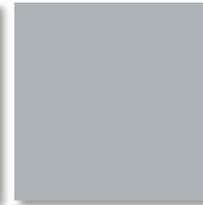


# Henkel Q2 2015

Kasper Rorsted  
Carsten Knobel

Düsseldorf, August 12, 2015



# Disclaimer

This information 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.

# Agenda

**1. Key developments Q2 2015**

2. Financials Q2 2015

3. Summary & outlook FY 2015

## Q2 2015: Solid performance in a challenging environment

OSG

**+2.4%**

Adj. EBIT margin

**16.4%**

Adj. EPS growth

**+11.2%**

OSG in EM

**+5.1%**

NWC in % of sales

**6.6%**

Net financial pos.

**€ -634m**

# Delivering on profitable growth



- Sales increasing double-digit supported by FX, organic sales growth solid
- Emerging Markets with strong organic sales growth, Mature Markets positive
- Further improvement in adjusted EBIT margin
- Double-digit adjusted EPS growth
- Three acquisitions strengthening all business units:
  - Laundry & Home Care: C-P detergents & prewash brands, Australia / New Zealand
  - Adhesive Technologies: Novamelt GmbH, hotmelt adhesives, Europe / North America
  - Beauty Care: Xtreme hairstyling brand, Mexico / Latin America - closed in July

# Environment remains challenging

- Ongoing difficult geo-political situation, social tensions in some countries
- Moderate global GDP growth and volatile environment remain
- Adhesive Technologies below expectations, mixed SBU performance

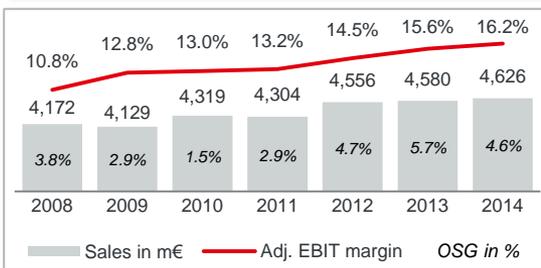


# Laundry & Home Care

## Solid OSG & strong margin improvement in Q2 2015



### Long-term overview



### Sales

- Solid OSG
- Laundry solid, Home Care strong
- Mature Markets positive – North America positive
- Emerging Markets very strong

### Return

- Adj. EBIT margin showing strong increase
- ROCE below level of previous year (acquisitions & FX)

# Laundry & Home Care

Strengthening innovation leadership across categories

## Bref Rim Blocks Escapes



- New variants with innovative fragrance, building on global success
- Inspired by “escapism“: Hawaiian Plumeria Lei & Rio Carnival

## New “Mileage” Positioning



- New & differentiating positioning of Value-for-Money brands in EM
- Delivers maximum yield & performance

## Persil Power-Mix Caps



- New caps range with a unique combination of liquid & powder
- Delivers best performance with superiority on bleachable stains

**NEW**

TWO POWERS, ZERO COMPROMISE:

**POWDER & GEL  
NOW UNITED.**



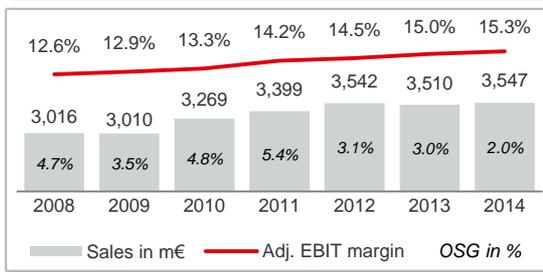
**Persil** Best cap on the market.  
POWER-MIX CAPS

# Beauty Care

## Positive OSG & strong margin improvement in Q2 2015



### Long-term overview



### Sales

- Positive OSG
- Retail solid, Hair Salon positive
- Mature Markets negative – North America positive
- Emerging Markets very strong

### Return

- Adj. EBIT margin showing solid increase
- ROCE below level of previous year (FX)

# Beauty Care

## Strengthening innovation leadership across categories

### Gliss Kur Oil Nutritive



- 1<sup>st</sup> Oil-Repair Range from Gliss Kur with precious Beauty-Oils & Keratin
- For healthy looking, shiny hair & up to 90% less split-ends\*

### Fa Fresh & Dry



- 1<sup>st</sup> 48h reliable protection & all-day freshness activation from Fa
- Unique formula continuously releasing fragrance

### Taft Ultimate



- 1<sup>st</sup> Taft range with hold level 6 for the strongest Taft-hold ever
- Formula with liquid crystal-gloss-effect for luxuriously shiny hair

\* System usage Shampoo & Conditioner



  
**Schwarzkopf**  
Professional HairCare for you.



**MY  
ULTIMATE  
STYLING!**

**STRONGEST  
TAFT HOLD  
AND CRYSTAL  
GLOSS.**

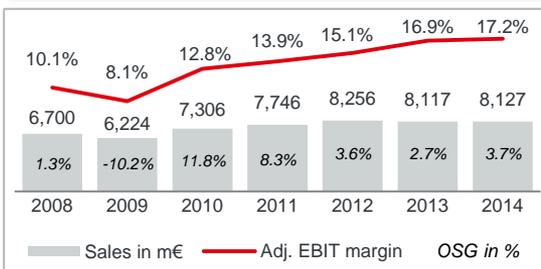
**NEW  
TAFT ULTIMATE**

# Adhesive Technologies

Positive OSG & high margin level in Q2 2015



## Long-term overview



## Sales

- Positive OSG
- Transport & Metal strong, Electronics solid
- General Industry & Packaging weak
- Mature Markets positive
- Emerging Markets solid

## Return

- Adj. EBIT margin at high level, below previous year
- ROCE below level of previous year (acquisitions)

# Adhesive Technologies

Fostering technology leadership with impactful activities

## Largest Adhesives Plant in India



- Groundbreaking of new multi-functional factory near Pune
- Serving customers in automotive, metal & industrial sectors

## Pattex One for All



- New, high-performance construction adhesive & sealant for DIY
- For all applications requiring high final strength, under all conditions

## Bonderite Conversion Coating



- New multi-metal pretreatment preventing flash rust, phosphate-free
- Higher efficiency in production process & increased sustainability



