



# WIN THE 20s THROUGH PURPOSEFUL GROWTH

CARSTEN KNOBEL, CEO – MARCO SWOBODA, CFO



# DISCLAIMER

This presentation contains forward-looking statements which are based on current estimates and assumptions made by the corporate management of Henkel AG & Co. KGaA. Statements with respect to the future are characterized by the use of words such as “expect”, “intend”, “plan”, “anticipate”, “believe”, “estimate”, and similar terms. Such statements are not to be understood as in any way guaranteeing that those expectations will turn out to be accurate. Future performance and results actually achieved by Henkel AG & Co. KGaA and its affiliated companies depend on a number of risks and uncertainties and may therefore differ materially from the forward-looking statements. Many of these factors are outside Henkel’s control and cannot be accurately estimated in advance, such as the future economic environment and the actions of competitors and others involved in the marketplace. Henkel neither plans nor undertakes to update any forward-looking statements.

This document includes – in the applicable financial reporting framework not clearly defined – supplemental financial measures that are or may be alternative performance measures (non-GAAP-measures). These supplemental financial measures should not be viewed in isolation or as alternatives to measures of Henkel’s net assets and financial positions or results of operations as presented in accordance with the applicable financial reporting framework in its Consolidated Financial Statements. Other companies that report or describe similarly titled alternative performance measures may calculate them differently.

This document has been issued for information purposes only and is not intended to constitute an investment advice or an offer to sell, or a solicitation of an offer to buy, any securities.

WIN THE 20s  
THROUGH  
*PURPOSEFUL*  
**GROWTH**

# AGENDA

- 01 Our key strengths
- 02 Shaping our future
- 03 Our performance & ambition
- 04 Wrap-up

# AGENDA

- 01**     **Our key strengths**
- 02     Shaping our future
- 03     Our performance & ambition
- 04     Wrap-up

# REASONS TO INVEST: OUR **UNIQUE BUSINESS** WITH TWO STRONG PILLARS

- Highly attractive industrial and consumer markets
- Global #1 in Adhesive Technologies
- Leading category positions in Consumer
- Winning brands, innovations and technologies
- Benefits from shared platforms and infrastructure



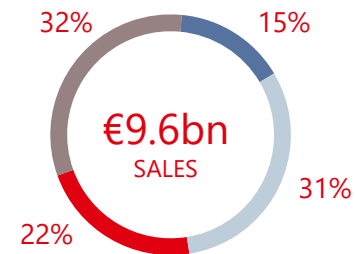
# REASONS TO INVEST: OUR **WINNING STRATEGY**

- Clear strategy to create purposeful growth
- Long-standing leadership in sustainability
- Strong team with entrepreneurial spirit
- Compelling mid- to long-term financial ambition
- Strong balance sheet
- Consistent capital allocation strategy

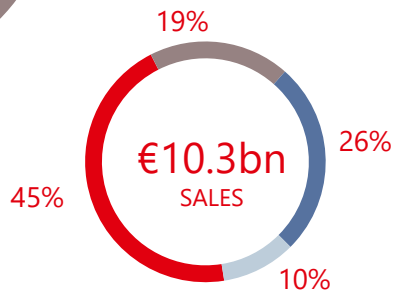


# BALANCED AND DIVERSIFIED PORTFOLIO

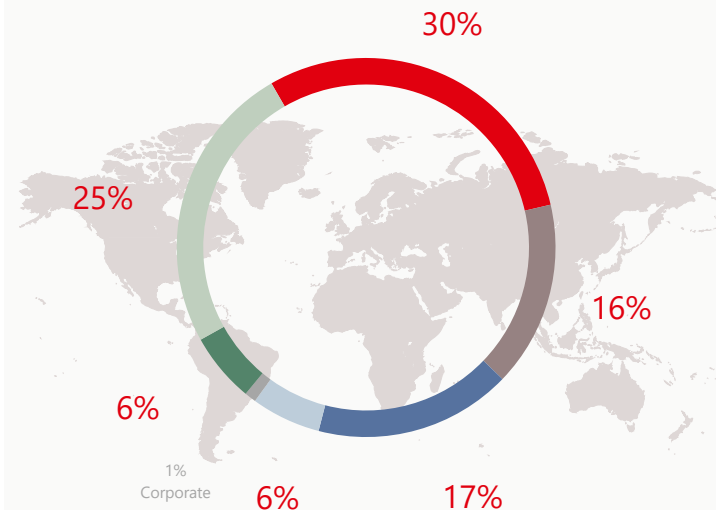
FY 2021



- Automotive & Metals
- Packaging & Consumer Goods
- Electronics & Industrials
- Craftsmen, Construction & Professional

