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Conference Call Q4 & FY 2021, February 23, 2022

Henkel Representatives
Carsten Knobel, CEO
Marco Swoboda, CFO
Investor Relations Team

Carsten Knobel, CEO:

Dear Investors and Analysts,

good morning from Düsseldorf and a warm welcome to our conference call on the full year results 2021.

Thank you for joining us today.

Together with Marco Swoboda, our CFO, I would like to talk you through our FY 2021 presentation and answer your questions.

DISCLAIMER

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Before we start, I would like to remind everyone that this presentation which contains the usual formal disclaimer to forward-looking statements within the meaning of relevant US legislations can be accessed via our website at henkel.com/ir.

The presentation and discussion are conducted subject to this disclaimer.
I will not read the disclaimer, but we take it as read into the record for the purpose of this conference call.

KEY TOPICS TODAY

WIN THE 20S THROUGH PURPOSEFUL GROWTH

RESULTS FY 2021 & OUTLOOK 2022

- Good performance in FY 2021
- Outlook 2022: strong top-line momentum, while earnings impacted by input cost inflation

PROGRESS STRATEGIC FRAMEWORK

- Implementation of Purposeful Growth Agenda well on track
- Clear priorities to further advance to the next level of execution

WAY FORWARD

- Driving creation of Henkel Consumer Brands with full force
- Stepping up with 2030+ Sustainability Ambition Framework

Henkel

What are the key topics, we will present to you today?

First, we will take a closer look at the final 2021 results as well as the outlook for 2022.

Henkel delivered a good performance in 2021 in a highly demanding market environment an the outlook for 2022 is unchanged compared to the announcement end of January.

Second, we will report on our progress in the implementation of our Strategic Framework, which is well on track.
We will also outline the priorities we have set to advance to the next level of our Purposeful Growth Agenda.

And finally, with Henkel Consumer Brands and our new 2030+ Sustainability Ambition, we will highlight two of our key initiatives that will shape our way forward.

AGENDA

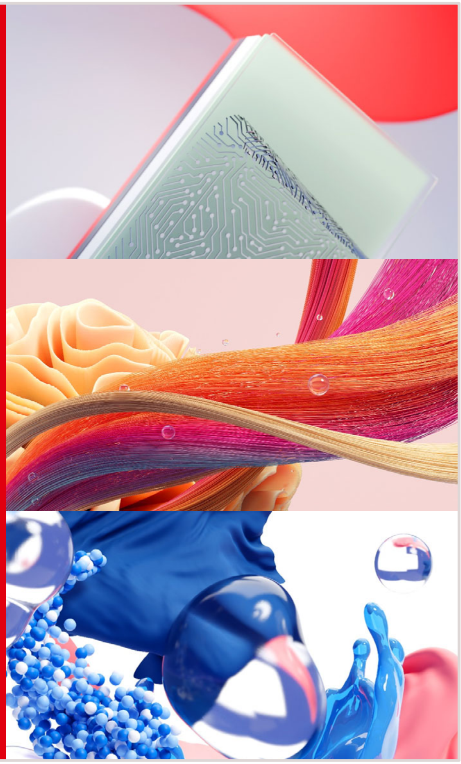
01 Results Full Year 2021

02 Outlook 2022

03 Strategic Framework

04 Key Take-Aways & Closing

4 HENKEL FY 2021



Starting with the key financials in the full year 2021.

GOOD PERFORMANCE IN CHALLENGING ENVIRONMENT
FY 2021

ORGANIC SALES GROWTH	ADJUSTED EBIT MARGIN	ADJUSTED EPS[1]	FREE CASH FLOW	DIVIDEND[2]
7.8%	13.4%	€4.56	€1.5 bn	€1.85
Significant organic growth supported by all business units	Strong volume growth and pricing / savings offsetting accelerated headwinds from direct material prices	+9.2% at constant currencies	Net financial position improved to €-0.3 bn	Sustaining track record of at least stable pay-out

5 HENKEL FY 2021

[1] Per preferred share [2] Proposal per preferred share to shareholders at AGM on April 4, 2022

Henkel

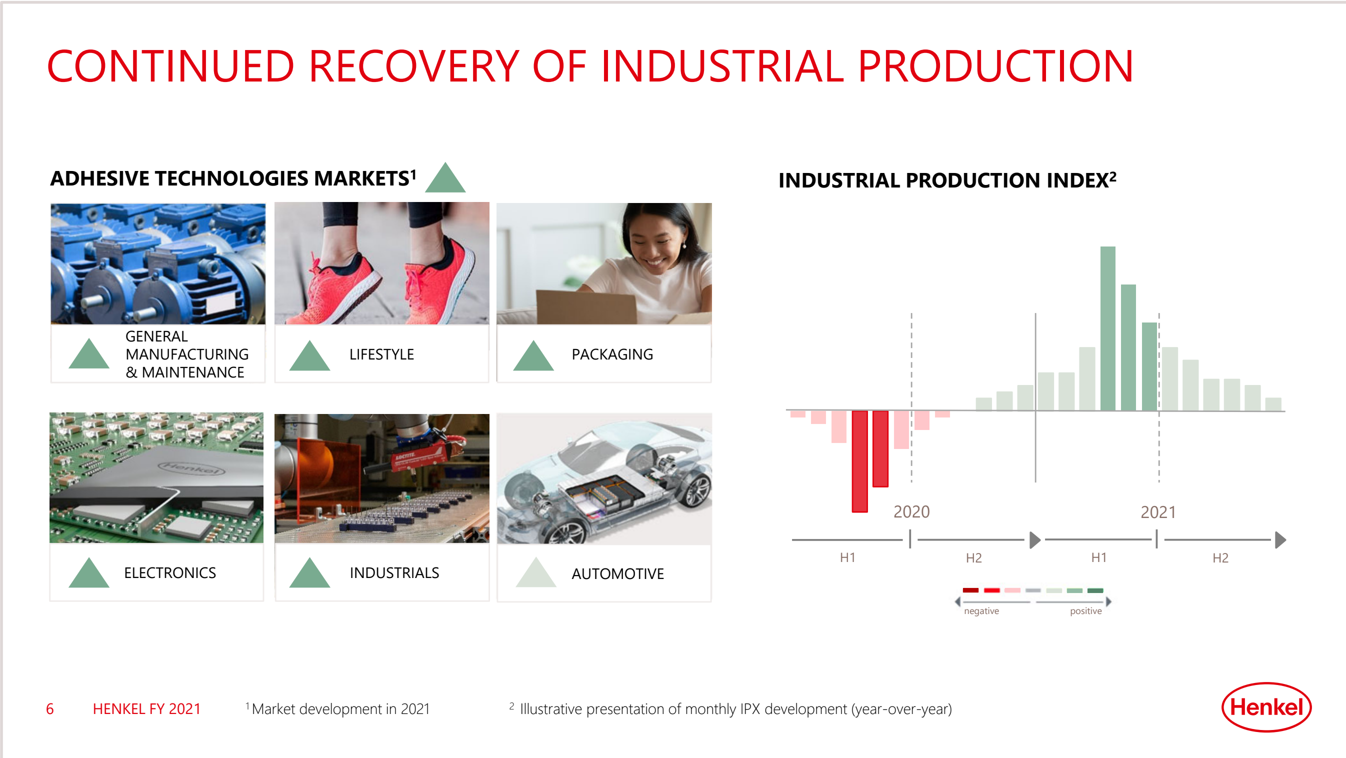
Henkel Group sales advanced to 20.1 billion euros and we achieved significant organic sales growth of 7.8%, with growth across all three business units.

We kept the adjusted EBIT margin stable at 13.4 percent, thanks to strong volume expansion and pricing and savings initiatives. With this we could offset the accelerated headwinds from direct material prices.

Adjusted EPS improved by 9.2 percent at constant currencies.

We generated a free cash flow of 1.5 billion euros, ending the year with a further improved net financial position of -300 million euros.

With a dividend proposal of 1.85 euros per preferred share we will also sustain our long-term track record of increasing or stable dividend payouts.



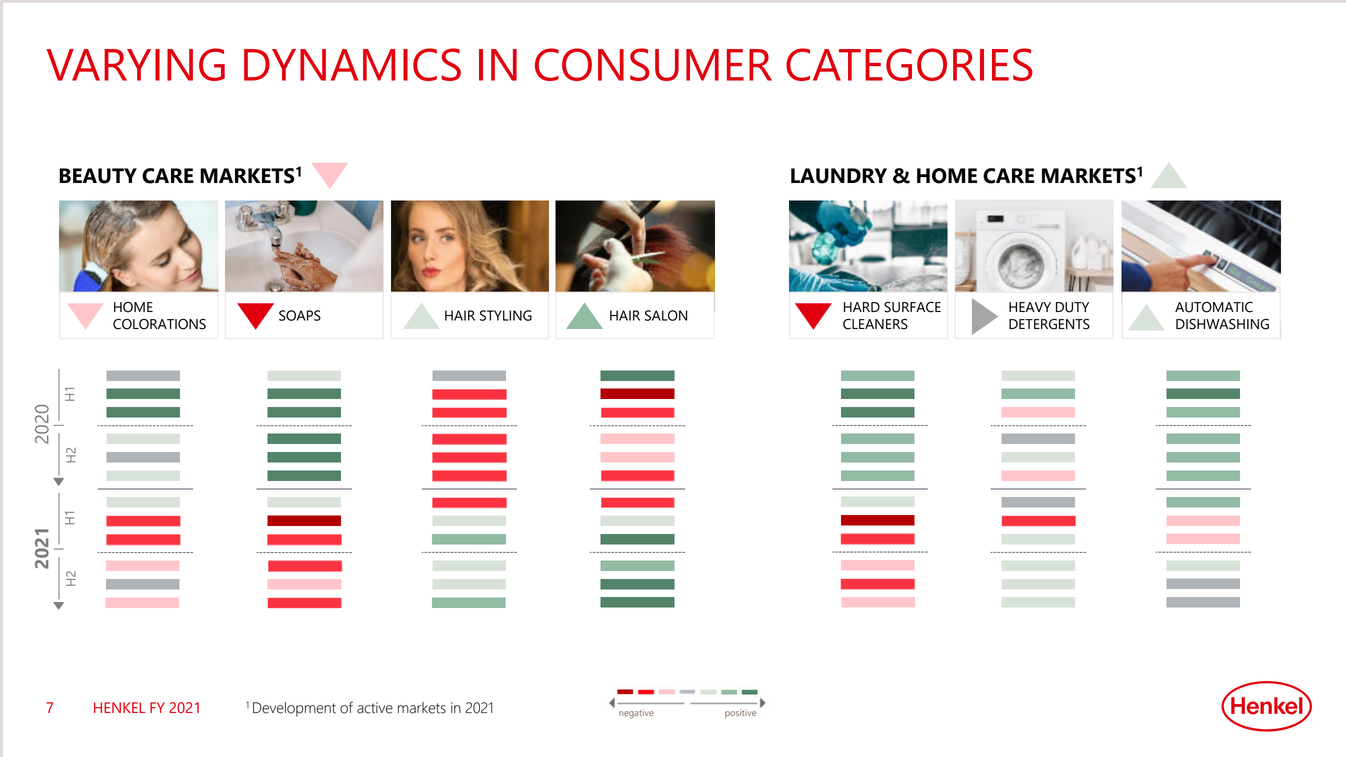
Let us have a closer look at the business environment we were operating in.

Throughout 2021, we experienced a strong economic recovery with a broad-based improvement of industrial demand across regions and sectors.

Overall, the industrial production index increased by about 7% in 2021, compared to a decline of more than 3% in 2020.

The second quarter saw the strongest expansion rates versus a particularly low prior year basis.
And since the economic recovery had started to accelerate from Q3 last year, growth dynamics slowed in the course of the second half year to 5% versus 11.4% in the first half.

While most industrial markets performed well, selected industries such as Automotive were held back by supply shortages, especially in the second half of the year.



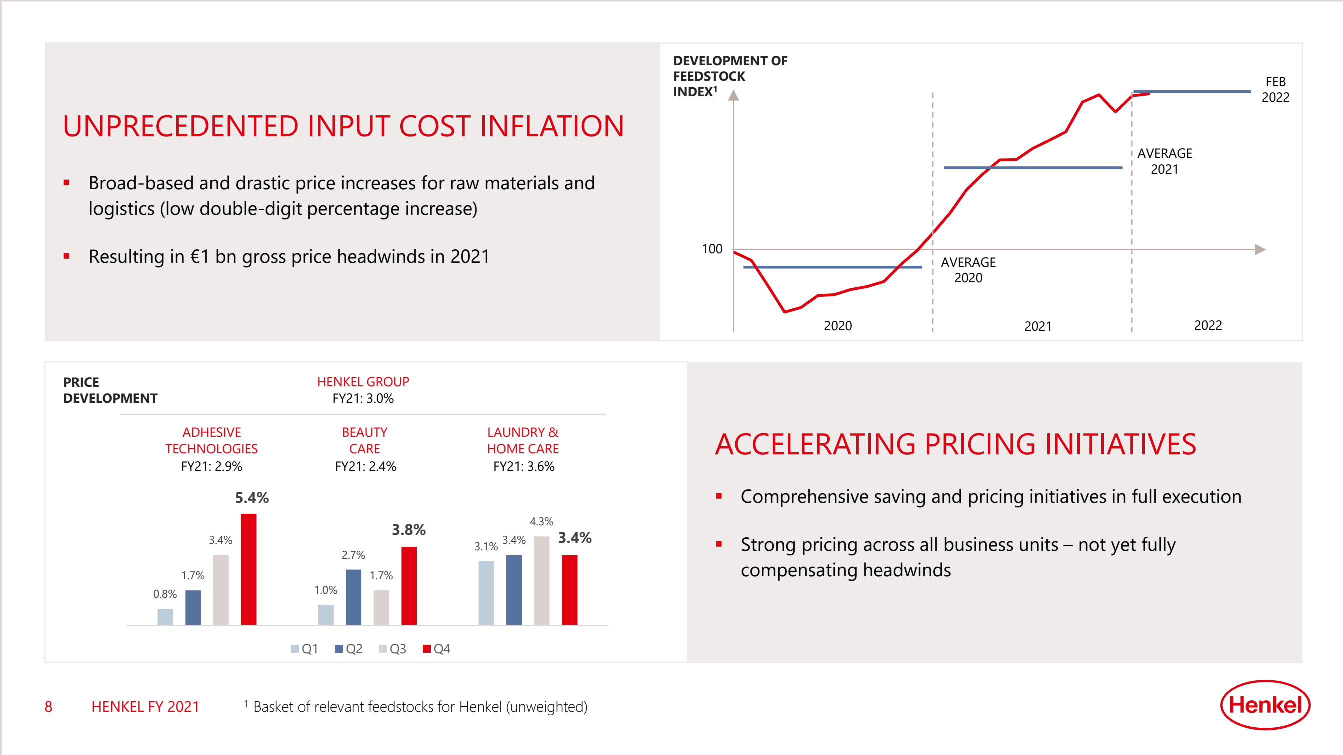
Turning to our consumer markets, where we saw varying dynamics throughout 2021.

As a result of increasing vaccination rates in many countries with many restrictions lifted across our key regions, consumer behaviour and demand were normalizing as the year progressed.

Nevertheless, our relevant markets in Beauty Care developed slightly negative in 2021. This was in particular due to a significant decline of the soap market in key regions like Western Europe and North America, which were affected by the strong unwind of 2020 peak demand levels.
Our relevant Laundry & Home Care markets were slightly positive in 2021 with differentiated developments across regions and categories.

Generally, the overall picture did not change throughout the year:
Demand was lower in most of the categories which had benefitted from pandemic-related elevated demand levels – such as home colorations, soaps or hard-surface cleaners.
In contrast, hair styling and especially the hair salon market continued the strong recovery which started in Q2.

