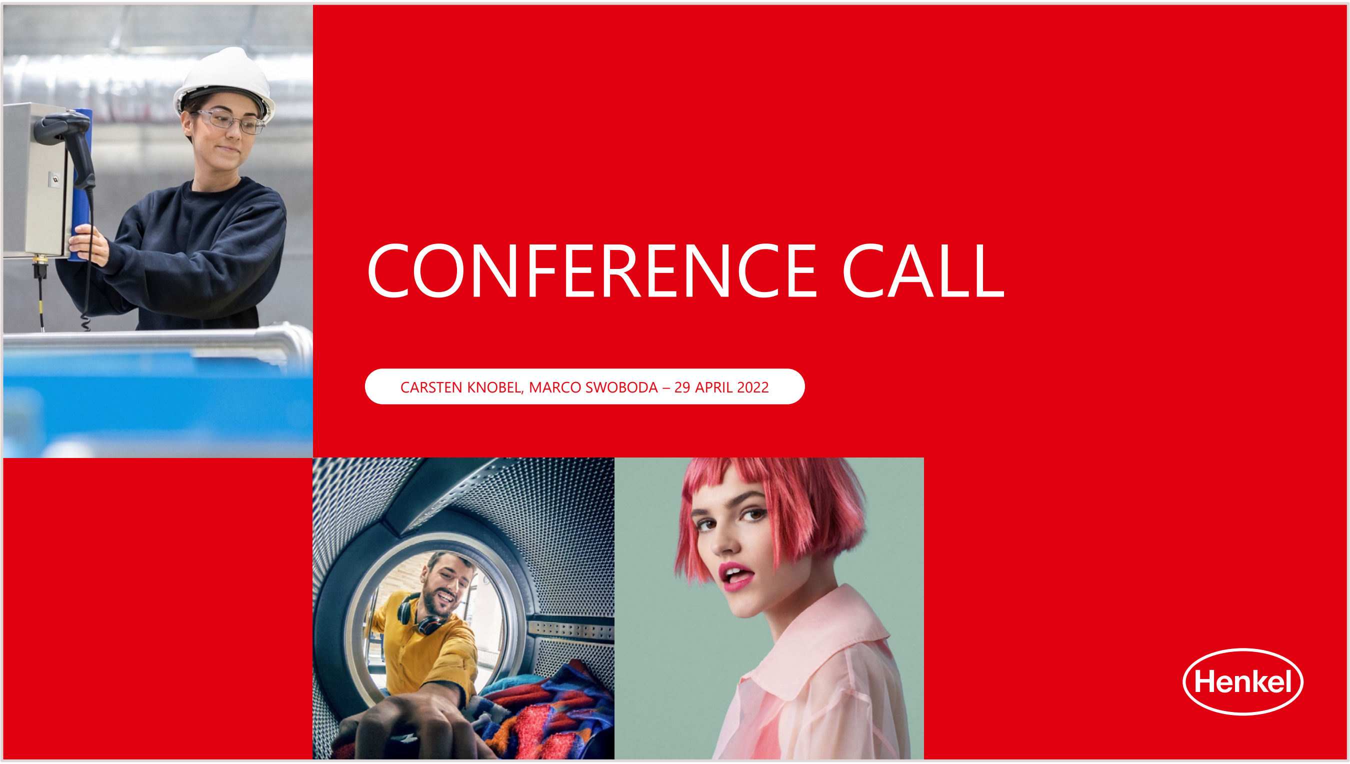

Carsten Knobel, CEO:

Dear Investors and Analysts,

Good morning from Düsseldorf and welcome to our conference call following our announcement this morning.

Thank you for joining and for making yourself available on short notice.

Together with our CFO Marco Swoboda, I would like to take you through the major topics and of course to also answer your questions.

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.

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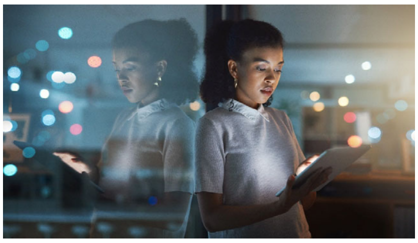
Before we start, I would like to remind everyone that this presentation which contains the usual formal disclaimer to forward looking statements within the meaning of relevant US legislations can be accessed via our website at henkel.com/ir.

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



PERFORMANCE Q1 2022[1]

Significant organic sales growth driven by pricing

UNPRECEDENTED BUSINESS ENVIRONMENT

War in Ukraine and drastic direct materials price increases

UPDATED OUTLOOK

Reflecting fundamental changes in our market environment

[1] Preliminary, final results to be released on May 5, 2022

Henkel

So, what are the key topics of today's call:

After a brief run-through of our topline performance in the first quarter based on preliminary figures, we will take a closer look at our current business environment – which is truly unprecedented. We have been facing fundamental changes since beginning of the year – with the war of Russia against Ukraine, and additional drastic price increases for raw materials and logistics. This has implications on our expectations for the fiscal year 2022.

That is why we have updated our guidance this morning. Here, of course, we want to explain in more detail the respective drivers and key assumptions behind.

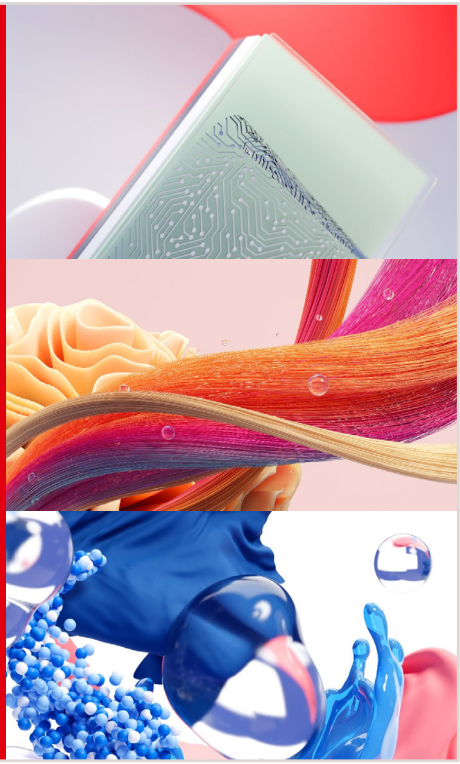
AGENDA

01 Business Performance Q1 (preliminary)

02 Outlook

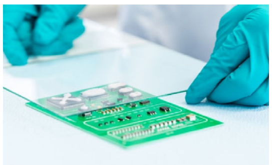
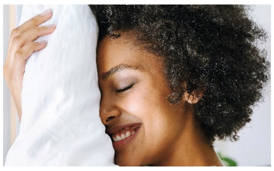
03 Q&A & Closing

4 CONFERENCE CALL 29 APRIL 2022



But let us first take a look at our sales performance in Q1.

SIGNIFICANT ORGANIC SALES GROWTH IN Q1 2022[1]

	HENKEL GROUP	ADHESIVE TECHNOLOGIES	BEAUTY CARE	LAUNDRY & HOME CARE
				
ORGANIC SALES GROWTH	7.1% PRICE: 9.4% VOLUME: -2.3%	10.7% PRICE: 10.6% VOLUME: 0.1%	-1.2% PRICE: 5.1% VOLUME: -6.3%	4.9% PRICE: 10.1% VOLUME: -5.2%
NOMINAL SALES	€ 5.3bn	€ 2.6bn	€ 0.9bn	€ 1.7bn

[1] Preliminary, final results to be released on May 5, 2022

Henkel

Today, we will focus on the key sales performance indicators based on preliminary figures. As planned, we will comment in more detail on May 5 where we will publish our full Q1 results.

In a highly volatile and challenging market environment, Henkel achieved a significant organic sales growth of 7.1% in the first three months of 2022. In nominal terms, sales increased to a level of 5.3 billion euros. Growth was driven by strong pricing across all business units.

Looking at the business unit performance, Adhesive Technologies achieved double-digit organic sales growth of 10.7 percent. Here, growth was driven by all four business areas.

Beauty Care was slightly below the prior year level – mainly driven by the implementation of the announced portfolio measures in our Consumer business, which had a negative impact on sales. The Professional business in contrast continued its growth path, posting a double-digit increase.

In Laundry & Home Care, we achieved very strong organic sales growth of 4.9 percent. While Laundry Care recorded significant growth, Home Care was slightly negative – mainly due to the normalization of demand for hard surface cleaners.

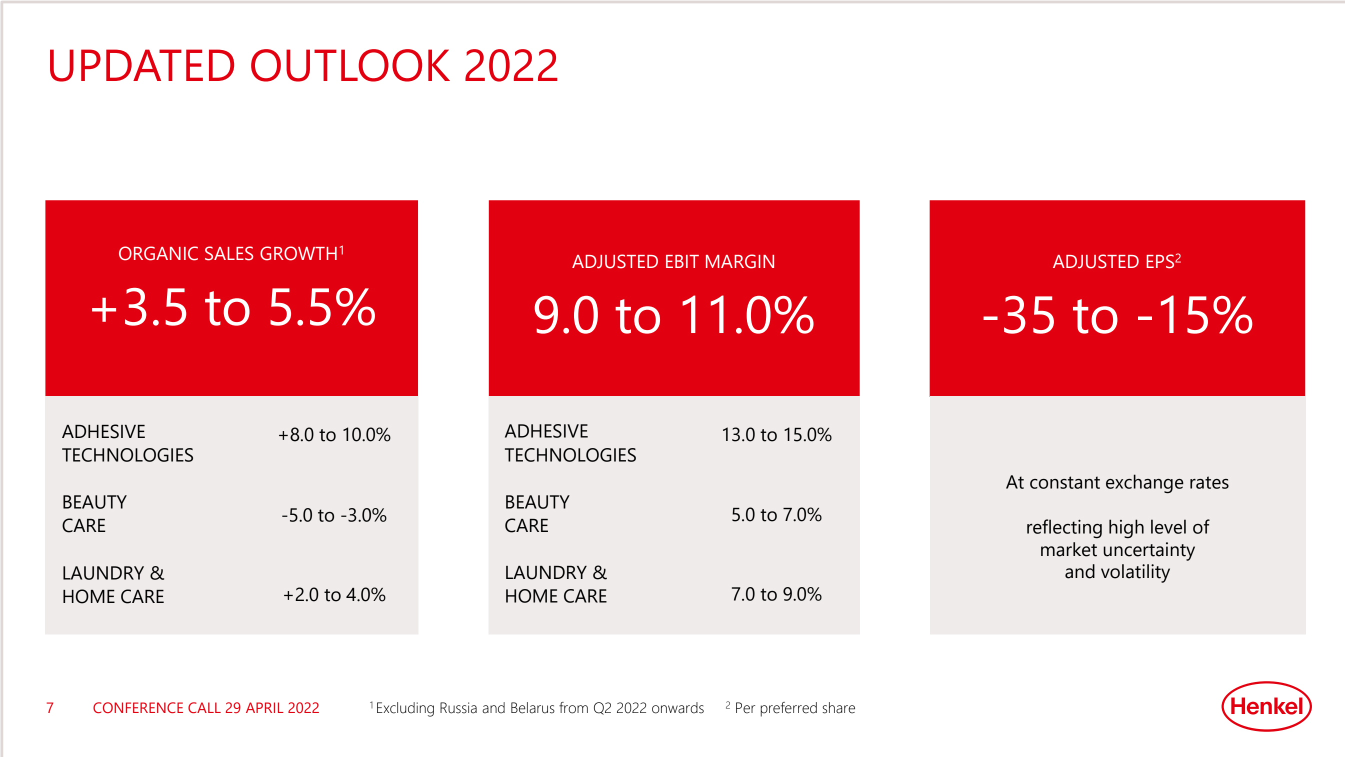
Moving on to the outlook.