**BONDERITE®**

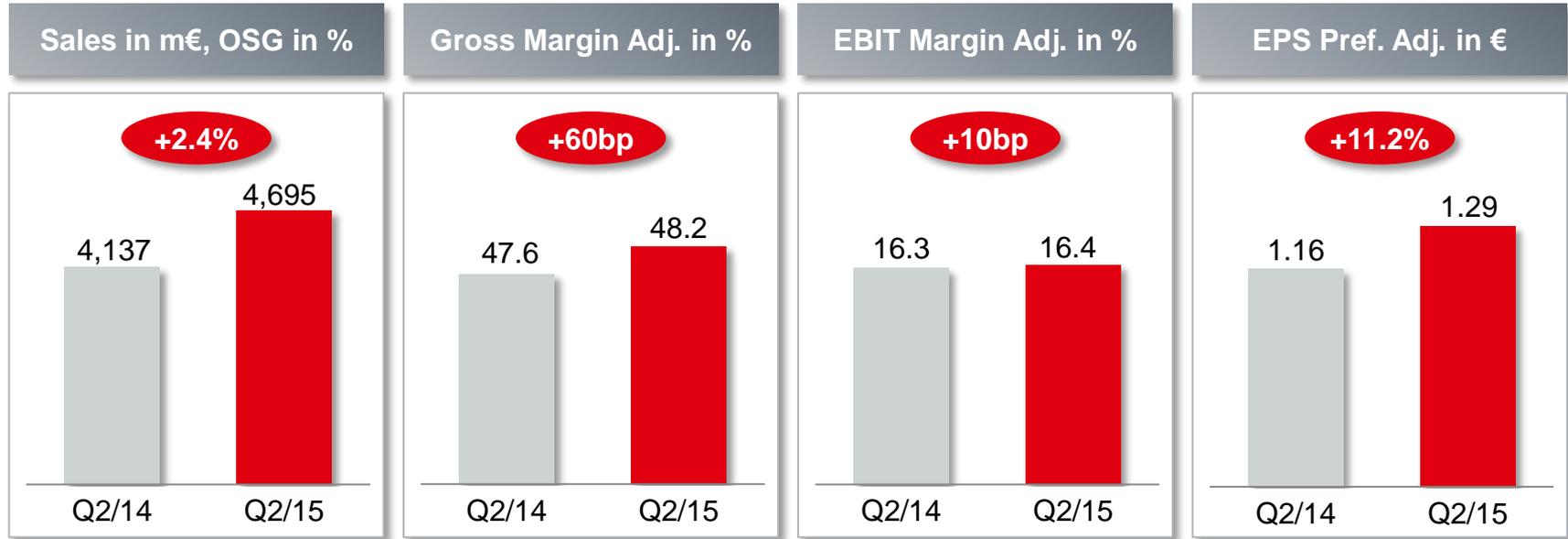
# Agenda

1. Key developments Q2 2015

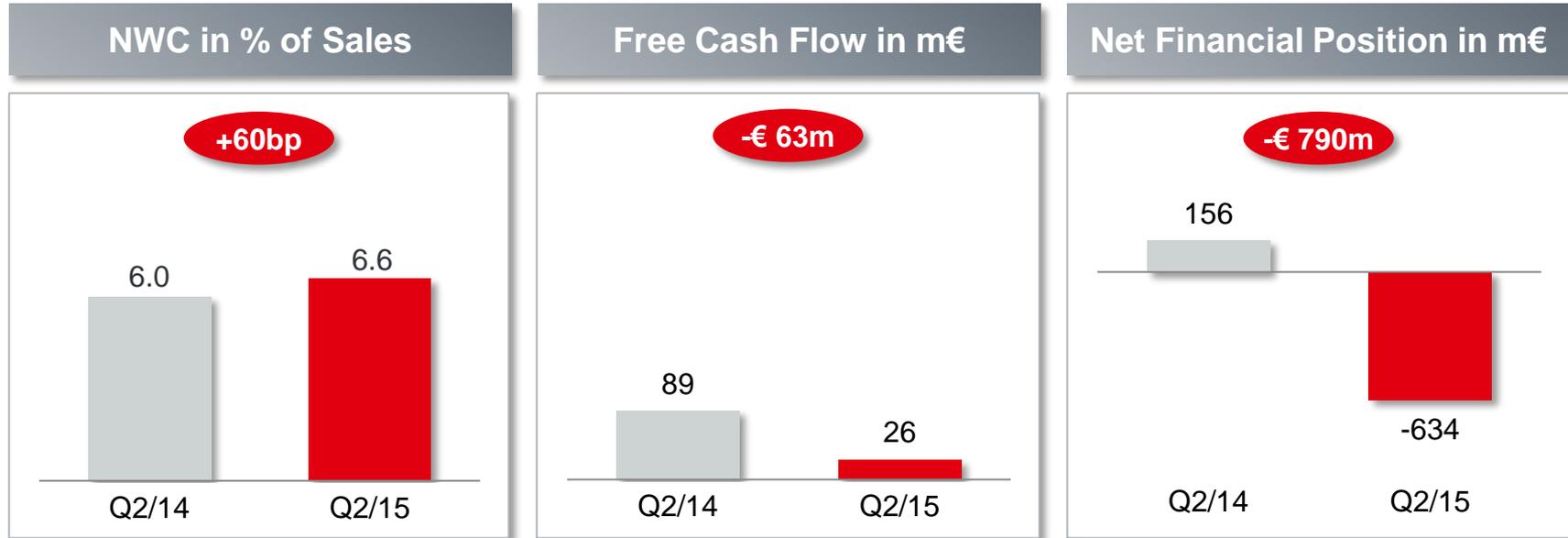
**2. Financials Q2 2015**

3. Summary & outlook FY 2015

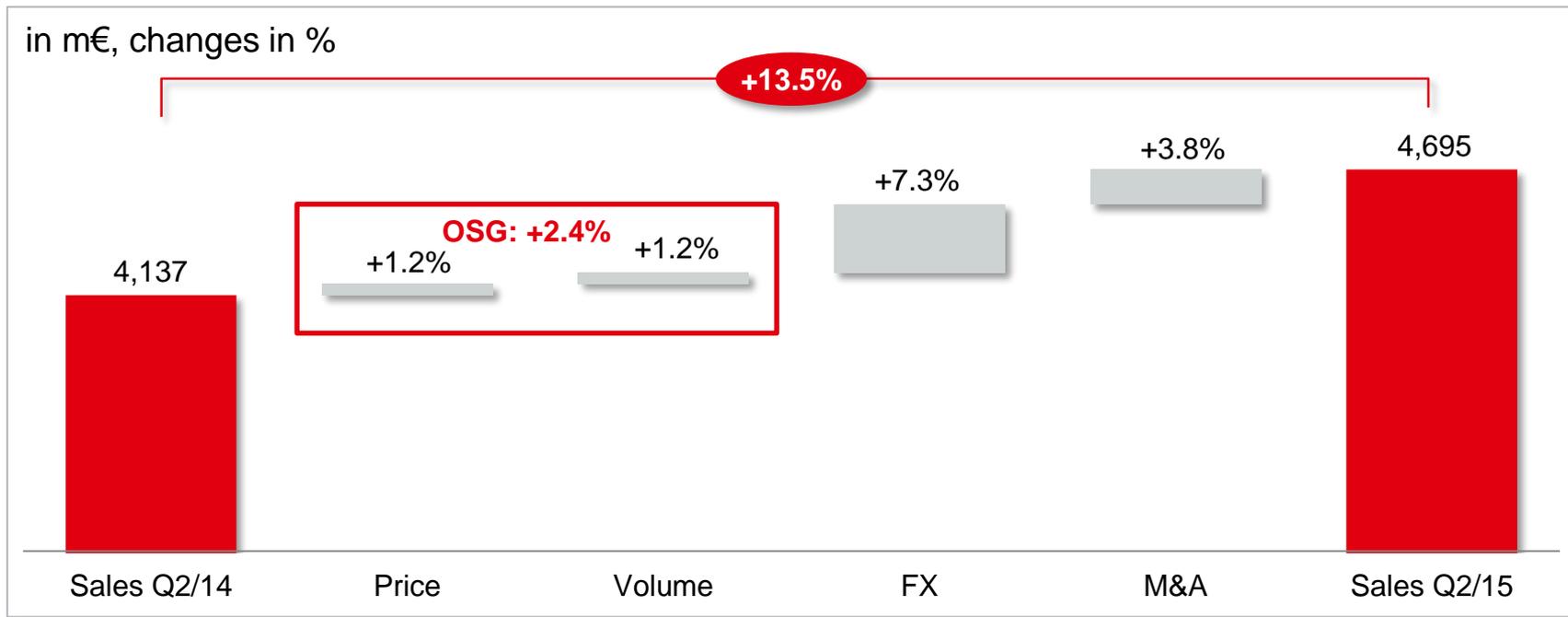
# Continuous commitment to profitable growth