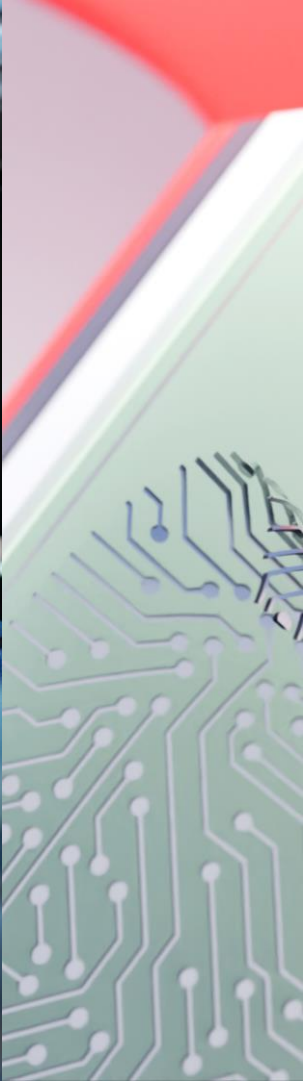


- Laundry Care
- Home Care
- Beauty Care Consumer
- Beauty Care Professional



- Western Europe
- Eastern Europe
- Asia-Pacific
- Africa/Middle East
- Latin America
- North America





# MARKET LEADER IN *ADHESIVE TECHNOLOGIES*

## **Global #1**

in bonding, sealing and  
functional coating solutions

**#1** in Automotive & Metals

**#1** in Packaging & Consumer Goods

**#1** in Electronics & Industrials

**#2** in Consumer, Craftsmen & Professional



# LEADING CATEGORY POSITIONS IN ACTIVE **CONSUMER** MARKETS

## ***Leading category positions***

in Laundry & Home Care  
and Hair

**#2** in Laundry & Home Care

**#1** in Hair Styling

**#2** in Hair Coloration

**Co-#2** in Hair Professional

# POWERFUL BRANDS

## LOCTITE

€3.1bn sales



  
Schwarzkopf

€1.8bn sales



## Persil

€1.4bn sales



### TOP 10 BRANDS SALES SHARE

**80%** in Adhesive Technologies

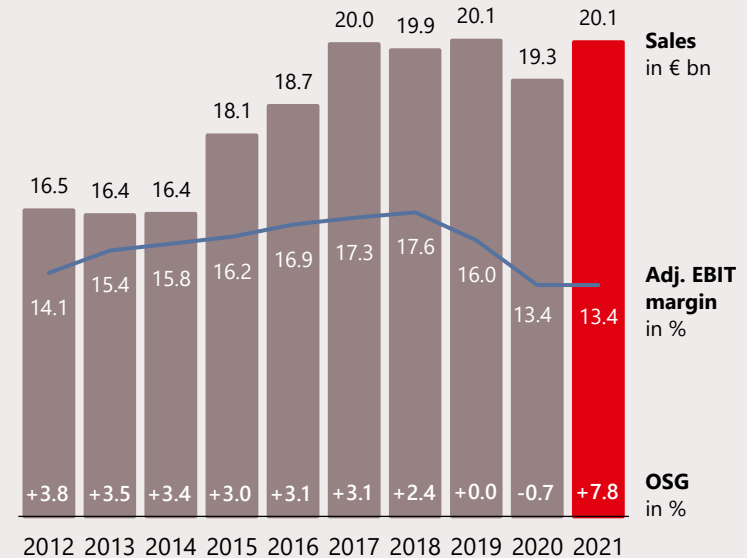
**85%** in Beauty Care

**70%** in Laundry & Home Care

# RESILIENT BUSINESS WITH PROFITABLE LONG-TERM PERFORMANCE

- Robust performance over the long term
- Performance in recent years impacted by headwinds from COVID-19 pandemic and drastically increased input costs as well as re-investments in business
- Overall exceeding topline pre-COVID levels – strong Group OSG CAGR<sup>1</sup> of 4.7% since 2019