Let me be clear: Our environment has changed dramatically since we provided our initial outlook for 2022 at the end of January.

Already one month later, the world was shocked by the Russian aggression against Ukraine. Since then, our primary concern has been the safety of our colleagues in Ukraine and their families. We have been doing everything we can to support our employees in this dramatic situation. We are in constant exchange with our crisis teams, helped immediately and supported with donations.

It was also clear that the war has far-reaching implications – not only on our company, but also on global economies. Not least, it intensified the already difficult situation on the raw materials and logistics markets, resulting in even more drastic headwinds than already anticipated.

Considering these developments, we updated our outlook today.



Before providing more color on the specific underlying key factors and assumptions, let me guide you through our updated guidance for this year. It reflects the substantial rise of input costs and the implications from the war in Ukraine, including the exit of our business activities in Russia and Belarus.

We now expect organic sales growth on Group level in the range of 3.5 to 5.5 percent – due to a higher expectation for Adhesive Technologies. Here, we now anticipate organic sales growth of 8 to 10 percent, compared to 5 to 7 percent previously, driven by stronger pricing. For Beauty Care and Laundry & Home Care, our guidance for organic sales growth remains unchanged. While we expect higher pricing, we anticipate lower volumes compared to our initial outlook. And as before, the organic sales growth guidance for Beauty Care considers the announced portfolio measures in Consumer, which are already in implementation.

As I just said: Our earnings performance in 2022 is expected to be affected by substantial headwinds from cost pressures for raw materials and logistics – to an even larger extent than initially anticipated. More on that in a minute.

On Group level, we now expect the adjusted EBIT margin to come in between 9 and 11 percent. This compares to our previous expectation of 11.5 to 13.5 percent.

By business unit, for Adhesive Technologies, we expect an adjusted EBIT margin in the range of 13 to 15 percent, for Beauty Care between 5 and 7 percent and for Laundry & Home Care, in the range of 7 to 9 percent.

This also translates into an updated guidance for adjusted EPS, where we now expect a development in the range of -35 to -15 percent at constant exchange rates.

For the details of the outlook, I hand over to you, Marco.

KEY ASSUMPTIONS

WAR IN UKRAINE

- **Exit of business activities in Russia and Belarus** significantly impacting Group sales[1] and profitability
- **Noticeable effect from business in Ukraine** on Group sales and profitability
- **Broadly impacting global economies and markets** with further acceleration of price increases for direct materials and logistics paired with substantial volatility

Local footprint (FY 2021)

	Russia & Belarus	Ukraine
GROUP SALES %	~5%	<1%
ADJ. EBIT MARGIN	roughly in line with Group	
ASSETS	Mid triple-digit m€	Low double-digit m€

[1] Russia and Belarus excluded from organic sales growth from Q2 2022 onwards

Henkel

Marco Swoboda, CFO:

Thank you, Carsten, and good morning to everyone in the call also from my side.

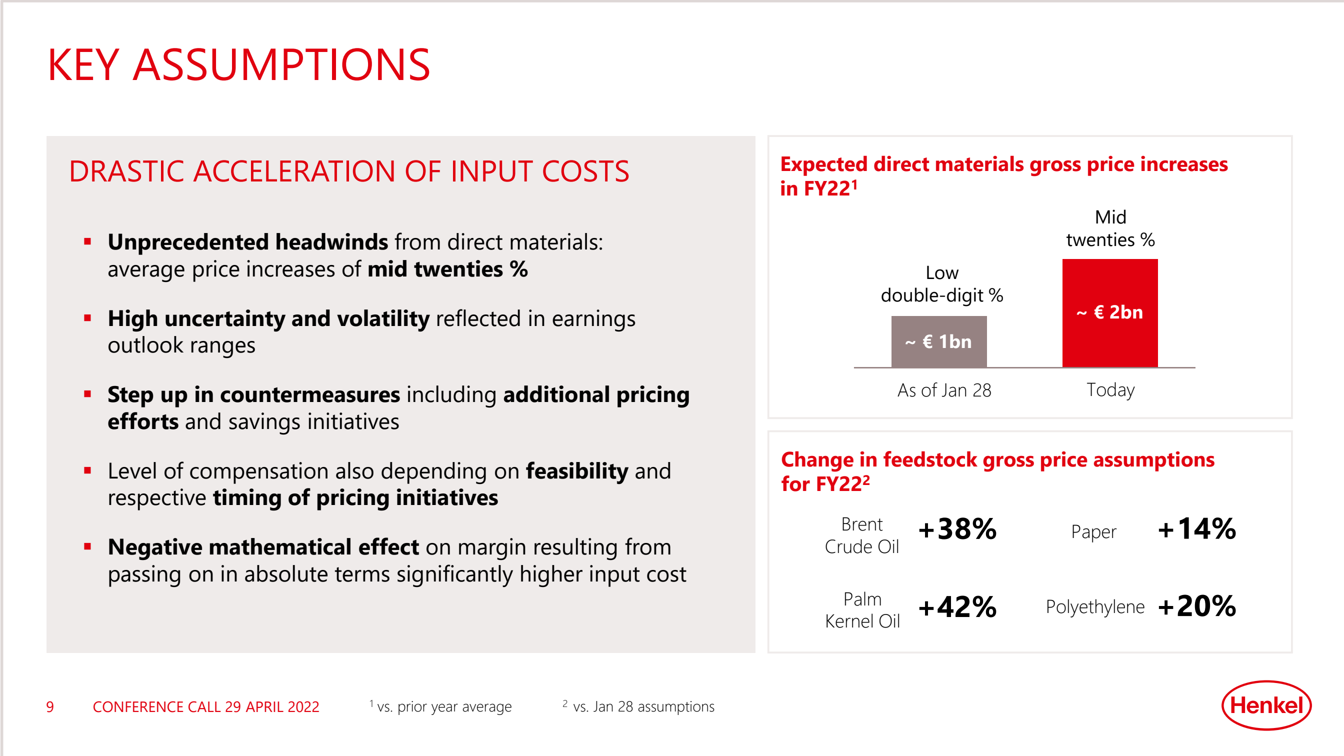
Let us now take a more detailed look at the specific underlying assumptions. Starting with the implications from the war in Ukraine.

As you know, Henkel has a strong footprint in Russia. We have been active there for 30 years, operating 11 production sites and employing 2,500 people. In 2021, the country accounted for less than 5 percent of total Group sales. Against the background of the current developments, we decided to exit our business activities in Russia. We announced this step on April 19. This decision was not an easy one. We had to carefully weigh different aspects – including the further development of the situation and the sanctions, our responsibility for our employees in Russia, but also our company's reputation. And today, we also announced to exit our business in Belarus.

The exit from these countries will significantly impact our sales and profitability. Both Russia and Belarus will be excluded from our organic sales growth from the second quarter onwards.

Moving on to the situation in Ukraine. I just said it: Our focus is on the safety of our colleagues in Ukraine. Here, we employ 600 people and our business accounts for less than one percent. Of course, our business in Ukraine is affected by the dramatic situation in the country. Looking at the financial impact, we expect a noticeable effect on Group sales and profitability.

And of course, with its geopolitical implications, the war has also significantly accelerated the already difficult and highly volatile situation at the raw material and supply chain markets.



Overall, we have seen a further sharp rise in input costs – much more significant than already anticipated. End of January, we expected direct material prices to increase by a low double-digit percentage compared to the prior-year average, corresponding to an absolute headwind of close to one billion euros. The situation has become even more difficult: From today's point of view, at the mid-point of the adjusted EBIT margin range, we expect an average increase in the mid twenties percentage range. Doubling the absolute amount to now close to 2 billion euros. A magnitude we have never seen before. The high degree of uncertainty and volatility around the further development is reflected in our earnings guidance ranges.

