

Henkel
Q1 2013

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Disclaimer

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Agenda

- 1 Key Developments Q1 2013**
- 2 Financials Q1 2013
- 3 Summary & Outlook FY 2013

Key figures Q1 2013

4,033 m€

Sales

14.9 %

Adj. EBIT margin

0.96 €

Adj. EPS (pref.)

5.8 %

NWC*/ % of sales

+114 m€

Net financial pos.

* According to new definition: Now including also other customer & supplier related payables & receivables.

Achievements Q1 2013

Henkel

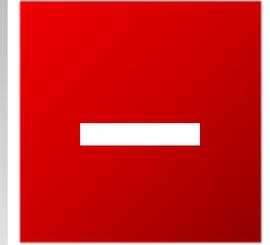
- Strong growth in HPC
- Very strong growth in Emerging Markets despite slower market growth
- Solid growth in Latin America
- Adj. EBIT margin at all-time high, driven by all 3 businesses
- Net financial position again improved



Challenges Q1 2013

Henkel

- Adhesives negatively impacted by weakness in Mat. Markets
 - Weakness of major industrial sectors, esp. in W. Europe
 - Slow start in North America due to destocking and weakness in execution
- Electronics industry with weak start
- Strong headwind from FX impact



Laundry & Home Care

Key developments



Sales

- Very strong OSG
- Emerging Markets OSG double digit
- Mature Markets positive

Return

- Adj. EBIT Margin further increased
- ROCE further increased

Laundry & Home Care

Key activities

Persil Duo-Caps



- 1st to launch multi-chamber caps across E. Europe
- Now also in W. Europe

Vernel Aroma Therapy



- Further strengthen position in Western Europe
- Trend setter in scent segment

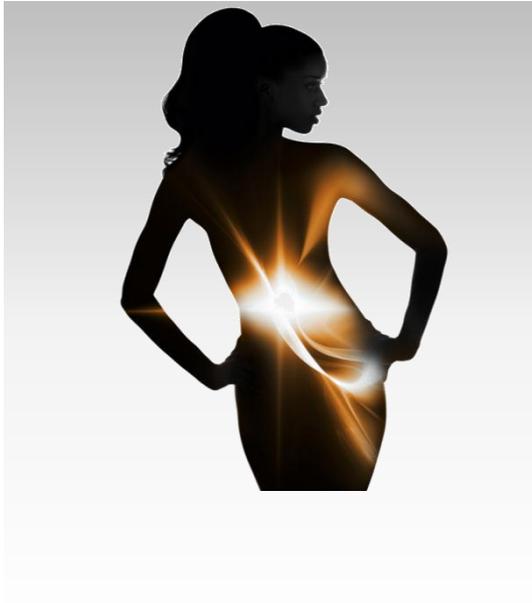
Acquisition in E. Europe



- PZ Cussons' Polish L&HC brands
- Closing expected in Q3 after antitrust clearance

Beauty Care

Key developments



Sales

- Solid OSG, Retail strong, Hair Salon negative
- Emerging Markets OSG double digit
- Mature Markets positive

Return

- Adj. EBIT Margin further increased
- ROCE further increased

Beauty Care

Key activities

Color Ultimate



- 1st permanent multi-usage coloration
- Groundbreaking, superior application

Dial Coconut Water



- 1st body wash with nutrient rich coconut water

Gliss Kur Ultimate Oil Elixir



- 1st care with nourishing golden oil elixir

Adhesive Technologies

Key developments



Sales

- OSG below PY quarter
- Emerging Markets with solid OSG
- Mature Markets below PY quarter

Return

- Adj. EBIT Margin strongly increased
- ROCE further increased

Adhesive Technologies

Key activities

Ceresit CM 77 UltraFlex



- Innovation in construction business based on Henkel own technology

Pressure sensitive Adh.