Development of Sales, OSG and adj. EBIT margin





## LONG-STANDING LEADERSHIP IN *SUSTAINABILITY*

- Strongly rooted in long-lasting company heritage
- Significant milestones and improvements achieved
- Leading positions in top ratings for more than 20 years

**STRONG TEAM UNITED BY COMMON *PURPOSE***

**PIONEERS  
AT HEART  
FOR THE  
GOOD  
OF GENERA  
TIONS**



# CLEAR STRATEGY FOR *PURPOSEFUL GROWTH*

WINNING  
*PORTFOLIO*

COMPETITIVE *EDGE*

INNOVATION

SUSTAINABILITY

DIGITALIZATION

FUTURE-READY  
*OPERATING  
MODELS*

COLLABORATIVE CULTURE &  
EMPOWERED PEOPLE

# HIGHLIGHT **ACHIEVEMENTS** SINCE STRATEGY LAUNCH

**6**

ACQUISITIONS

**€0.5bn**

BRANDS/BUSINESSES  
DIVESTED OR  
DISCONTINUED



INCREASING DIGITAL SALES TO

**> €4bn**

REPRESENTING  
DIGITAL SALES SHARE OF >20%  
VS. 12% IN 2019

SHARE OF RENEWABLE  
ELECTRICITY OF

**68%**

VS. 11% IN 2019



**~ €3bn**

PAID TO SHAREHOLDERS  
VIA DIVIDENDS AND  
SHARE BUYBACK



STRONG NEW RANGES OF  
**SUSTAINABLE**  
PRODUCTS & SOLUTIONS





# HIGHLIGHT **ACHIEVEMENTS** SINCE STRATEGY LAUNCH



LAUNDRY & HOME CARE  
AND HAIR WITH  
MARKET SHARE GAINS OF

**+120bps**

(EXCL. NA)

**>50% p.a.**

GROWTH WITH  
ADHESIVE  
TECHNOLOGIES  
SOLUTIONS FOR ELECTRIC  
VEHICLE BATTERIES



**>98%**

TOP EXECUTIVES  
ENGAGED IN  
LEADERSHIP PROGRAMS



**MERGER**

OF CONSUMER BUSINESSES  
AHEAD OF PLAN



# TAKING THE **NEXT LEVEL** TOWARDS ***WINNING THE 20s***

## **ACHIEVEMENTS SO FAR**

- Advanced in portfolio, competitive edge, operating models and culture
- Comprehensive measures initiated to bring Purposeful Growth Agenda to the next level
- Navigating successfully through challenging environment

## **PRIORITIES GOING FORWARD**

- Successful implementation of bold steps towards portfolio, Consumer Brands value creation & sustainability
- Sustainable turnaround of consumer business in North America
- Progressive margin recovery towards mid- to long-term financial ambition

# AGENDA

- 01 Our key strengths
- 02 Shaping our future**
- 03 Our performance & ambition
- 04 Wrap-up

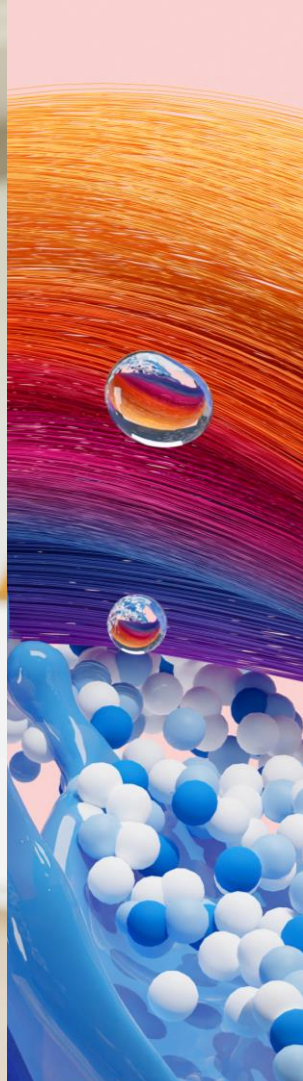
# ACCELERATING OUR **GROWTH DYNAMICS**

Drive **organic growth** by leveraging innovation and relevant market trends

Shaping portfolio of brands and businesses through **active portfolio management**

