sup>th</sup> 2014



Excellence is our Passion

# Agenda

1.



**Henkel – who we are & what guides us**

2.



**Henkel NA Portfolio**

3.



**Let's talk Canada!**

# Company founder and product branding pioneer Fritz Henkel



1878



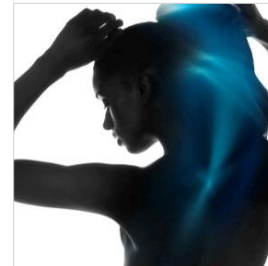
1907

Fritz Henkel  
1848 – 1930



# Did you know ...

- ... that Henkel is the **world's Number One** adhesives producer?
- ... that Henkel sells detergents for around **25 billion wash loads per year**?
- ... that **every second more than 20 hair colorants** from Henkel are sold worldwide?



# Who we are

## Henkel at a glance 2013

Around

**47,000**

employees all over  
the world

**16.4** billion euros

sales, 3.5% organic  
sales growth

**44%**

of our sales generated  
in emerging markets

**2.5** billion euros

adjusted<sup>1</sup> operating  
profit (EBIT)

**57%**

of our sales generated  
by our top 10 brands

**137 years**

of brand success

<sup>1</sup> Adjusted for one-time charges/gains and restructuring charges.

# Who we are

Global leading positions in consumer and industrial businesses

## Consumer Businesses

### Laundry & Home Care



### Beauty Care



## Industrial Business

### Adhesive Technologies



# What guides us

## Our Vision and our Values

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### Vision

A global leader in brands and technologies

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### Values

We put our **customers** at the center of what we do.

We value, challenge and reward our **people**.

We drive excellent sustainable **financial** performance.

We are committed to leadership in **sustainability**.

We build our future on our **family** business foundation.

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# What guides us



## Our targets 2016

**20** bn € sales

**10** bn € sales in emerging markets

**10** % annual growth in earnings per share<sup>1</sup>

Including continuous portfolio optimization.

<sup>1</sup> Average annual growth in adjusted earnings per preferred share (compound annual growth rate/CAGR).



# What guides us

## Leadership in sustainability

- Our sustainability strategy:  
**Achieving more with less**
- Ambitious long-term goal for **2030**:  
**Triple value** of our footprint (Factor 3)
- 5-year-target **2011-2015**:  
Increase our efficiency by **30%**
- Recognized leadership:  
Last **7 years** sector leader  
in the Dow Jones Sustainability Index



