Exxon Mobil

A globally positioned energy company with a high dividend

ExxonMobil is one of the world's leading energy companies and is considered a direct successor to the legendary Standard Oil Company founded by John D. Rockefeller. The company, which was at times the most valuable in the world in 2013, operates globally in the exploration and production of oil and gas and employs around 63,000 people. Its business activities span the upstream, downstream, and chemical segments. The upstream segment focuses on exploration and production, while the downstream segment deals with refining crude oil, processing and purifying natural gas, and marketing and distributing products derived from oil and gas. Additionally, ExxonMobil is involved in the production, trade, transportation, and sale of crude oil, natural gas, petroleum products, petrochemicals, and other specialty products.

High Oil and Gas Reserves

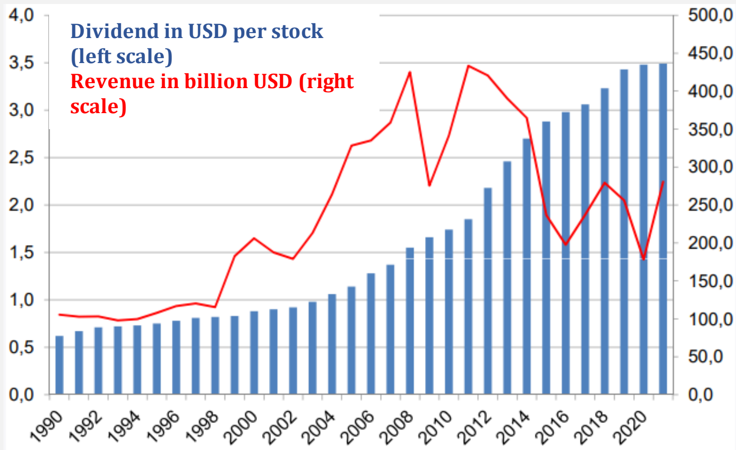
ExxonMobil holds proven oil reserves of 3.880 billion barrels, and when including external energy company holdings not owned by the corporation, the figure reaches 4.339 billion barrels (one barrel equals approximately 159 liters). In addition, the company has access to untapped reserves totaling 3.097 billion barrels. In terms of gas reserves, ExxonMobil can draw on about 25.066 trillion cubic feet of proven reserves, with an additional 13.109 trillion cubic feet of untapped reserves. In 2021, the company produced 1.557 million barrels of oil daily, along with 305,000 barrels of NGL (Natural Gas Liquids) and 8.537 billion cubic feet of natural gas. These reserves ensure sustained production for many years to come.

Lucrative Refining Business

ExxonMobil's global refining capacity stands at approximately 4.567 million barrels per day. In 2022, all providers worldwide were operating at full capacity, leading to significant supply shortages and subsequent price increases for gasoline and diesel.

Due to the political shift away from combustion engines in the automotive sector and the immense costs associated with building new refineries, no additional capacity is expected to be added. At the same time, older facilities are likely to be decommissioned. This results in a steady and competition-relaxed revenue situation for refinery operators.

Dividend and Revenue since 1990



Dividends are a key factor for ExxonMobil; the quarterly dividend was not reduced even during the COVID-19 pandemic and was recently increased to $0.91 per share. Despite the challenges of recent years, the average dividend growth over the past five years has been 3.2 percent annually. Further potential remains, as the payout ratio was recently at 65 percent. The average for the past five years is skewed by the loss in 2020. ExxonMobil's last dividend cut was more than 20 years ago, putting the company well on its way to becoming a dividend aristocrat.

Exxon Mobil

Outlook and Goals

The company's medium-term plans include reducing greenhouse gas emissions, while still aiming to double its profit and cash flow potential by 2027 compared to 2019. By 2027, upstream production is also expected to increase by 500,000 barrels per day, reaching a total of 4.2 million barrels per day. Over 50% of this production volume is projected to come from the Permian Basin in the U.S., as well as from projects in Guyana, Brazil, and liquefied natural gas ventures, into which the company is heavily investing.