**M&A** integral part of strategy to strengthen our businesses and boost performance





# CREATING COMBINED UNIT **CONSUMER BRANDS**

**Integration progress** with organizational set-up **ahead of plan**

**Synergies of ~€500m** targeted across various levers – €250m net savings by end of 2023

Portfolio measures in implementation – **businesses of €1bn under review**

# DRIVING IMPACTFUL INNOVATIONS

Boost **innovation pipeline** by leveraging **technology leadership and consumer insights**

Increase customer proximity and accelerate innovation process with **innovation centers**

New business opportunities through **partnerships, collaborations and €150m venture capital fund II**





# FOLLOWING THROUGH ON OUR **DIGITAL STRATEGY**

Capture growth through **digital business models and platforms**

Sustain achieved level of **efficient cost structures** supported by optimized IT set-up

Further drive **industry 4.0 transformation** across businesses

# ADVANCING WITH **NEW 2030+ SUSTAINABILITY FRAMEWORK**

Aiming for **climate-positive operations by 2030**

Committed to **gender parity** across all management levels **by 2025**

Contributing with **circular use of water resource and waste materials** in our operations by 2030



## REGENERATIVE PLANET

We will enable a circular and net-zero carbon future by transforming our business, products and raw materials underpinned by science and innovation.

- CLIMATE
- CIRCULARITY
- NATURE

## THRIVING COMMUNITIES

We will help people lead a better life through the collective strength of our business and brands by supporting inclusiveness, education and wellbeing.

- EQUITY
- EDUCATION
- WELLBEING

OUR 2030+ SUSTAINABILITY AMBITION

**TRANSFORMATIONAL IMPACT FOR THE GOOD OF GENERATIONS**

PRODUCTS | PEOPLE | PARTNERSHIPS

## TRUSTED PARTNER

We will drive performance and systems change with integrity through our values-based culture, deep rooting in science and our passion for technology.

- PERFORMANCE
- TRANSPARENCY
- COLLABORATION



# ACCELERATING **GROWTH** & INCREASING **PROFITABILITY**

Compelling mid- to long-term financial ambition

ORGANIC  
SALES GROWTH

3-4%

ADJUSTED  
EBIT MARGIN

~16%

ADJUSTED  
EPS GROWTH<sup>1</sup>

mid- to high-  
single-digit %

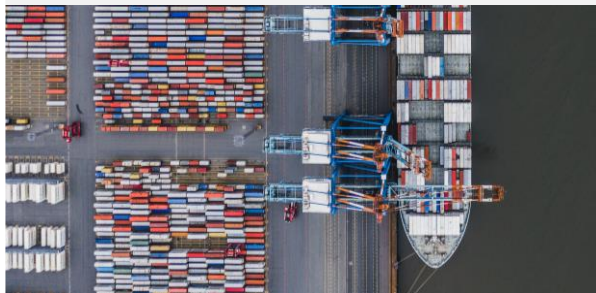


# AGENDA

- 01 Our key strengths
- 02 Shaping our future
- 03 Our performance & ambition**
- 04 Wrap-up