Heavy Duty Detergents markets were robust with a stable development, Auto Dishwashing on the other hand continued to grow in 2021.



At the same time, we faced an unprecedented input cost inflation.

Prices for raw materials and logistics were significantly increasing throughout the year 2021 – with broad-based movements across the different raw materials classes and regions.

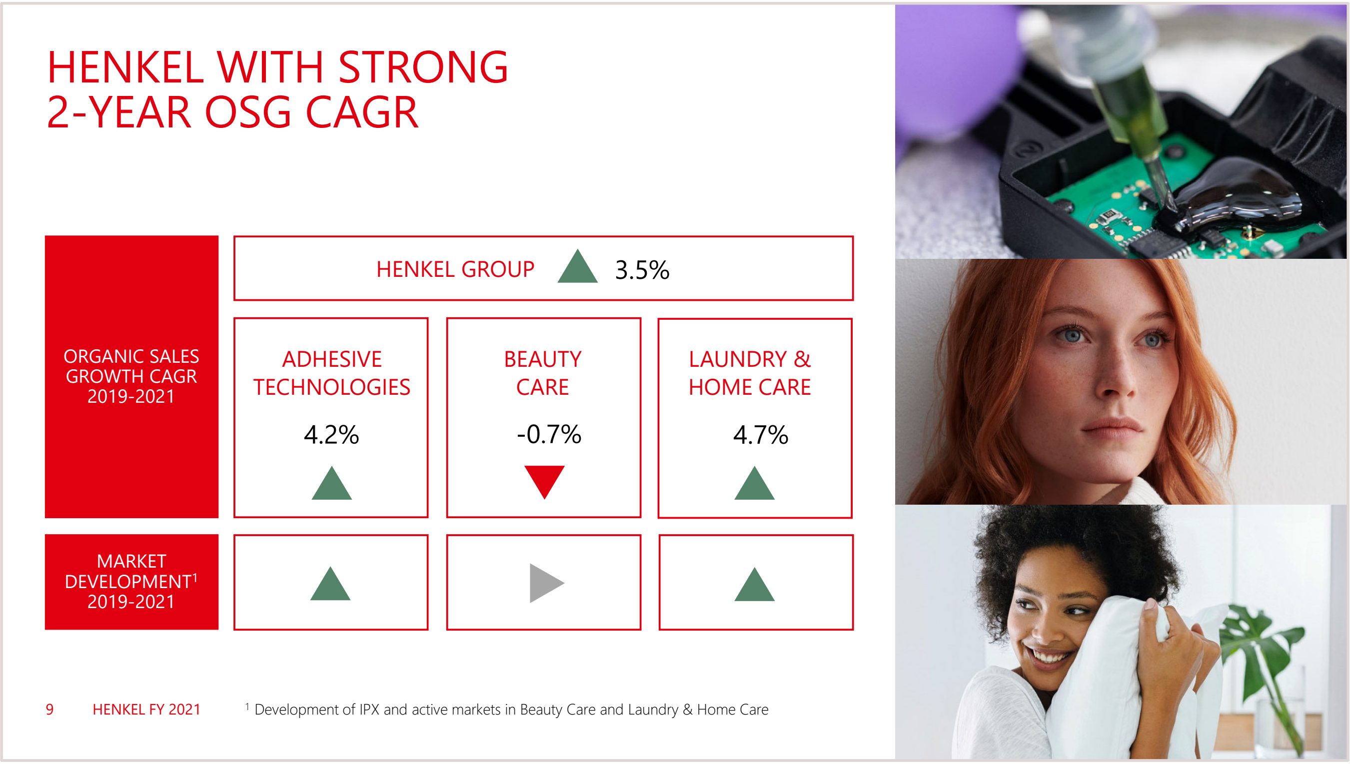
On average, prices for direct materials were up by a low double-digit percentage versus prior year leading to gross price headwinds of around 1 billion euros in fiscal 2021.

We work very hard to limit the impact on Henkel's profitability with comprehensive savings in the supply chain and especially pricing initiatives.

These measures are in full execution – resulting in strong pricing across all business units with an accelerating trend throughout 2021.
However, since our pricing initiatives are materializing with a certain time delay, they could not yet fully compensate for the drastic headwinds.

Raw material prices continued to climb towards year-end and remained at plateau levels since then – with a highly uncertain outlook for the upcoming months.

This means further significant cost pressures in 2022, in particular in the first half year, which we will address with another step-up in pricing and savings initiatives.
However, again with a certain time lag.



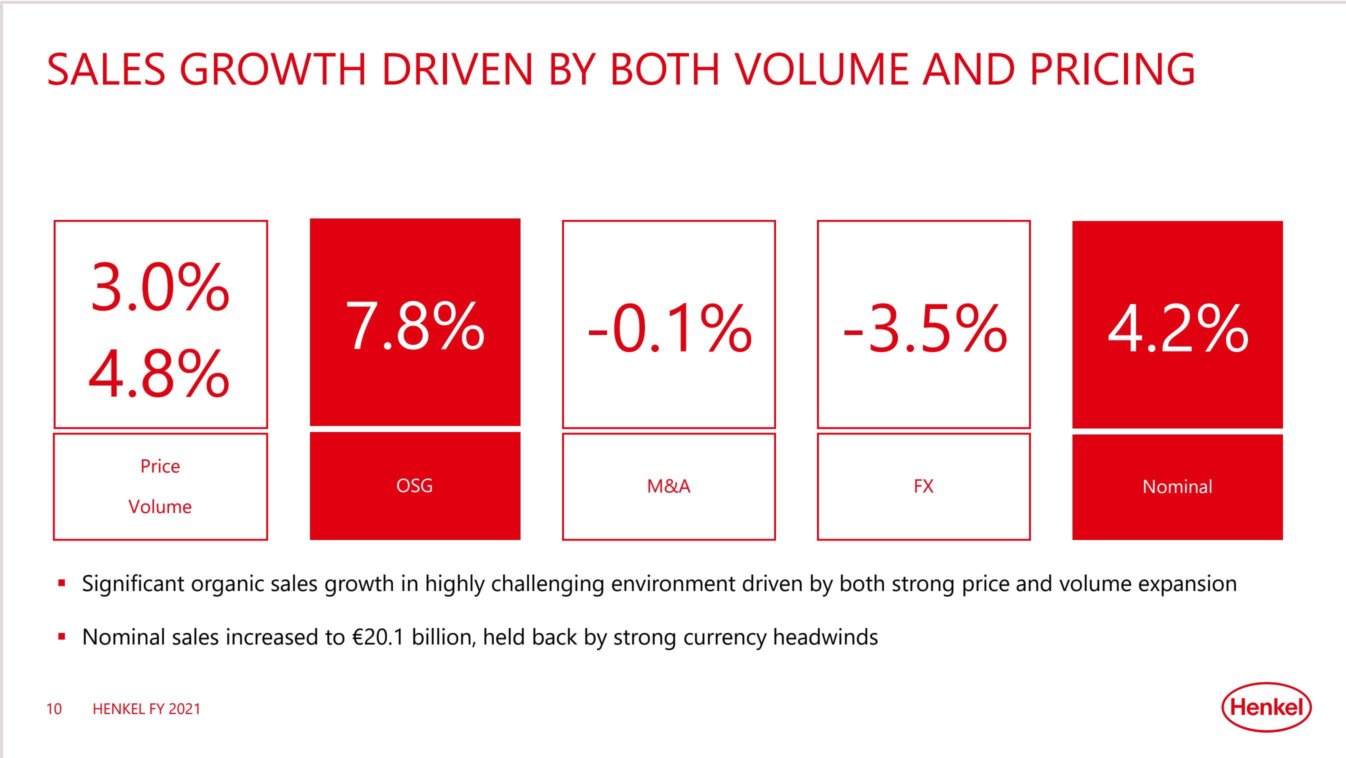
But how does our sales performance compare to the pre-COVID situation?

What you see here is, over the 2-year horizon, Henkel achieved an overall strong compound annual growth rate in organic sales of 3.5 percent – in line with our new mid- to long-term ambition.

Adhesive Technologies and Laundry & Home Care clearly exceeded pre-COVID levels across all business areas with a CAGR of more than 4 percent.
Over the same two-year-period, the Industrial Production Index showed a compound annual growth rate of 0.8 percent – not including price effects. And the relevant Laundry & Home Care markets grew by close to 4 percent.

In contrast, Beauty Care is slightly below its 2019 levels, which is not a satisfying performance. But to put this into perspective, the development of our active markets was overall flat over that period.
It is worth noting that the business unit and both Consumer and Professional were ahead of the respective pre-COVID levels in the third and the fourth quarter, as already highlighted our conference call before, the Q3 call.

With that, let me hand over to you, Marco.



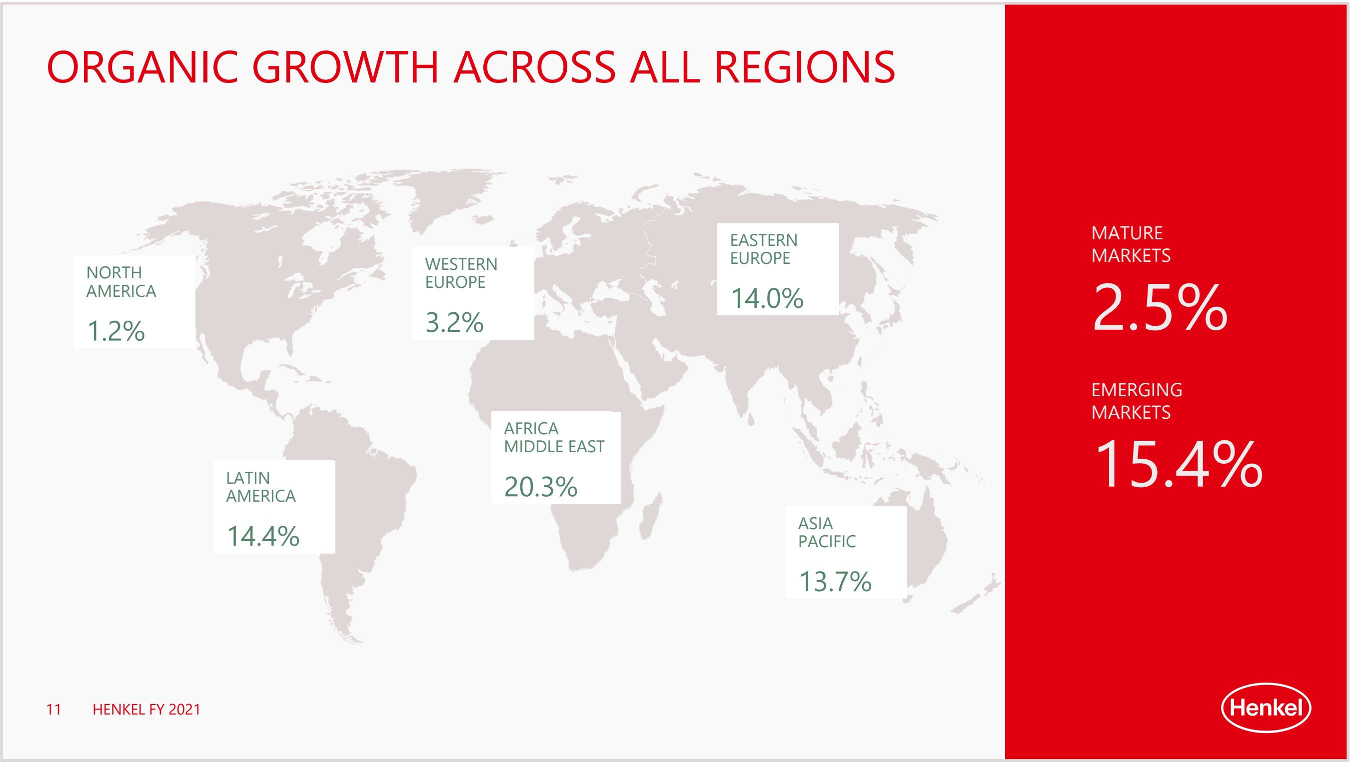
Marco Swoboda, CFO:

Thanks Carsten, and good morning also from my side to everybody on the call.

Let me provide some more color on our financial performance in fiscal 2021.
As Carsten said in his introduction, I will keep it short and focus on the key developments.

In a challenging environment, we achieved significant sales growth of 7.8%, driven by both strong pricing of 3.0% and volume increases of 4.8%.

The net effect of our acquisitions / divestments was broadly flat.
Currencies, however, were a strong headwind at minus 3.5%, bringing the nominal sales development to grow by 4.2%.



Let’s look at the regional picture. In 2021, we recorded organic sales growth across all regions.

Organic growth was even double-digit in the emerging markets and in each of the Middle East / Africa, Latin America, Eastern Europe and Asia-Pacific regions.

North America recorded an organic sales growth of 1.2%, mainly driven by double-digit growth in Adhesive Technologies, while our Consumer businesses were below previous year’s levels.

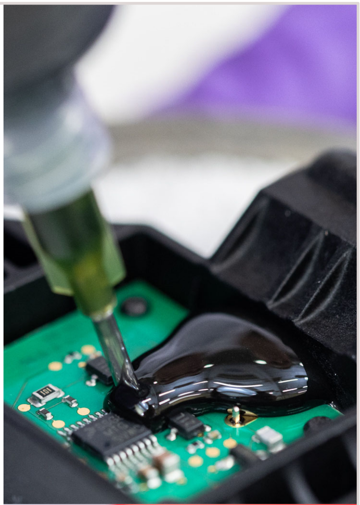
Western Europe was up by 3.2%, largely a result of significant growth in Adhesive Technologies.

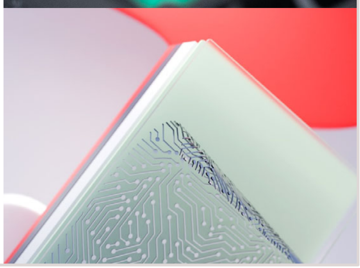
ADHESIVE TECHNOLOGIES

FY 2021

ORGANIC SALES GROWTH		ADJUSTED EBIT MARGIN	
13.4%	Price: 2.9% Volume: 10.5%	16.2%	Change y-o-y: +100 bps

- Double-digit growth across all business areas and supported by all regions
- Growth driven by significantly higher volumes and accelerating pricing throughout the year
- Adj. EBIT margin improvement driven by double-digit volume recovery and despite drastic raw material cost headwinds





12 HENKEL FY 2021

Looking at the business units, starting with Adhesive Technologies. Backed by the continued broad-based recovery of industrial demand, Adhesive Technologies achieved organic sales growth of 13.4% with double-digit growth across all business areas and supported by all regions.

Growth was predominantly driven by a double-digit increase of volumes but also with a strong contribution from pricing which accelerated quarter over quarter.

Thanks in particular to the strong expansion of volumes and resulting positive operating leverage effects as well as price increases, we were able to compensate the drastic input cost headwinds.

The business unit closed the year with an adjusted EBIT margin of 16.2%, corresponding to an improvement of 100 basis points year-over-year.

BEAUTY CARE

FY 2021

ORGANIC SALES GROWTH	Price / Volume	ADJUSTED EBIT MARGIN	Change y-o-y
1.4%	Price: 2.4% Volume: -1.0%	9.5%	Change y-o-y: -50 bps

- Strong comeback in Professional with double-digit growth across all regions
- Consumer overall below previous year with mixed developments across categories
- Adj. EBIT margin slightly below prior year impacted by lower gross margin and higher investments in marketing and advertising

Beauty Care recorded positive organic sales growth of 1.4%, driven by pricing and mix while volumes were slightly negative.

Following a significant decline in sales last year, our Professional business showed a strong comeback in fiscal 2021 with double-digit growth across all regions.