Short-term investments are expected to maintain production at approximately 3.7 million barrels of oil equivalent per day through 2023, with an anticipated investment of $23 to $25 billion in 2023 alone.

Shareholders are also being considered: the anticipated high free cash flow is set to be allocated to dividends and share buybacks. The share repurchase program will be expanded from $30 billion to $50 billion by 2024.

Key Figures

ISIN	US30231G1022
Country	USA
Industry	Energy/Oil
Market Capitalization	445.36 billion USD
Performance over the last 10 years	+86%
Revenue Growth 5 Years p.a.	+4.8%
Earnings Growth 5 Years p.a.	+23.5%
Free Cash Flow Growth 5 Years p.a.	+43.5%
Equity Ratio 5-Year Avg.	53.8%

Dividend Data

Payout Interval / Month	Quarterly / Mar.-Jun.-Sep.-Dec.
Dividend Last Fiscal Year	3.49 USD
Dividend Yield Last Fiscal Year	3.23%
Dividend Increases / Decreases in the Last 10 Years	10 / 0
Dividend Growth 1 Year	+0.3%
Dividend Growth 5 Years	+17.1%
Payout Ratio 5-Year Avg.	91.4%
Foreign Withholding Tax (Reduced to an applicable 15% when deposit bank is registered as a "Qualified Intermediary")	30%

Forecasts

Figures	2021	2022e	2023e	2024e	2025e
Dividends (USD)	3.49	3.55	3.67	3.80	4.40
Dividend Yield	3.23%	3.28%	3.39%	3.51%	4.07%
Earnings per Share (USD)	5.39	13.90	10.87	9.59	9.65
P/E Ratio	20.1	7.8	9.9	11.3	11.2
Revenue (in billion USD)	280.51	407.22	383.14	336.10	310.98

Aflac

Solid and High Returns with Life and Health Insurance

The American Family Life Assurance Company, commonly known as Aflac, is a U.S.-based insurance company headquartered in Columbus, Georgia. Listed on the S&P 500, the company primarily offers health and life insurance and now serves over 40 million customers in the United States and Japan. In 1964, just ten years after its founding, Aflac redefined its distribution model by moving away from insurance agents and brokers. Instead, the company began collaborating with the human resources departments of large corporations. Employers then offered cancer insurance, Aflac's first major success, to their employees. If employees opted in, the insurance premiums were simply deducted from their wages. This straightforward yet effective approach enabled Aflac to experience exceptional growth.

Focus on Japan

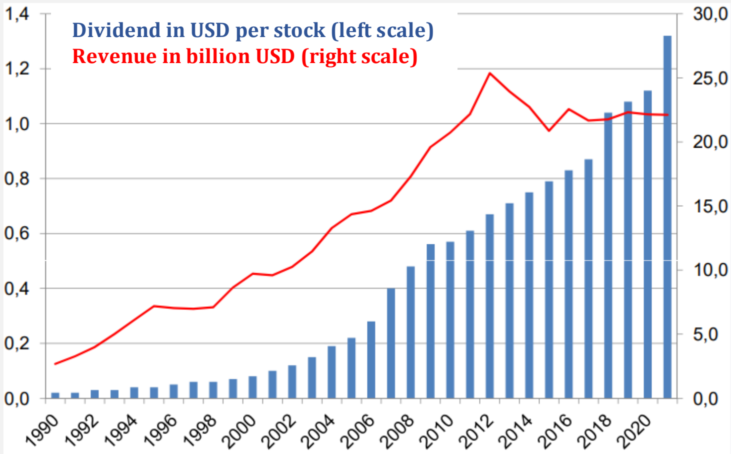
Another pivotal move was Aflac's entry into the Japanese market in 1970. The concept proved so successful that today Aflac generates more than 70 percent of its revenue in Japan. This success is partly due to the company's expanding partnerships not only with corporate HR departments but also with banks and post offices. Aflac has effectively positioned itself in the market with life and various supplementary insurance products and has managed to maintain a strong presence over the long term.