# Henkel in North America 2014



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# America's Favorite Brands

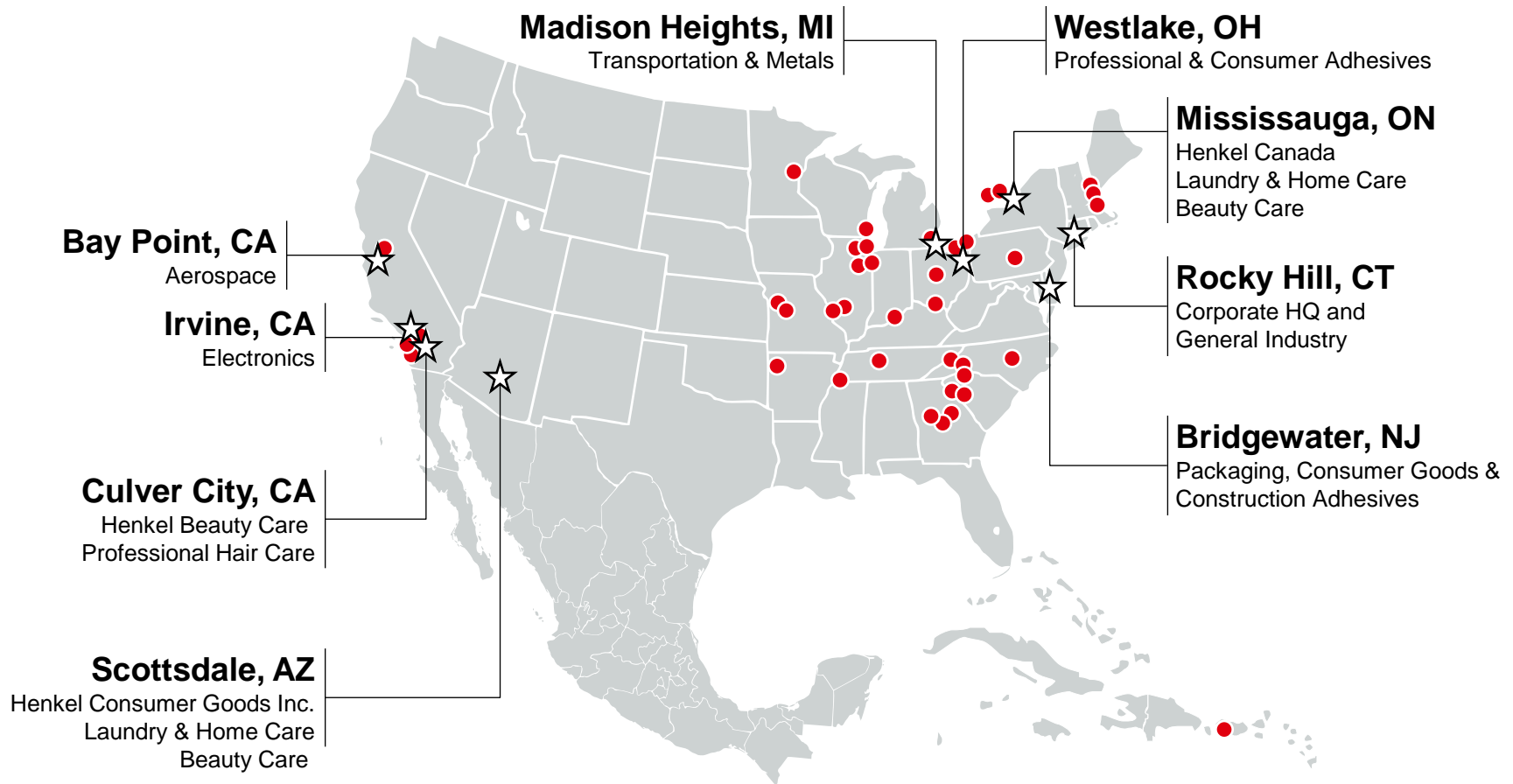
## Henkel in North America

- **2013 Sales:** \$3.9 billion
- **Employees:** 5,200
- **Facilities:** 45

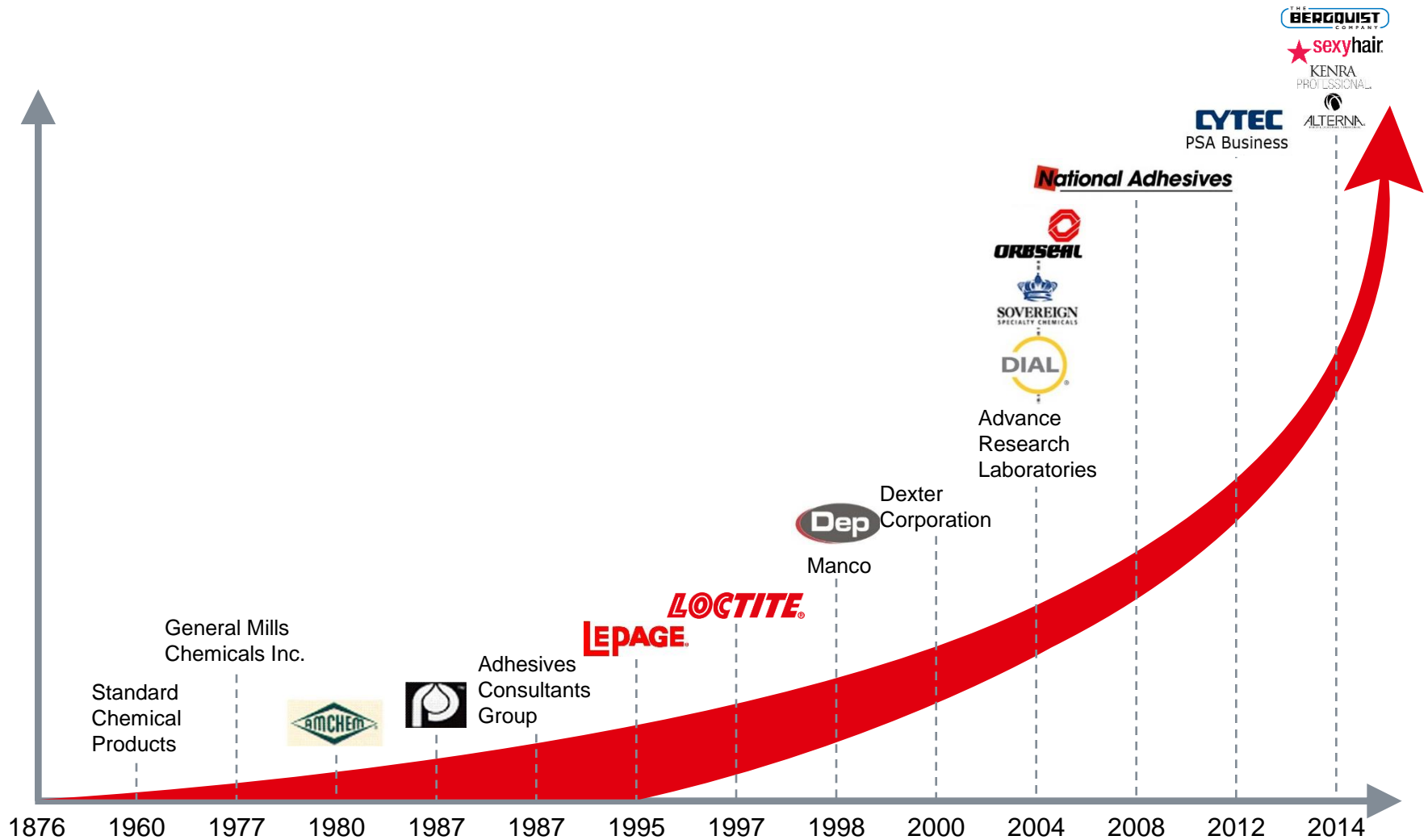


# Henkel in North America

## Main Locations



# Henkel Growth in North America



# Laundry & Home Care

## Product portfolio



- Heavy-duty detergents
- Fabric softeners
- Laundry conditioning products
- All-purpose cleaners
- Scouring agents
- Kitchen cleaners
- Bathroom cleaners
- Specialty cleaning products
- Air fresheners
- Insecticides for household use



# Beauty Care

## Product portfolio



- Bar Soap
- Hand Soap
- Body Wash
- Body Lotion
- Antiperspirants/Deodorants

# Beauty Care – Hair Care

## Product portfolio



- Hair shampoos and conditioners
- Hair gels
- Hair styling products
- Hair care products
- Professional salon products
- Hair colorants



# Adhesive Technologies

## Five Business Segments

Packaging  
and  
Consumer  
Goods



Transport  
and  
Metal



General  
Industry



Electronics



Consumer,  
Craftsmen  
and  
Building



**> We leverage our engineering expertise across our business units**

Henkel  
Canada  
2014  
Perspective



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# Macroeconomics Canada

	2012	2013	E 2014	E 2015
Population / Mio	34.8	35.2	35.7	36.1
GDP growth	1.7%	2.0%	2.3%	2.4%
Unemployment	7.2%	7.1%	7.0%	6.6%
Fx rate USD	1.00	0.97	0.90	0.90
Retail Sales	2.0%	2.2%	2.5%	2.4%
Consumer Confidence	75.3%	77.6%	84.4%	84.0%

# Henkel Canada 2014 at a glance

## Key Facts



Adhesives

50%

Laundry & Home  
Care (L)

