



# ECOLAB<sup>®</sup>

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# ECOLAB®

## Company Overview

# Company Overview



**CLEAN WATER**



**SAFE FOOD**



**ABUNDANT ENERGY**

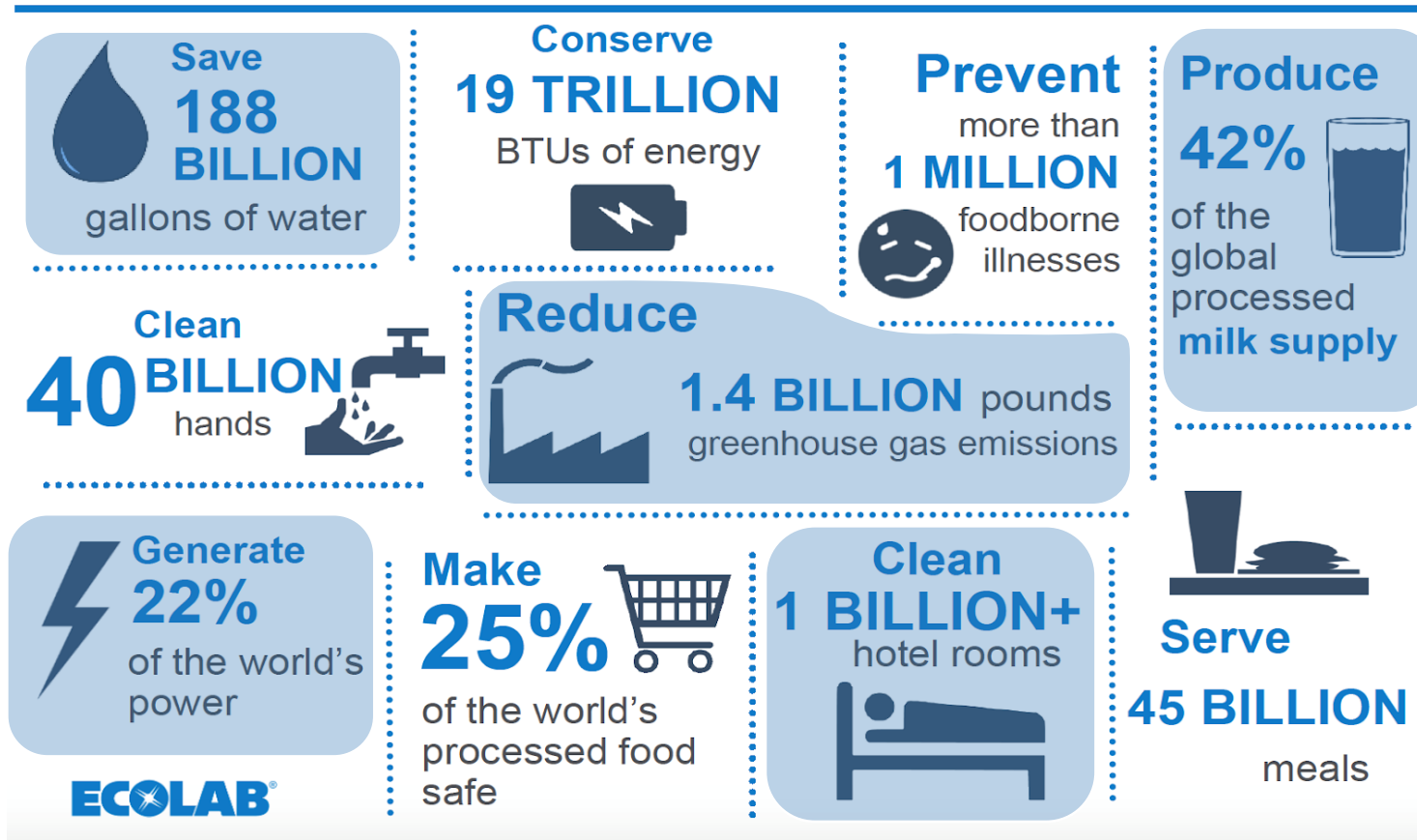


**HEALTHY ENVIRONMENTS**

# Accomplishments




## LAST YEAR, ECOLAB