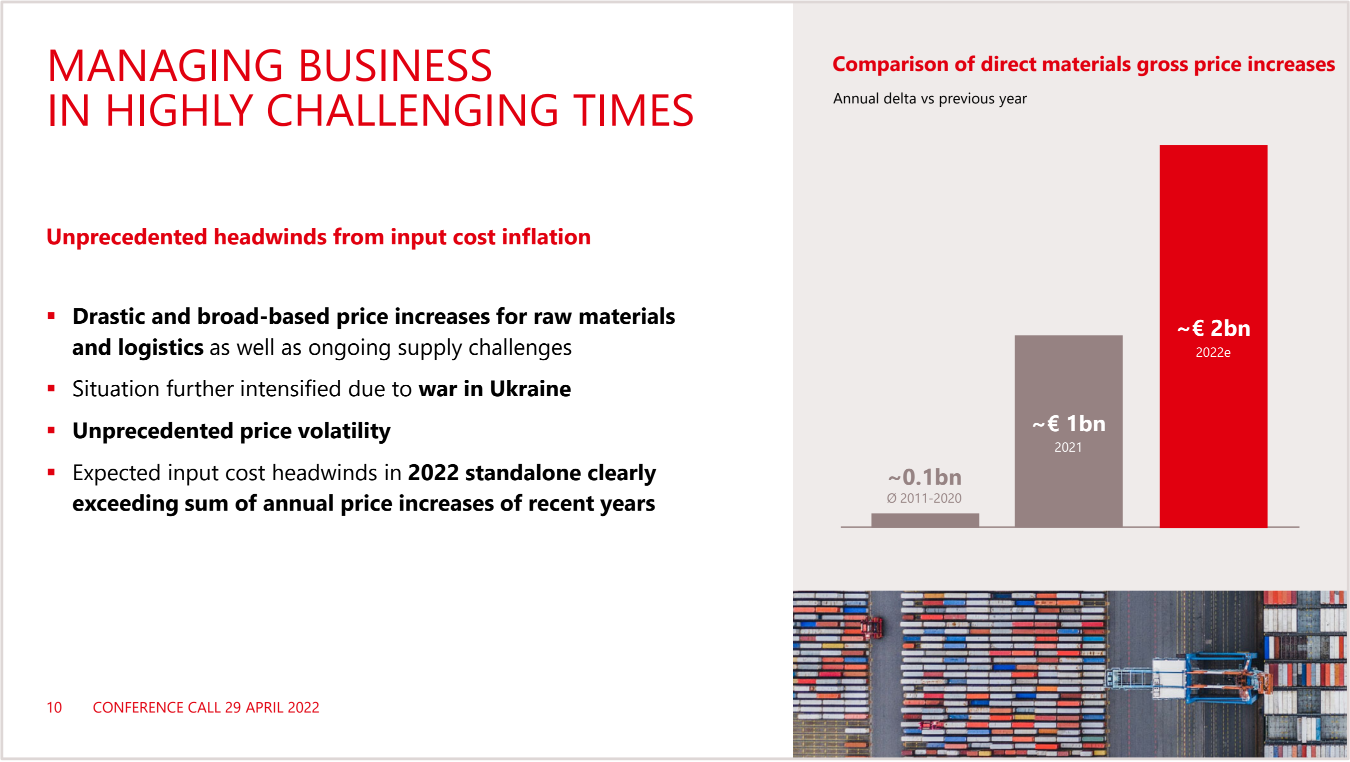
This development is broad-based. We have seen drastic changes compared to our initial assumptions regarding the price increases for key feedstock such as crude oil, palm kernel oil or polyethylene.

When it comes to the impact by business unit, we have to distinguish. Overall, Laundry & Home Care and Adhesive Technologies will face the strongest headwinds. Beauty Care will be affected to a lesser extent.

In addition to the pressure from direct materials, we see additional headwinds of around 200 million euros for outbound logistic.

Of course, our teams work hard to compensate for these severe effects. We have stepped up our countermeasures including additional pricing and savings initiatives. Here, for sure, the level of compensation is always depending on the feasibility and respective timing – we will get back to that in a minute.

When looking at the implications on our margin, we have to take into account that passing through higher prices will result in higher sales, while the EBIT remains stable. As a consequence, the margin will be diluted.



Back in January, we were among the first ones to comment early on about the sharp headwinds we expect to face this year from input cost pressures and strained supply markets. And we do so today, given our assessment that the situation significantly worsened. Not least due the war in Ukraine.

So it is clear: We are operating in highly challenging times with unprecedented price increases – and a degree of volatility not seen before.

As just said, headwinds doubled versus last year. And the extraordinary magnitude becomes particularly clear, when comparing it to the years before: From 2011 through to 2020, we had experienced direct material headwinds of around 100 million euros on a yearly average. So, the cost pressure we expect this year alone clearly exceeds the sum of the annual price increases of past years.

With that, back to you, Carsten.

Carsten Knobel, CEO:

Thank you, Marco.

Of course, facing these drastic developments, we are stepping up countermeasures. We are implementing additional pricing initiatives across all three businesses. With certain differences:

In our Adhesive Technologies business, we are well-positioned to pass on higher input costs to our customers – as said in earlier conference calls, always with a certain time lag of around 3 to 6 months. And here we clearly expect stronger pricing this year, as reflected in the raised outlook for organic sales growth.

In our consumer businesses Beauty Care and Laundry & Home Care, it will take longer to pass on higher costs. And from a regional perspective, in the mature markets it requires even more time than in the emerging markets.

And of course, next to stepping up pricing, we will further implement savings initiatives in our supply chain. This includes, for example, efficiency gains or intense negotiations with suppliers.

With this set of measures, we will limit the impact on our profitability. For sure, there is a certain time lag, until cost pressures will be fully compensated. You can see that also historically, when looking at our compensation of the material price hikes following the financial crisis. Of course, the magnitude was different. But the effect is the same. Over time, we are confident that our profitability will recover.

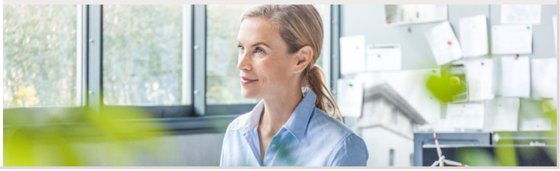
LOOKING AHEAD WITH CONFIDENCE

Strong foundation and clear agenda

- **Strong balance sheet** with low debt levels
- Clear strategy for **future purposeful growth**:
  - Globally leading in Adhesive Technologies, serving megatrends mobility, sustainability and connectivity
  - Creating multi-category platform Consumer Brands to advance to higher growth and margin levels
- Firmly committed to delivering on **mid- to long-term financial ambition**

Compelling mid- to long-term financial ambition

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



So, even though we achieved a significant organic sales growth in the first quarter, we know for sure: This year will not be an easy one. In fact, we will face even stronger headwinds than already anticipated.

All the same, we have a strong foundation and follow a clear agenda to create purposeful growth for Henkel.

We have a strong balance sheet with low debt levels. And we have a strong business: With Adhesive Technologies, we are globally leading and offer innovative solutions for many key industries – with a clear focus on future megatrends such as mobility, sustainability and connectivity.

And with the merger of our consumer businesses Laundry & Home Care and Beauty Care, we are creating a multi-category platform with around 10 billion euros sales – Henkel Consumer Brands. Our future Consumer Brands business will be up and running latest by beginning of 2023. It will offer a broader platform to consistently optimize and shape our portfolio – and to bring it to a higher growth and margin level.

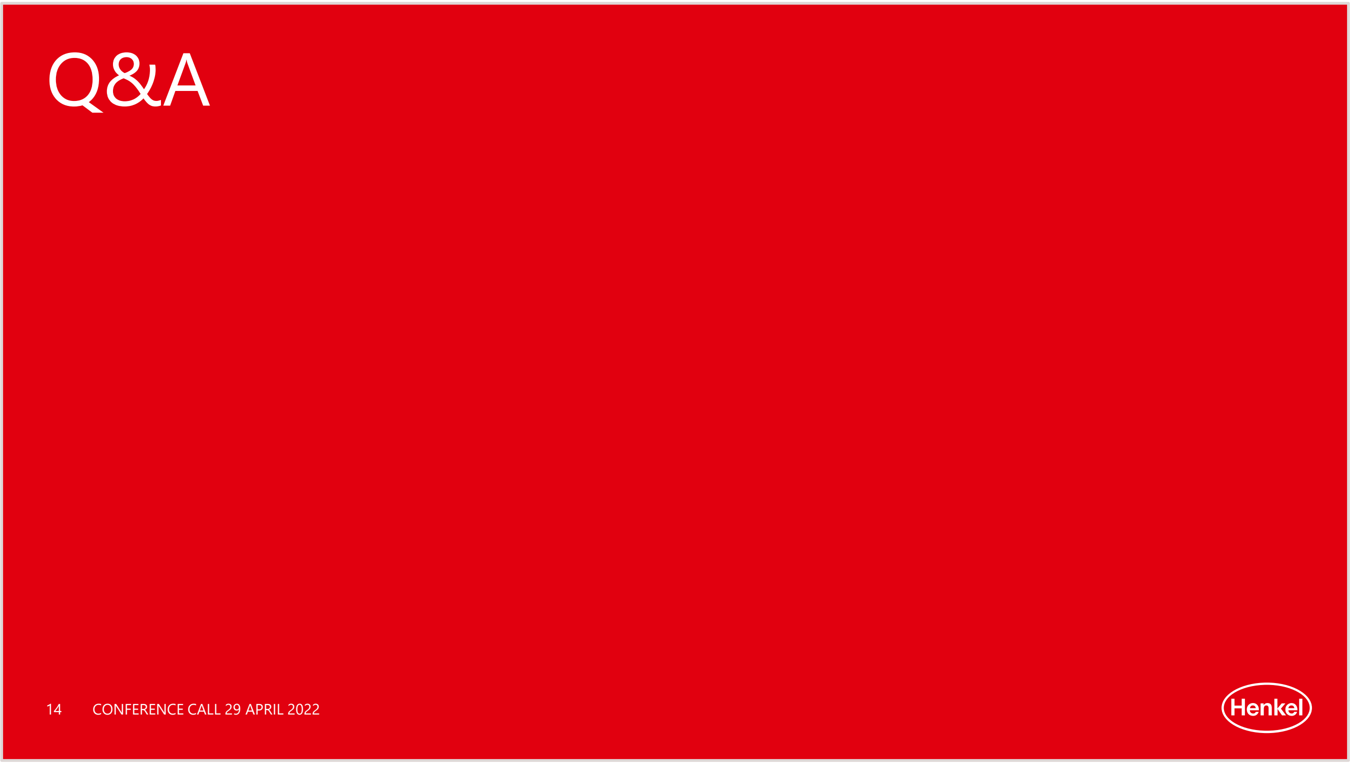
To wrap it up:

Yes, we do see a more than challenging environment with exceptional headwinds from input costs and broad implications from the war in Ukraine. And our updated outlook shows: This will significantly impact our business performance this year.

But we are also confident to pass these extraordinary headwinds through over time and recover our profitability. So going forward, we remain firmly committed to delivering on our mid- to long-term financial ambition.

With that, let us move on to the Q&A.

Ladies and Gentlemen, we are looking forward to taking your questions.

