

FRANZ HANIEL & CIE. GMBH

CREDITOR RELATIONS

01

A TRUSTING DIALOGUE

As a family-owned family-equity company the Haniel Holding Company is not listed on a stock exchange – however, we do have a capital-market orientation. This is because stable access to borrowed capital plays a vital role in our conservative approach to financing. Our cooperation with lenders is characterised by a spirit of equal treatment, openness and trust. For that reason, our aim is to provide our investors and financial service providers with all relevant information on developments at the Haniel Holding Company in a timely and comprehensive manner.

FINANCIAL STRATEGY

STABLE, FLEXIBLE FINANCING

Our long-term financing requirements are covered through equity and subordinated loans from our shareholders. In addition, we obtain financing via the capital market and through long-term, bilateral lines of credit.

A conservative market value gearing and balanced cash flows at the Holding Company level are part and parcel of financial management that is “enkelfähig”.

Driven primarily by the low valuations for our financial investments, the market value of our portfolio fell by just under 20 per cent as compared to the end of 2017, to EUR 5.5 billion. Within the framework of our conservative financial strategy, we continue to consider the level of net financial liabilities of up to EUR 1 billion as appropriate at present. We analyse this debt target regularly depending on the development of the Holding Company’s cash flows and the portfolio’s market value. Net financial liabilities amounted to EUR 0.8 billion as at 30 June 2018.

MARKET VALUE GEARING

%¹



¹ Net financial liabilities held by the Holding Company/gross market value of the portfolio held by the Holding Company at spot rates

TOTAL CASH COVER

Factor²



² Operating cash inflows of the Holding Company (particularly from equity investments) to the sum of operating cash outflows of the Holding Company (particularly Holding Company expenses and interest) and dividend payments from the Holding Company to the shareholders

02 RATING

OBJECTIVE: STABLE INVESTMENT-GRADE RATING

For secure and attractive access to the capital markets, we would like to provide our investors an external opinion as to our creditworthiness in the form of a rating; this is also important for the relevant analyses. Our objective is to permanently maintain our investment-grade ratings, and we believe that we are equipped to do so going forward.

In 2018 Deutsche Bundesbank again classified Haniel in a class synonymous with eligibility for central bank collateral. Additionally, Haniel now has an investment-grade rating from all three rating agencies.

BAA3

MOODY'S INVESTORS SERVICE (MOODY'S)

Moody's raised our long-term issuer rating from Ba1 to Baa3 in April 2018, with a "stable" outlook.

BBB-

SCOPE RATINGS AG (SCOPE)

In February 2016, Scope rated our creditworthiness with a long-term issuer rating of BBB- with a stable outlook, and again confirmed this initial rating in June 2018.

BBB-

STANDARD & POOR'S RATING SERVICES (S&P)

In April 2016, S&P lifted our long- and short-term issuer rating from BB+/B with a positive outlook to BBB-/A-3 with a stable outlook, and confirmed this assessment again in May 2018.

03 INSTRUMENTS

SECURING LIQUIDITY FOR THE LONG TERM

In order to cover our liquidity needs in the long term, we use a diversified borrowing mix that includes bank and capital market financing. We take care to ensure that we have a balanced maturity structure for the financial instruments we conclude and that we have sufficient free lines of credit. We regularly renew our bilateral, committed lines of credit without financial covenants. Haniel issues commercial paper and bonds on the capital market as a key component of its financial strategy.

COMMERCIAL PAPER PROGRAMME

Issuers	Franz Haniel & Cie. GmbH Haniel Finance B. V.
Guarantor	Franz Haniel & Cie. GmbH
Programme volume (EUR)	500,000,000
Arrangers	Deutsche Bank AG Goldman Sachs International
Listings	—

HANIEL 0.000% EXCHANGEABLE BOND

Term to maturity	2015 / 2020
Volume at issuance (EUR)	500,000,000
ISIN	DE000A161GV3

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[www.haniel.de/en/
creditor-relations](http://www.haniel.de/en/creditor-relations)