# Focus on disciplined cash management

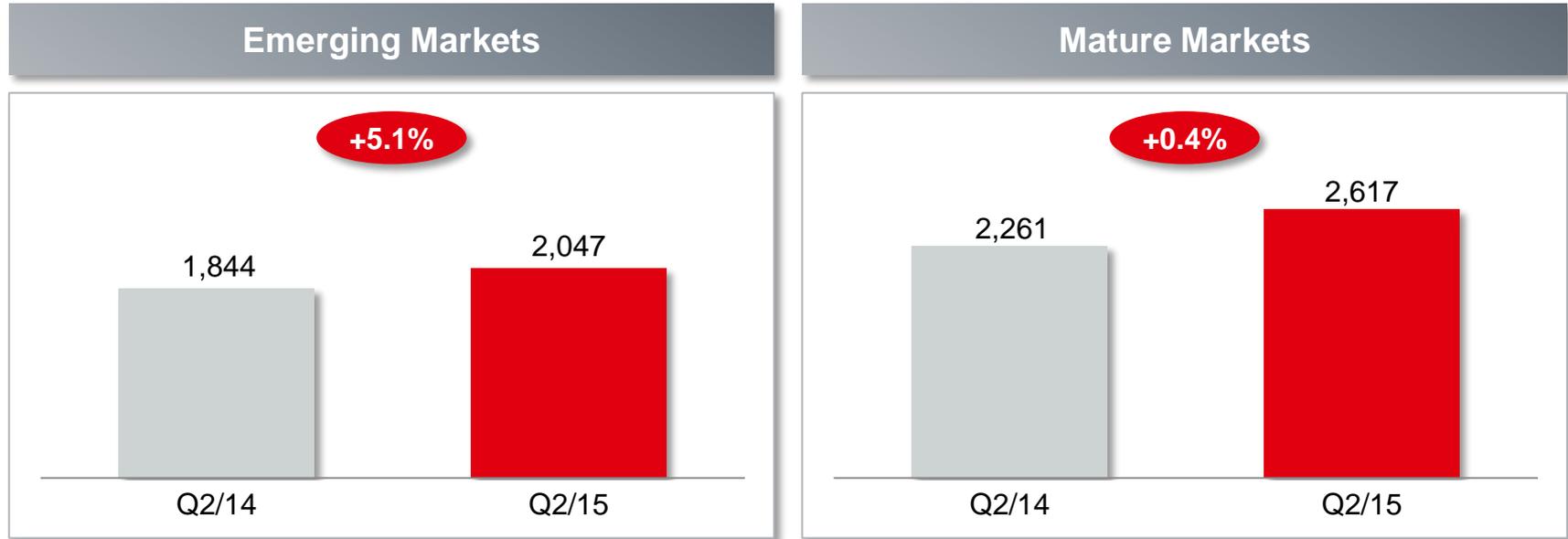


# Double-digit nominal sales growth, balanced organic sales growth



# Emerging Markets strong, Mature Markets positive

in m€, OSG in %



- Emerging Market sales share of 44%

# Broad-based growth across regions

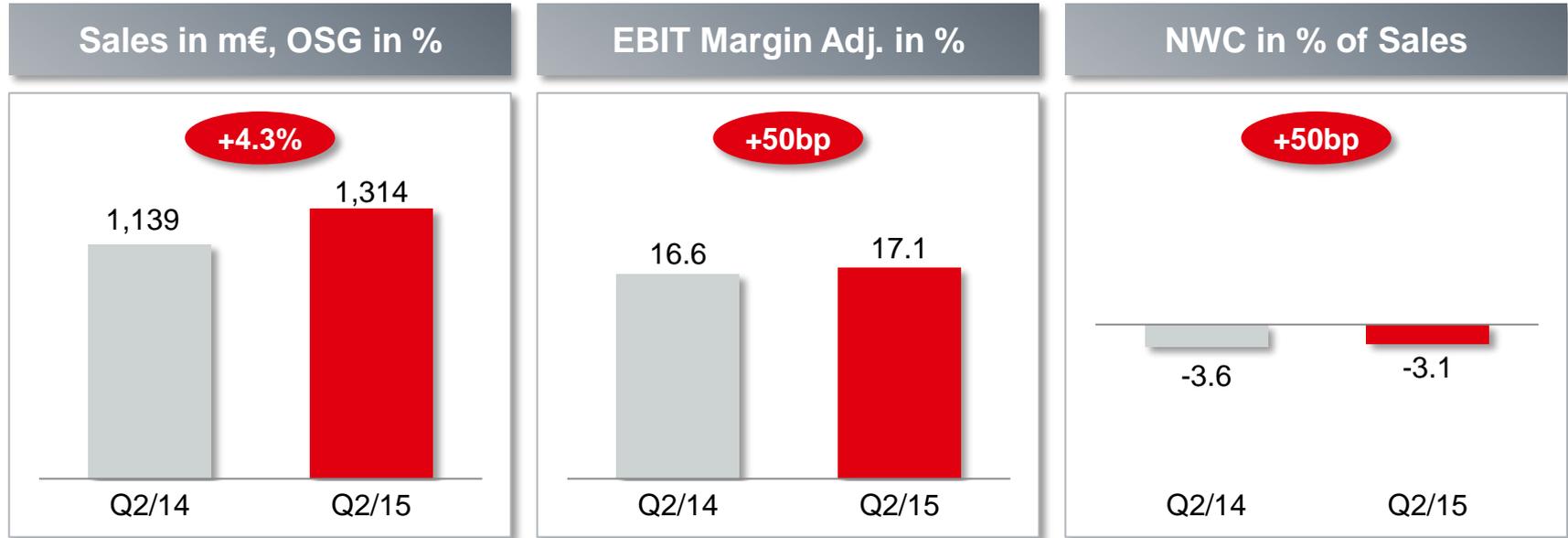
in m€, OSG in %



- Mature markets with mixed dynamics
- Emerging markets driven by Mexico, Russia & India