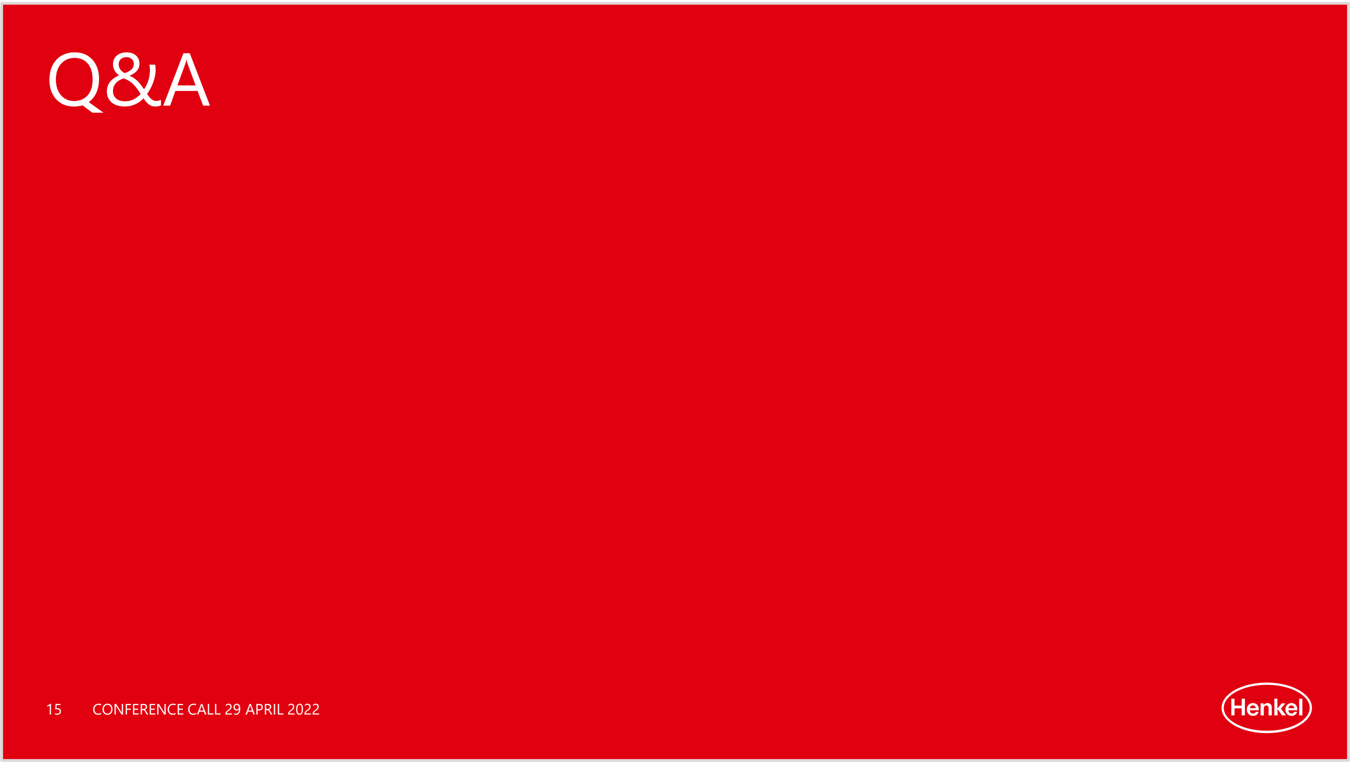


Question: Thank you. Good morning, Carsten and Marco. I've got two questions. The first one is on your HPC consumer goods operations. Both divisions achieved a strong start to the year, so it's above the top end of the expected organic sales growth guidance range. And I would assume, with more inflation, you will also get more pricing actions than initially anticipated for both divisions.

So my question is, why have you not changed this morning your 2022 organic sales growth expectations for Beauty and for Laundry? Any particular areas of concerns you may have? It seems, it's down to price elasticity, maybe down trading that you could be worried about. And I guess related to that, how would you reconcile some significant volume growth decline? I think in Q1, already Laundry & Home Care was down 5%, at the time when you're trying to reignite some market share momentum. So that's my first question.

My second question, hopefully, it's much shorter. It's on China. Does your revised outlook bake in some severedisruptions in China associated with the continued strict lockdowns we are seeing? Or at this stage, do you assume some normalization as we get into the second half of the year? Basically, just trying to assess whether there could be some additional downside risk to your EPS guidance for this year if trading conditions were to worsen in China?

Carsten Knobel, CEO: So good morning and thanks for your questions. So, I take the first one – well, I start with the first one regarding to the Henkel consumer businesses. You're absolutely right. We have a good start into the quarter. If you look at quarter one, both businesses came out better than the market expectations. And I think what you also could see is that we also could implement quite strong pricing parts in the Beauty Care part, roughly 5%, and in Laundry & Home Care 10%. You may ask the difference between the 5% and 10%, but what we see is definitely that in the Laundry & Home Care business and in Adhesives, the material price headwind is significantly higher than in the Beauty Care. So therefore, this is also reflected in the pricing that the Q1 also foresees that we have seen that higher in these two businesses.

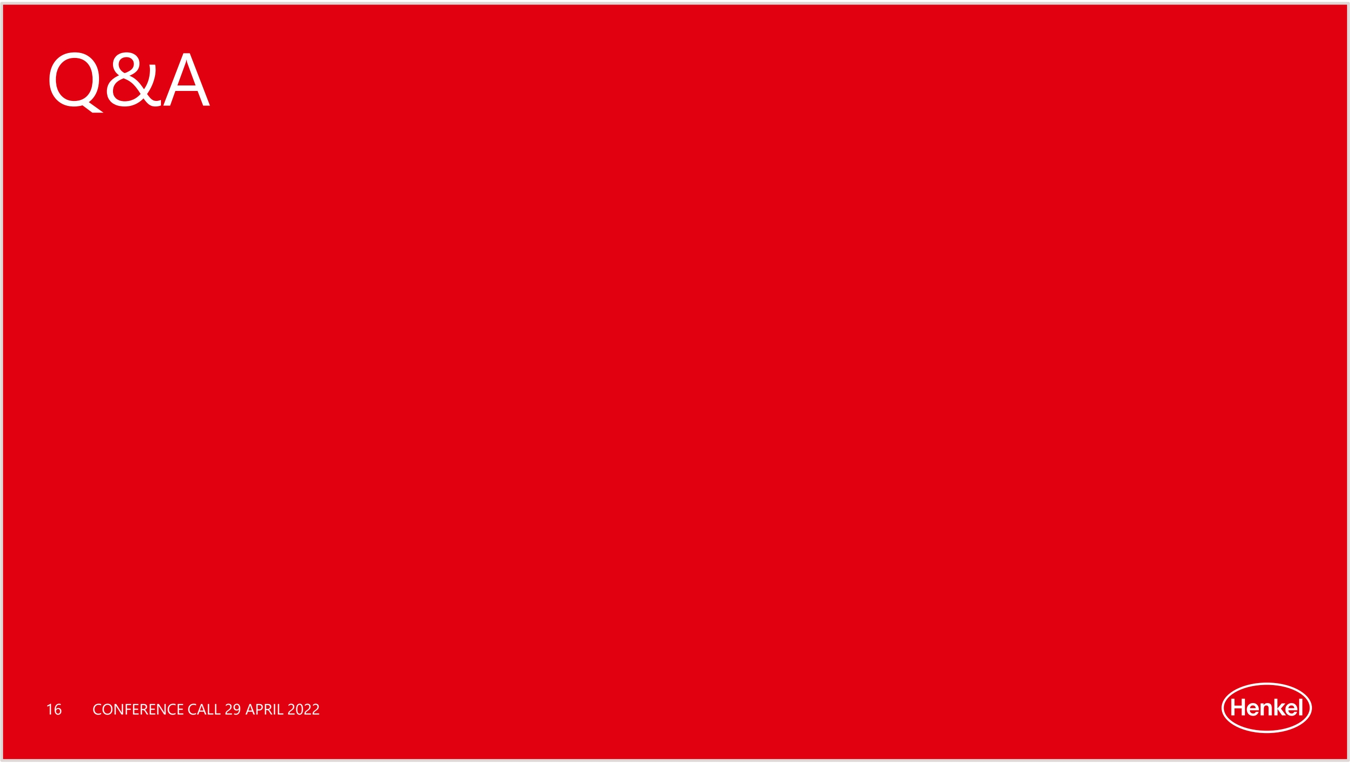


If we – and you're also right that we have not increased the guidance for the Laundry & Home Care and the Beauty Care businesses for the full year. And as I said, we witnessed strong price increases while partly volumes declined and the pricing elasticity varies really by market and by brand, especially in Western Europe. And we have seen here and that is not directly to the elasticity of the consumers, but we have seen a quite strong opposition from trade toward higher prices, also quite outspoken by some of the retailers and traders in the press.

So there, overall – although the current inflation rates indicate the wide spread of the price increases across all consumer markets, we expect that certain negative effects also here on volume. And, therefore, we see with the stronger price increases, we are at that point taking that into consideration. And by that, we have not increased the outlook for the OSG part for these two businesses. And in Beauty Care, I mentioned that and we mentioned it before that the volumes are also affected by the portfolio measures, the €200 million we announced at the end of January, which will impact the volume within the year of 2022, but not different than what we have initially commented on that.

Maybe that helps on the first question. And to the second one, on China, Marco, you will take that?

Marco Swoboda, CFO: Yes, I can do that. And of course, we are aware of the situation of the lockdown in China, in particular in Shanghai. As probably you're aware, we run quite a number of plants in China and also in the Shanghai region in particular for our Adhesive Technologies business. So there were temporary restrictions that also affected our production sites and we are managing through that now. We have established a closed loop management approach. That means some of our employees also are remaining on site to keep operations up and running, at least to a considerable degree, in order to supply our customers wherever possible. For sure, there are also challenges around logistics in these times, but the teams are fighting through that.



In Q1, we were affected by a low double-digit million euro figure on the top line, and we see some further impact also in April. However, we assume so far that we will overcome also in the course of the second quarter and we do not foresee in the guidance severe restrictions also in the second half. And for sure, as you say, that is, of course, a risk, but it's at the moment hard to predict. So that's how we look at it for the time being.

Question: Thank you very much.

Carsten Knobel, CEO: You're welcome.

