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| **Henkel Integrative Case**  Professor David Wessels  The Wharton School of the University of Pennsylvania  Available on this website is a comprehensive case that analyzes and values Henkel AG, a $13 billion German consumer products company. The case builds upon material in Chapters 5-14 of Valuation, Measuring and Managing the Value of Company, 5th Edition.  **Case Structure**  The integrative case contains 5 subparts. In the first case, we introduce the class to Henkel at the most fundamental level, i.e. how large are they, what do they sell, and from where in the organization does growth and profit come from? In the second section, students reorganize the income statement and balance sheet for Henkel into NOPLAT and invested capital respectively, in order to determine return on invested capital (ROIC). The third subsection uses reorganized financial statements to benchmark Henkel AG to Reckitt Benckiser (line by line) and a broader set of companies (for selected data). In the fourth case, students determine the cost of capital for Henkel AG (using an unlevered industry beta) and a cost of capital for each division. In the final case, we value Henkel using discounted cash flow using “as-is” forecasts.  **Case Instructions**  Each case contains (1) students instructions, (2) an annual report or excel spreadsheet (to be distributed with the instructions), and (3) an excel solution or sample presentation (and in some cases both). When running the case, only release PDFs of answer keys; otherwise you may get the answer key back in future years. To protect the case for other instructors, please DO NOT POST any material (especially solutions) on a public site.  Although the case follows the Valuation text closely, it does not make every possible adjustment. For instance, a £3 million hedging asset in other assets of Reckitt Benckiser was ignored (i.e. treated as operating). To make every adjustment would have made the case unbearably complex. Each student instruction provides details on how to treat various line items. Beyond that, I leave it to each instructor to decide the level of appropriate complexity.  If you find an error, inconsistency, or potential improvement to the case, please let me know. I will update the case accordingly. I plan to update the case annually in April of each year. I can be reached at [wessels@wharton.upenn.edu](mailto:wessels@wharton.upenn.edu). Good luck!  **Henkel Integrative Case**  Case Materials |

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| **Case** | **Student Instructions** | **Student Data** | **Excel Solution** | **Sample Presentation** |
| 1 | Who is Henkel? | Henkel Annual Report | N/A | Henkel Overview  Henkel Overview (supporting graphs) |
| 2 | Reorganizing the Balance Sheet | Henkel Annual Report | Henkel - Reorganized | N/A |
| 3 | Competitive Benchmarking | Henkel - Reorganized  Reckitt Reorganized  Select Financial & Market Data | Henkel – Ratios  Reckitt – Ratios | N/A |
| 4 | Cost of Capital | Select Financial & Market Data | Henkel – Cost of Capital | N/A |
| 5 | Valuation | No Additional Data | Henkel - Valuation | N/A |