# Laundry & Home Care

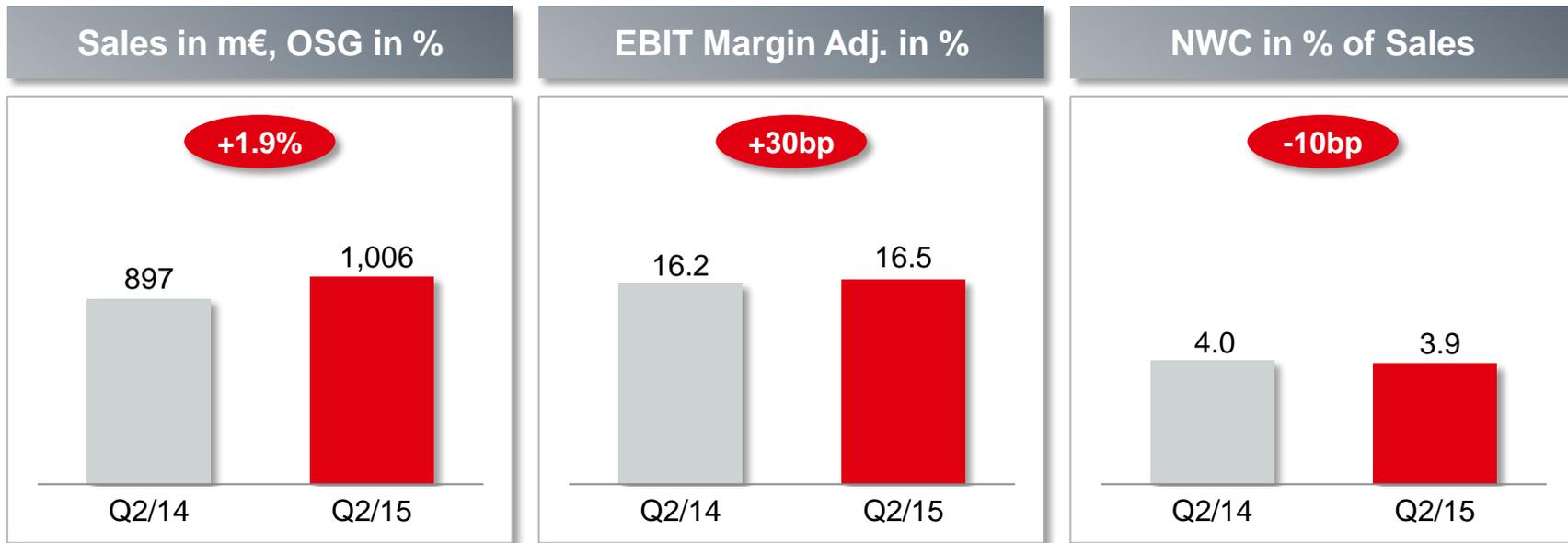
Fostering profitable growth path



- OSG driven by 0.5% in price and 3.8% in volume

# Beauty Care

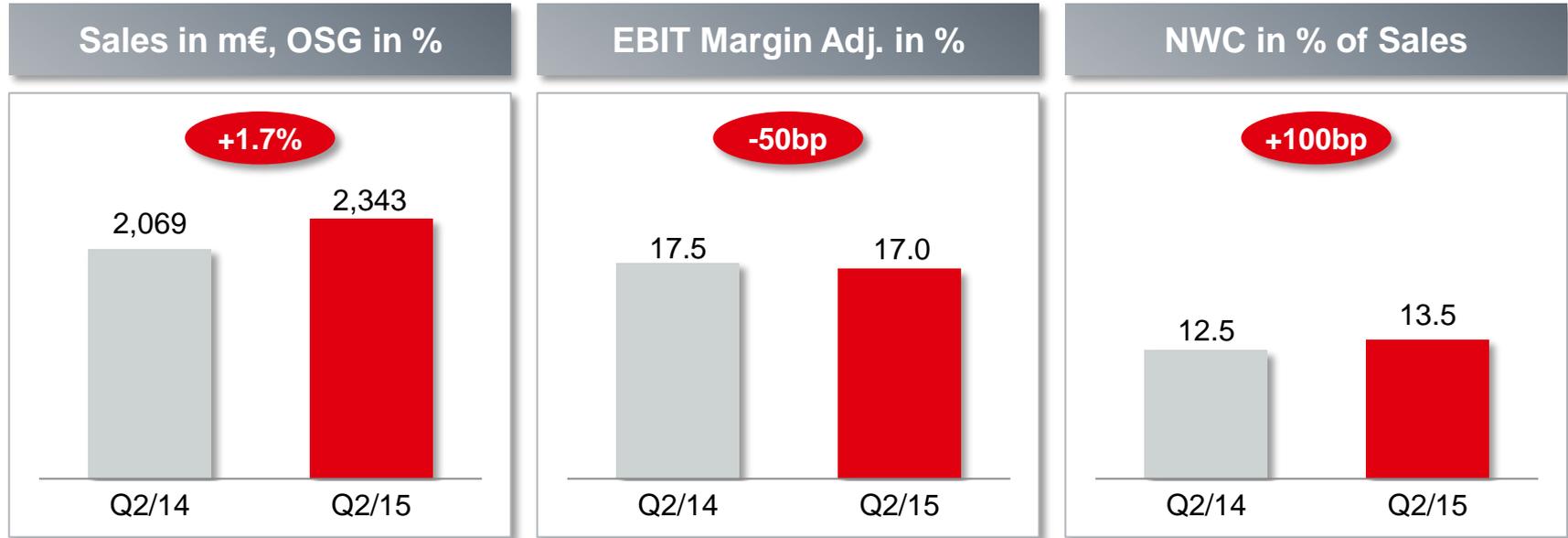
Fostering profitable growth path



- OSG driven by 1.6% in price and 0.3% in volume

# Adhesive Technologies

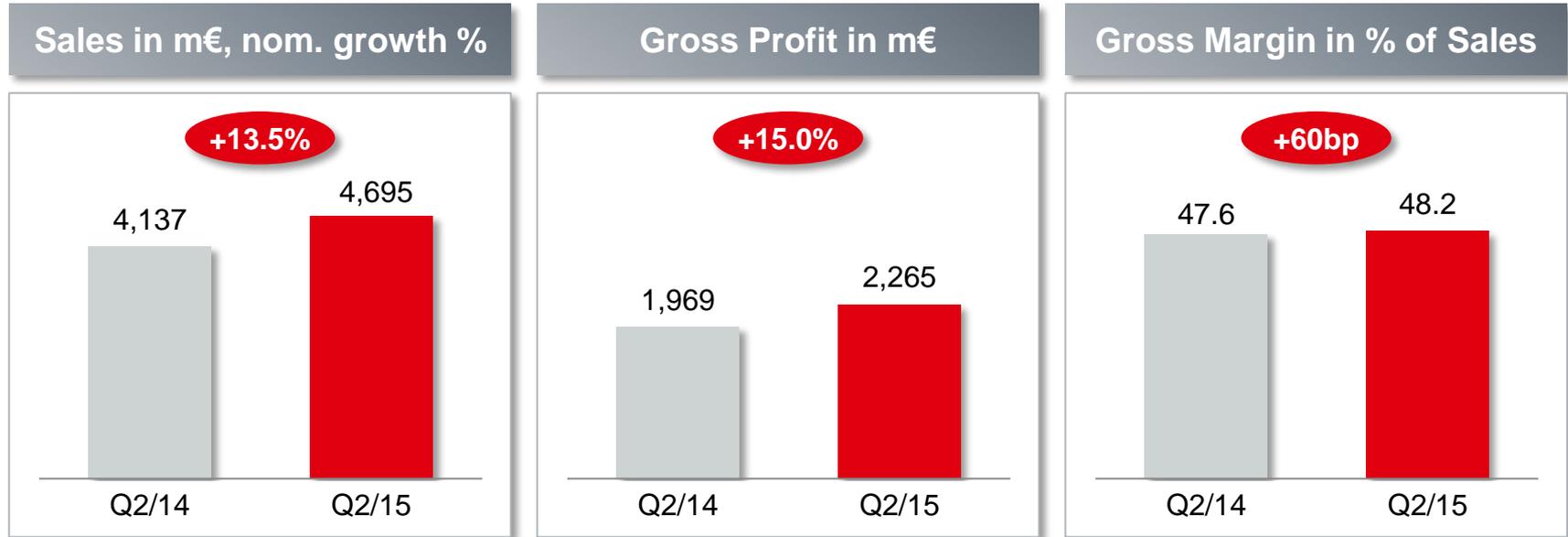
Positive OSG, profitability below high level of previous year



- OSG driven by 1.5% in price and 0.2% in volume

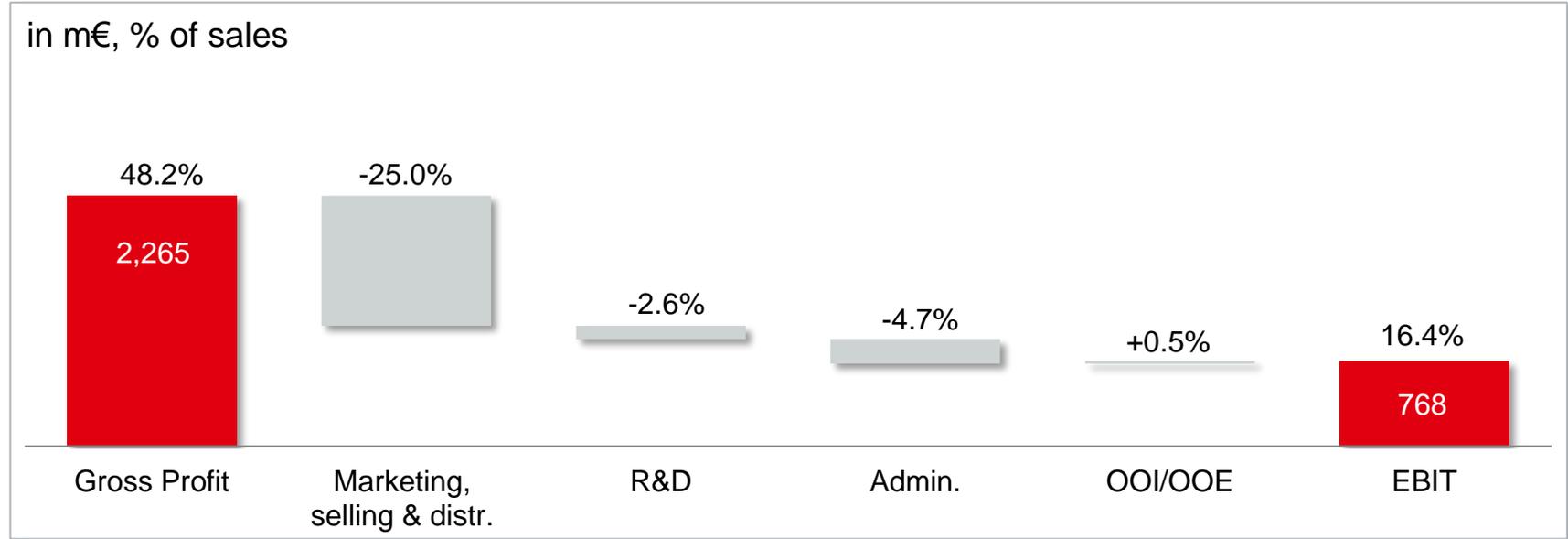
# Gross margin with very strong improvement