Risks

Aflac's strong focus on Japan presents a risk due to the country's shrinking population. Although the decline is currently only 0.12 percent per year, the aging population presents ongoing challenges for the insurance sector, making it increasingly difficult to attract new customers.

Additionally, there have been significant issues with the partner Japan Post Holding, where customers were sometimes given incorrect advice and sold inappropriate insurance products. This situation has led to a loss of trust and reputation, as well as financial damage, as 287,000 contracts had to be reviewed individually and manually.

Dividend and Revenue since 1990



Since 1973, Aflac has been paying dividends to its shareholders, and since 1983, it has consistently increased the dividend each year—even through the Global Financial Crisis of 2008 and the natural and nuclear disasters in Japan in 2011. Over the past decade, the average annual increase in dividends has been 8.0 percent, and in the last five years, it has been even higher at 9.7 percent per year.

The average payout ratio over the past five years has been 20.1 percent of earnings, which provides room for future dividend increases. Aflac is considered a dividend aristocrat and is on track to become a dividend king once it achieves 50 consecutive years of dividend increases.

Review and Outlook

Aflac's stock price has mirrored the company's economic success, rising significantly and almost continuously over the past decade. Including dividends, the value has increased by about 250 percent. The only notable dip occurred during

Aflac

the COVID-19 pandemic, which has since been overcome. The pandemic led to increased mortality worldwide, particularly among the elderly, resulting in a higher number of life insurance claims. Conversely, pension insurance saw a reduction in beneficiaries. One of Aflac's core competencies is its cancer insurance, which is highly sought after in Japan. Although it may seem cynical, demand for this insurance is expected to rise further, especially as the Japanese government has recently shifted towards the development of new nuclear power plants. Aflac's business model relies on its robust distribution network. Currently, rising interest rates benefit insurance companies as they receive better returns on their investments, leading to higher margins.

Key Figures

ISIN	US0010551028
Country	USA
Industry	Insurance
Market Capitalization	44.36 billion USD
Performance over the last 10 years	+241%
Revenue Growth 5 Years p.a.	-0.4%
Earnings Growth 5 Years p.a.	+14.7%
Free Cash Flow Growth 5 Years p.a.	-3.3%
Equity Ratio 5-Year Avg.	17.9%

Dividend Data

Payout Interval / Month	Quarterly / Feb.-May-Aug.-Nov.
Dividend Last Fiscal Year	1.32 USD
Dividend Yield Last Fiscal Year	1.85%
Dividend Increases / Decreases in the Last 10 Years	10 / 0
Dividend Growth 1 Year	+17.9%
Dividend Growth 5 Years	+59.0%
Payout Ratio 5-Year Avg.	20.1%
Foreign Withholding Tax (Reduced to an applicable 15% when deposit bank is registered as a "Qualified Intermediary")	30%

Forecasts

Figures	2021	2022e	2023e	2024e	2025e
Dividends (USD)	1.32	1.60	1.70	1.79	
Dividend Yield	1.85%	2.24%	2.38%	2.51%	
Earnings per Share (USD)	6.39	5.30	5.39	5.70	
P/E Ratio	11.2	13.5	13.2	12.5	
Revenue (in billion USD)	22.11	19.11	18.32	18.41	

W.P. Carey

High-Dividend Real Estate Investment Trust (REIT)

The Real Estate Investment Trust (REIT) W. P. Carey invests in commercial properties with the aim of leasing them out long-term. REITs are publicly traded real estate funds that generate most of their revenue from property management and benefit from specific tax conditions. W. P. Carey's portfolio includes over 1,250 properties spread across various sectors, including office buildings, warehouses, logistics facilities, and hotels. It also covers the growth market of self-storage, which involves warehouses with rental storage spaces. Due to its diverse portfolio, the REIT is categorized under the "Diversified" sector, where it is the largest player by far. Additionally, W. P. Carey is regionally diversified, with 62 percent of rental income generated in the U.S. and 36 percent in Europe.