Question: Hi. Good morning. The first is about understanding a bit more the 250 basis points margin – lower margin guidance. I'm trying to first sort of figure out how much of that is due to Russia and Belarus closure? It's clear that they made the same margin as the Group margin as you're saying. So I presume it has limited impact above and beyond maybe overheads.

So if most of the 250 basis points is basically the existing core business due to higher commodities, how come that is such a bigger reduction in profitability than almost all other companies that have had quarter one results? Everybody is lowering or softening guidance by a bit. Well, we sort of talking about the order of 20 basis points to 50 basis points. This is a little bigger. So what explains that much bigger sensitivity to the changes in commodities since the start of the year?

The second one is, I presume, given the risk of gas supplies to Germany, Italy, in Europe. You've probably done some scenarios, what would happen if suddenly they cut off gas because most people expectation is for a recession in Germany and Italy on the back of that. How are you factoring in, in your guidance for Adhesives, like the probability of a gas cut and the recession in those countries? And if not, how big would the impact be you think of such a move to your business in Adhesives? Thank you.

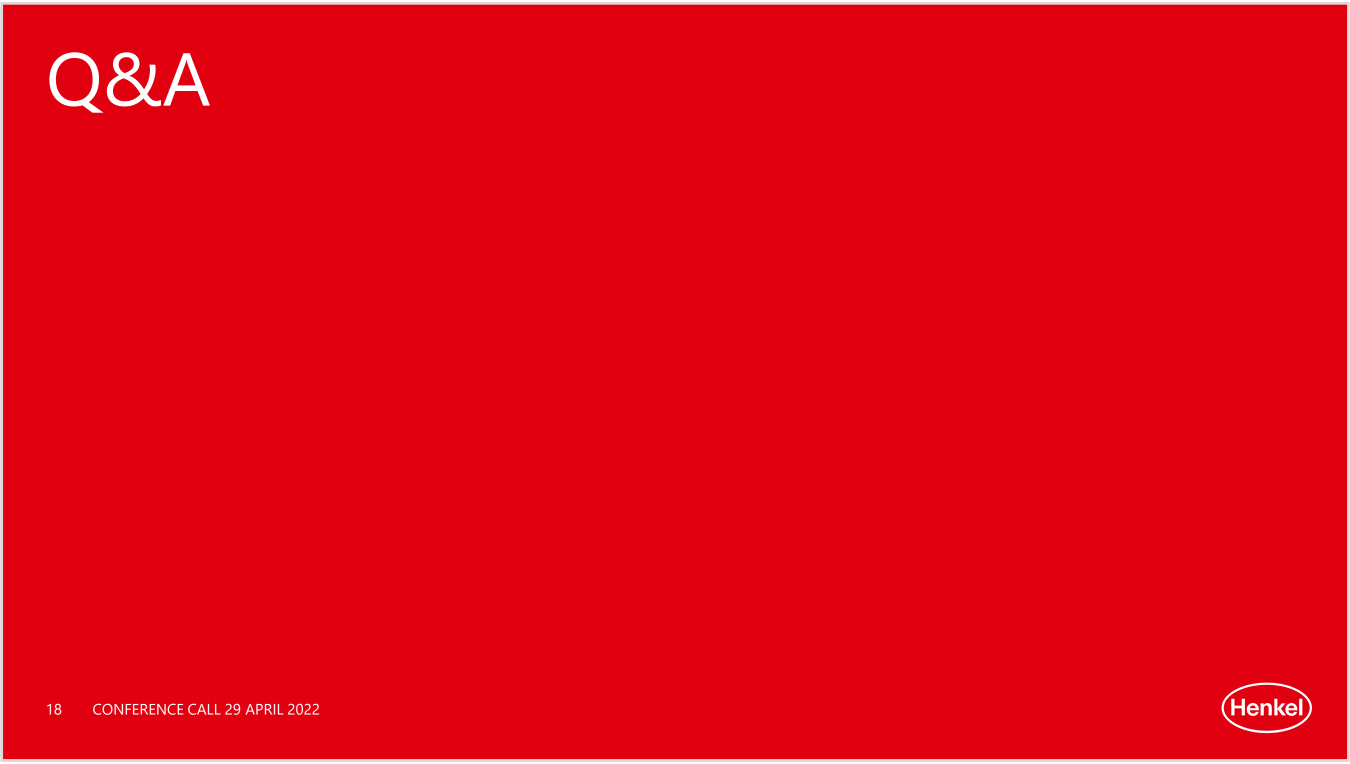
Q&A

Carsten Knobel, CEO: So, good morning. I'm starting with your first question. So maybe let me put that in perspective and starting your question with the first look at the EPS growth guidance. If you compare the EPS growth guidance now – the updated one compared to the original one, we have shifted that by roughly 20 points to the left. And out of that, one-third of that is attributable to the exit of Russia and Belarus, and two-thirds of that are attributable to the drastic input cost pressures. Maybe that's the starting point.

Your question was specific then on the margin, the 250 basis points. 50 basis points out of these 250 basis points, Marco explained in terms of this mathematical effect. And if needed, Marco can comment on that. So the remaining 200 basis points are related to the increase of the material costs because, and I think you said it in your statement, the margin profile of the businesses we will exit, that means Russia and Belarus, are on – more or less equal on the level of the Henkel Group in total, so therefore there is not a big effect.

And when you say you have – when you compare that with other companies or with infos from other companies, we can only speak for our business. In fact, that the burden is resulting from the current environment has intensified dramatically since the beginning of the year. In the outlook we had at the beginning of the year, we assumed €1 billion of material price increases, and this has been now updated to roughly €2 billion.

So, the €1 billion increase is related then to an impact of 200 basis points in the margin change. That means roughly €400 million. And if you compare the €400 million to the additional €1 billion of material price increases, that's roughly that we compensate roughly 60% in this year. And as we said that the pricing increases will not only be compensated within this year, but also spill over to the year 2023, where we will compensate for the rest. I think that's the logic or the explanation behind. And the other part, the gas supply, Marco, you will take it?



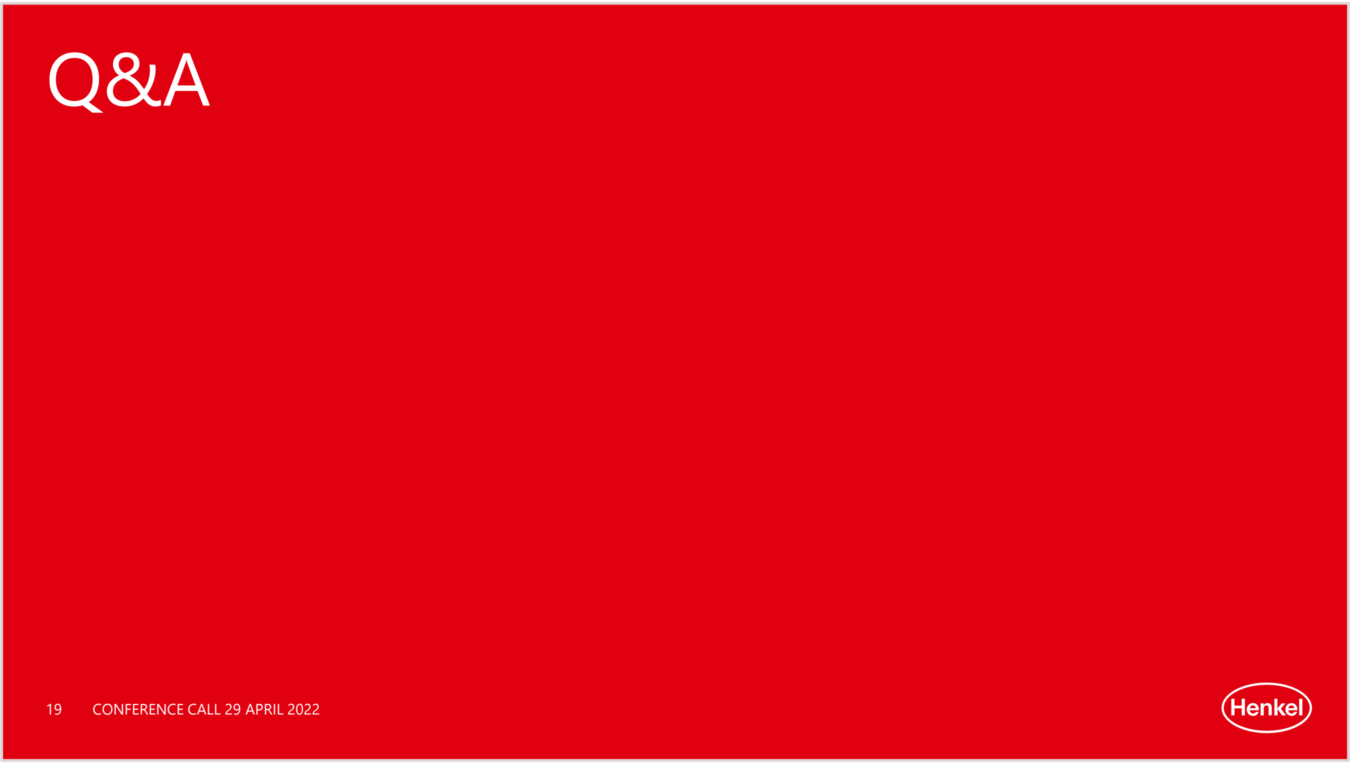
Marco Swoboda, CFO: Yeah, for sure, it's a very valid question and that is a risk, of course, that looms around us, in particular in Europe. So the guidance does not assume that the gas supply from Russia will be cut. I mean, that is not the assumption. And also the impact is not – it is not possible to precisely predict that. But of course, as you also can read from all different analysts, that probably will trigger a recession in Europe.

And, I mean, if we look at Henkel overall, we are not a high energy consumer in that sense. So, our total energy spend is probably less than 2% of our COGS base. So from that point of view, energy doesn't play such a big role in our production. But of course, we are depending also on supplies of certain base chemicals, just for example, and there we would see a quite intensive impact. And if gas is really cut for Germany, for example, there would be a clear order of preference, that first private consumption would be favored, and then the industry will be cut off to quite a high degree, and our suppliers will then also be not be able to produce. So, on the supply side, that will have a strong impact on us, that is very clear.

We are working on, of course, contingency plans, also using alternative energy sources. We started also to decide that we also will continue, for example, energy production out of coal here at our main site in Düsseldorf for a longer time than originally assumed. That all will be done, but of course, we will see an impact from our supplier side. And at that moment, it's impossible to predict how intense that will be. We have various scenarios, but that is very speculative. So we are preparing as good as we can. But of course, that scenario would have a huge impact on the overall economy in Germany and in Europe as a whole.