Income statement adjusted

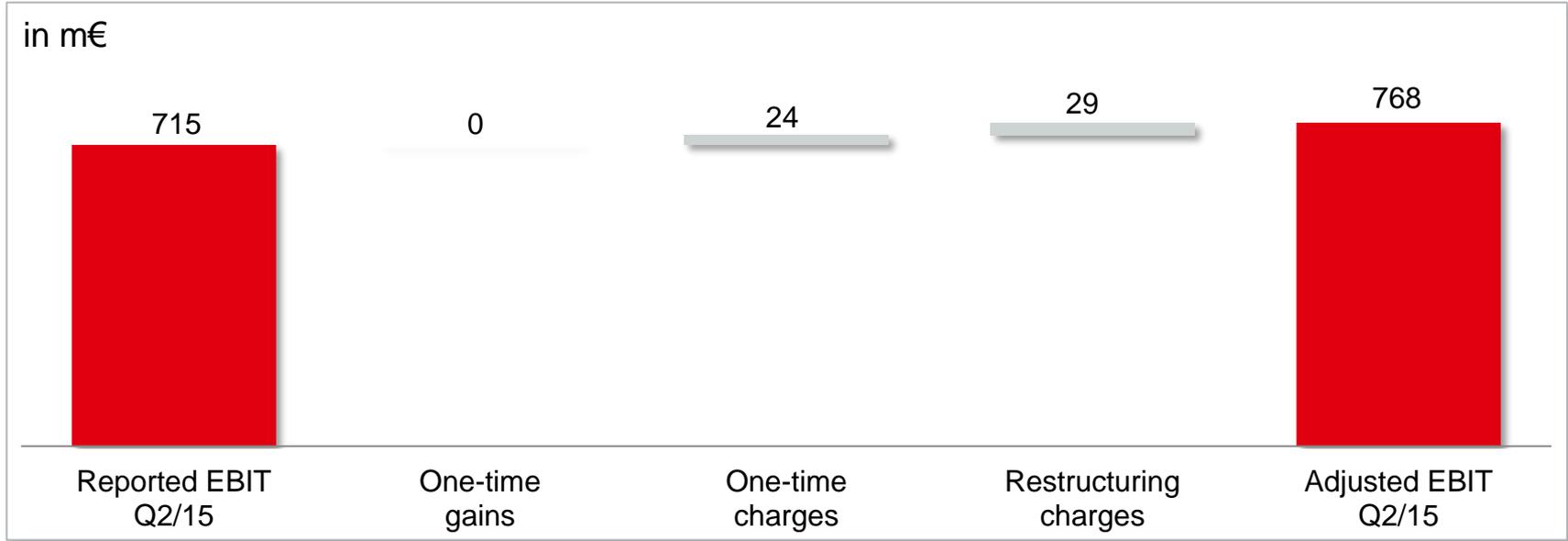


# Further increase in adjusted EBIT margin

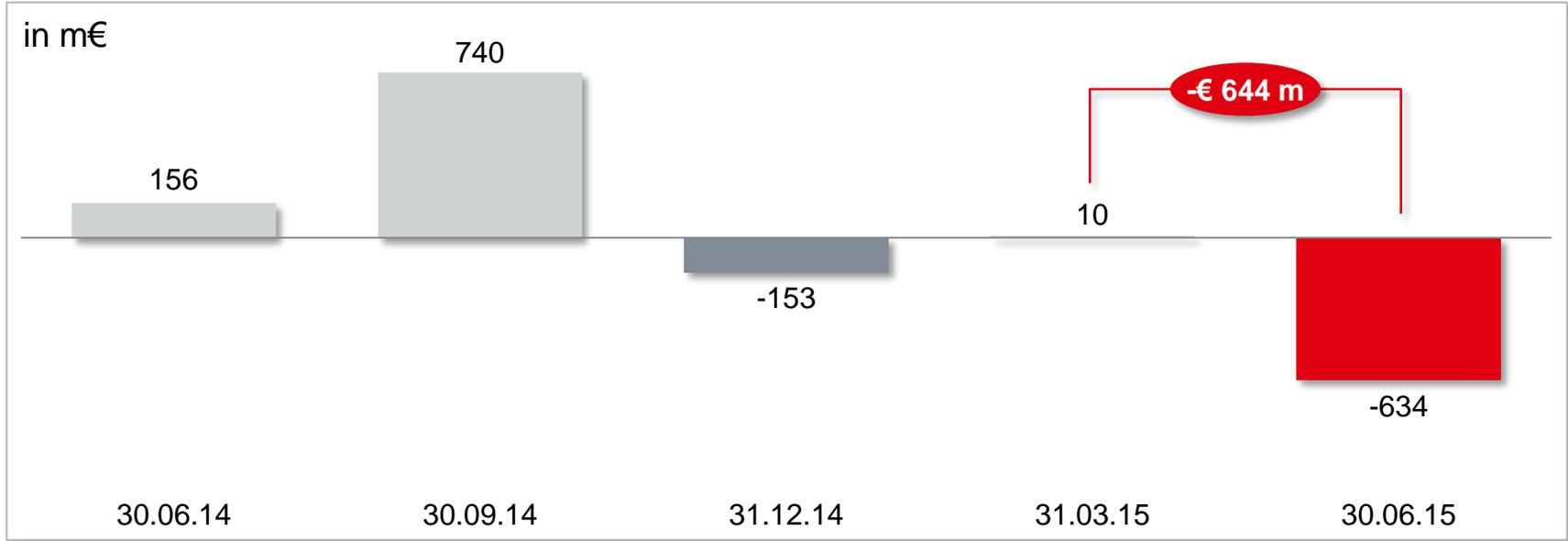
Income statement adjusted



# Continuous adaptation of our structures to the market



# Net financial position affected by higher dividend payout



# Agenda

1. Key developments Q2 2015

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**3. Summary & outlook FY 2015**

## Q2 2015: Delivering on profitable growth

- Sales increasing double-digit supported by FX, organic sales growth solid
- Emerging Markets with strong organic sales growth, Mature Markets positive
- Mature Markets on € 10bn sales run rate
- Further improvement in adj. EBIT margin
- Double-digit adj. EPS growth
- Executing on our strategy: three acquisitions

# Executing on our strategy: recent acquisitions

## Novamelt GmbH



- Specialized hotmelt technologies
- Focus on Europe & North America
- Price € 48m, closed in June
- Annual sales 2014 € ~50m

## Leading C-P Laundry Brands



- # 1** Laundry detergents, Australia
- # 2** Laundry detergents, New Zealand

- Coverage of key categories
- Leading positions in Australia & NZ
- Price € 220m, signed in May
- Annual sales 2014 € ~110m