31%

9%

Beauty Care  
Professional

10%

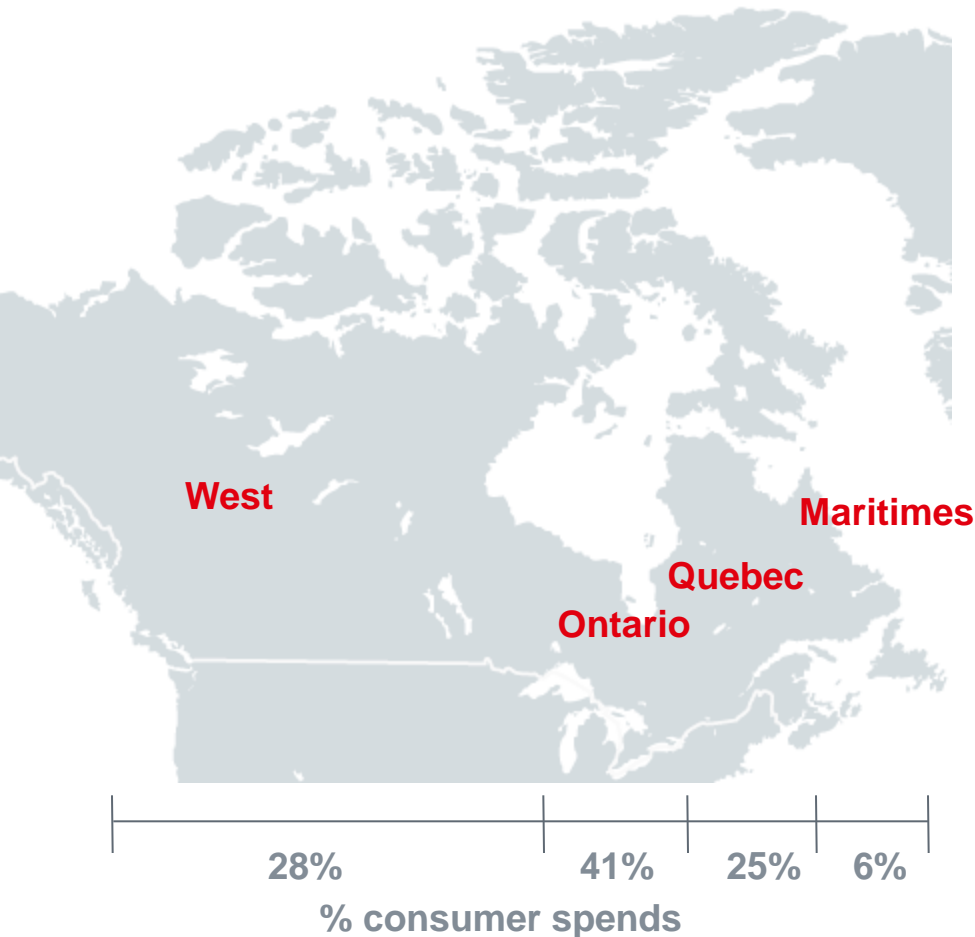
Beauty Care Retail (B)

• **Total Canada**

**\$300MM Sales**

**206 employees**

# Canada Market place 2014



## Population:

- 35 Mio, +1.4% p.a. (immigration)
- high diversity, bilingual F/E, growing Asian influence

## Economy:

- generally strong fundamentals but private sector sluggish
- high price country (~ +10% vs. USA)

## Retailer:

- strong concentration: top 3 > 70% sales importance
- violent price wars with growing promo/eroding baseline sales

## Consumer:

- still moderate confidence, high unemployment and private debt
- B/L markets in decline



Step over the Border... you will see  
similarities and differences



# Differences: Consumer Demographics



**26% higher migrant rate**

**Language:**  
**65% English**  
**22% French**

**Ethnic Diversity:**  
**Canada 10% + Asian**



**26% higher birth rate**  
**17% higher population**  
**growth rate**

**Language:**  
**80% English**  
**USA 12% + Spanish**

**Ethnic Diversity:**  
**13% + African Americans**



# Differences: Consumer State of Mind





# Differences: Consumer Dynamics

**Canadians  
Prefer Larger  
Size format**



# Differences: Consumer Dynamics

Canada

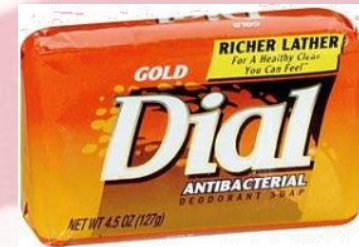
Dial Equity  
Less than 15 year business



5.0 Share

USA

Dial Equity  
65 year business



14.0 Share

Strong Brand Momentum in Canada

# Differences: Consumer Dynamics

## Different Retailer Leaders



Of the top 30 Canadian customers...27 unique to Canada

# How we tackle the Canadian market

Canadian Specific Products/formats  
*Lemon fresh created based on  
Canadian fragrance tastes*





# How we tackle the Canadian market

## Canadian Specific Sales &Marketing Strategies

**Thank you Canada**  
for placing your trust in Purex.



**#2**  
From the  
Liquid Laundry  
Detergent Brand  
in Canada.

**Purex**  
2XULTRA  
Stain Fighting POWER!  
POUVOIR éblouissant!

Pureclean. Purevalue. Purex.™

† Source: The Nielsen Company, All Channel, Washload Volume 52 weeks ending January 18, 2011.  
© 2011 & distributed by The Dial Corporation, a Henkel Company.