Question: Thank you.

Marco Swoboda, CFO: You're welcome.



Question: Hi. Good morning, Carsten and Marco. Just one question actually. End of January, you've provided a mid-term guidance of 16% EBIT margin in the mid to long term. What's the timing or the path to get there? And should we also expect a step-up in CapEx, whether it's this year or in the outer years actually more likely, to make your business more profitable? Thank you.

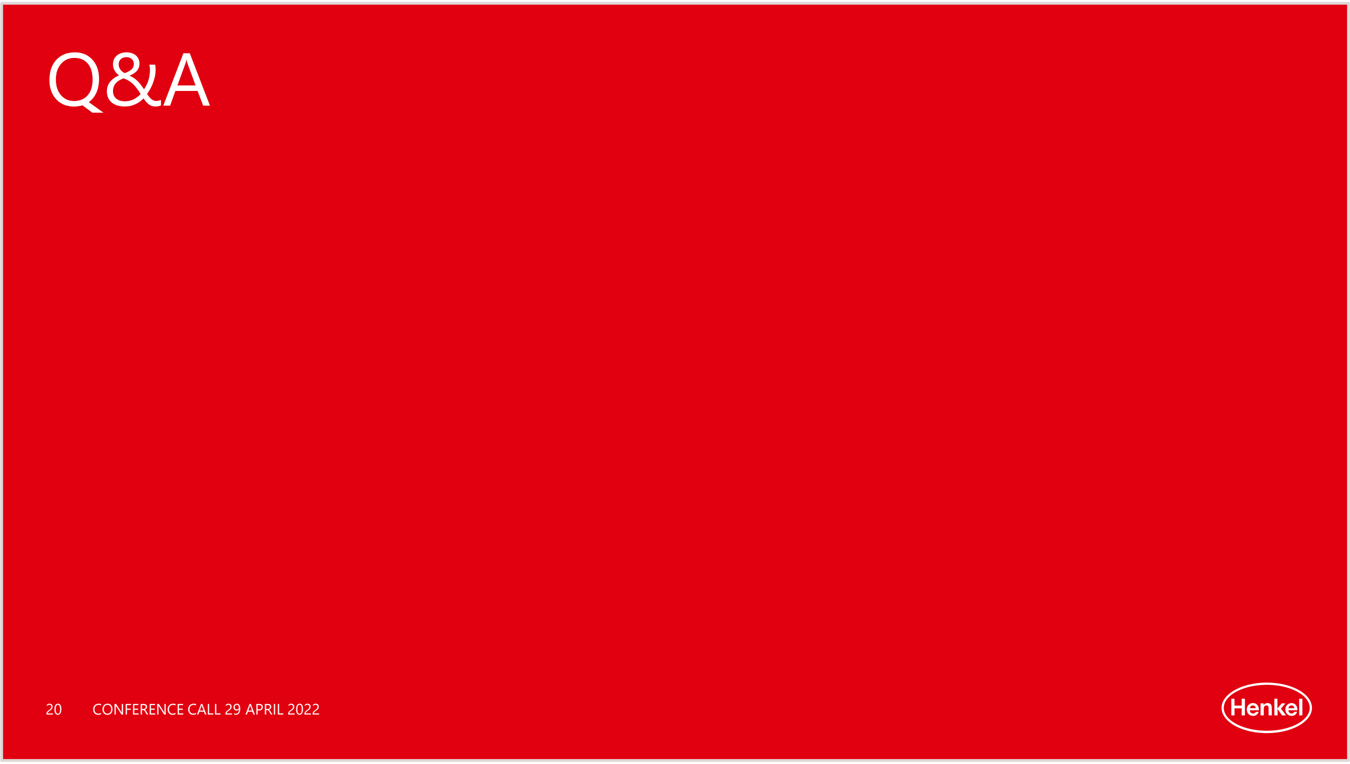
Carsten Knobel, CEO: So good morning. So, yes, you're right. The mid-term guidance – mid-term financial guidance – we updated in January. And as you have heard today, we confirm that. We have not given specific year or timing on that, and we are committed to deliver on that. We see what is happening as a temporary major topic, as a temporary situation, which we will overcome. As we explained it, in Adhesives faster than in the consumer businesses when it comes to the situation of the material price increases and the logistic price increases.

And when it comes to the Russian and Belarus exit, it's clear the business will not be part of our portfolio. But I said it before, it is not in significantly. The margin situation for sure, the EPS situation, because business has been gone. For sure, for Ukraine, we hope that this business will come back after – and we have also a good business on that – that it will come back when the war is over. So therefore, we are committed to this.

And as I explained, I think with Adhesives we are well-positioned to cover also trends like mobility, sustainability and connectivity. And the upcoming merger between Laundry and Beauty, we really are convinced that by creating the platform and we will also give you – as initiated next week on Thursday, also a detailed update on what we are – what we foresee, be it from a strategic or business perspective, but also from a synergy perspective what we expect with these businesses going forward. So therefore, committed and no change to the mid- and long-term financial ambition.

Question: Perfect. Thank you.

Carsten Knobel, CEO: You're welcome.

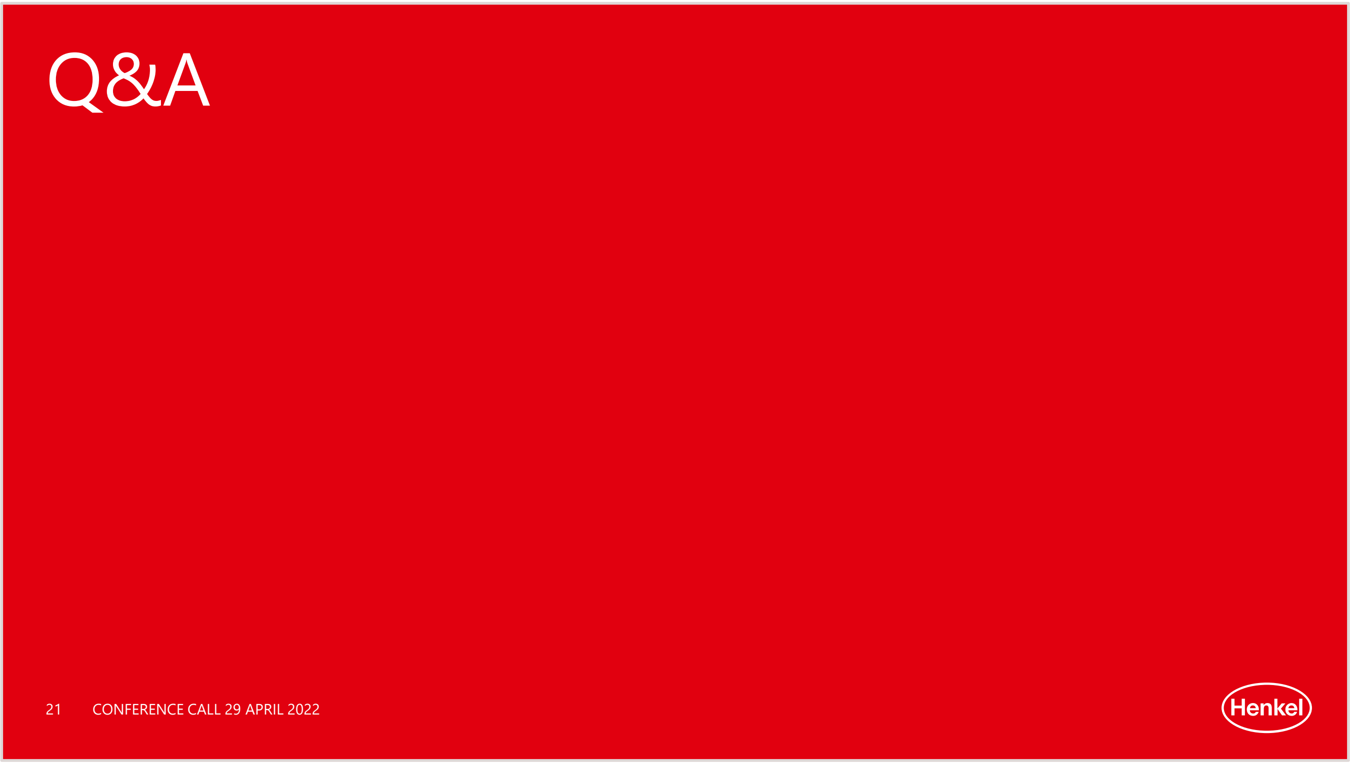


Question: Thank you very much. So, a couple of questions from me, if I may. Firstly, when you talk about offsetting the rest of the raw material headwinds in 2023, does that mean that we should be expecting 100 basis points or 200 basis points margin expansion in 2023 as your unrecovered raw material costs kind of come through?

Then I suppose my second one is just to help us understand why your sort of margin impact seems to be slightly higher than peers? I can understand that consumer goods, it's kind of difficult to price through. Given your competitive positioning in Adhesives, I am a little bit surprised that, that appears to be taking a bit longer than we would have thought. Is there something here to do with contract structure that your Adhesive contracts in Adhesives might be slightly longer than peers and therefore, it takes longer to recover or anything you could point us to, to try and help us figure out the moving parts there? Thank you so much.

Carsten Knobel, CEO: Yeah. Good morning. I start with the second one and maybe Marco, you take then the first one in terms of – to offset the rest of the raw materials and the impact of 2023. So maybe, when you say you're surprised with Adhesives, if we look on that, what we have guided, if you would exclude the effect of Russia and Ukraine, where Adhesives has quite also a good business and you adjust that or you make that EBIT comparable, then we are assuming an EBIT on an absolute level at the same level as in last year. And by that, being able to compensate roughly €1 billion of raw material price increases.

So, I think that is very ambitious. But due to the fact that we have put it in the guidance, we are convinced that we will make that executable in that timeframe. So therefore, I think the price increases, what we are executing are very strong, and also absolutely a strength. And I don't think that you will find somebody in the market who is on that level. If you look at last year, we started in Q1 with a level I think around 0.8%. We doubled that in Q2. We doubled that in Q3. We came out with a pricing above 5% in the Q4 and we start the year with a 10% price component. And by that volume on prior-year level in the context of Q1 comparison.