# OPERATING IN AN **UNPRECEDENTED ENVIRONMENT**

CONTINUED IMPACTS FROM  
GLOBAL **COVID-19 PANDEMIC**



**STRAINED SUPPLY CHAINS**  
AND DRASTIC RISE IN  
**RAW MATERIAL AND**  
**LOGISTICS COSTS**



DETERIORATING **GEOPOLITICAL**  
**SITUATION** WITH FAR-REACHING  
IMPLICATIONS

**INFLATIONARY** ENVIRONMENT  
WITH POTENTIAL EFFECTS ON  
CONSUMER BEHAVIOUR

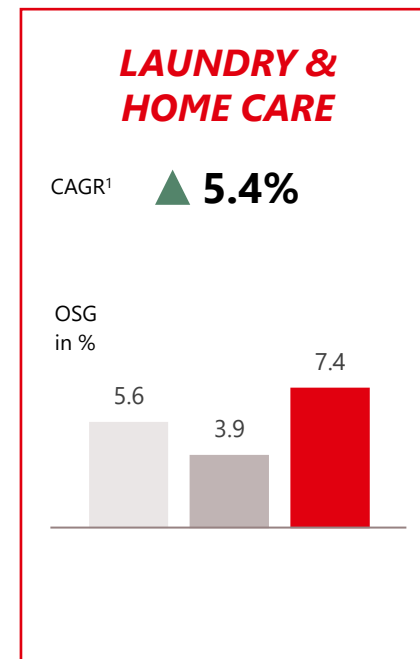
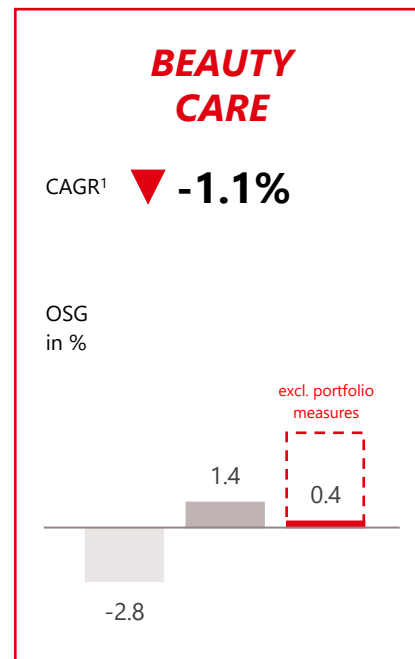
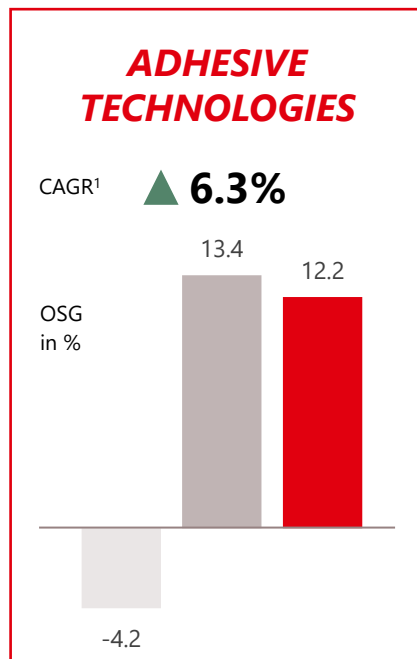
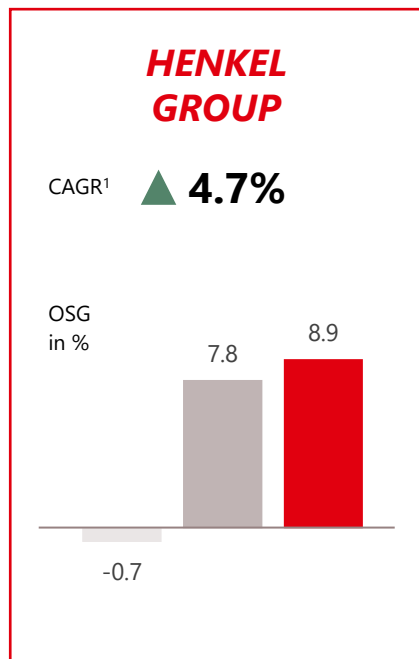
**HIGH UNCERTAINTY AND VOLATILITY**



ACCELERATING **DIGITALIZATION**  
AND INCREASING FOCUS ON  
**SUSTAINABILITY**



# STRONG OSG CAGR OVER LAST 3 YEARS – OVERALL *EXCEEDING PRE-COVID LEVELS*



# H1 2022 RESULTS

ORGANIC  
SALES GROWTH<sup>1</sup>

8.9%

Price: 10.2%  
Volume: -1.3%

Significant organic growth  
driven by strong pricing  
across all business units

ADJUSTED  
EBIT MARGIN

10.7%

Strong pricing and savings  
could not fully compensate  
for substantial direct material  
headwinds yet