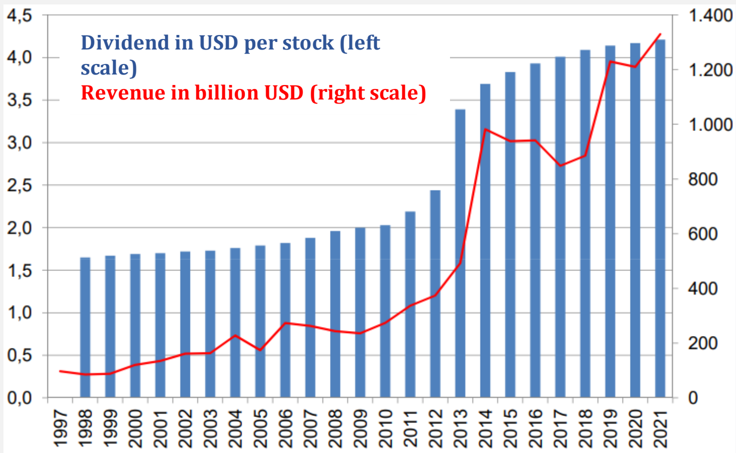
Broad Diversification as a Success Factor

W. P. Carey is extensively diversified in both its industry allocation and tenant structure. The largest share of rental income comes from industrial companies (25 percent), followed by wholesale (22 percent), office spaces (22 percent), and retail (18 percent). Within these sectors, the tenant structure is even more varied. The top ten tenants account for only 21.5 percent of the total revenue, and none of the top ten tenants stands out significantly. The U.S. self-storage company U-Haul International holds the largest share at 3.3 percent. The second to fifth positions are occupied by European tenants, including the German hardware chain Hellweg and the Andalusian regional government, which leases office buildings from W. P. Carey.

Inflation as a Burden?

The real estate company has equipped 99 percent of its leases with automatic rent increases, with 61 percent of these linked to the inflation rate. This ensures predictable rental income even during periods of high inflation. Additionally, the average remaining lease term is over ten years. W. P. Carey also benefits from low vacancy rates, with an average occupancy rate of 98 percent. Even during economic downturns, such as in 2010, the occupancy rate did not fall below 96.5 percent, reflecting the excellent quality of its locations.

Dividend and Revenue since 1997



Since its IPO in 1998, the dividend has been increased every year. In 2023, the company is expected to join the ranks of dividend aristocrats. However, the growth rates have significantly slowed in recent years. While the average increase over the past decade was 6.8 percent per year, it has slowed to only 1.3 percent over the past five years. The payout ratio stands at about 88 percent of Adjusted Funds From Operations (AFFO), which limits further dividend growth. Nonetheless, the current dividend yield remains impressive at over five percent.

W.P. Carey

Another advantage is that the properties are leased under a net lease structure. W. P. Carey provides the building, but the tenant is responsible for operating costs and property maintenance. This arrangement further enhances the predictability of income. Potential payment defaults, such as those resulting from rising energy prices—which tenants handle directly with their utility providers—are minimized.

Debt: No major loans are due before 2024, so the increased interest rates have so far had only minimal impact on W. P. Carey. However, from 2024 onward, more expensive financing could potentially affect financial results if interest rates continue to rise. Counterbalancing this, though, are further rent adjustments expected by then, which should mitigate any significant negative surprises from this side. Consequently, W. P. Carey remains a solid dividend payer.

Key Figures

ISIN	US92936U1097
Country	USA
Industry	Real Estate
Market Capitalization	16.83 billion USD
Performance over the last 10 years	+179%
Revenue Growth 5 Years p.a.	+4.2%
Earnings Growth 5 Years p.a.	-2.1%
Free Cash Flow Growth 5 Years p.a.	+12.7%
Equity Ratio 5-Year Avg.	38.8%

Dividend Data

Payout Interval / Month	Quarterly / Jan. -Apr.-Jul.-Oct.
Dividend Last Fiscal Year	4.21 USD
Dividend Yield Last Fiscal Year	5.20%
Dividend Increases / Decreases in the Last 10 Years	10 / 0
Dividend Growth 1 Year	+1.0%
Dividend Growth 5 Years	+7.1%
Payout Ratio 5-Year Avg.	167%
Foreign Withholding Tax (Reduced to an applicable 15% when deposit bank is registered as a "Qualified Intermediary")	30%