And when it comes to the contracts, for sure, partially the contracts, they have a linkage to raw material developments, for example, in silver. And I think in the other parts, I think we are using the power Adhesives has on that kind of business. And therefore, I'm a little bit longer because I think that's absolutely more than competitive what we are executing in the Adhesives business. And this is something which we take into account. And you know from the past it takes three to six months, and there is no change on that, how to pass on the prices. And I cannot judge and I partly said that already, what peers are assuming in their forecast and so, therefore, I think we are very clear on that.

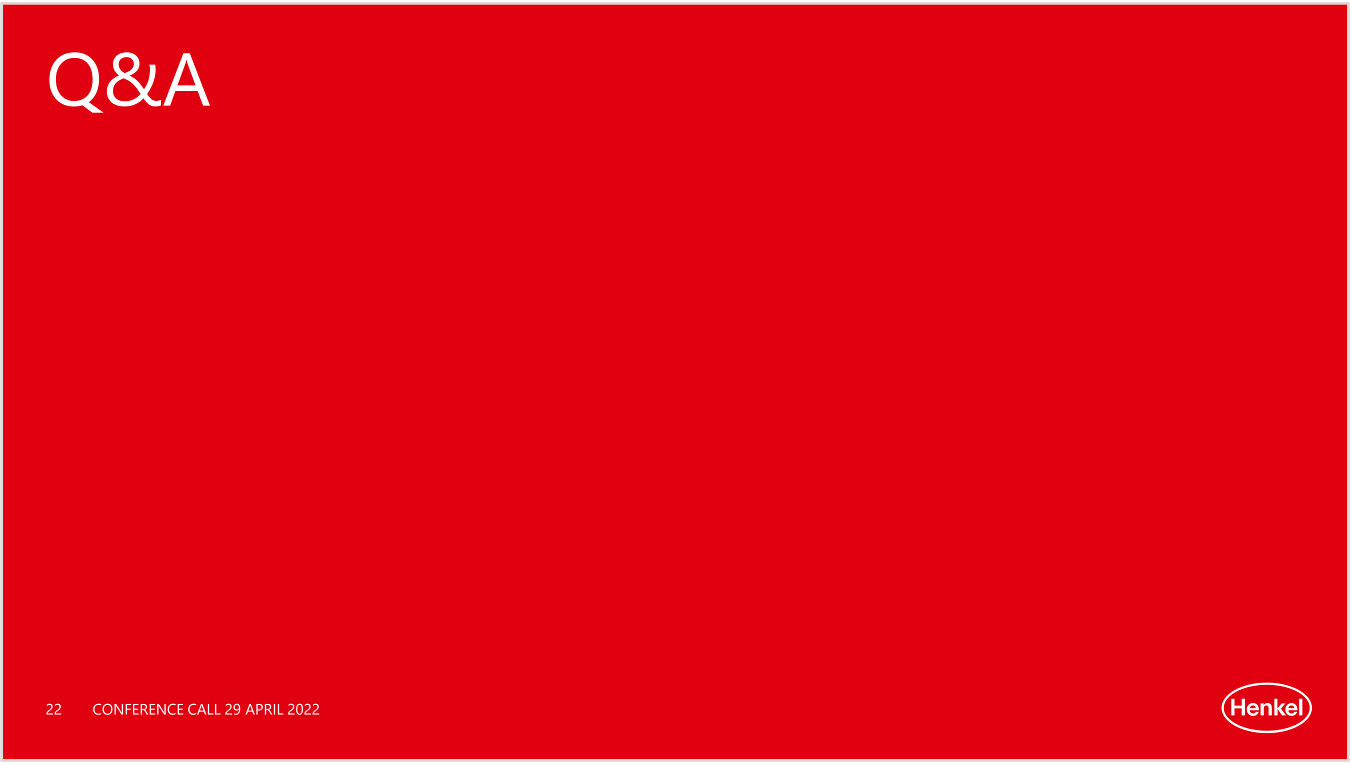
Maybe a little bit long. With this, Marco, maybe to the topic – to the second question of Iain.

Marco Swoboda, CFO: Yeah. So question was on how would the margin evolve? Given that also Carsten said, we will work on pass through in 2023. So it's – of course, depending also how raws will further develop. So assuming input costs do not further increase also in 2023, we should see margins recovering in principle, of course. But we do not guide on when exactly we will reach our mid- to long-term ambition as also Carsten said before. I think what is important to note is when Carsten said we're going to work on passing through. Now in particular in Adhesive Technologies in 2023, that is to be understood in absolute terms.

So whatever we have as cost increases from raw material increases in absolute numbers, that is what we are going to try to pass through in higher prices. But as I said before, that means basically we still have some margin dilution as long as we don't price over top of that or in case material costs go down again, of course, we will recoup also in what we lost in dilution in the margin. So that's how we look at it. Over a cycle, we will catch up, but that depends a bit how then material prices will evolve. And then we're going to see also how long it takes to get back to the original margins and finally to our mid- to long-term ambition. At the moment, we cannot guide on a specific timing.

Question: Very clear and very reassuring. Thank you so much.

Carsten Knobel, CEO: Thank you.



Question: Thank you. If I could ask just one on Adhesives, one on – or a follow up on the Russian one, and then if I can also just follow up on a comment you made about retailer reaction to pricing. To the first question was just following up – picking up on the Adhesives commentary just now, Beiersdorf earlier this week took their guidance down on the top line. They were flagging significant worries on their customer issues in automotive because of getting their supply chains back up and running. And also they were throwing in electronics to that in terms of the China disruptions in Shanghai. So I – just wondering, within that context, are you factoring in similar dynamics or is that something which would be an additional risk that you're not actually seeing yet, but might be they're just anticipating?

The second question is a quick follow up on Russia. You've made it clear about the profitability, but just to understand, the stranded cost risk, I assume it may be a period of time where you're paying your people but not operating. Is that a cost that would appear below the line as an exceptional effect to this? Is that how we should think about that, or is there no stranded cost risk in that process?

And then the other follow up, so, you talked about pushback by the trade on price increases. Church & Dwight yesterday were quoting you quite – numerous times about how you've taken more pricing than others. Is that a US issue referring to that commentary, or is there other markets you point to? I guess Germany, I know perhaps it's late in the cycle; is Germany a more difficult market to get pricing in and than you anticipated in the consumer side? Thanks so much.

Carsten Knobel, CEO: Yeah. Couple of questions, more than happy to take that. And I'll start with your last one because I think here I can be short. The comment from my side related to trade or to retailer was more related to Europe, not to the US. I think in the US, we already started in last year to increase prices in the consumer businesses, especially in Laundry & Home Care. And I think we executed that. And I think you see also a big portion in our 10% pricing in Q1 in Laundry & Home Care is also related to the strong pricing of the US. And therefore, my comment was more to Europe.

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And I think you could also read that also in Germany from the specific retailers that they are quite resistant in terms of taking price increases. And that is also maybe to the question of Guillaume at the beginning. When we say why we have been not changing or increasing the outlook for the OSG, because I think we are in the execution of pricing. And that's also what you see in the 10% or the 5% in Beauty, respectively, in Laundry. But what we see is that maybe there will be a pushback in terms of negotiations, which is impacting then the volume, and partly we could also see that in Q1. And I think that's the situation when it comes to the pricing/the pushback situation, so not really related to the US.

To your first question – and Marco takes the second one with Russia and the stranded cost or the situation in that. Again, I can't, for sure, explicitly comment what you heard in other – or what you discussed in other calls related to the Adhesives part. But I think, first of all, yes, there are – depending on the part of the portfolio where you are looking – different implications. And the broad part in our portfolio of Adhesives is really helping us to also compensate on certain topics and problems.

And yes, the China topic and Marco talked about that when we had the discussion about the lockdowns, which are in Shanghai, which can, for sure, have an impact, because we also have a strong business in Adhesives. On the other side, the countermeasures, what we are taking, for example, that part of our management, of our teams are within the production sites, and by that, guaranteeing also that production is going on, I think these are the things which we are doing in countermeasures.

And in terms of, for sure, dramatic changes, we are not – are not related into our guidance. But as Marco said, we expect the normalization on that in the second half, and that is foreseen also in our numbers/in our guidance going forward. I hope that helps for the both topics. Marco, you take Russia?

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Marco Swoboda, CFO: Yeah. For the Russia situation and regarding stranded costs, so of course, a complex picture. I try to structure that a bit. We will have some continuing operational costs while we still run the business in Russia. And on the other hand, we will still also have some turnover as long as we haven't closed down or divested. So that would be recorded in EBIT and EPS, and that's included in our guidance.