ADJUSTED  
EPS<sup>2</sup>

€1.95

-20.8%  
at constant  
currencies



# UPDATED OUTLOOK 2022

## ORGANIC SALES GROWTH<sup>1</sup>

**+5.5 to 7.5%**

*+4.5 to 6.5% previously*

ADHESIVE TECHNOLOGIES      +10.0 to 12.0%  
*+8.0 to 10.0% previously*

BEAUTY CARE                      -3.0 to -1.0%

LAUNDRY & HOME CARE      +4.0 to 6.0%

## ADJUSTED EBIT MARGIN

**9.0 to 11.0%**

ADHESIVE TECHNOLOGIES      13.0 to 15.0%

BEAUTY CARE                      5.0 to 7.0%

LAUNDRY & HOME CARE      7.0 to 9.0%

## ADJUSTED EPS<sup>2</sup>

**-35 to -15%**

Reflecting high level of market uncertainty and volatility

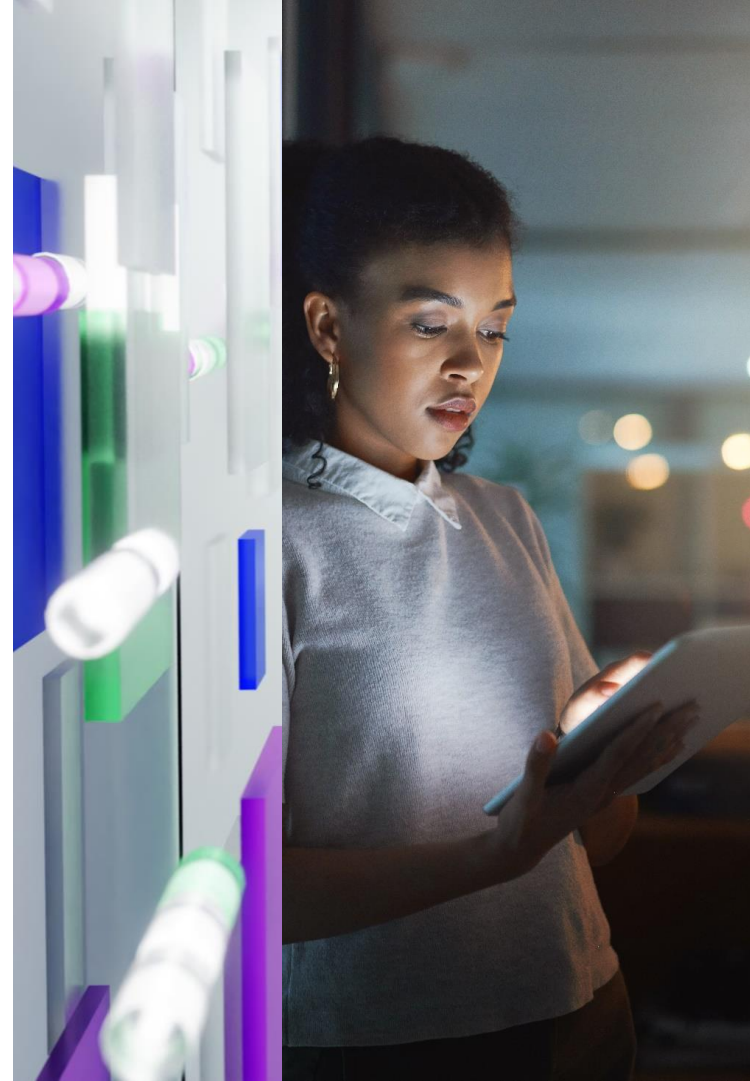
# CONTINUOUSLY SHAPING OUR *PORTFOLIO*

## ACQUISITIONS

- M&A integral part of strategy
- Clear criteria: strategic fit, financial attractiveness, availability
- Focus: new technologies in Adhesive Technologies; strengthening country/category positions and closing white spots in Consumer
- Strong balance sheet providing substantial headroom

## DIVESTMENTS / DISCONTINUATIONS

- >50 brands/businesses with sales of €0.5bn divested or discontinued
- €1bn under review
- Clear criteria: ability to win, growth, gross margin
- Exit from Russia in progress