Our Consumer business ended the year below the prior-year period, with mixed developments across categories.
Key driver was the significant decline in key markets Western Europe and North America in Body Care.
In contrast, our Hair Cosmetics business achieved good growth overall, in particular driven by a very strong recovery of Hair Styling and good growth in Hair Care.

The adjusted EBIT margin came in at 9.5%, 50 basis points below the level of 2020, impacted by a lower gross margin as well as increased investments in marketing and advertising.

LAUNDRY & HOME CARE

FY 2021

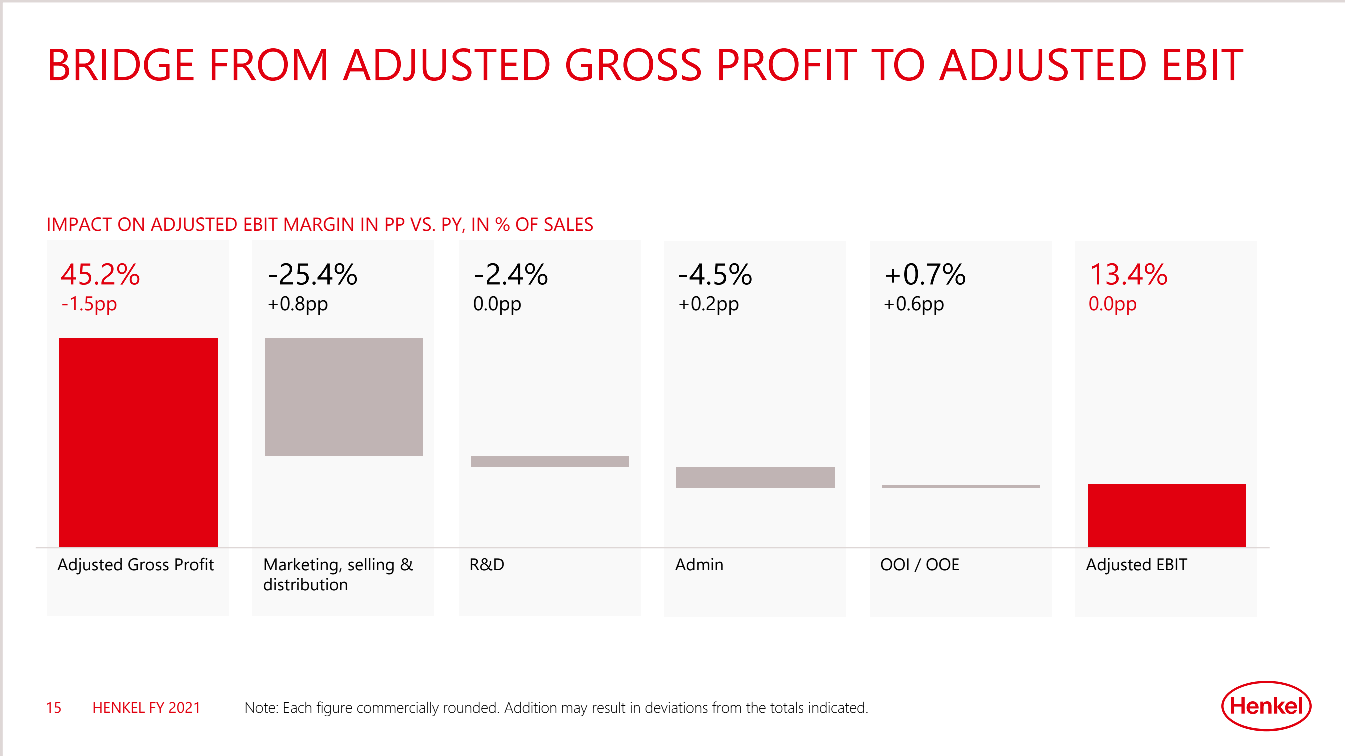
ORGANIC SALES GROWTH		ADJUSTED EBIT MARGIN	
3.9%	Price: 3.6% Volume: 0.3%	13.7%	Change y-o-y: -130 bps

- Growth driven by pricing with strong organic growth in both Laundry Care and Home Care
- Record market shares in Europe, MEA and APAC – all regions growing except for NA
- Adj. EBIT margin lower due to unprecedented raw material/logistics price increases not yet compensated by pricing and savings initiatives

Closing the business unit review with Laundry & Home Care, which continued its strong organic sales performance with growth of 3.9%, predominantly driven by pricing.
Both Laundry Care and Home Care recorded strong organic growth.

The business unit grew in all regions – except for North America – and even achieved new record market shares in Europe, Middle-East/Africa and Asia-Pacific.

The adjusted EBIT margin declined by 130 basis points to a level of 13.7%.
This was due to the unprecedented raw materials and logistics price increases which could not yet be offset by pricing and savings initiatives.

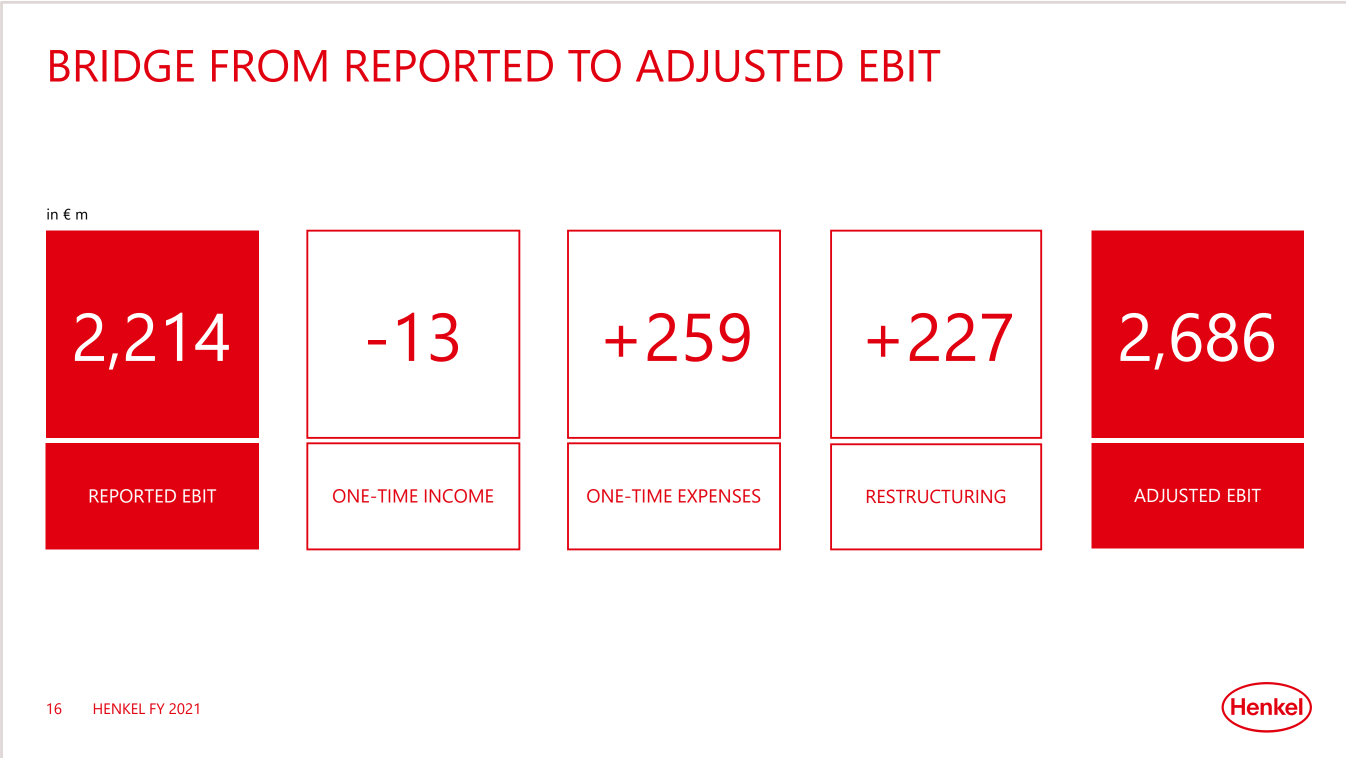


Back to the Group financials, taking a closer look at the components of the adjusted income statement:

Against the background of drastic and broad-based price increases for direct materials, Group adjusted gross margin was down by 1.5 percentage points to a level of 45.2%.

Marketing, selling and distribution expenses increased by 1.1% in absolute terms but decreased by 80 basis points to a level of 25.4% as a percentage of sales due to higher nominal sales achieved.
Investments in marketing and advertising were almost stable overall.

In total, the adjusted EBIT margin was stable at 13.4% despite the significant headwinds from increased direct material prices.



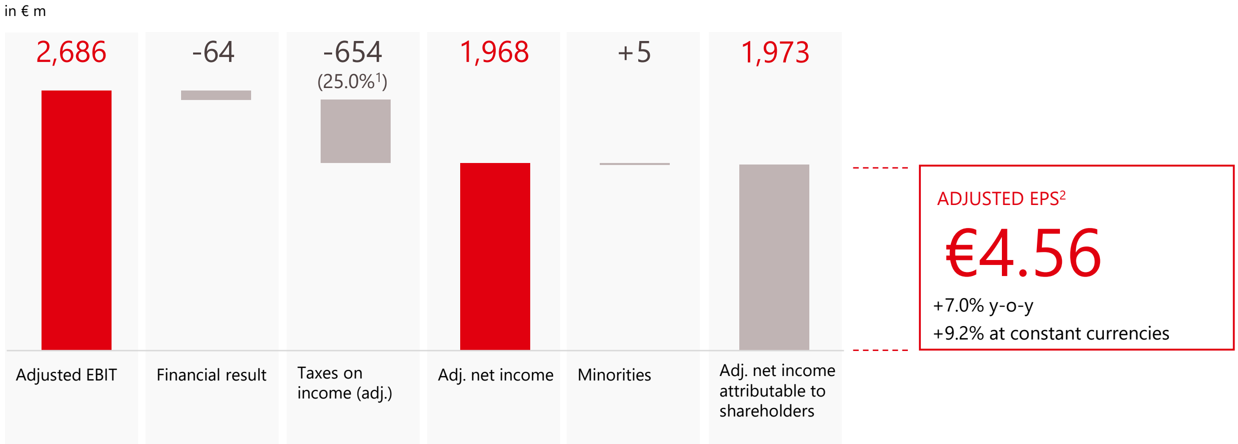
On to the bridge from reported to adjusted EBIT.

One-time expenses totaled 259 million euros and mainly relate to a non-cash impairment of a Beauty Care technology with uncertain future usability, acquired back in 2017.

Restructuring expenses amounted to 227 million euros, slightly below the prior year level. Main focus was on optimizing our production and distribution structures as well as on the strategic realignment of our digital and IT organization.

As a result, reported EBIT overall increased by about 10 percent to a level of 2.2 billion euros.

EARNINGS PER SHARE SIGNIFICANTLY INCREASED



 [1] Adjusted tax rate [2] Per preferred share

Adjusted EBIT improved by about 4% to almost 2.7 billion euros.

The financial result came in at minus 64 million euros, up from minus 94 million euros in the previous year. The delta was mainly due to lower US dollar financing costs.

The adjusted tax rate of 25.0% did not materially change year-over-year.

Finally, adjusted net income after minorities amounted to 2.0 billion euros.

This translates into adjusted earnings per preferred share of 4.56 euros, which is 7.0% above the prior-year level or, at constant exchange rates, a plus of 9.2%.

STRONG WORKING CAPITAL, CASH FLOW AND LOW NET DEBT

NET WORKING CAPITAL	FREE CASH FLOW	NET FINANCIAL POSITION
2.2%	€1,478 m	€-292 m
Change y-o-y	Change y-o-y	Change vs. year-end
+150 bps	-€862 m	+€596 m

- Normalization of net working capital compared to extraordinary low 2020 levels, 150 bps below pre-COVID level
- Good free cash flow despite working capital expansion with further reduced net debt level
- Successful placements of sustainability-linked bonds totaling €720 m at attractive conditions: first bonds issued under new Sustainable Finance Framework

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Moving on to our key cash KPIs.

For the Henkel Group, the ratio of net working capital to sales reached 2.2%, and that equivalets to an increase of 150 basis points year-over-year.

As said during our full year call in March 2021, the prior-year level was extraordinary low due to an unusual net working capital pattern and quarterly business phasing.
We had expected these effects to reverse in 2021, which occurred in the first half year.
In addition, the net working capital position was influenced by the strong sales growth, compared to a prior-year period which had recorded a sales decline.

As a result of these net working capital effects, and partially offset by the improved operating profit, we recorded a free cash flow of 1.5 billion euros.

Mainly thanks to our free cash flow generation and despite the stable dividend payout of about 800 million euros to our shareholders, our net debt levels further reduced to 300 million euros.

A milestone in the area of sustainable finance was the successful issuance of two sustainability-linked bonds with a total volume of 720 million euros – making Henkel the first company in its sector to place such a eurobond.
The placements are based on the new "Sustainable Finance Framework" which defines the conditions for issuing so-called green bonds and sustainability-linked bonds in the future.

STRINGENT EXECUTION OF CAPITAL ALLOCATION STRATEGY

- Investing in growth, capacity expansion and sustainability/digital
- Total CapEx equivalent to 3.2% of Group sales in 2021

INVESTMENTS 2021
€640 m

ACQUISITION 2021
€166 m

- Successful acquisition of Swania
- M&A integral part of strategy
- Complemented by selected Venture Capital investments

- Stable dividend proposed to AGM, equivalent to 40.5% pay-out
- Dividend policy unchanged going forward at 30-40%

DIVIDEND[1] FOR 2021
€1.85

SHARE BUYBACK 2022/23
€1 bn

- Buyback started on Feb 15
- Up to €1 bn to be purchased until end of Q1 2023

[1] Proposal (per preferred share) to shareholders for AGM on April 4, 2022

Henkel

Taking a look at Henkel's capital allocation:

Starting with our CapEx spend of 640 million euros in fiscal 2021, equivalent to 3.2% of Group sales. The majority of our investments were made to boost growth, expand capacities and foster our positions in sustainability and digital.

Second, we also spent 166 million euros on the successful acquisition of Swania, the fastest-growing player in the French ecological home care market.
Also going forward, acquisitions will remain an integral part of our strategy in order to strengthen and further grow our businesses.

Third, at our Annual General Meeting we will propose a stable dividend of 1.85 euros per preferred share. At 40.5%, the pay-out ratio is slightly above the higher end of our target ratio of 30 to 40 percent.

Last but not least, we have announced to launch a share buyback. I am glad to inform you that we started buying back own shares just a few days ago on 15 February. In total, Henkel will repurchase shares via the stock market in the amount of up to 1 billion euros until the end of the first quarter 2023.

With this share buyback, we enhance shareholder returns and create additional value for our investors. At the same time, it will not impact Henkel's ability and flexibility to invest into our businesses.

AGENDA

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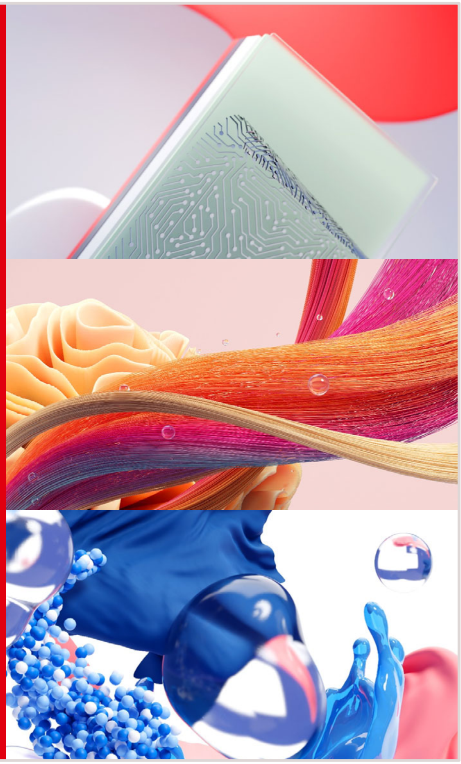
04 Key Take-Aways & Closing



Let me conclude with the outlook for 2022 which remains unchanged.