HELPED:



# Leadership



**Douglas M. Baker**  
**Chairman & CEO**

	2004	Present
Market Cap	\$7.2B	\$54.8B
Price	\$27.37	\$185.2B



# Awards



## Ecolab's 2019 Awards

Employer & Diversity



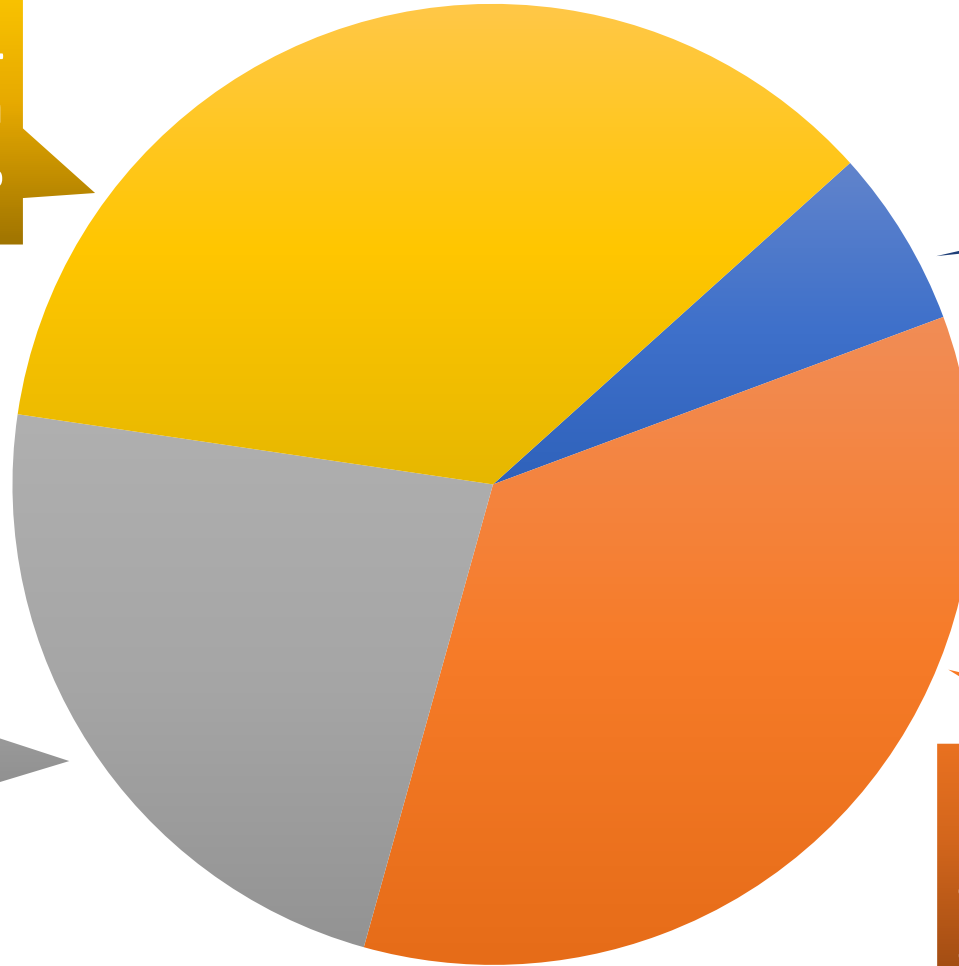
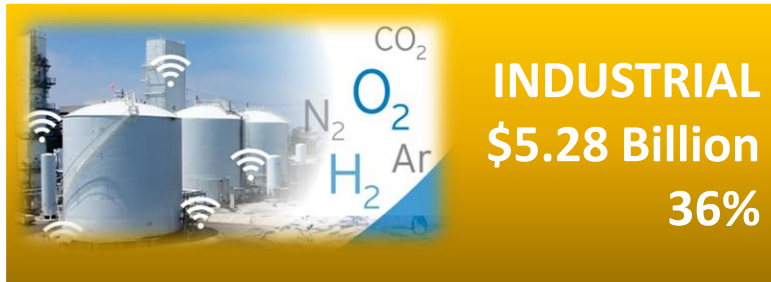
Sustainability