## Xtreme Hairstyling Brand



- # 1** Hair Gel brand in Mexico

- Full range of hairstyling products
- Leading positions in Mexico & LA
- Price € 53m, closed in July
- Annual sales 2014 € ~40m

# Disciplined strategy execution continues in a volatile environment

- Moderate global GDP growth and volatile environment continuing
- Persisting geo-political tensions
- Strong innovation pipeline across all business units
- Continuous cost focus & adaptation of our structures
- Disciplined approach on acquisitions, very strong balance sheet

## Highlights 1-6 2015: on track for FY 2015 guidance

**€ 9.1bn**

Sales: up € 1.1bn

**+3.0%**

OSG

**€ 1.5bn**

Adj. EBIT: up 14.0%

**16.2%**

Adj. EBIT margin: up 20bp

**+12.3%**

Adj. EPS growth

# Guidance FY 2015 - confirmed

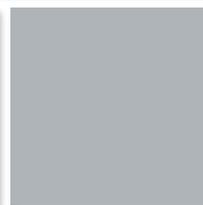
	Guidance FY 2015
<b>Organic Sales Growth</b>	<b>3 – 5%</b>
• Laundry & Home Care	3 – 5%
• Beauty Care	~2%
• Adhesive Technologies	3 – 5%
<b>Emerging Markets sales share</b>	<b>At prior year level</b>
<b>Adjusted EBIT Margin</b>	<b>~16%</b>
• Laundry & Home Care	
• Beauty Care	All Business Units contributing
• Adhesive Technologies	
<b>Adjusted EPS Growth</b>	<b>~10%</b>

# Upcoming events

- November 11<sup>th</sup>, 2015 - Q3 2015
- February 25<sup>th</sup>, 2016 – FY & Q4 2015
- May 19<sup>th</sup>, 2016 – Q1 2016
- June 6<sup>th</sup>–7<sup>th</sup>, 2016 – Investor & Analyst Day, Adhesive Technologies, Germany



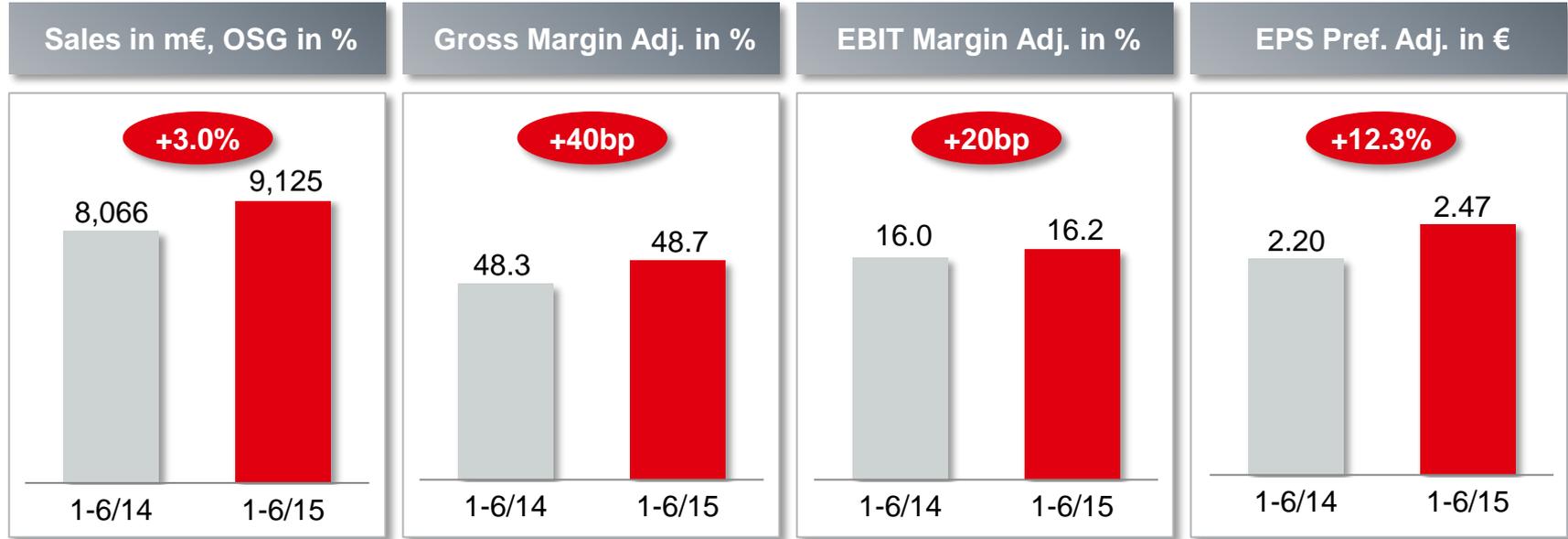
Thank you!



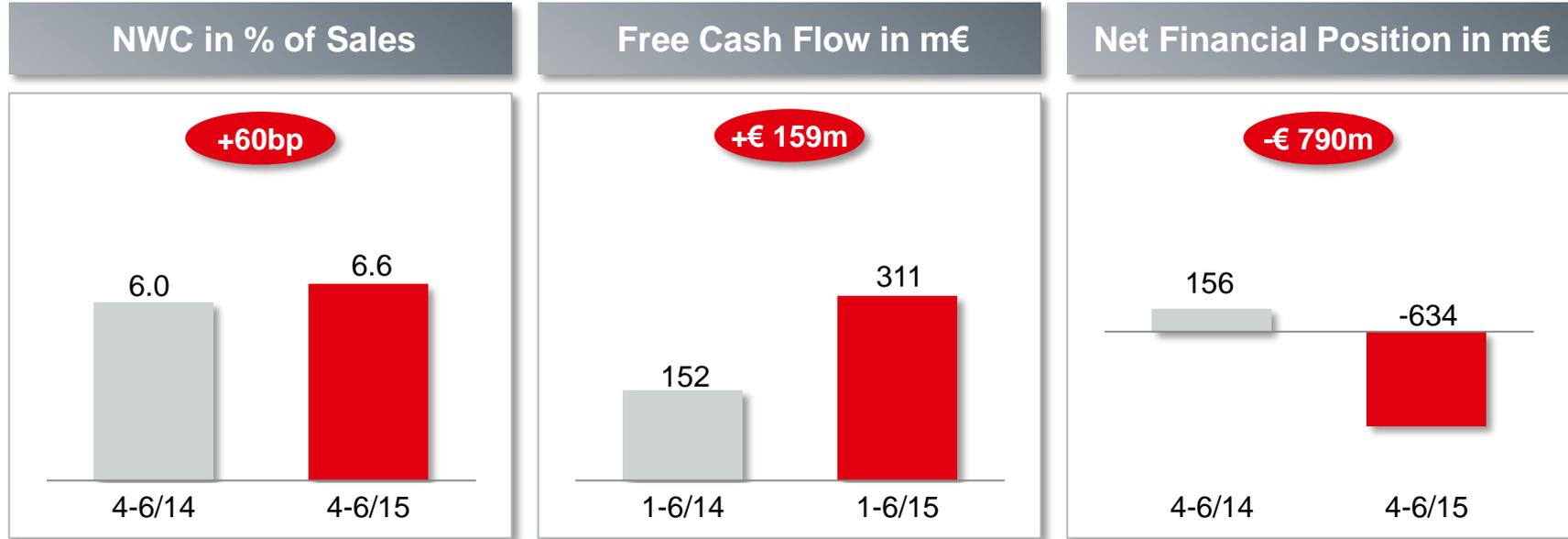
## Guidance FY 2015 for selected KPIs - confirmed

	Guidance FY 2015
<b>Total direct materials</b>	Stable prices
<b>Restructuring charges</b>	€ 150-200 m
<b>CAPEX</b>	€ 550-600 m