OUTLOOK 2022 UNCHANGED

ORGANIC SALES GROWTH	
+2.0 to 4.0%	
ADHESIVE TECHNOLOGIES	+5.0 to 7.0%
BEAUTY CARE	-5.0 to -3.0%
LAUNDRY & HOME CARE	+2.0 to 4.0%

ADJUSTED EBIT MARGIN	
11.5 to 13.5%	
ADHESIVE TECHNOLOGIES	15.0 to 17.0%
BEAUTY CARE	7.5 to 10.0%
LAUNDRY & HOME CARE	10.5 to 13.0%

ADJUSTED EPS[1]

-15 to +5%

At constant exchange rates

reflecting high level of market uncertainty and volatility

21 HENKEL FY 2021

[1] Per preferred share

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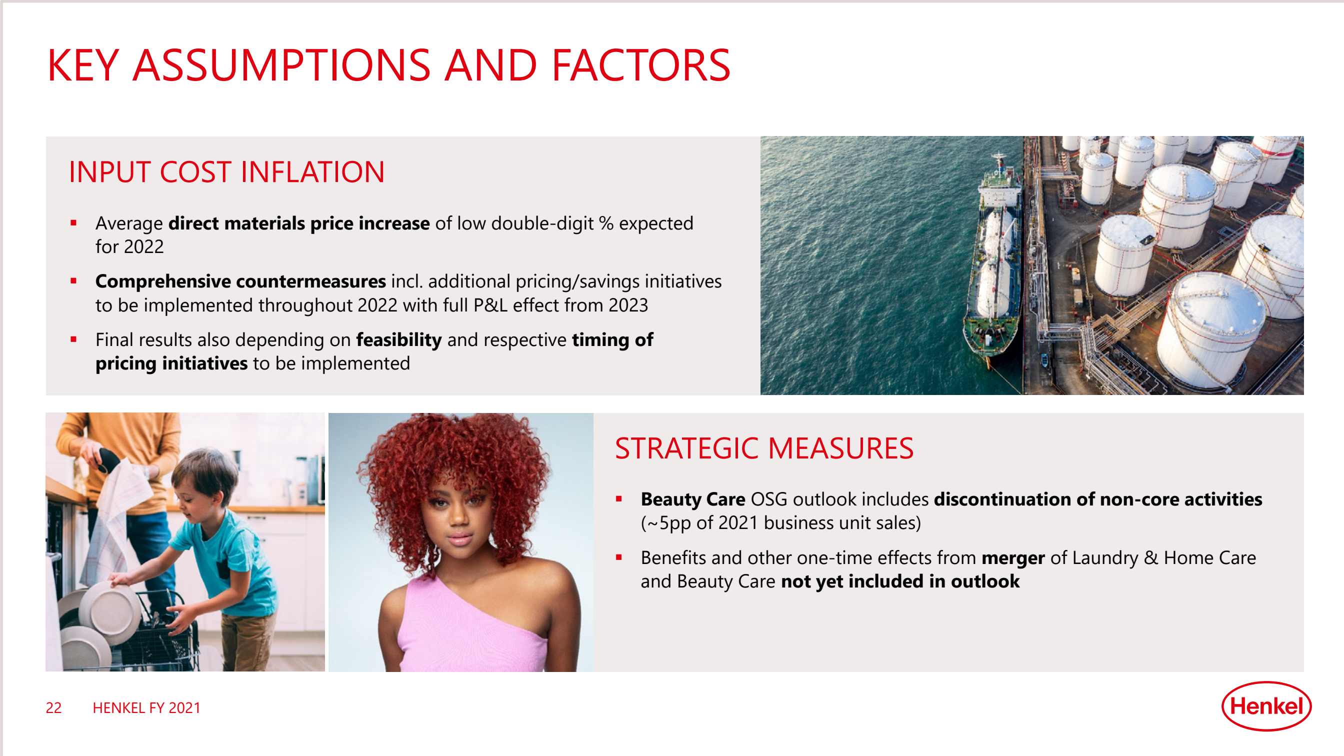
We continue to expect organic sales growth of 2 to 4 percent for the Group.

The adjusted EBIT margin is expected in the range of 11.5 to 13.5 percent.

And adjusted earnings per preferred share are expected to develop in the range between -15 and +5 percent.



For sure these are wide ranges which are reflecting the high level of uncertainty and volatility in our markets – in particular in the area of raw material and logistic prices.

Which brings me to the key assumptions and factors our outlook is based on:
the strong headwinds from input cost inflation, as well as strategic measures.

Also here, no changes to what we said four weeks ago – but still, I would like to highlight the key aspects once more.

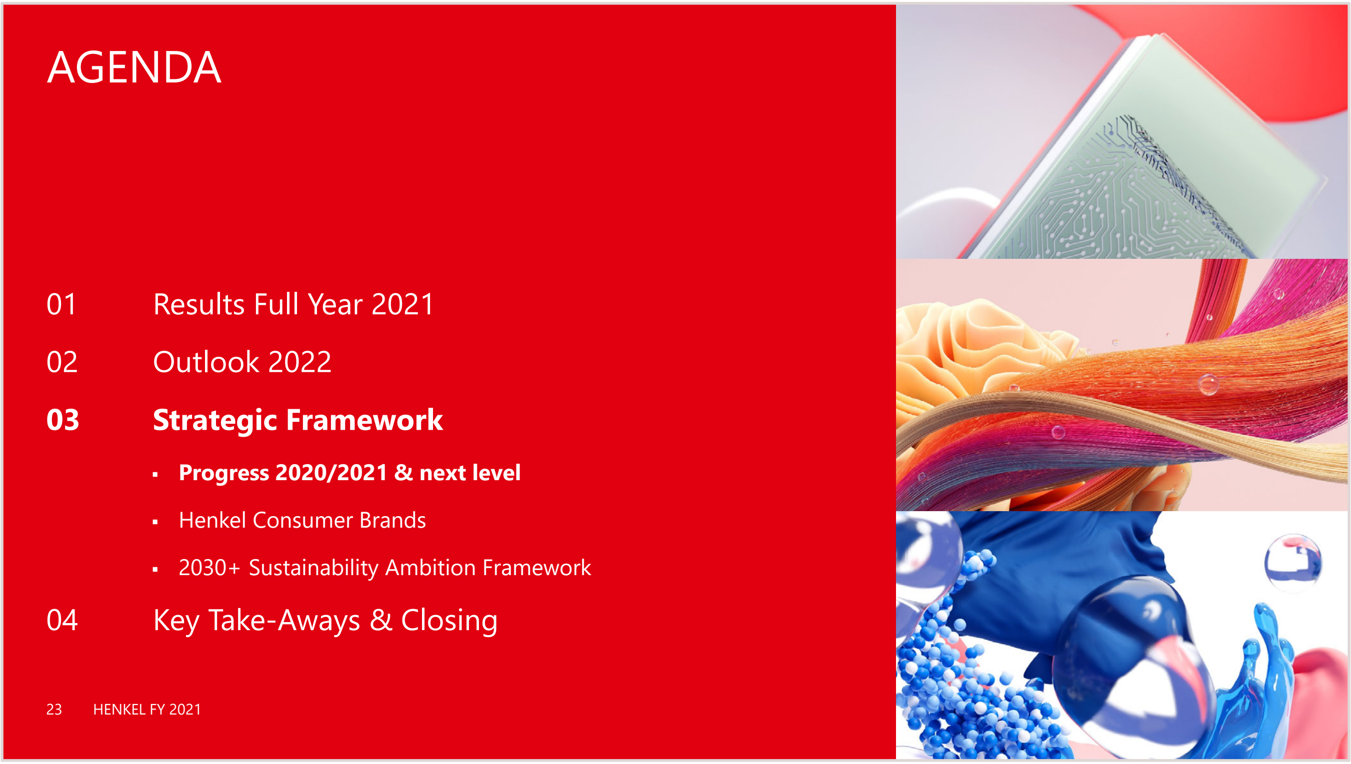
On average, we anticipate direct materials prices to further increase by a low double-digit percentage in 2022 compared to the previous year – equivalent to a gross price inflation in the magnitude of close to 1 billion euros. With particularly strong effects on margin and earnings in the first half of the year.

Of course, the teams are working hard to offset these effects through pricing and savings initiatives – and while we expect to compensate a high share of these headwinds this year, the full benefit will only unfold in 2023.

In terms of strategic measures, we reflected measures already decided and in implementation to improve the Beauty Care portfolio, including the discontinuation of activities that will not be part of the future core business, which are equivalent to around 5 percentage points of the business unit's sales in 2021.

To be clear, not yet included are benefits and other one-time effects from the creation of Henkel Consumer Brands.

And with this, back to you, Carsten.



Carsten Knobel, CEO:

Thank you, Marco.

Two years ago, in early March 2020, we launched our new strategic framework – Henkel's Purposeful Growth Agenda.

After two years in execution, let me take this occasion to reflect on the progress we made so far and how we want to advance our strategic framework to the next level.

And I am proud to say: We made strong progress across all pillars.

The past two years have proven that we have set the right priorities for Henkel's future.

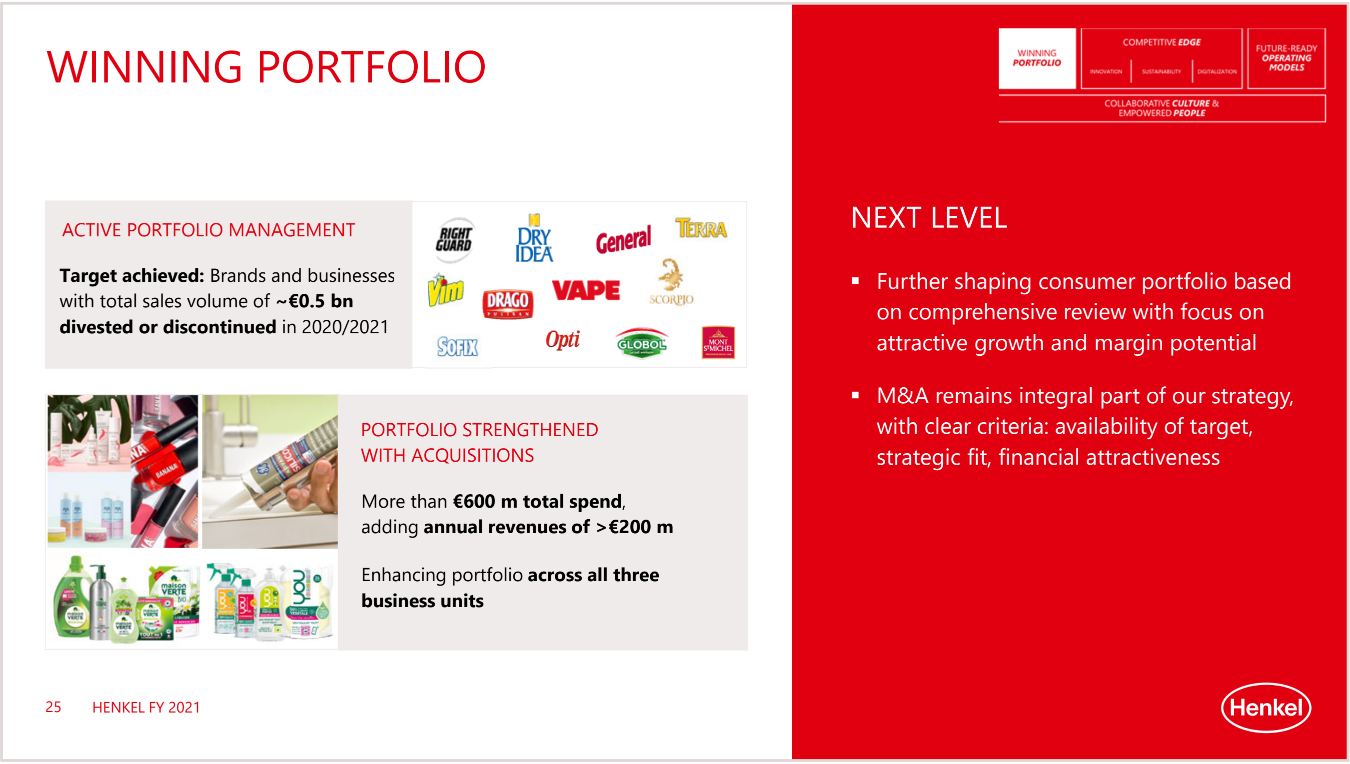
And despite the challenges we have been facing in our market environment, we sticked to the plan, stayed true to our convictions and consistently implemented our strategic priorities.

The Purposeful Growth Agenda will continue to be our guiding framework to further enhance our businesses and ultimately the entire company.

What is clear: We need to constantly adapt in order to be successful. And we have been transparent about it: In some areas, we see the need for further action.

That is why we are evolving our growth agenda to advance to the next level – with the clear ambition and commitment to win the 20s through purposeful growth.

Today, I would like to provide an update on our progress and also give you some more color on our way forward.



Starting with winning portfolio.

Two years ago, we set ourselves the target to divest or discontinue brands and businesses with sales of around half a billion euros. And we delivered on that.

We also strengthened our portfolio with three acquisitions in 2020 and 2021 in each of our three business units, adding annual sales of more than 200 million euros.

For sure, we made strong progress in shaping our portfolio.
But we are not yet where we want to be.

As an important element and enabled by the creation of Henkel Consumer Brands multi-category platform, we will step-up our active portfolio management and further sharpen our portfolio with a specific focus on our Consumer businesses.
And against clear criteria – leading positions, attractive growth and healthy margins.

And we will continue to grow our businesses through value-enhancing acquisitions.
So, M&A remains integral part of our strategy – as just demonstrated.

NEXT STEP IN HENKEL'S ACTIVE PORTFOLIO MANAGEMENT

ACQUISITION OF SHISEIDO'S HAIR PROFESSIONAL BUSINESS IN APAC

Step-change for Henkel's Professional business

- Acquiring attractive portfolio with **strong and successful premium brands**
- Adding **>€100 m annual sales** and strong R&D capabilities
- Henkel's Professional business advancing to **one of the leading players in dynamic growth region APAC**
- Strong **partnership with Shiseido** to support future business growth

Two weeks ago, we announced the acquisition of Shiseido's Hair Professional business in the Asia-Pacific region.
An important step to further strengthen our Professional business, which has delivered a very strong performance in the past years supported by a string-of-pearls of value-adding acquisitions.

We will acquire an attractive portfolio with strong, successful premium brands such as Sublimic or Primience, endorsed by the licensed Shiseido Professional brand.

It is a perfect strategic fit to our existing portfolio, adding highly complementary brands and hair categories.

And we are significantly expanding our position in the attractive Asia-Pacific market – particularly in Japan and China, the world's top 2 and 3 Hair Professional markets and important centers of trends and innovations.

The business to be acquired is representing annual sales of more than 100 million euros and is backed by strong R&D capabilities.

A great addition to our Professional portfolio.

INNOVATION

IMPACTFUL INNOVATIONS

Adhesive Technologies advancing with **high impact solutions** addressing global megatrends

Successful launches in Beauty Care and Laundry & Home Care **focusing on sustainability** and **growth segments**

STRENGTHEN CUSTOMER COLLABORATION

New **state-of-the-art** Adhesive Technologies **Inspiration Center** in DUS

Intensified collaboration with start-ups, incubators and thinktanks

NEXT LEVEL

- Launching new €150 m Venture Capital Fund II
- Continue investments to boost strong innovation pipeline and expand market positions
- Fully leverage potential of customer and consumer collaborations through innovation centers, D2C platforms and AI tools

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Moving to the next pillar of our strategic framework: impactful innovations.