Ethics



# Customer Segments

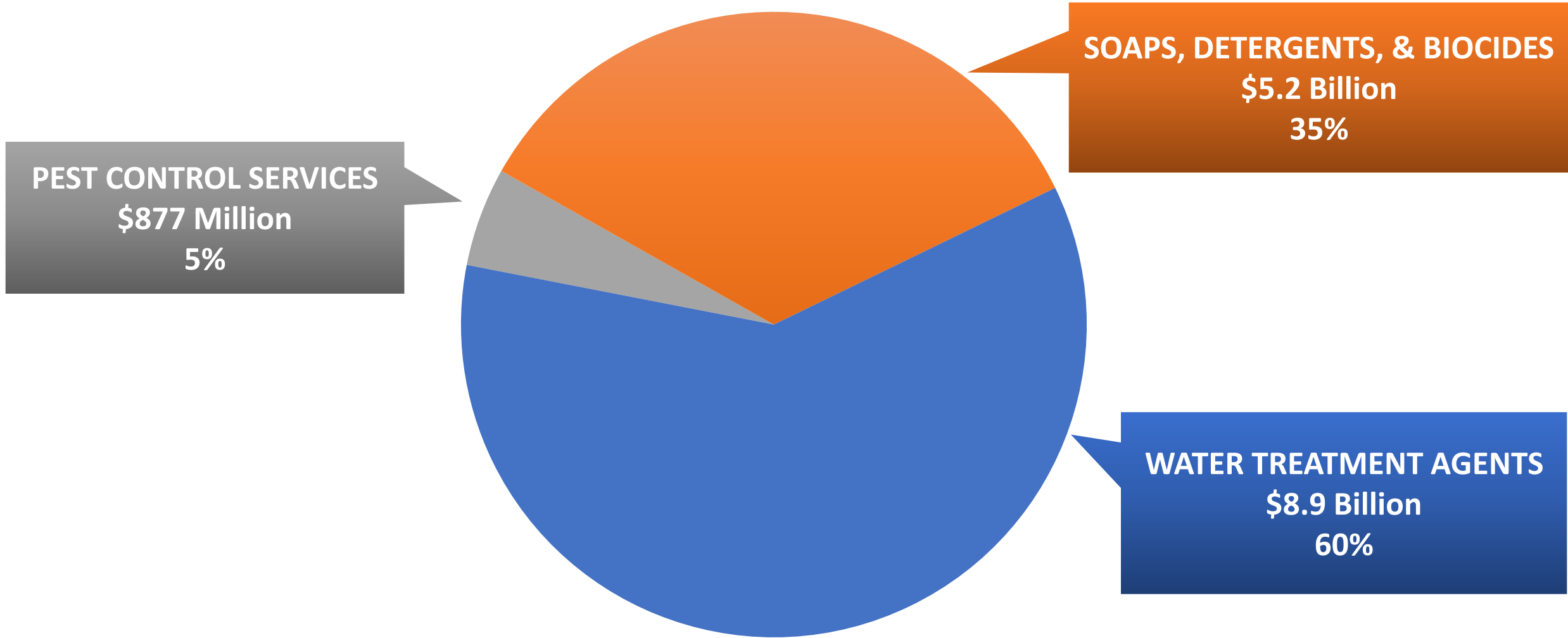


# Customers

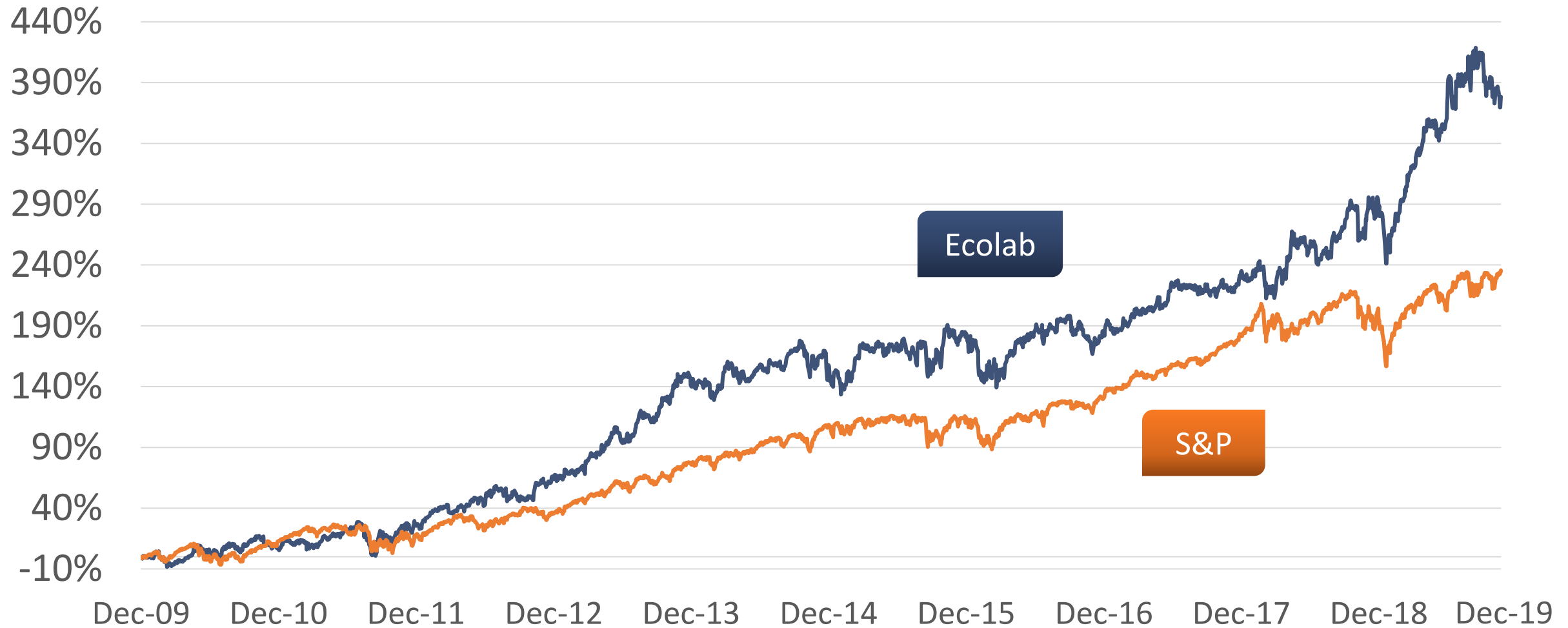





# Product Segments



# Stock Performance





# Investment Thesis

# Growth Drivers



Increasing Global Demand

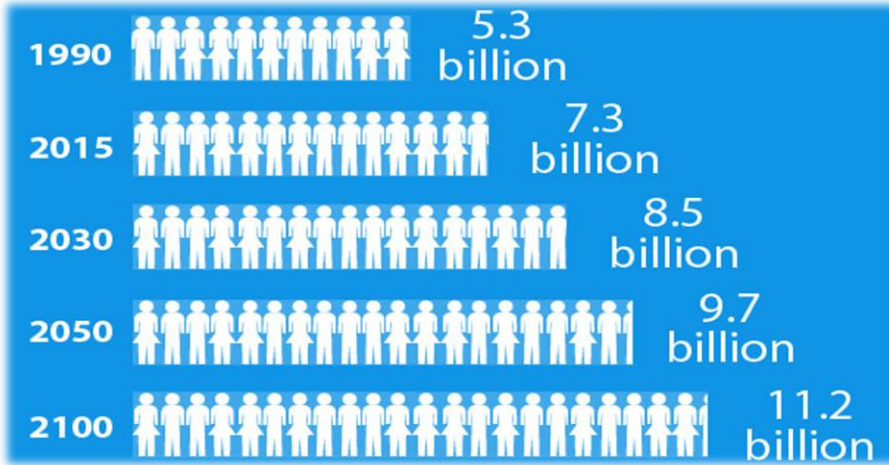


Innovation



Sustainability

# Increasing Global Demand



40% MORE FRESH  
WATER



35% MORE FOOD



25% MORE  
ENERGY

# Innovation



1,600 Scientists

9,400 Patents

Digital Solutions





# Sustainability – Emission Goal



## Zero Emissions by 2050

Electrify all vehicles

Use 100% renewable energy

Expand energy efficiency projects

Influence suppliers

# Sustainability – Marriot Hotels



## Reduction Goals

Water – 10%

Carbon – 30%

Garbage – 45%

## Solutions

Aquanomic™

3D TRASAR™