Forecasts

Figures	2021	2022e	2023e	2024e	2025e
Dividends (USD)	4.21	4.24	4.33	4.44	4.35
Dividend Yield	5.20%	5.24%	5.35%	5.49%	5.38%
Earnings per Share (USD)	2.24	2.60	2.60	2.72	
P/E Ratio	36.1	31.1	31.1	29.8	
Revenue (in billion USD)	1.33	1.46	1.61	1.78	1.95

Henkel

Stable Dividend Policy Due to Strong Brands

Henkel AG & Co. KGaA is a German consumer goods and adhesives company with global brands across three business sectors: Laundry & Home Care (detergents and cleaning products), Beauty Care (personal care), and Adhesive Technologies (adhesives). As part of a restructuring, Henkel is merging the Laundry & Home Care and Beauty Care divisions while divesting some of their sub-segments. In the medium to long term, Henkel aims to achieve annual growth of three to four percent through its own efforts, after previously targeting growth of two to four percent.

World-Renowned Brands

Henkel's offerings in the laundry and cleaning sector include universal detergents, specialty detergents, fabric softeners, and cleaning products for bathrooms and glass. Its most recognized brands are Persil, Pril, Purex, Weißer Riese, Perwoll, Fewa, Spee, Dixan, Vernel, Somat, Sidolin, Ata, Bref, and Love Nature.

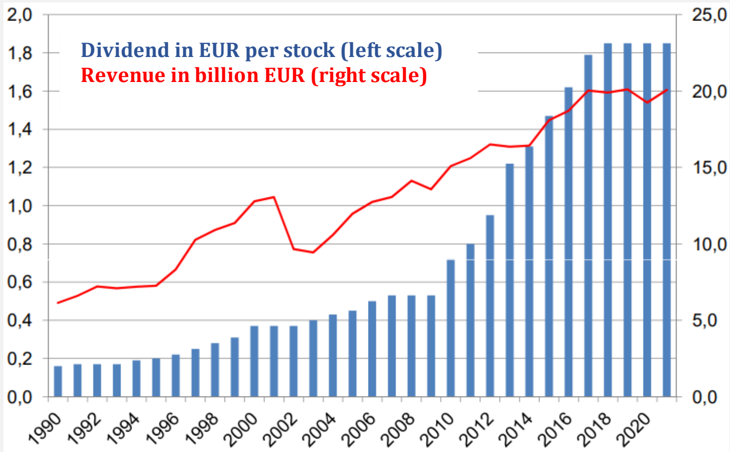
In the beauty care sector, Henkel produces products for hair, body, skin, and oral hygiene, with brands such as Schwarzkopf, Syoss, Dial, Fa, Schauma, Taft, Gliss Kur, and Diadermine. As part of the restructuring, the oral hygiene and dental care segment, including brands like Theramed, Vademecum, and Licor del Polo, was sold to the confectionery manufacturer Katjes.

Henkel's high-quality adhesives, sealants, and functional coatings are used across various industries, including aerospace, automotive, electronics, and medical technology. These products are marketed under the five brands Loctite, Bonderite, Technomelt, Teroson, and Aquence. Additionally, Henkel produces adhesives for home, school, and professional applications, with well-known brands such as Pritt, Ponal, Pattex, Ceresit, Metylan, Sista, and Tangit.

Spin-off of Russian Business

Following the outbreak of the Ukraine war, Henkel suspended its sponsorship and marketing activities in Russia and plans to divest its operations in the region. The affected business units have been spun off and will operate independently under the name Lab Industries in 2023. This separation from Henkel's global processes and systems is a prerequisite for the sale. In total, eleven factories with 2,500 employees are involved, representing approximately five percent of the company's annual revenue, or about one billion euros.