**Merci au Canada**  
pour faire confiance à Purex.™



**1<sup>re</sup>**  
De la première marque  
de détergent à lessive  
liquide au Québec et  
dans les Maritimes.

**Purex**  
2XULTRA  
Stain Fighting POWER!  
POUVOIR éblouissant!

Purepropreté. Purevalue. Purex.™

† Source: The Nielsen Company, tous canaux, volume en nombre de brassées pour les 52 semaines se terminant le 18 janvier 2011.  
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Toronto, Aug 6 - 14, 2011  
**ROGERS cup**  
premier event



You could  
**WIN A TRIP**  
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ENTER AT: [dialcontest.ca](http://dialcontest.ca)  
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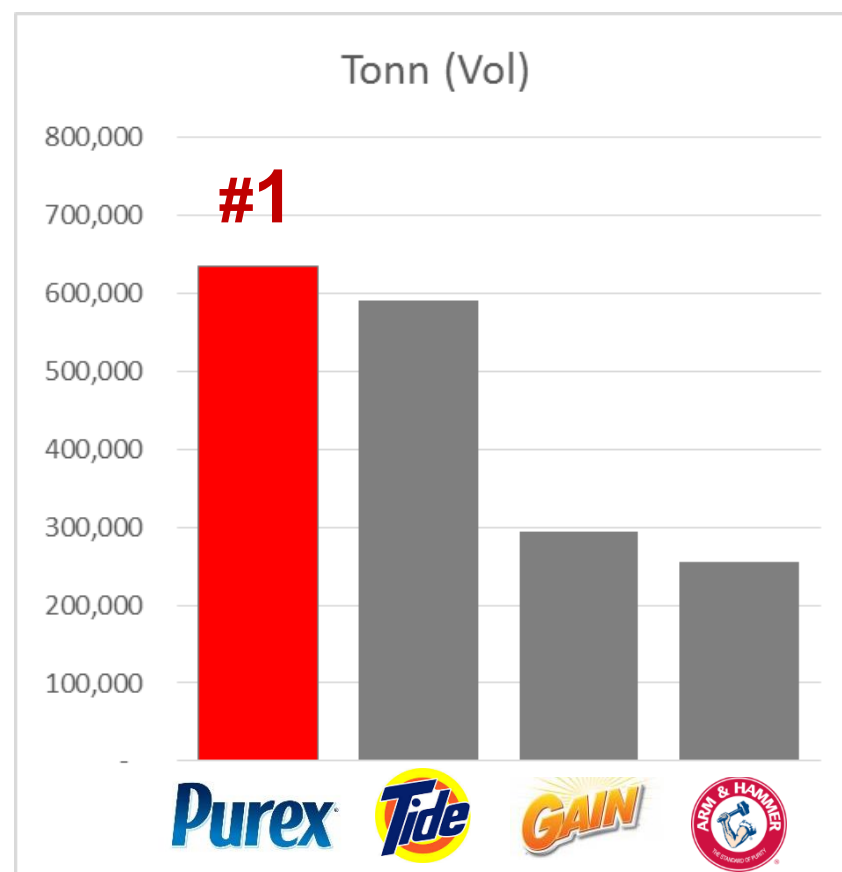
Vous pourriez  
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POUR PARTICIPER : [concoursdial.ca](http://concoursdial.ca)  
code : **SDM**  
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# Laundry Care - Highlights