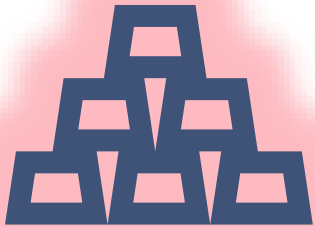
## Results

Water – 3.34B gal

CO<sub>2</sub>e – 21,500 tons

Garbage – 2M lbs

# Risks

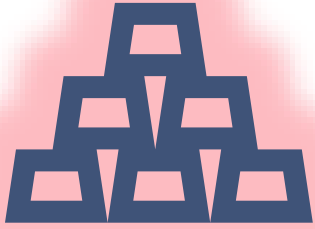


**Commodity Prices**



**Customer Consolidation**

# Risks



## Commodity Prices

Input costs and tariffs

High customer switching costs

Price flexibility

## Income Statement

**Sales**

**Cost of Goods Sold**

Gross profit

**Operating Expenses**

Selling Expenses

Total operating expenses

**Net Income**

# Risks



## Income Statement

### Sales

Cost of Goods Sold

Gross profit

### Operating Expenses

Selling Expenses

Total operating expenses

**Net Income**



## Customer Consolidation

Retention

Margins

Operations



# ECOLAB®

## Valuation



# Peer Analysis



	Market Cap (M)	EBIT (M)	P/E
<b>ECOLAB®</b>	<b>\$54,835</b>	<b>\$2,101</b>	<b>30.19</b>