Dividend and Revenue since 1990



Henkel aims to distribute between 30 and 40 percent of its adjusted annual net income, excluding special effects, to its shareholders, depending on the company's financial situation and needs. The targeted payout ratio has been regularly achieved in recent years at around 40 percent.

Between 2011 and 2018, the dividend for the publicly traded preferred shares more than doubled, rising from €0.80 to €1.85 per share. Since then, the dividend has not been increased, but it has also not been reduced despite weaker earnings performance. Stock analysts expect dividends to rise again starting in 2023.

Henkel

Repositioning as Opportunity and Risk

Henkel's strategy is heavily focused on acquisitions. Unprofitable brands are to be divested, while profitable ones are acquired. This is a common approach in the industry, but it carries the risk of neglecting and failing to further develop strong core brands. There are still untapped reserves in terms of growth potential and profitability. On the positive side, the company benefits from relatively low debt, with an impressive equity ratio of 55 percent.

Energy Makes the Difference

The high costs of energy and raw materials are impacting profitability. Given its strong focus on Europe, the company is likely to face a persistent competitive disadvantage in terms of energy costs compared to international competitors. However, the company is actively working to reduce its dependence on natural gas as an energy source.

Key Figures

ISIN	DE0006048432
Country	Germany
Industry	Consumer Goods
Market Capitalization	27.78 billion EUR
Performance over the last 10 years	+31%
Revenue Growth 5 Years p.a.	+1.4%
Earnings Growth 5 Years p.a.	-4.5%
Free Cash Flow Growth 5 Years p.a.	-8.2%
Equity Ratio 5-Year Avg.	55%

Dividend Data

Payout Interval / Month	Yearly / Apr.
Dividend Last Fiscal Year	1.85 EUR
Dividend Yield Last Fiscal Year	2.85%
Dividend Increases / Decreases in the Last 10 Years	7 / 0
Dividend Growth 1 Year	0%
Dividend Growth 5 Years	+14.2%
Payout Ratio 5-Year Avg.	40.1%
Foreign Withholding Tax (this rate may be reduced or eliminated if there is a double taxation agreement (DTA) between Germany and the recipient's country of residence)	26.375%

Forecasts

Figures	2021	2022e	2023e	2024e	2025e
Dividends (EUR)	1.85	1.85	1.88	1.97	1.85
Dividend Yield	2.85%	2.85%	2.90%	3.04%	2.85%
Earnings per Share (EUR)	3.76	4.01	4.22	4.87	5.25
P/E Ratio	17.3	16.2	15.4	13.3	12.4
Revenue (in billion EUR)	20.07	22.43	22.18	22.69	23.27

Unilever

Globally Positioned Consumer Goods Company

Unilever has been a British company with headquarters in London since the end of 2020. The long-established dual-listed company structure, consisting of the Dutch Unilever N.V. based in Rotterdam and the British Unilever PLC based in London, is now history. However, the company continues to operate in a dual manner regarding its operational units. The food division remains in Rotterdam, while the personal care division is based in London. Unilever is the world's leading manufacturer of consumer goods. Its main business segments include the production of food, cosmetics, personal care, household, and textile care products. The company's 400 brands are sold in 190 countries and used by 2.5 billion people every day.

Some of the most well-known brands include Knorr, Lipton, Becel, Hellmann's, Ben and Jerry's, Magnum, Cornetto, Ponds, Vaseline, Dove, AXE, and SlimFast. Unilever generates over one billion euros in annual sales from twelve of these brands. In total, the company's revenue in 2022 amounted to approximately 50 billion pounds.