In Adhesive Technologies, we are advancing with our high-impact solutions leveraging the opportunities offered by the global megatrends sustainability, connectivity and mobility.

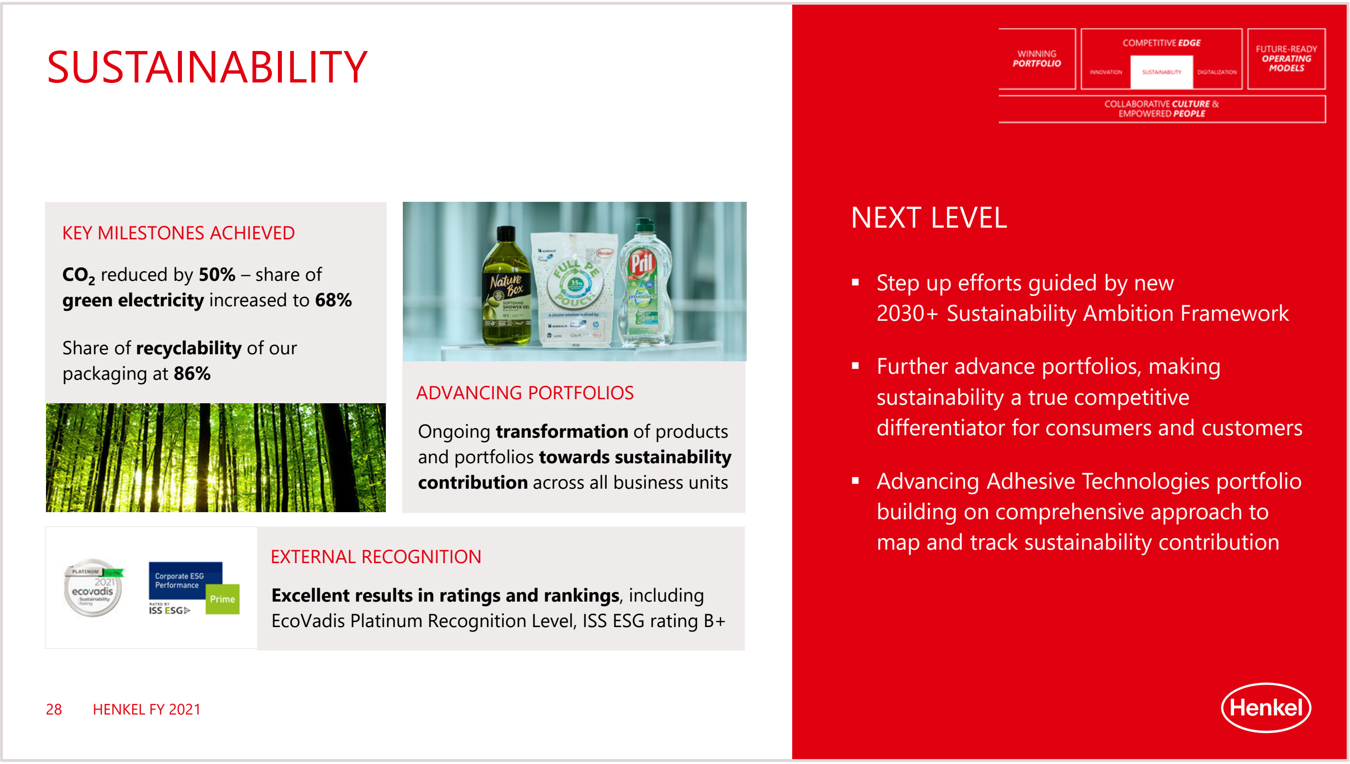
In Beauty Care and Laundry & Home Care, we successfully launched products onto the market that address relevant consumer needs – with a particular focus on sustainability and growth segments. Under our flagship brands such as Persil and Schwarzkopf. Or under our dedicated nature brands such as Nature Box.

One important KPI we are tracking in this regard is our innovation rate, which advanced in the consumer businesses to meanwhile more than 50 percent.

Key to innovation are strong consumer insights and close collaboration with customers. Both of which we successfully drove forward in the past two years. For example, we opened our new Inspiration Center for Adhesive Technologies at our headquarters in Düsseldorf. And work has already begun in building another innovation center in Shanghai.

Our teams also intensified the collaboration with external partners – for example with start-ups, incubators or thinktanks.

And we will continue to build on that:
With the launch of our new venture capital fund II of 150 million euros.
With continued investments supporting our strong innovation pipeline to expand our market positions – despite strong cost and margin headwinds from input cost inflation.
And with another step up in customer and consumer collaborations – through our unique innovation centers, D2C platforms and the use of tools leveraging the potential of artificial intelligence.



In the area of sustainability, we made particularly strong progress in the past two years and achieved important milestones.

Just to name few key examples of how we contribute to climate protection and a circular economy:
We meanwhile reduced carbon dioxide emissions by 50 percent in our operations compared to the base year 2010 and increased the share of green electricity to more than two thirds. And today, 86 percent of our packaging is recyclable – approaching our long-term target of 100 percent by 2025.

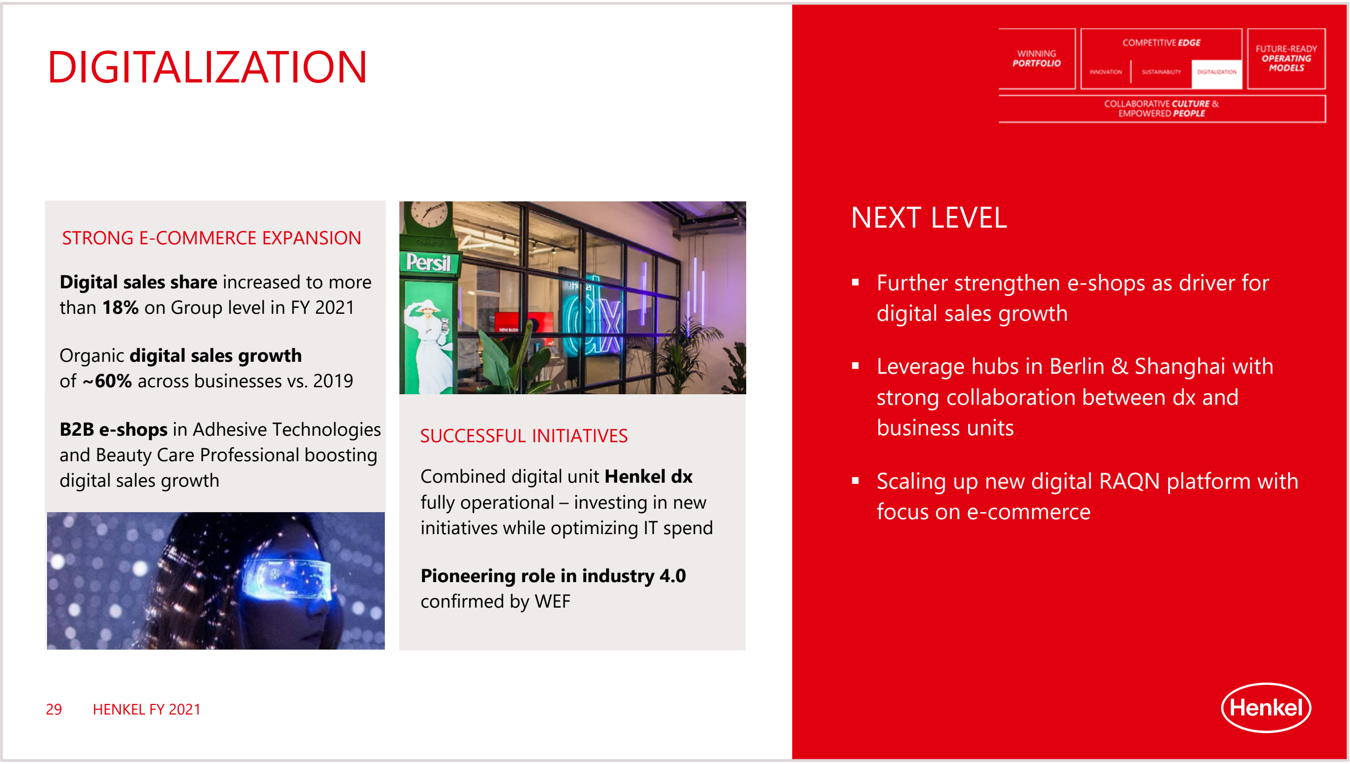
Our biggest lever are our products and technologies.
And across all three business units, we have been driving the transformation of our portfolios and products to increase their contribution to more sustainability.

Our efforts and progress are also externally recognized – as demonstrated by our excellent results in relevant ratings and rankings, for example, with Ecovadis.

When it comes to the next level, we are accelerating our efforts – guided by our new 2030+ Sustainability Ambition Framework. More on this in a few minutes.

We will continue to advance our portfolio – with the clear aim to fully turn sustainability into a true competitive edge for customers and consumers alike.

And we will advance our portfolio in Adhesive Technologies building on our comprehensive approach to map and track the sustainability contribution of our products and solutions.



Also in the field of digitalization, we have been taking significant steps forward.

With a strong increase in digital sales throughout the Henkel Group.
The digital sales share stand at more than 18 percent – that translates into an organic growth of around 60 percent compared to the level just two years ago.
A particular driver are our B2B e-shops in Adhesive Technologies and in Beauty Care Professional.

Also, our new digital unit Henkel dx, which combines the digital and IT teams across Henkel, is fully operational. A step-change for Henkel. And we keep investing in new initiatives – while further optimizing our overall IT spend.

Often forgotten in the discussion: we are driving the topic of Industry 4.0.
With success and differentiating Henkel from our competition – our pioneering role was once more confirmed by the World Economic Forum.

Going forward, we will focus on further expanding digital sales, driven by our e-shops and e-commerce platforms.

We will leverage our new digital hubs in Berlin and Shanghai, with strong collaboration between the teams at Henkel dx and our businesses.

And we will implement our new platform strategy leveraging our partnership with Adobe – and scaling up our new integrated RAQN platform, which has a particular focus on driving e-commerce.

WINNING PORTFOLIO | COMPETITIVE EDGE (INNOVATION, SUSTAINABILITY, DIGITALIZATION) | FUTURE-READY OPERATING MODELS
COLLABORATIVE CULTURE & EMPOWERED PEOPLE

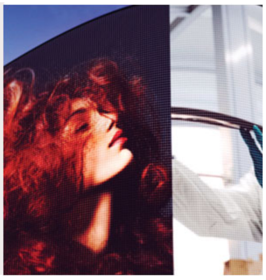
FUTURE-READY OPERATING MODELS

CLOSER TO CUSTOMERS & CONSUMERS

Customer-centric organization in **Adhesive Technologies** established

Organizational changes in **consumer businesses** for **more regional focus and customer proximity**

Purchasing organization aligned to business units, innovation and procurement markets



EFFICIENT STRUCTURES AND COST FOCUS

Freeing up resources for sustained and **targeted investments into sustainability, digital and innovation**

NEXT LEVEL

- Successful completion of Laundry & Home Care and Beauty Care merger into new Henkel Consumer Brands
- Optimization of support structures and stringent management of cost base

Henkel

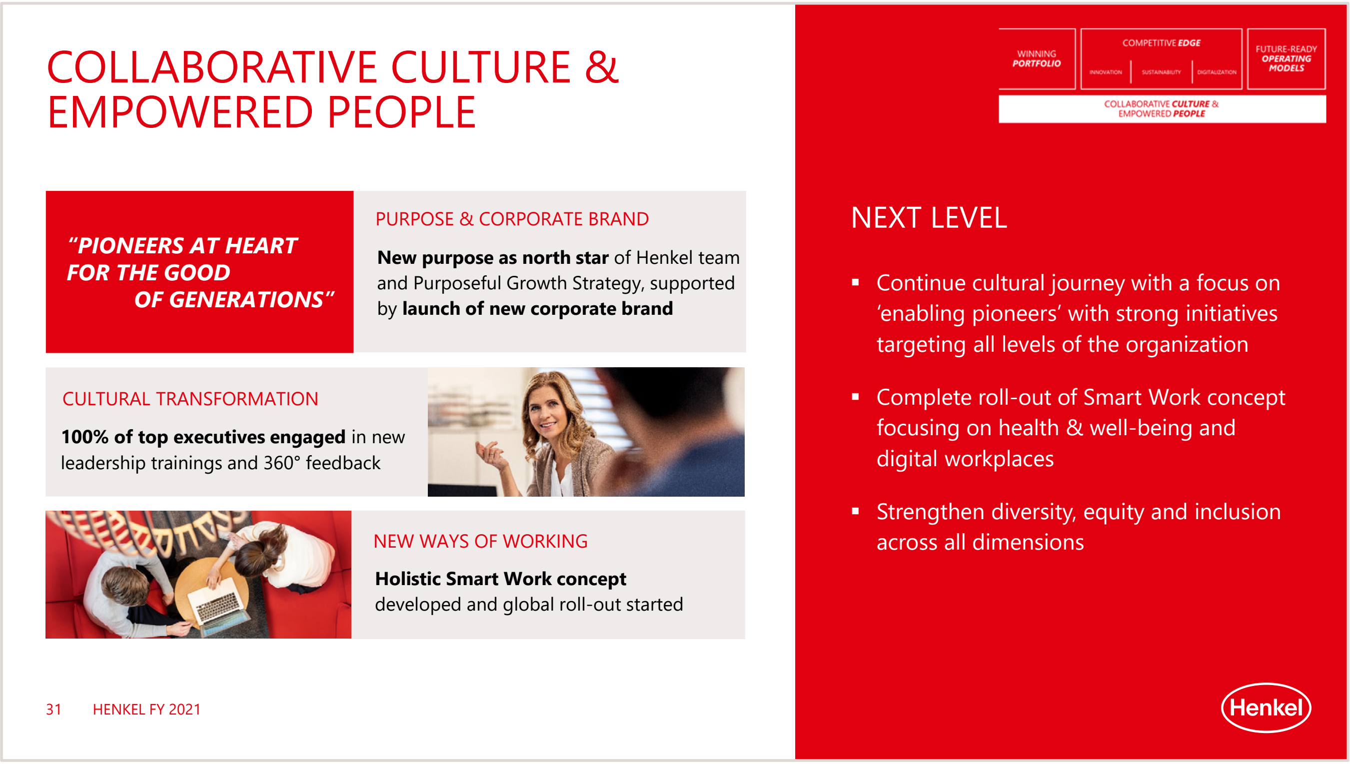
Moving on to future-ready operating models.

Here, we implemented relevant changes:
The new organizational, more customer-centric structure along four business areas in Adhesive Technologies is firmly embedded.

Also in Beauty Care and Laundry & Home Care, we adapted the organizational set-ups to increase proximity to customers and consumers and to strengthen the regional focus – as we did for the Purchasing function, where the teams became even more aligned to business units, innovation and markets.

Looking at what's to come in the next months, the merger of Laundry & Home Care and Beauty Care to create our multi-category platform „Henkel Consumer Brands“ will be a step-change regarding our operating models. More in a minute.

What is also important to me:
Also beyond Henkel Consumer Brands, we will optimize support structures and follow a stringent approach to managing our cost base.



Last but for sure not least our cultural transformation.

We have been crystal clear that, for us, creating a collaborative culture with empowered people is key to Henkel's long-term success. Because it will be the people and the culture, that make the difference.

We launched our new purpose: Pioneers at heart for the good of generations.
It serves as our north star – both for our teams and our growth agenda.
To make it tangible across all touchpoints, we are launching Henkel's new corporate branding today.