<b>Peer Average</b>	<b>\$51,535</b>	<b>\$2,811</b>	<b>31.35</b>
<b>Sherwin-Williams</b>	\$54,683	\$2,185	33.72
<b>Dupont</b>	\$48,357	\$4,128	32.41
<b>Air Products and Chemicals</b>	\$51,566	\$2,121	27.93

# Valuation



## Discounted Cash Flows

Perpetual Growth Rate	4%
WACC	6-6.5%
Upside	14 - 36%
Price	\$212 - \$253

## EVA Evaluation

Sales Growth Rate	5.5%
WACC	6-6.5%
Upside	5-12%
Price	\$195-209

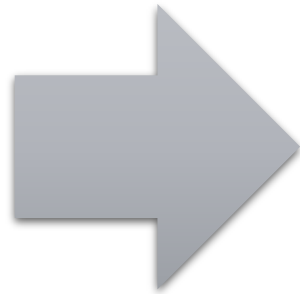
**CURRENT PRICE = \$185**

# Valuation



**DCF**

\$233



**EVA**

\$202



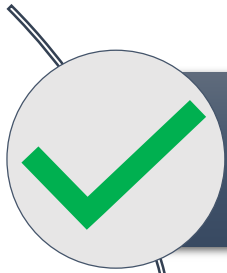
**Target Price**

\$217.50

**16% Upside**

**Target Price Range → \$203.50 - \$231**

# Portfolio Fit



Diversified Portfolio



Consistent Earnings



Strong Cash Flows

**ECOLAB<sup>®</sup>**





# ECOLAB®

## Q&A