How Revenue is Distributed

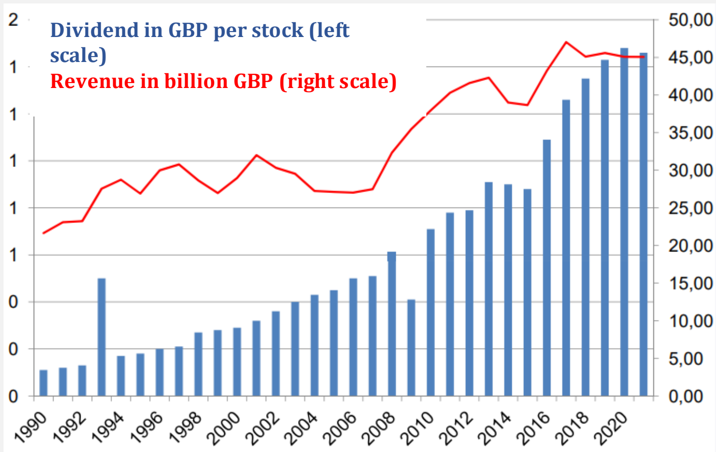
With a 42 percent share of revenue, personal care products (Beauty and Personal Care) make up the largest business segment. This includes products such as deodorants, shampoos, shower gels, hair care products, and skin creams. 38 percent of revenue is generated from food and refreshments, while household products contribute the remaining 20 percent to the total revenue. In this category, Unilever primarily produces detergents and cleaning products. The regional focus is on emerging markets, which account for 58 percent of the company's revenue.

Most of Unilever's products are daily necessities that people require regardless of economic conditions. As a result, the company enjoys relatively stable and consistent income, which is less volatile compared to businesses more dependent on economic cycles. Unilever is therefore considered part of the defensive consumer goods sector and is highly sought after by dividend investors.

Success Factor: Brand Building and Customer Loyalty

Familiar brand names foster customer loyalty, leading consumers to choose well-known brands for new products rather than switching entirely. Unilever primarily sells its products through supermarkets and drugstores, but increasingly through online channels as well.

Dividend and Revenue since 1990



Dividend continuity does not seem to be a primary focus for Unilever. Over the past ten years, there have been seven increases and three decreases in dividends. Nonetheless, the average dividend growth over this period has been 6.5 percent per year. Unilever has limited flexibility in this area, as the payout ratio has averaged around two-thirds of earnings in recent years. However, earnings forecasts for the coming years indicate promising growth, suggesting that the dividend payments should be able to follow suit.

Unilever

The company has struggled with revenue growth in recent years, largely due to economic slowdowns in many emerging markets. However, in 2022, Unilever experienced significant organic growth of over eight percent. Even prior to this, the company managed to increase both cash flow and profits. Recently, Unilever achieved a return on equity of nearly 36 percent, and the return on invested capital averaged a strong 15 percent from 2019 to 2021.

With a debt ratio of 74 percent, Unilever's debt levels are relatively high, and the rising interest rate environment is likely to increase interest expenses, negatively impacting profits. However, this is balanced by relatively predictable income streams and predominantly long-term interest rate commitments on the company's debt. In the future, Unilever will need to pay even closer attention to this during refinancing efforts, such as for its bonds.

Key Figures

ISIN	GB00B10RZP78
Country	Great Britain
Industry	Consumer Goods
Market Capitalization	105.77 billion GBP
Performance over the last 10 years	+145%
Revenue Growth 5 Years p.a.	-0.1%
Earnings Growth 5 Years p.a.	+5.0%
Free Cash Flow Growth 5 Years p.a.	+5.8%
Equity Ratio 5-Year Avg.	22.6%

Dividend Data

Payout Interval / Month	Quarterly /Mar.-Jun.-Sep.-Dec.
Dividend Last Fiscal Year	1.46 GBP
Dividend Yield Last Fiscal Year	3.49%
Dividend Increases / Decreases in the Last 10 Years	7 / 3
Dividend Growth 1 Year	-1.4%
Dividend Growth 5 Years	+33.9%
Payout Ratio 5-Year Avg.	64.8%
Foreign Withholding Tax	0%

Forecasts

Figures	2022	2023e	2024e	2025e	2026e
Dividends (GBP)	1.46	1.52	1.58	1.66	1.70
Dividend Yield	3.49%	3.64%	3.77%	3.98%	4.06%
Earnings per Share (GBP)	2.00	2.25	2.39	2.62	2.85
P/E Ratio	20.9	18.6	17.5	15.9	14.7
Revenue (in billion GBP)	45.07	52.59	54.02	55.87	58.58