Since we are convinced that cultural transformation starts from the top, we have completed engaging our top executives in new leadership trainings and introduced a 360 degree feedback process.

And not least accelerated through the pandemic, we have made a step-change when it comes to new ways of working – supported by our holistic „Smart Work" concept, which we are rolling out globally as we speak.

Also here, we have set clear priorities going forward:

We will drive our cultural journey, with a particular focus on "enabling pioneers".
We will complete the roll-out of our Smart Work concept.
And we will strengthen diversity, equity and inclusion across all dimensions.

To wrap it up, we have made substantial progress across all six pillars of our strategic framework.

We achieved key milestones and have further evolved our company. But despite the progress we made, we are also well aware that there are areas where we need to become better. In particular in our consumer businesses, for example in the performance of Laundry & Home Care in North America and some parts of our Beauty Care Consumer business.

That is why we have defined clear priorities for the next level of implementation in order to fully leverage our potential.

Today, I would also like to discuss two of our key initiatives of Henkel’s way forward:

The creation of Henkel Consumer Brands.

And our new 2030+ Sustainability Ambition Framework.

AGENDA

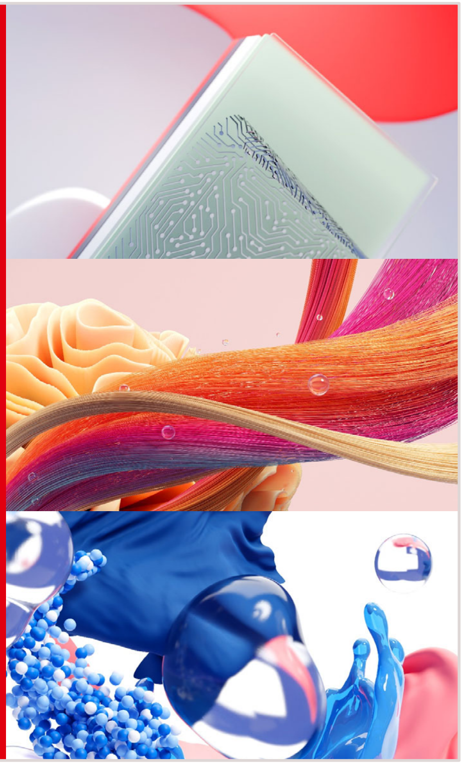
01 Results Full Year 2021

02 Outlook 2022

03 Strategic Framework

- Progress 2020/2021 & next level
- **Henkel Consumer Brands**
- 2030+ Sustainability Ambition Framework

04 Key Take-Aways & Closing



As indicated in our call in the end of January, we will share more comprehensive background and details on the creation of Henkel Consumer Brands beginning of May.

Still, I want to take the opportunity to inform you about our progress, in particular regarding the organizational structure, specify some aspects and provide more color on the process timeline.

Because even though it is too early to share the full picture, we know that there is high interest – and we want to take up some of the questions raised.

We will combine our consumer goods businesses Laundry & Home Care and Beauty Care to create one strong, integrated business unit as a foundation for future profitable growth – with key benefits:

First, we will create one multi-category platform for growth for all our consumer brands and businesses under one roof, with a combined size of around 10 billion euros. Importantly, we are raising the bar on what it takes to be part of the portfolio.

Second, we will join forces and create significant synergies. These will be used in part for targeted investments in strategic priorities such as innovation, sustainability and digitalization, and to strengthen the new business unit's margin profile.

Third, we will form one team to win. Under the leadership of Wolfgang König, the team will take full ownership and responsibility for results. We will have leaner structures and faster and more agile decision making. And with this, create bigger and more exciting roles and opportunities.

With this winning combination, we will take our Purposeful Growth Agenda to the next level and drive growth and profitability of our combined consumer platform and Henkel.

Let me be more precise on our take when it comes to the future portfolio of Henkel Consumer Brands. And allow me to clarify some aspects.

For us, it is about two topics: Firstly, shaping the portfolio, and secondly, expanding it.

It is our clear ambition to step up our active portfolio management – beyond the active portfolio management measures completed by the end of 2021.

We have defined clear must-haves for the brands and businesses to be part of Henkel Consumer Brands. The portfolio will be consistently focused on strategic core businesses and brands with ability to win, growth potential and healthy gross margin.

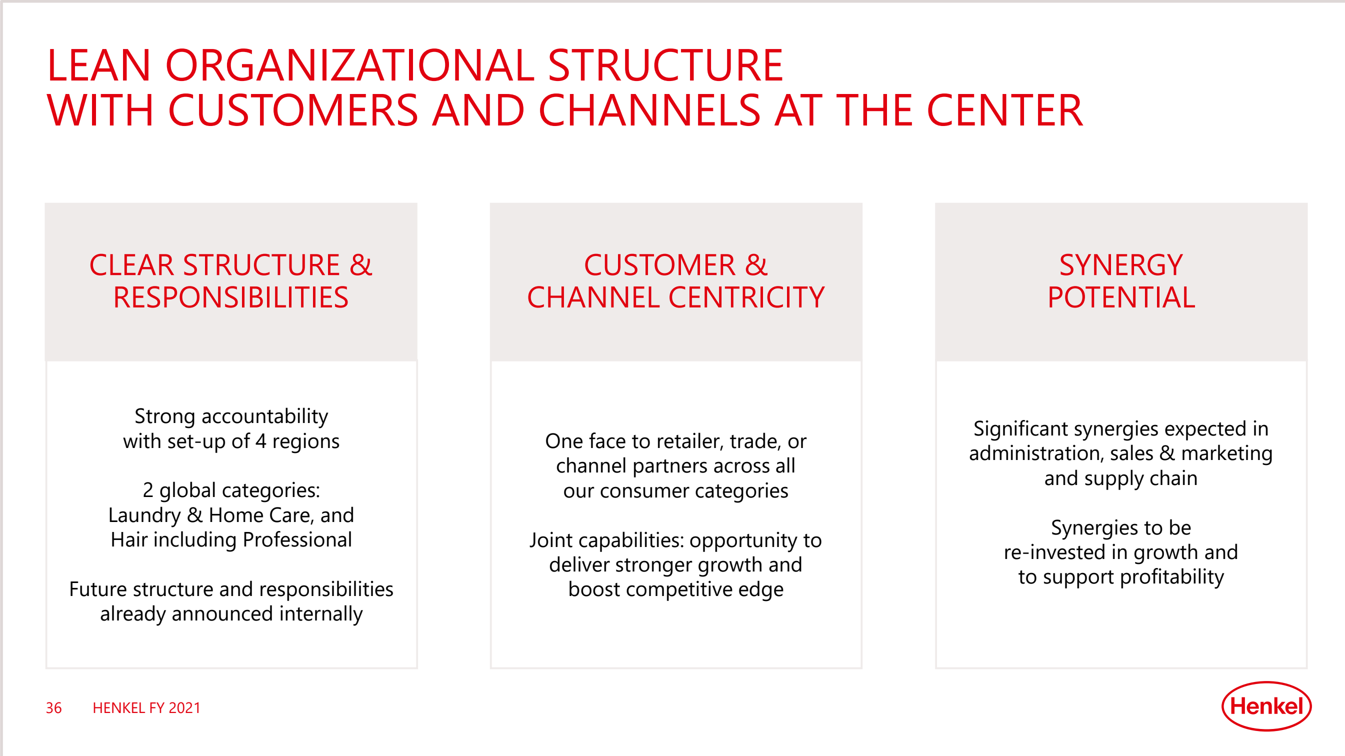
As outlined in our 2022 outlook, first portfolio measures are already decided and in implementation in Beauty Care. There is more to come.

While sharpening our consumer portfolio, we will also have broader options for expansion.

The combined unit will create a stronger basis for seizing future M&A opportunities across the consumer space.

Having said that, it is important to note that short-term our focus will be on transforming our businesses successfully and completing the merger.

Overall, M&A remains an integral part of our strategy.
Not only in Adhesive Technologies, but also for Henkel Consumer Brands – backed by our strong balance sheet and cash flows.



The preparations for the integration process of the new business unit have already started, and we had good initial talks with the employee representatives.

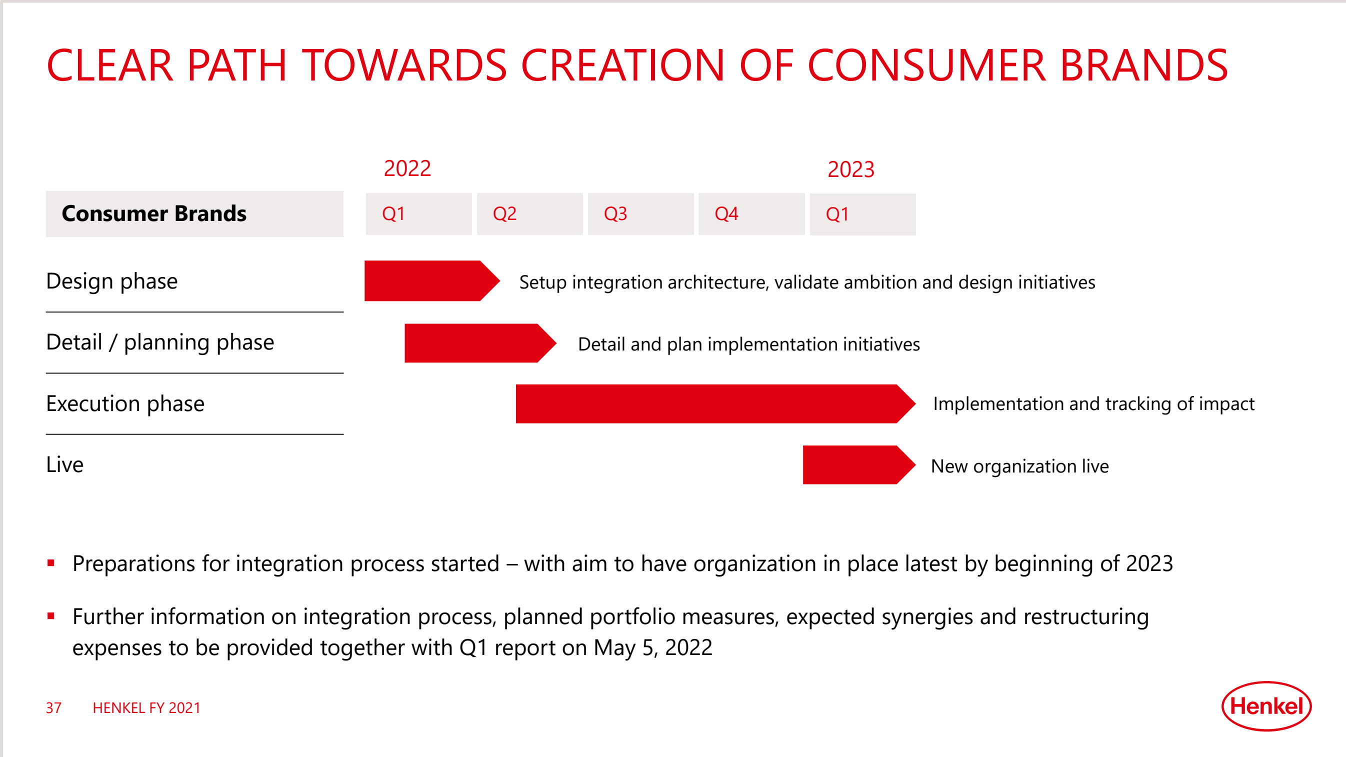
And the management board took further key decisions, including the organizational set-up of the combined business:

Henkel Consumer Brands will be set up with 4 regions which will directly report to Wolfgang König. In addition, there will be 2 global category roles: Laundry & Home Care as well as Hair, the latter including the Professional business. All other categories will be steered as part of the 4 regions.

The future structure and also the individual responsibilities on executive level have already been announced internally.

Overall, we decided to design Henkel Consumer Brands as an organization with one face to retailers, trade or channel partners – across all our consumer categories.

That brings me to the third aspect: By merging Laundry & Home Care and Beauty Care into one integrated business unit in the mentioned structural set-up, we expect significant synergies. Particularly in administration, sales and marketing, and supply chain, which to date have been set up for both business units. And we will use these synergies to fuel growth and profitability of Henkel Consumer Brands.



Since end of January, we made good progress on initiating the merger execution.

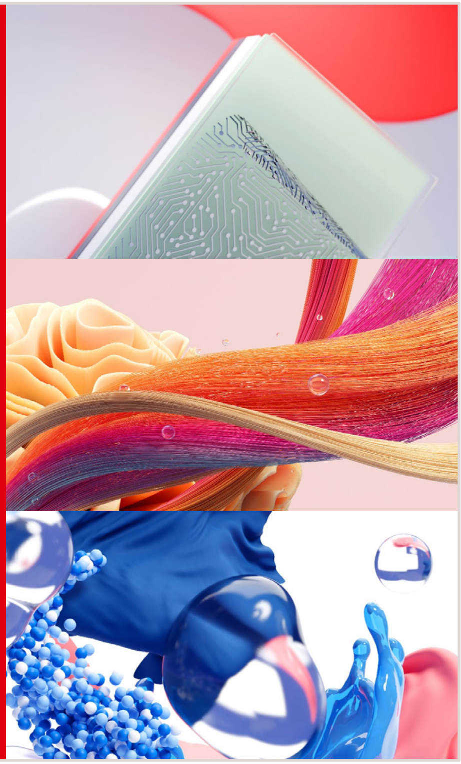
And we aim to have the new organization in place latest by beginning of next year.

The teams in the different workstreams are doing a tremendous job to make it happen: Under Wolfgang's leadership, they have started to design the future set-up – with current focus on the masterplan, organization and people.

With the announcement of our Q1 results in May, we will provide further information on the integration process, more details on the planned portfolio measures as well as on the expected synergies and restructuring expenses.

So, we have a clear path towards the creation of Henkel Consumer Brands, which represents a major step to further evolve our company.

AGENDA



With that, moving on to our brand-new 2030+ Sustainability Ambition Framework.

SUSTAINABILITY AS KEY STRENGTH OF HENKEL

Strong heritage

Deep roots in sustainability with consistent focus and commitment throughout decades

Ambitious targets

Comprehensive set of targets covering key dimensions of sustainability

Strong performance

Well on track to achieve targets –
also recognized in key sustainability ratings

39 HENKEL FY 2021

As you all know, sustainability is not a new topic for Henkel.

Taking responsibility for environmental impacts and advancing social progress has been part of our DNA since the beginning.

And with sustainability playing an increasingly important role in the future of business today, we can already build on a strong heritage.

This includes in particular, that we have a lot of experience in delivering strong performance against ambitious sustainability targets.

And it's not just me saying that: Our excellent results in ESG ratings and rankings – year on year – clearly show that we are on the right path.
Just last month, we have been named again as one of the 'Top 100 most sustainable companies' and received a Platinum award of Ecovadis.

But we do not take the success achieved so far for granted.
We recognize the enormous acceleration of sustainability challenges and the continued transformation that is required from a global company like Henkel.

Scientific insights tell us about the increasing risks for business and societies through climate change impacts, the loss of biodiversity and the stress on natural resources.
Policy makers are taking increasing action to steer new regulation on environmental issues.

On the other hand, we know customers and consumers want to buy more sustainable products, they ask for more transparency and connect their purchasing behavior to their values.
Our stakeholders have broader and higher expectations of us.
We see increasing requirements on transparency, disclosure and reporting.

Also inside Henkel, we are ready to take the next step:
we are already on a cultural journey, are working to re-energize our employees, enhancing our appeal as an employer of key talents and shaping the future of work together.
With our purpose, we have set a north star for the company – and embedded sustainability into our strategic framework.