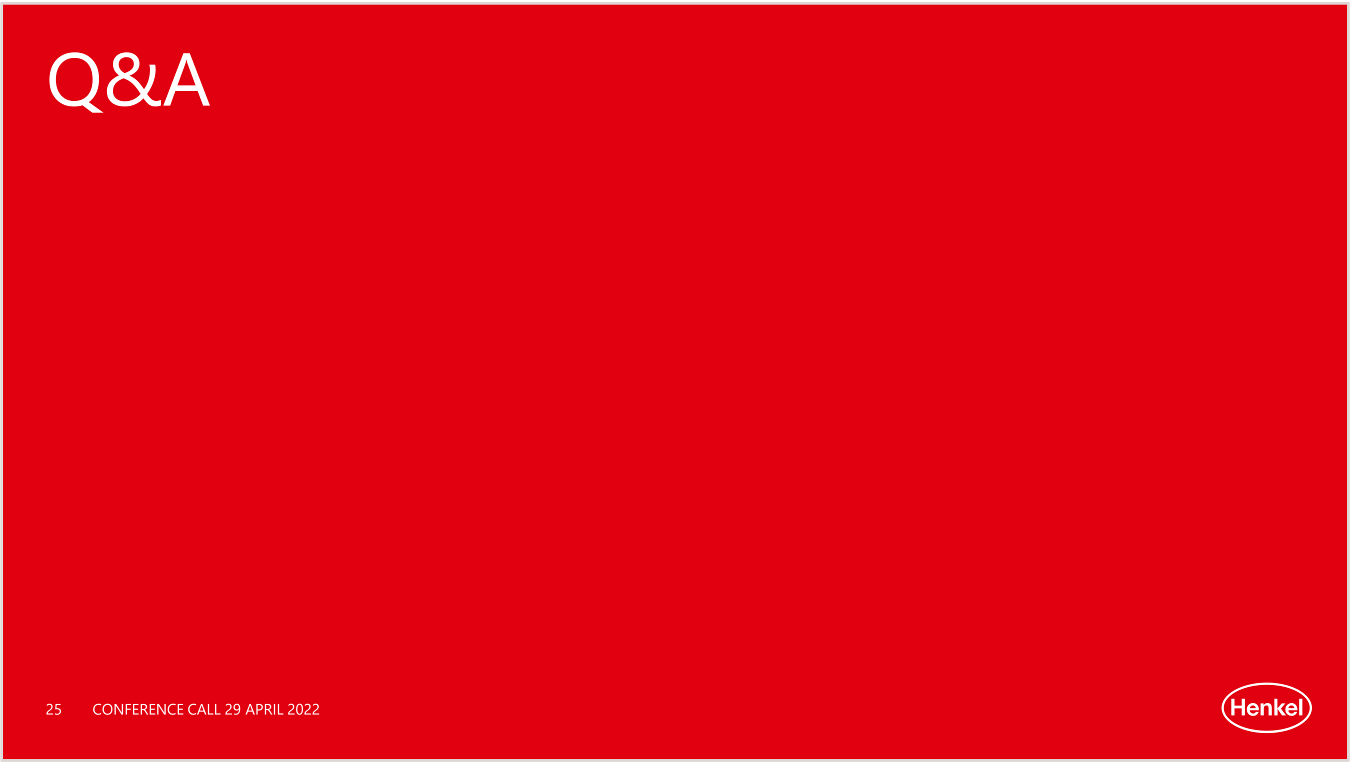
Then there will be some one-time costs related to the exit process as such. So that will be including also potentially some employee severance that could include garden leave for people that are not operational anymore in the second half. That will also include write-downs and all these more exit costs that will be adjusted. So that's not included in our adjusted EPS number. And then further to our global organization, also here we will incur some stranded cost in the second half, if the business is not operating anymore from that moment on, and here we have to adjust structures going forward, but of course, some of that will hit us in the second half, but that is not so material from an overall standpoint.

Question: Thanks so much.

Carsten Knobel, CEO: You're welcome.

Question: Thank you very much. A couple of questions, please. Firstly, on price elasticity, it looks very different across your three main divisions, with Beauty Care at the highest. But I suspect that is distorted by some of the brands that you're discontinuing. Can you give us an idea of what volume and price would have looked like without the portfolio rationalization? I think you talked about 5% of sales would be lost because of that.

And then secondly on – sorry to double back on the commodity costs. As mentioned, it's a significantly bigger increase than any of your peers. Can we check that there's nothing company-specific within that in terms of forward contracts not being honored or the like? And can you give some idea of how you're hedged the commodities into H1 and H2 to give us some reassurance on visibility? Apologies if that was covered, my line cut out partway through. Thank you.



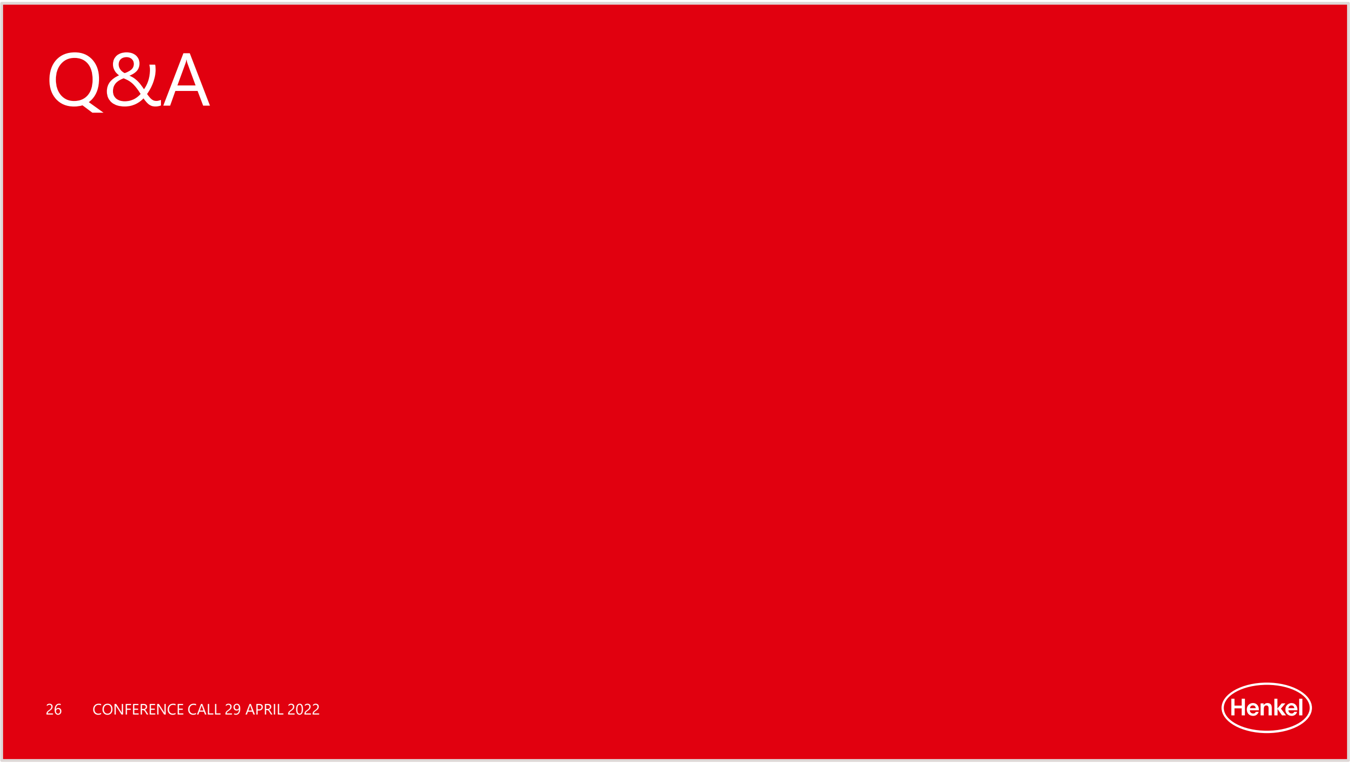
Carsten Knobel, CEO: Yeah. So maybe I start with the topic of pricing and elasticity. So first of all, you're absolutely right in terms of that and I talked about that, that the performance already in Q1 in Beauty Care is impacted by portfolio measures. So it was down on the year mainly due to the announced portfolio measures in terms of the discontinuation of the activities that will not be part of the future business with particular negative impact on the Body Care category. And with regard to the phasing, we have started and the implementation will further continue over the course of the year related to this €200 million.

So the elasticity, I think it's – currently, we don't see any significant impacts in the elasticity based on the price increases we have taken. Because what I said, the volume reduction we have seen in Beauty Care – significant part of that is related to the portfolio measures – but in Laundry and the rest of the Beauty, especially related to one of the comments I made earlier in terms of the negotiations with trade, in terms of partly also the reluctance to accept these price increases or doing measures in terms of not doing business for a while or promotional and other activities, I think that's the major part on that.

And regarding your second question, the commodity/why our impact is higher or/hedging, I think Marco will take that.

Marco Swoboda, CFO: So in our view, it's a pretty normal situation that we are in, so it's not one company specific event that I would see. Of course, how companies are exposed depends to some degree also on the portfolio, on the business they run. But I don't see a particular now specific Henkel event in that regard.

If you look at the feedstock developments, so the feedstocks that go into what our suppliers need for producing what we buy, as I said before, you see dramatic increases over all sorts of categories in the 20% to 50% region on key feedstocks year-over-year. So that is very, very significant and that will hit the entire industry for sure.



And in terms of hedging, what you said, in H1, that is, of course, some help that we get from hedging if you want, so from keeping physical inventories, from having contract durations that also reach into the first half and also some protection from contract formulas that we have, so that at least suppliers cannot enlarge margins and – but if you look at the feedstocks, even here, the formulas don't help if feedstocks go up 20%, 30%, 40%. And on the contract duration, partly that is also impacted by force majeures at the moment suppliers declare, and I think we referred to that earlier, but also nothing specific, I would say, to Henkel, so first half is protected to some degree.

Second half, I don't see that very much. We will be exposed to what we see in the feedstock and our material markets. That's what we try to assess, and that's what we report on. And also a bit like end of January, we tried to inform about that very early, as soon as we see that. So that's what we do also today, and that's how we assess the situation, and I don't see that particular different to the overall industry.

Carsten Knobel, CEO: Hope that helps you.

Question: Thank you.

Thank you for your questions.

Let me close our presentation with a brief summary of the key points today.

Based on preliminary figures, we achieved a significant organic sales growth of 7.1 percent in the first quarter – driven by strong pricing across all businesses.

But we are operating in a highly volatile business environment. Since we published our guidance end of January, we saw fundamental changes: The war in the Ukraine has broad and far-reaching implications. As a result, we are exiting our business activities in Russia and Belarus. The war also dramatically intensified the already drastic situation on the raw materials and logistics markets. To mitigate the impact from input cost pressures on our profitability, we are stepping up our countermeasures including stronger pricing. All this is reflected in our updated guidance for 2022.

While we are managing our business facing these extraordinary headwinds, we maintain focused on our strategic priorities. Because we are convinced that we have set the right path to create future purposeful growth. Building on our strong Adhesive Technologies business and the creation of Henkel Consumer Brands, we are firmly committed to improving our growth and earnings profile going forward. This is our clear ambition.

We look forward to connecting with you again on Thursday. Next week, we will not only share more details on our Q1 business performance. As announced, together with Wolfgang König, we will also provide an update on Henkel Consumer Brands.

With this, I would like to thank you for taking the time and joining our call today.

Take care, stay safe and stay healthy.

THANK YOU.

OUTLOOK 2022

	FY 2022 – previously	FY 2022 – updated
ORGANIC SALES GROWTH	**+2.0 to 4.0%**	**+3.5 to 5.5%**
ADJUSTED EBIT MARGIN	**11.5 to 13.5%**	**9.0 to 11.0%**
ADJUSTED EPS[1] (at constant currencies)	**-15 to +5%**	**-35 to -15%**

[1] Per preferred share

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