DIGITALIZATION
Key lever to scale business model

Henkel Investor & Analyst Day 2019
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Strong and proven business model...

Adhesive Technologies Business Model

- High customer proximity
- Customized solutions
- Broad portfolio with global footprint

Know-how and expertise at the core of our business model
...with upsides

Adhesive Technologies Business Model

High customer proximity
- Reach beyond top accounts
- Know-how availability at all times
- B2B expect consumer-like experiences

Customized solutions
- Time to market
- Degree of customization
- Speed of specification

Broad portfolio with global footprint
- Complex network of operations
- Limited differentiation of service levels
- Net working capital management
Adhesive Technologies Business Model

High customer proximity
Customized solutions
Broad portfolio with global footprint

...digitalization creates new opportunities

Drive competitive advantage across the value chain
So, what is our plan?
Further scale our business model through digitalization

From engagement to purchase to best-in-class digital services and delivery
Established enablers

- Basic digital ecosystem
- Upskilling our organization

Digital UPskilling

BASE FIT

EXPERT FIT
High customer proximity
Reaching customers at scale through digital activation

Direct engagement with potential new users

Multiplies reach and shortens purchase journey for new users
Customized solutions
e-Formulation through artificial intelligence

Understand desired performance and gather material records

Materials design using AI

Output → Optimal formulations for material goals

65% Fewer experiments to develop custom formulation
Broad portfolio with global footprint

Industry 4.0 - driving effectiveness, efficiency and quality

**Smart Supply Chain**
Faster reaction to customer requirements through an integrated digital supply chain

**Smart Manufacturing**
High efficiency through digital connected production processes
1 Digitalization enables us to further scale our business model

2 Implemented solid base of digital technology, upskilling the organization

3 Next phase focused on accelerating our transformation