In summary:
Sustainability is not a ‘nice to have’. It as a key element of our future operating model.

Building on our company purpose, we have reshaped our 2030+ Sustainability Ambition Framework around one shared goal: to create transformational impact for the good of generations.

This ambition covers three strategic dimensions that highlight our commitment to a broad definition of sustainability:

For a regenerative planet,
For thriving communities,
And for our role as a trusted partner of our customers and stakeholders.

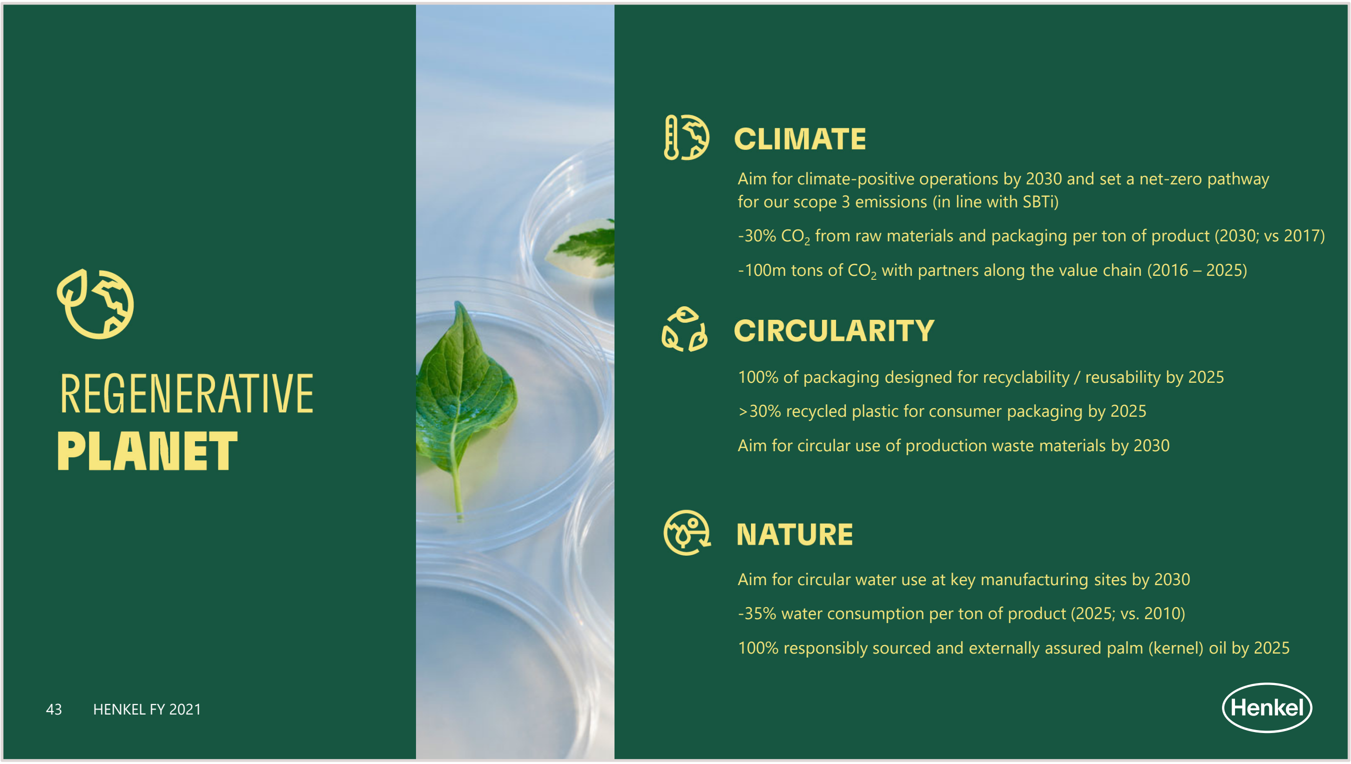
On purpose, this ambition framework is straightforward and simple.

Let me briefly outline each of these dimensions.

For each dimension, we have defined three key topics, that are material to our business and to our stakeholders. For each, we articulated a high-level aspiration expressing where we want to go.

For example, for a Regenerative Planet:

Here, we will focus on decarbonizing our business and expand the circularity principles across all major impact areas. And we aim to shape a more progressive contribution to nature, especially on biodiversity, forests and water resources.



These aspirations are underpinned by concrete near-term targets and longer term ambitions.

For example, all of our currently communicated and reported targets towards 2025 have been embedded in the new framework.

But we also set ourselves new priority ambitions for 2030 and beyond.

Let me particularly highlight our accelerated climate ambition. It is acceleration in two ways:

First, we will bring our ambition to achieve climate-positive operations forward by a decade, from 2040 to 2030.

And second, we will set a science-based pathway towards net-zero emission in our value chain, based on the new standard set by the Science-based targets initiative.

Coming now to the second pillar.

For our contribution to Thriving Communities, we are framing all our actions inside and outside the business around the areas of

- creating greater equity,

- supporting better education,

- evolving our health & safety towards enhancing wellbeing

And it is important to note that we will take these topics out across the value chain, involving of course our own employees, future talents, communities – and also our customers and consumers!

There has been a lot of reframing and revising of our existing programs to become more accountable and targeted towards our aspirations.

But there is one target I especially want to highlight here: We aim to achieve gender parity across all management levels by 2025.

After years of steady improvement on advancing the share of women in our workforce – and despite remaining challenges – we want to step up on this important milestone to make our business even more diverse and inclusive.

Moving to the third pillar.

To continue earning our role as a trusted partner with our customers, consumers and stakeholders, the performance and safety of our products remains on top of our priorities. And of course, we remain committed to create transparency on our business, products and portfolio.

A very important role plays our collaborations along with suppliers, customers and partners to create shared value.

This is also the aspect I would like to point out: Our continued commitment to working with our suppliers and other partners on responsible sourcing practice.

And for sure, we will maintain the high level of transparency and disclosure that you are used to receive from us when it comes to ESG data.

There are many more targets we are working on, that pay into our overall 2030+ ambition.

There are also other strategic topics that we have put on our list to further assess and define for action.

And just like our environments, stakeholder expectations and requirements are changing, I expect this framework to continue to grow and evolve in line with the challenges and opportunities.

Let me wrap up with highlighting three new sustainability ambitions that are part of our further transformation:

We are significantly accelerating our climate ambition towards a climate-positive operation already by 2030 and a net-zero value chain.

We will expand our progress on circularity by stepping up further on waste and water in our operations.

And we will aim for achieving gender parity across all management levels by 2025.

WHAT'S NEXT

Further strengthen **commitment** to achieve new Ambitions 2030	**Drive innovation** towards even more sustainable solutions and competitive products	Energize our people through new **employee engagement**	Re-align our **organization** and reporting with new Ambition Framework

Henkel

Now it is about turning our new 2030+ Sustainability Ambition Framework into action. And again: It is not the start of something completely new, but the consistent acceleration of our programs and initiatives to bring sustainability at Henkel to the next level.

So, what you can expect from us is this:

We will take concrete action to deliver on our targets and ambitions.

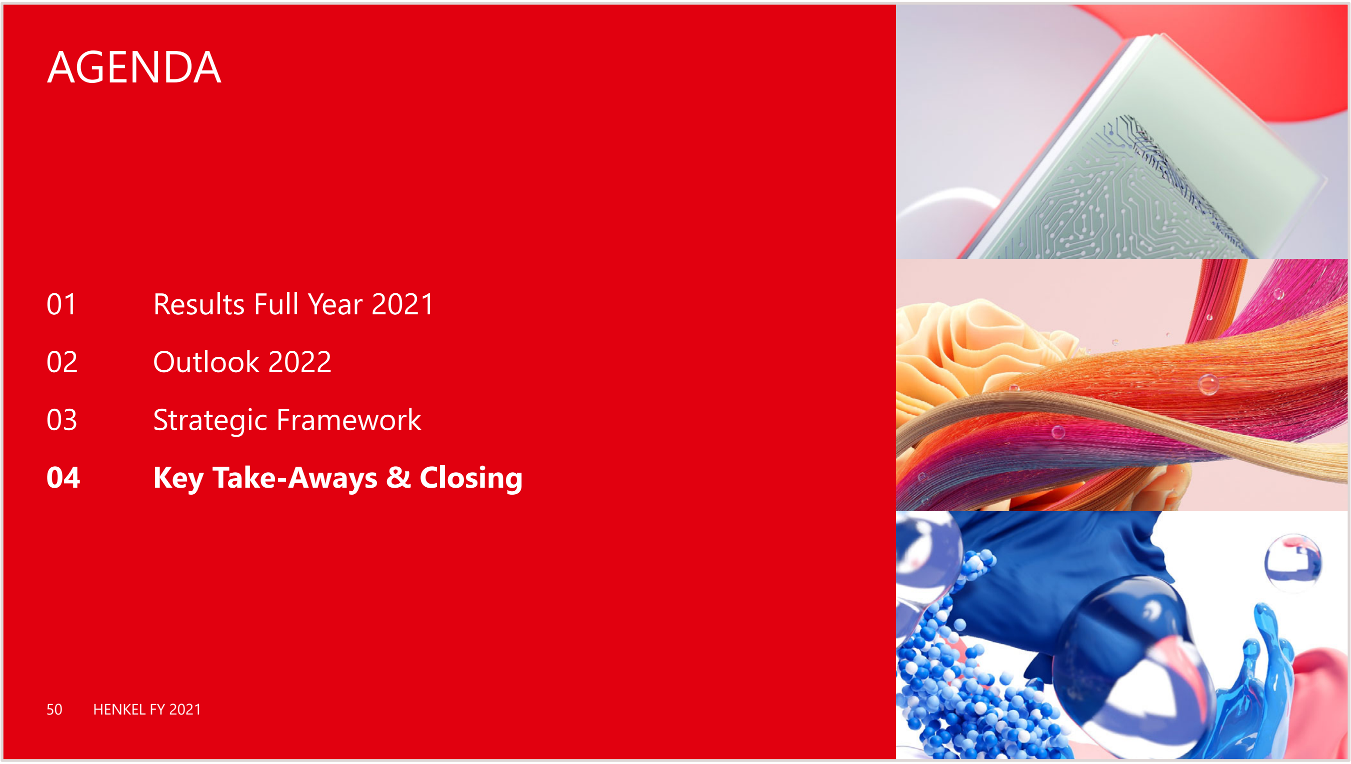
We will relentlessly drive innovation towards sustainable solutions and competitive products.

We will energize our people and involve them even more. Therefore, we will launch a new program to engage and empower our employees to take action on sustainability.

And we will continue to realign our organization and reporting with our new Ambition Framework. Our 2021 Sustainability Report, which we published also this morning, is only the beginning.

Our 2030+ Sustainability Ambition Framework will provide a strong basis for our ongoing efforts and future achievements. We are leveraging our strengths and accelerate action with new long-term ambitions in the three dimensions to drive further progress.

As such, it underpins our commitment deeply rooted in our company values:
As leaders, we aim to pioneer new solutions for sustainable development –
while continuing to shape our business responsibly and increasing our economic success.



So, we have set clear priorities and targets taking our strategic framework to the next level.

And we are committed to delivering on these.

MID- TO LONG-TERM AMBITION

	HENKEL GROUP	ADHESIVE TECHNOLOGIES	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		

Compelling financial ambition for the **Henkel Group**

and the **Adhesive Technologies** and **Consumer Brands** business units

Henkel

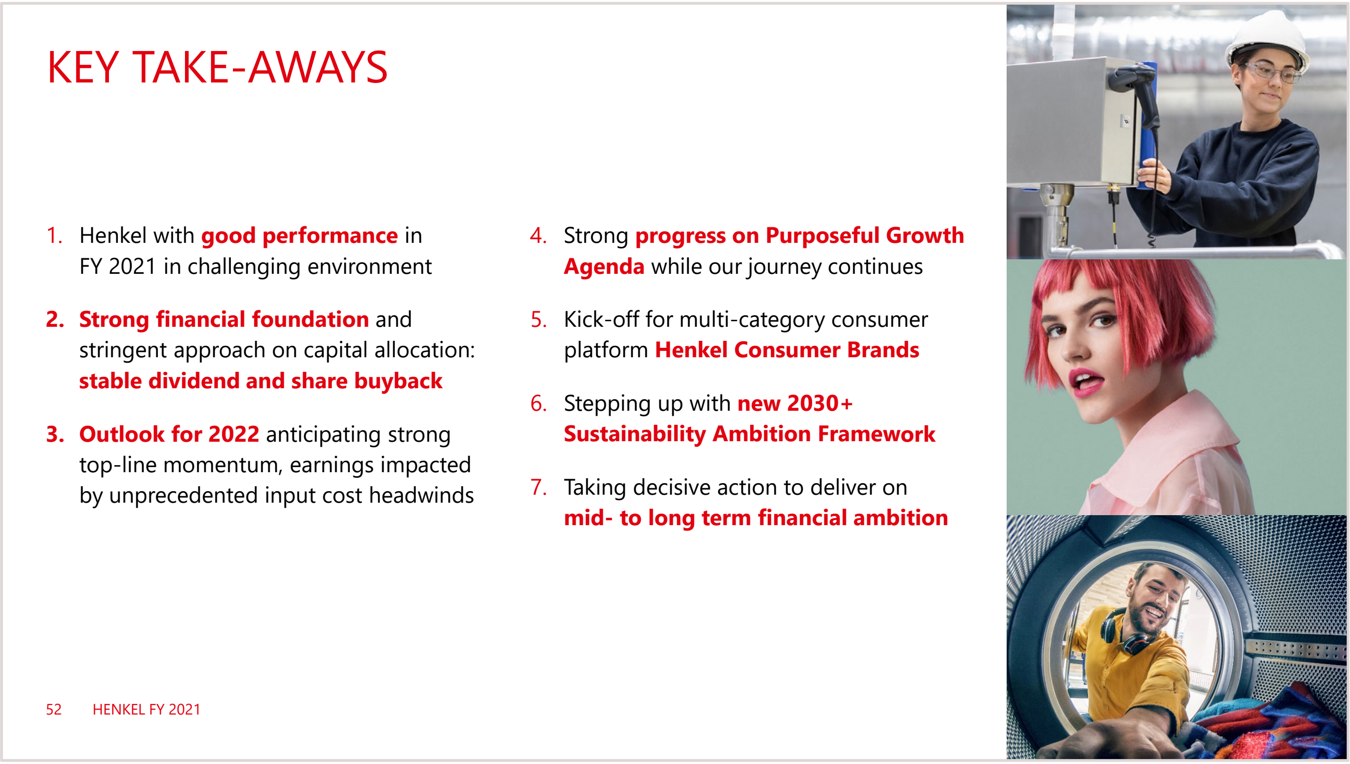
Implementing our growth agenda supports us to achieve our mid- to- long-term financial ambitions, which we have specified end of January. They underpin our clear ambition to accelerate growth dynamics and strengthen our margin profile across our businesses.

On Group level, we are aiming to achieve organic sales growth of 3 to 4 percent, an adjusted EBIT margin of around 16 percent and adjusted earnings per preferred share growth in the mid- to high-single-digit percentage range at constant exchange rates and including acquisitions.

At the same time, we keep our focus on Free Cash Flow expansion.

Also for Henkel Consumer Brands and Adhesive Technologies, we published specific mid- to long-term ambitions for top- and bottom-line.

A compelling financial ambition – both for the Group and our future two business units.



Let me sum it up:

We delivered a good performance in 2021 in a challenging business environment.

We have a strong financial foundation and follow a stringent approach on capital allocation. And here, we are clearly committed to let our shareholders participate in the company's success – as demonstrated by the stable dividend and our share buyback.

Looking at 2022, our outlook anticipates strong top-line momentum, while earnings will be impacted by further substantial price increases for raw materials and logistics.