**2013:**  
**Purex Canada's #1 Value Brand**

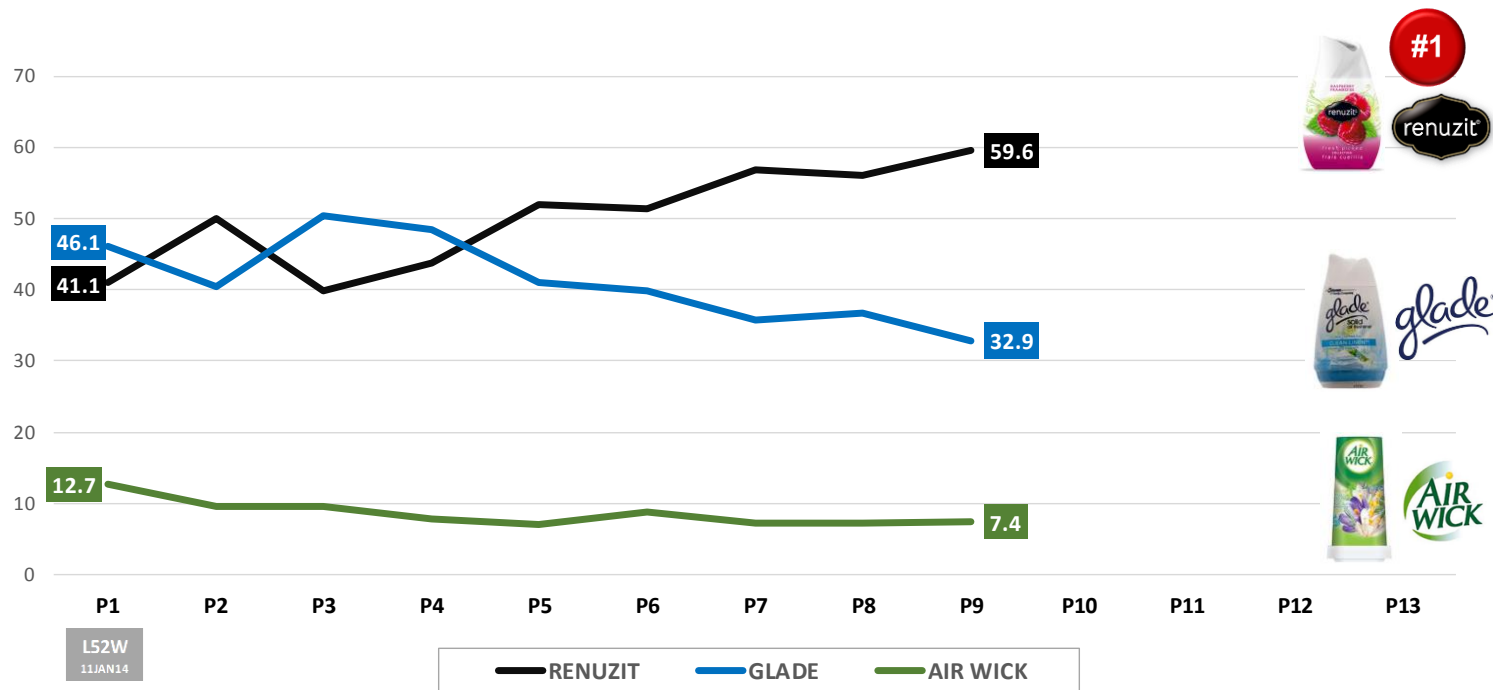


**2014: Purex is now Canada's #1 Selling Liquid Laundry Detergent\***



# Air Care - Highlights

***Renuzit now Market Leader in Cones with 59.6 \$shr***



Nielsen All Channels, p/e Aug. 23, 2014

# Beauty Care - Highlights

**Coconut Water BW  
Voted  
Product Of The Year  
2014**



**#1 Styling Glue/Gel In  
Canada**



**Fastest Growing APDeo Brand  
In Canada\***



\*ACNielsen, L52wks, units %chg Sept 20, 2014



# Outlook Innovations 2015

## Purex/Powershot



## Crystals / small sizes



## Renuzit US/CA cones



## Dial Omega/Miracle Oil



## Right Guard/Heat Shield



## got2b/mind blowing



- Strong innovation Beauty with key initiatives 2015
- Focus Laundry 2015 more on core-business/fixing the mix

## Canadian mind-set!

- Understand your consumer – they are not American
- Understand your brands and how / where they fit
- Understand your customer - they are also not American
- Do not compromise GP1 / FX rate adds volatility
- Highly regulated country – stay informed!
- Look for ‘sustainable’ solutions
- Logistics / geography – challenging & costly
- Target and attract local industry talent
- Always look for synergies and reduce complexity
- In order to be successful **Canada must be a priority** for your organization

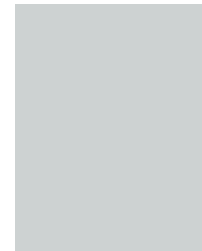
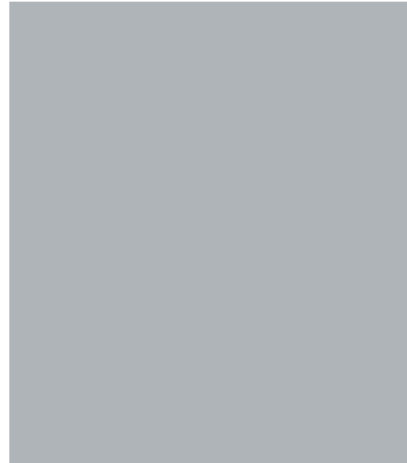


**FIND  
A WAY  
OR  
FADE  
AWAY**

WRDBNR.COM



Thank you



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