# Key financials YTD 1-6 2015 (1/2)

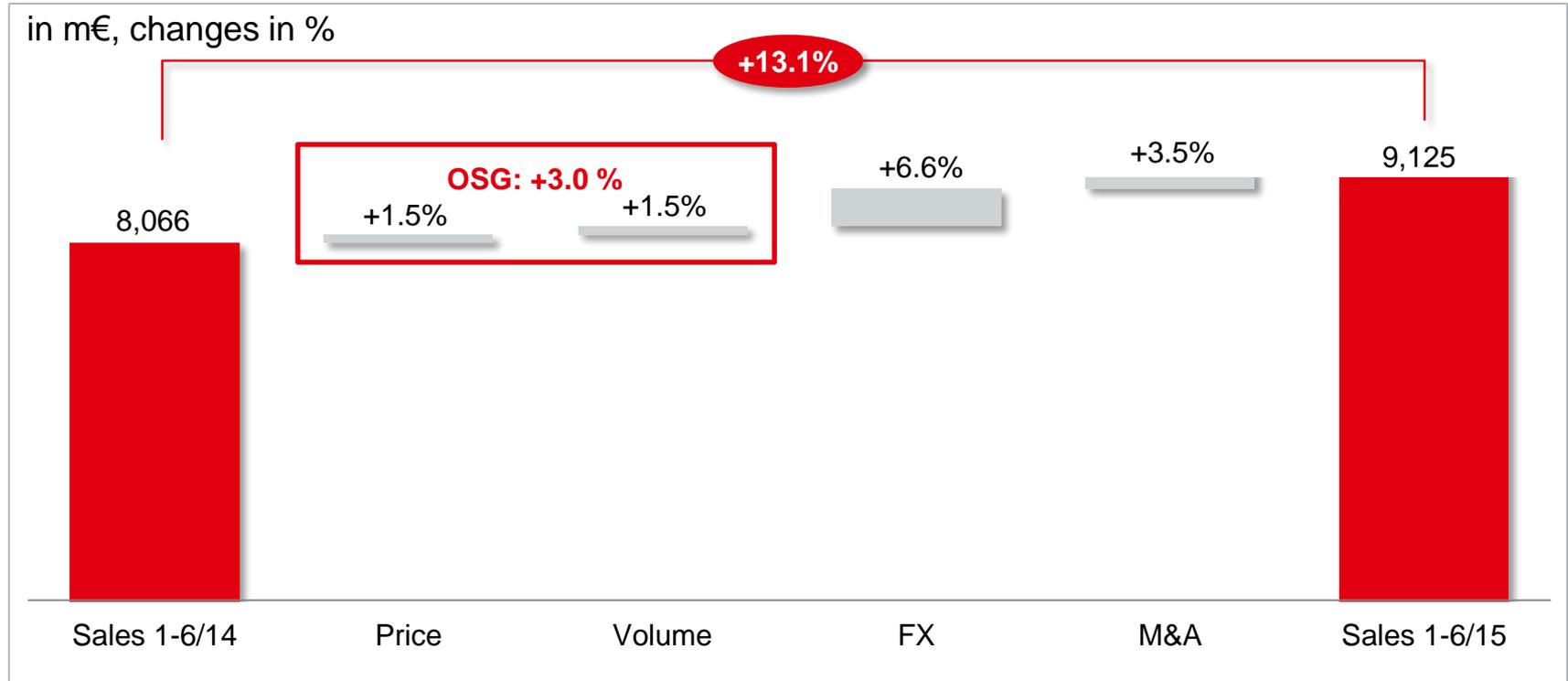


# Key financials YTD 1-6 2015 (2/2)



# Sales growth - YTD 1-6 2015

Henkel

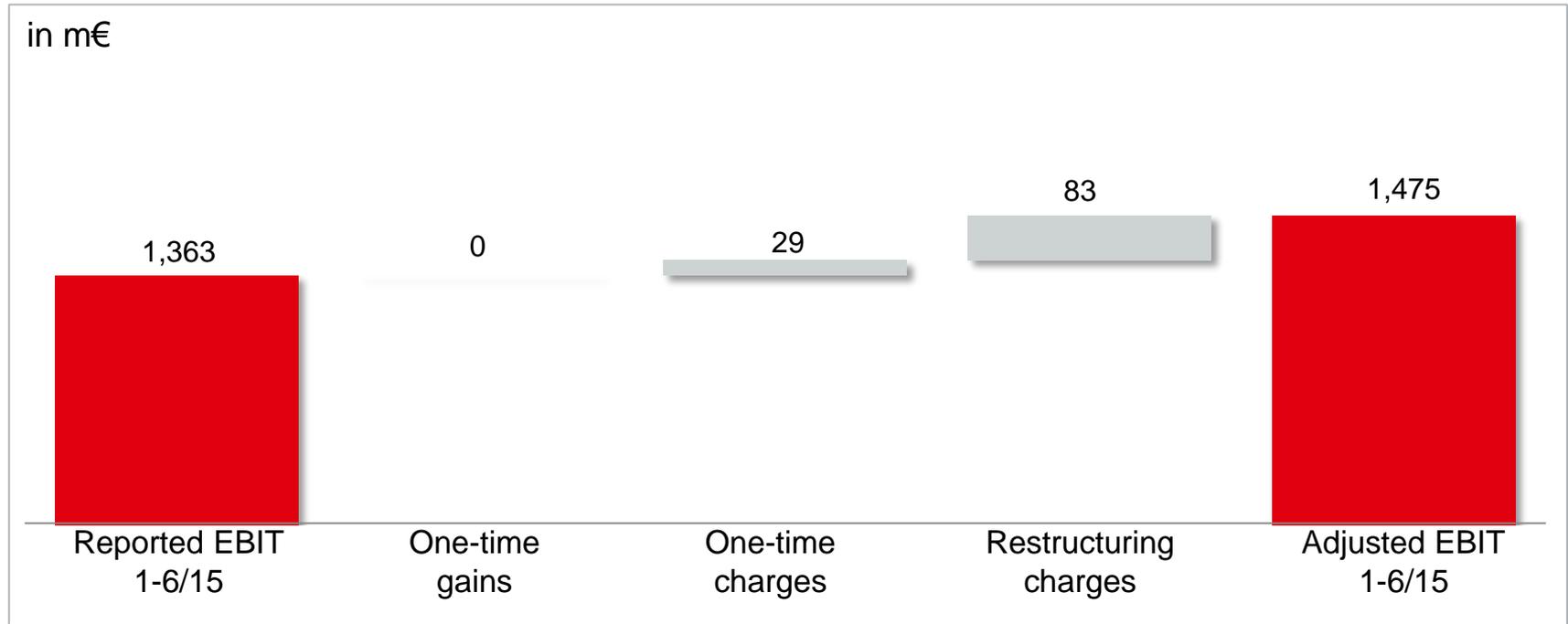


# Further increase in adjusted EBIT margin

Income statement adjusted - YTD 1-6 2015

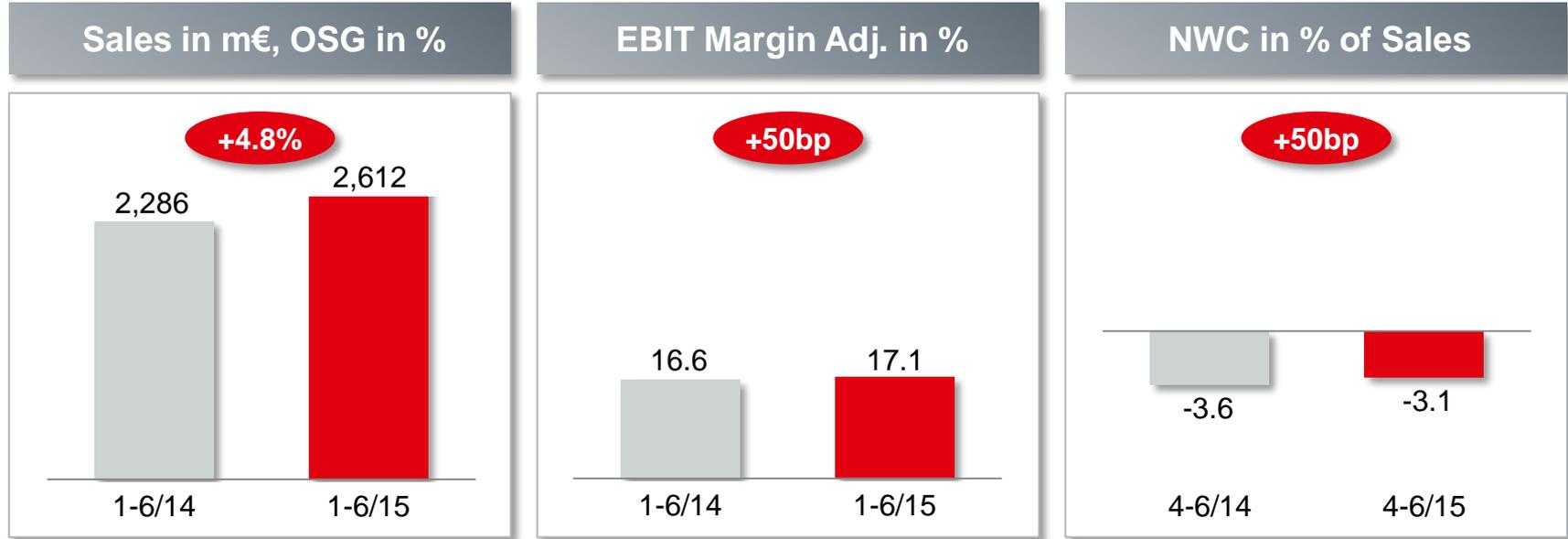