# COMMITTED TO OUR MID- TO LONG-TERM FINANCIAL AMBITION

## Building blocks for reaching our ambitions

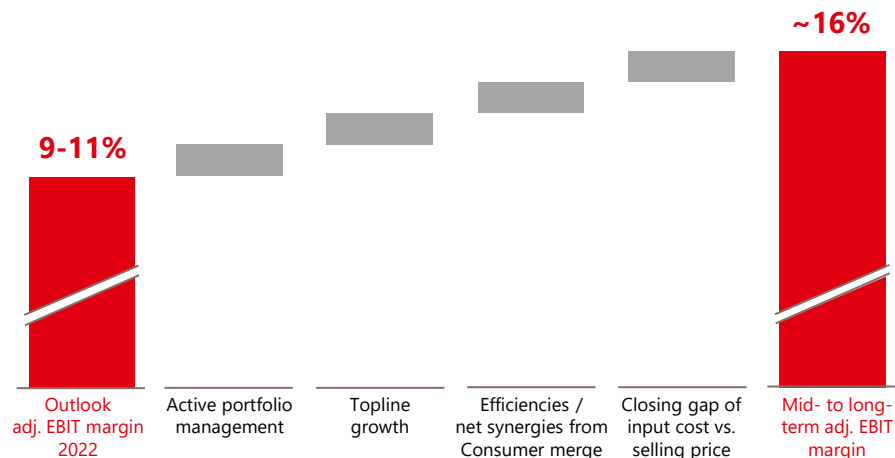
- **Investing** in our businesses
- **Shaping portfolio** with value-creating acquisitions and divestments / discontinuations
- **Merging** our **consumer businesses**
- Leveraging **innovations, sustainability and digitalization**

	HENKEL GROUP	ADHESIVE TECHN.	CONSUMER BRANDS
ORGANIC SALES GROWTH	3 to 4%	3 to 5%	3 to 4%
ADJUSTED EBIT MARGIN	~16%	high-teens %	mid-teens %
ADJUSTED EPS GROWTH	mid- to high-single-digit % at constant exchange rates, including M&A		
FREE CASH FLOW	continued focus on Free Cash Flow expansion		



# COMMITTED TO OUR MID- TO LONG-TERM FINANCIAL AMBITION

## Adj. EBIT margin bridge



### HENKEL GROUP

### ADHESIVE TECHN.

### CONSUMER BRANDS

ORGANIC SALES GROWTH	3 to 4%	3 to 5%	3 to 4%
ADJUSTED EBIT MARGIN	~16%	high-teens %	mid-teens %
ADJUSTED EPS GROWTH	mid- to high-single-digit % at constant exchange rates, including M&A		
FREE CASH FLOW	continued focus on Free Cash Flow expansion		

# CONSISTENT *CAPITAL ALLOCATION STRATEGY*

**INVESTING IN  
OUR BUSINESSES**

## ACQUISITIONS

M&A integral part of our strategy,  
backed by strong balance sheet

## DIVIDEND

Stable or increased dividend  
payout since IPO,  
stringent dividend policy

## CAPEX

Investing in growth, sustainability,  
digitalization and rationalization

## SHARE BUYBACK

Buyback program with up to € 1bn  
until end of Q1 2023

**LETTING OUR  
SHAREHOLDERS  
PARTICIPATE**

# **FINANCIAL STRENGTH AND COMPELLING *PROSPECTS***

- Balanced portfolio with proven robust performance
- Strong balance sheet
- Clear approach for active portfolio management
- Compelling mid- to long-term financial ambition
- Consistent capital allocation strategy



# AGENDA

- 01 Our key strengths
- 02 Shaping our future
- 03 Our performance & ambition
- 04 Wrap-up**

# KEY TAKE-AWAYS

- Unique business with leading market / category positions
- Powerful brands and technologies in attractive markets
- Purposeful growth agenda as catalyst for change
- Strong financial foundation
- Robust performance in unprecedented environment
- Clear commitment to drive growth and profitability



WIN THE 20s  
THROUGH  
*PURPOSEFUL*  
**GROWTH**

# THANK YOU

