

# **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



Customized solutions



Broad portfolio with global footprint

### CHALLENGES

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

### CHALLENGES

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

### CHALLENGES

- Complex network of operations
- Limited differentiation of service levels
- Net working capital management

# ...digitalization creates new opportunities

## Adhesive Technologies Business Model



High customer proximity



Customized solutions



Broad portfolio with global footprint

# Drive competitive advantage across the value chain

So, what is our plan?

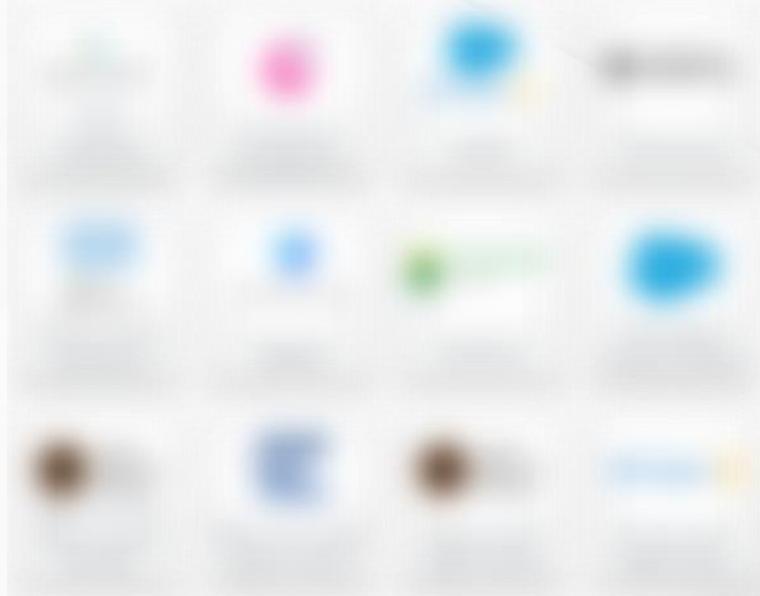
# Further scale our business model through digitalization



**> From engagement to purchase to best-in-class digital services and delivery**

# Established enablers

✓ Basic digital ecosystem



✓ Upskilling our organization

**Digital UPskilling**  
「BASE FIT」

**Digital UPskilling**  
「EXPERT FIT」

# High customer proximity

Reaching customers at scale through digital activation



**Direct engagement** with potential new users

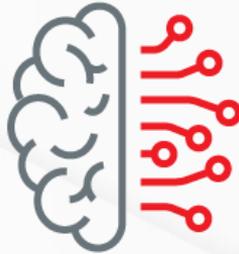
**Multiplies reach and shortens purchase journey** for new users

# 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