# Reported to Adjusted EBIT - YTD 1-6 2015



# Laundry & Home Care

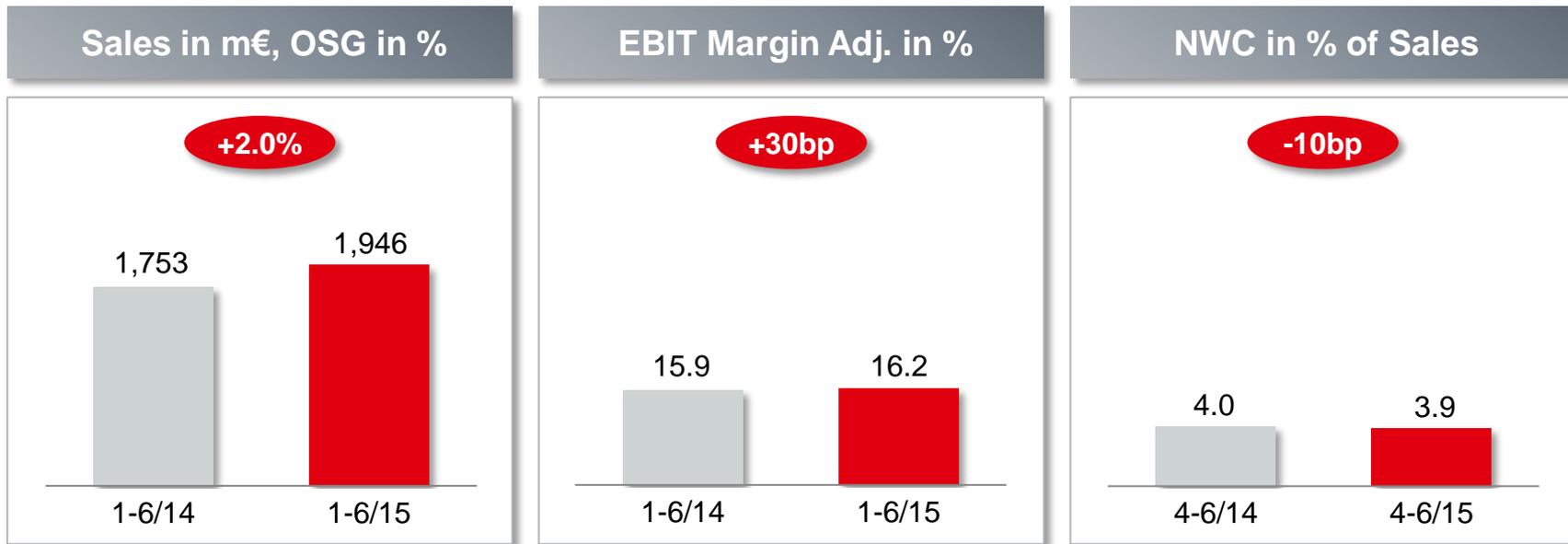
Key figures YTD 1-6 2015



- OSG driven by 1.4% in price and 3.4% in volume

# Beauty Care

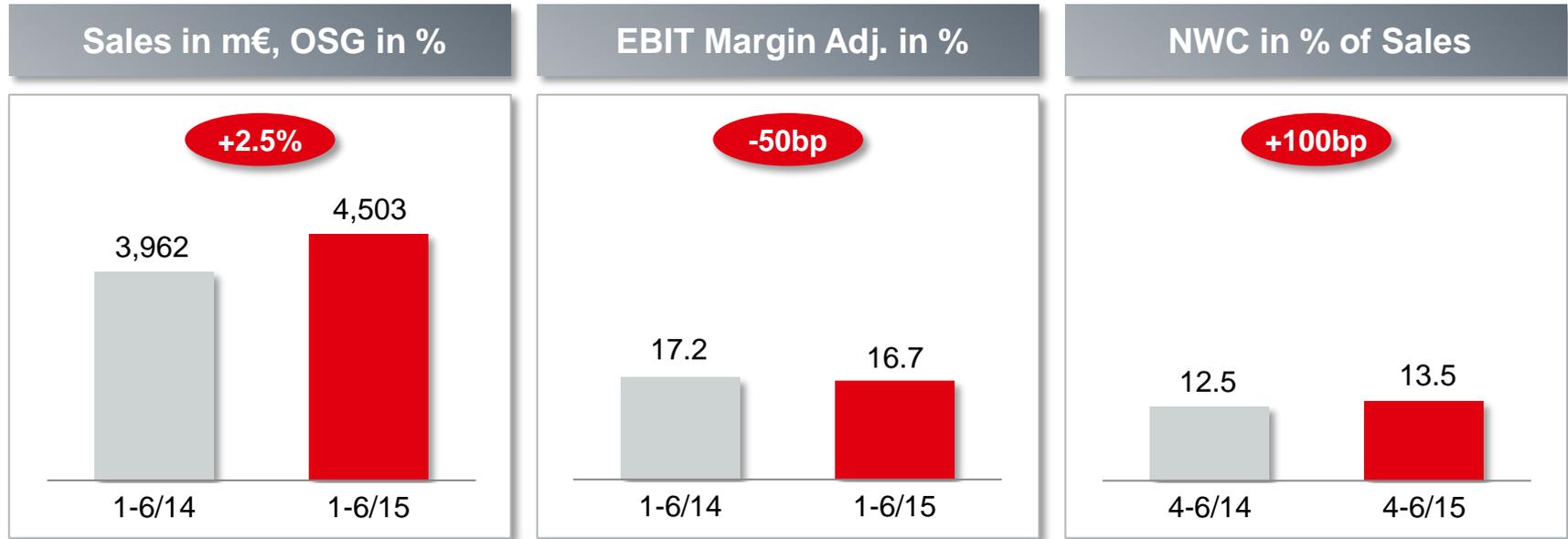
## Key figures YTD 1-6 2015



- OSG driven by 1.9% in price and 0.1% in volume

# Adhesive Technologies

Key figures YTD 1-6 2015



- OSG driven by 1.4% in price and 1.1% in volume