We made strong progress in implementing our Purposeful Growth Agenda since its launch two years ago. And our journey continues – with clear priorities to reach the next level.

We have kicked-off the merger of Laundry & Home Care and Beauty Care to create our integrated multi-category platform Henkel Consumer Brands.

And we are stepping up our efforts in sustainability, guided by our new 2030+ Sustainability Ambition Framework.

We have achieved a lot. But there are also areas, in which we are not yet where we want to be. That is why we are taking decisive action to deliver on our financial ambitions for the mid- to long term.

With that, let us move on to the Q&A.
Marco and I are looking forward to taking your questions.

Question: Thank you very much. Good morning, everybody. Two questions, please. First of all, can you remind us of your group sales exposure to Russia and what consequences would you see for your business on the back of the latest developments? Also, which of the three segments are, in relative terms, most exposed to the Russian market? I would believe this is mostly on the consumer side, correct? And in that context, what explains a sharp decline in EBIT in Eastern Europe in H2 despite the sound nominal sales improvement? So, that was question group number one.

Second, would you share the view that your Adhesives business should see additional momentum with the automotive industry expected to recover per second half of this year? Would this also further improve the price mix, as I would believe that the car customers have higher value-added adhesives in their products versus construction or packaging? Thanks.

Carsten Knobel, CEO: So, good morning. Coming to your first question, which is related to Russia and the Ukraine. As you can imagine, we are monitoring the current developments in both countries, in Russia and the Ukraine, very closely, and also, of course, for sure with a concern. But we continue to hope for a peaceful resolution of this conflict and a further escalation of the situation would, of course, have international consequences, the extent of which is difficult to assess at this point.

Coming to the concrete parts now, we have been active in Russia for over 30 years and employ around 2,500 people. We operate here with all three business units and have 11 production sites. And the Group sales overall are slightly below 5% for the company. And if we look at the Ukraine, we are there for over 20 years with all three business units. We have around 600 people with four production sites. Two are located in the Southeast Ukraine, but none in the separatist-controlled area. The turnover in terms of percentage of Henkel Group sales are less than 1%, which are generated in the country.

Your question, when you said, is it predominantly consumer driven: this is not really the case, it is more or less with our three business unitsa third, a third, a third. A little bit like that. So, a little bit less in Beauty Care. But that’s overall, I would say, the situation on that. Hope that answers because you had several parts, but I think I was now comprehensive on that.

Questioner adds: Yes. Thanks, Carsten.

Carsten Knobel, CEO: The second part was related to Adhesives and here specifically to the automotive situation and the question of recovery. Overall now, Automotive and Metals reached a double-digit growth in 2021, strongly supported by a really broad recovery in demand during the first half year. However, organic sales growth was negative in Q3 and Q4 of last year. This was due to the weak global automotive production as a result of the challenged supply chains and the semiconductor shortages.
And the outlook for now 2022, for sure, what you have seen, it was also already in 2021 where a significant comeback of the automotive/the semiconductor business would have been hoped at the beginning of 2021, which not materialized in 2021 at the end. And, yes, there is for sure an expectation that the development of the semiconductor shortage will come to an end. And by that, for sure, we would also, in our assumption, have included a comeback of that and also coming back in terms of top line growth. And yeah, that’s what I can say in this part. If you look at the outlook [sic! – last year], it’s recorded with a double-digit organic growth rate for the full year and outperformed the development of the light vehicle production in each quarter of last year. And for sure, that’s also our approach to outperform the market going forward, but maybe that’s more or less the answer. I hope that helps you.

Questioner adds: Very helpful. Thank you.

Carsten Knobel, CEO: You’re welcome.

Question: Thank you very much. I wondered if you could give a little bit of detail on the Shiseido acquisition. What you see as the kind of opportunities in terms of what you can do with those brands? And also, glad to see you hit your revenue exit target. I think you talked about 5% of beauty sales. Should we expect to see any more revenue exits elsewhere in the business or is it just the kind of 5% of beauty flagged and then you’re more or less done in terms of portfolio exit? Thank you.

Carsten Knobel, CEO: Good morning, first of all, and, thank you for your questions. And maybe we start with the first question on the professional acquisition of Shiseido. So, what is the strategic rationale behind? Through the acquisition, we will further strengthen our Hair Professional business and our footprint in Asia. The attractive portfolio with strong and successful premium brands, I mentioned them, is really a perfect fit for our Beauty Care business and will significantly expand our Hair Professional core category. And with that on top, we are already in Japan and China, and this will be added with the Shiseido Professional business. On top, we will enter the hair professional market in South Korea with this setup. And yeah, I think that's it for the first question.

For the second, maybe I start, and Marco then continues. What we have said is our decision regarding the first measures. It's integrated in the outlook or in the planning of the year to implement in 2022 with an organic sales growth of 5 percentage on Beauty Care standalone. And this includes the measures to improve the quality of Beauty Care portfolio in terms of growth dynamics and gross margin contribution and that's for sure coming on top of the measures we alluded today, the €0.5 billion which we had set ourselves as a target in March 2020 for the year 2020 and 2021, so this comes on top. And here I stop and hand over to Marco because the other part of your question was, is this now the end of portfolio measures or are there others to come.

Marco Swoboda, CFO: Yeah, sure. I mean, as Carsten said, we have defined certain measures already to optimize the portfolio, in particular, with a focus on Beauty Care that accounts for the 5%. But of course, we are also looking to further optimize the portfolio. That can be on the one hand, by further divestments in line with our strategic agenda, and that is not factored into the 5%. And for sure, we we'll further review the quality of the portfolio entirely. And we do also think that the combination of the two businesses into Consumer Brands gives us new opportunities in terms of feasibility of certain portfolio optimization measures compared to the standalone setup before. So, all that means in a nutshell, we will of course further look into optimizing the portfolio and the 5% are not the end, but we will further work on it. And of course, we have done some analysis on that. We have some plans, but we will further continue to do so. And for us, as we said, also initially in 2020, active portfolio management has to become a continuous process and that is what we want to install.

Carsten Knobel, CEO: And Iain, that is what I said: in the call on May 5, you can expect an update on that.

Questioner adds: Thank you very much.

Carsten Knobel, CEO: You're welcome.

Question: Hi, good morning, Carsten and Marco. Just a couple of questions, please, on your – going back to the 16% EBIT margin ambition in the mid to long term. What is the underlying input cost inflation you are assuming? And secondly, should we also expect a step-up in CapEx to make your business more profitable? I don't think you have commented an CapEx kind of guidance for the future. Thank you.

Carsten Knobel, CEO: Good morning. Maybe to make it short on the CapEx part, Marco will take the question of the input assumptions we have been putting. I think you have seen, if you look back over the last couple of years, I can say even on the decade, we have continuously supported our businesses with an increased level of CapEx or with – at the end a stable level of CapEx. And there is no assumption in our mid-term ambition that we will have significant step-ups in CapEx. For sure, we will support our businesses, but there is no big step-up or a significant step-up planned. I think the level of CapEx we have been using over the last years was always sufficient to support. I hope that helps.
I think on the other question now, as you said, if I understood it right, the mid-term ambition of 16%, what is the assumption behind of input, I hand over to Marco.

Marco Swoboda, CFO: So, I mean, of course, the 16% is our ambition we have set out as our mid- to long-term financial ambition on the margin, and maybe let's look at the different items. On the one hand of course, we have the aspiration that we will pass through in the coming years also the high input costs that we have seen. And we had, of course, talked a lot about it already on the different businesses, how that could evolve. And let's look at Adhesives. For sure, also here, the aim is to reach the full pass-through of the high input cost so that we also get back to the margins we were used in Adhesive Technologies. And of course, the same is true for Beauty and Laundry, where we also have to work on passing through the different input cost developments.
We will also, of course, see benefits from the creation of the Consumer Brands unit. These defensive synergies will also help us, of course, to support the margin. As we have said, also, the synergies will be used to support the margin, reinvest into the business as another component to drive also top line. But of course, margin support will be another component.
And then, I think the third big item, of course, is the optimization of the portfolio that we concentrate on the businesses that also provide us with a better margin profile. And that will be another component also that should bring us to the 16% level that we aspire to. So, that is what we can say at that point in time, I think, to the principal components.

Questioner adds: Thank you.

Carsten Knobel, CEO: Okay. Good, thank you.

Question: Hi, morning, everyone. You mentioned North America grew 1.2% in the presentation with Adhesives up double-digit. I'm not sure how big each division is in each region, but that indicates your consumer businesses must have done not very well. So, I'm wondering if you can give some color around what's going on in US Beauty and Home Care. Thank you.

Carsten Knobel, CEO: Good morning. Yes, I think your observation is right. If you look at the North American performance in Beauty Care, overall Beauty Care recorded organic sales growth in North America below prior year with a mixed picture looking at the different business units within Beauty. We achieved the very strong comeback in the professional area in our key market North America with a clear double-digit growth. At the same time, the organic sales growth in our consumer business was below or clearly below the prior year level with a double-digit decline in Body Care.

It is important here to note that the consumer business in North America has a very large exposure to the Body Care category with around two-thirds of the sales. And the category was heavily impacted by the very significant decline of demand in the soap market, resulting from the fast normalization versus the 2020 peak levels. In addition to that, the markets are affected by an unbalanced supply/demand situation, and by that, also, with the excess of inventory levels. That's to the Beauty Care performance. Adhesives, as you pointed out, had a good development in North America. And the last part, our Laundry & Home Care business, was below prior year in Laundry and in Home Care mainly due to the supply chain and logistic issues as well as prior year high comparables, I think which Marco and I pointed out also during the course of last year when we were in the Q2 call and also in the Q3 call.
On the other side, you know that especially in the Laundry & Home Care business, you know that we are on a turnaround situation or turnaround plan. And our performance here is the top priority for Henkel. And by that, we're taking definitely also decisive actions within our setup, which means we're stepping up our innovation offense with launches across our key brands and support this turnaround. We are reorganizing our structures to be more agile, more collaborative and thereby also faster in decision making. And we have also and we are further shaping our portfolio and driving key capabilities as e-commerce, digitalization and sustainability. And based on the question of Iain at the beginning regarding portfolio measures and the answer of Marco, for sure, also the North American portfolio in Consumer Brands is included in our thoughts when we want to optimize our portfolio going forward in order to improve the performance. Hope that helps.

Questioner adds: Yes. Very clear. Thank you very much.

Carsten Knobel, CEO: You are welcome.

Question: Hi, everyone. Thanks for taking my questions. I have one on Laundry. Could you talk about the pricing elasticity you have observed in Q4 and year-to-date in developed markets? Have you seen any surprises relative to your planning assumptions so far? And then a follow-up on your Beauty business and the body care category after the normalization of demand you've seen – we've seen last year. How should we think about the market development for this category in 2022? And are you comfortable with trade inventory levels in North America at the end of last year? Thank you.

Carsten Knobel, CEO: Good morning. So, to your two questions, pricing Q4, so our pricing initiatives are progressing to our plans, there is for sure a differentiated

picture from region to region to be seen. So, negotiations are still ongoing for some of the Western European countries, but we already achieved good results in terms of pricing initiatives, particularly in North America and also Eastern Europe. And I think that is the important part to mention here.
From the other part, in Q4, we faced continued strong market headwinds from the ongoing normalization of demand and the unbalanced supply situation that is now related to your Body Care question. Sales volume stabilized on lower levels compared to prior quarters, but still compare to very high prior year levels of 2020 in that comparison. And looking forward, at least our assumption is that we are getting more and more into normalized levels because the two years, 2020 and 2021, were too extreme – 2020 extreme in high and by 2021 markets coming back especially on the soap market I alluded earlier before. So our assumption is that 2022 will get into a more normalized level, and by that, then also more normalized performance numbers we will see.

Questioner adds: That's great. Thank you.

Carsten Knobel, CEO: You're welcome.

Question: Thank you very much. A question on Beauty Care. Could you give us some detail on how profitability has recovered in Professional? Has the margin impairment within Beauty Care been mainly on the retail side? And if that's as much as anything driving the need to bring that business together with Laundry & Home Care in order to recover fixed cost. Thank you.

Carsten Knobel, CEO: Marco, do you want to take it?

Marco Swoboda, CFO: So, in principle – happy to take that. I mean profitability in Professional indeed, as you say implicitly in your question, 2020 due to the quite strong decline in turnover. Of course, it had also a strong downturn in profitability as a result. And with the upturn we have seen in the Professional business, we have also seen profitability to recover here – not yet fully to the level we had before because also here the raw material costs have increased, but we have seen a significant recovery. And insofar, indeed, profitability in the Consumer business is not where we want it to have. And that's what we have to work on going forward and also for sure the synergies that we want to create with the Consumer Brands unit will help.

Questioner adds: Thank you.

Marco Swoboda, CFO: Pleasure.

Question: Thank you very much for allowing me a follow up. Just in terms of 2022, I wondered if you've given the indication as to how that top line might break down into price and volume, looking at some of the comments from your competitors around the level of pricing they're looking to take this year. Would it be reasonable to expect perhaps mid-single-digit pricing at Group level with perhaps a little bit more in Adhesives and a little bit less in consumer products? Is that the right sort of range?

Carsten Knobel, CEO: Thanks for the follow-up. We are not guiding on a price volume question, but I think you have heard it from Marco, also from me: For sure, the unprecedented situation we are facing, which we faced not only in 2021, but also, as it seems, in 2022 from the increase of the raw materials, which is definitely without saying that we need to further bring price increases in all three divisions into the setup. So, you can expect that, without giving you a number, that there will be also a significant price effect in the businesses for 2022. And at that point, I wouldn't differentiate between – what you ask is Adhesives higher than Beauty or Laundry. Most probably it will be, but I hope that helps and clarifies. More I don't want to say at this point.

Questioner adds: Thank you.

Carsten Knobel, CEO: You're welcome.

First of all, thank you for your questions.

Let me briefly summarize the key takeaways of today's presentation.

We achieved, I mentioned it before, a good business performance in fiscal 2021 and delivered on our guidance.

Our outlook for 2022, which we presented end of January, remains unchanged.

We achieved strong progress along all pillars of our Purposeful Growth Agenda since its launch two years ago. And we continue our journey with clear priorities to advance to the next level.

We kicked off the merger of our Laundry & Home Care and Beauty Care businesses to create Henkel Consumer Brands.

And with our new 2030+ Sustainability Ambition Framework, we are accelerating our efforts in sustainability.

Our next call will take place on May 5, in which we will not only present our Q1 statement, but also share more details on the progress and specifics of Henkel Consumer Brands.

And with this, we would like to thank you for joining our call today.

And I can only close with please take care, stay safe and also stay healthy and see you soon. Thank you. Bye-bye.

BACKUP

OUTLOOK 2022
ADDITIONAL INPUT FOR SELECTED KPIS

Currency Impact on Sales	Low single-digit % positive[1]
M&A Impact on Sales	Slightly negative
Prices for Direct Materials	Increase by low double-digit %[1]
Restructuring Charges	€ 200 - 250m[2]
CapEx	€ 700 - 800m

[1] versus the prior year average

[2] not including cost related to the merger of the Laundry & Home Care and Beauty Care business units

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DELIVERING ON 2021 GUIDANCE

	INITIAL OUTLOOK (March 2021[1])	UPDATED OUTLOOK (November 2021[2])	FY 2021	
OSG	**2 to 5%**	**6 to 8%**	**7.8%**	✓
Adj. EBIT Margin	**13.5 to 14.5%**	**~13.5%**	**13.4%**	✓
Adj. EPS Growth[3]	**+5 to 15%**	**High single-digit % increase**	**+9.2%**	✓

[1] Issued on March 4, 2021 [2] Issued on November 8, 2021 [3] Per preferred share, at constant exchange rates

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