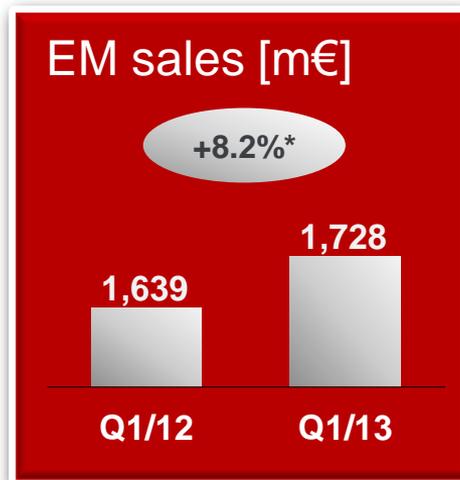
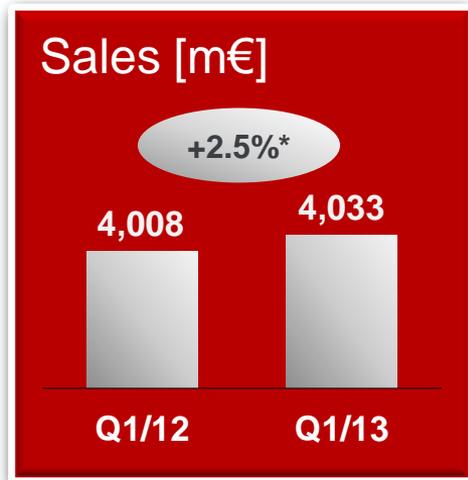
- Roll-out of technologies acquired from Cytec in 2012

Divestment of Chemofast



- Ongoing active portfolio management

Progress towards Henkel's financial targets 2016

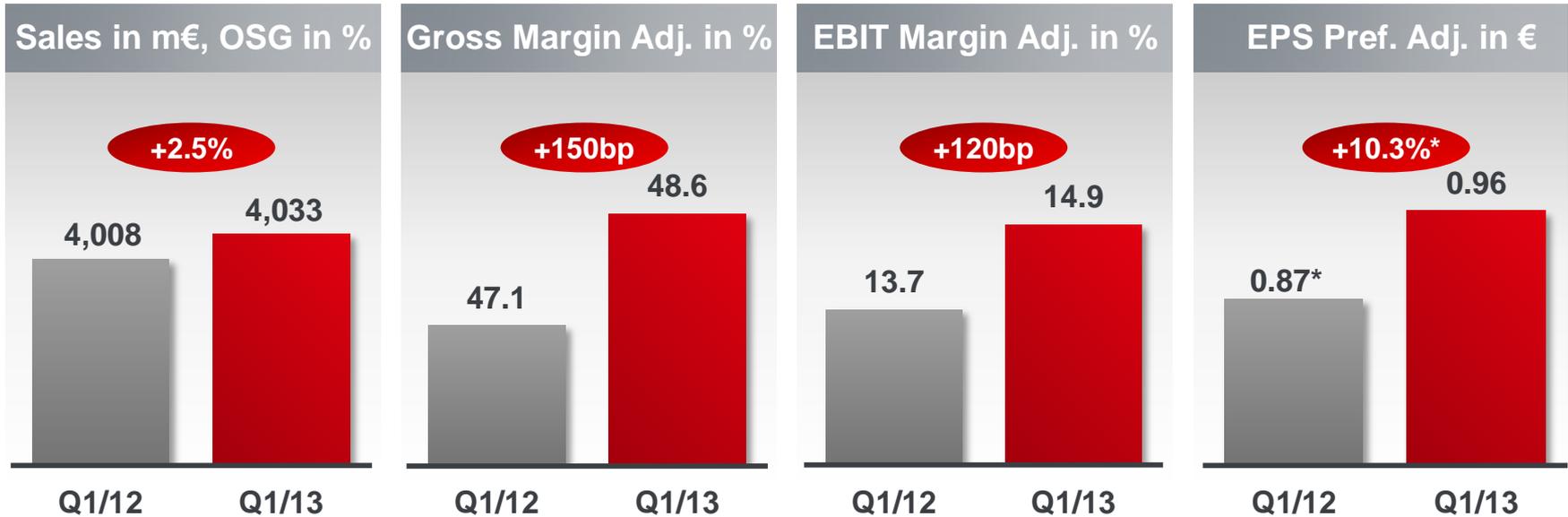


* Organic sales growth, ** Prior-year figure before adaptation to IAS 19.

Agenda

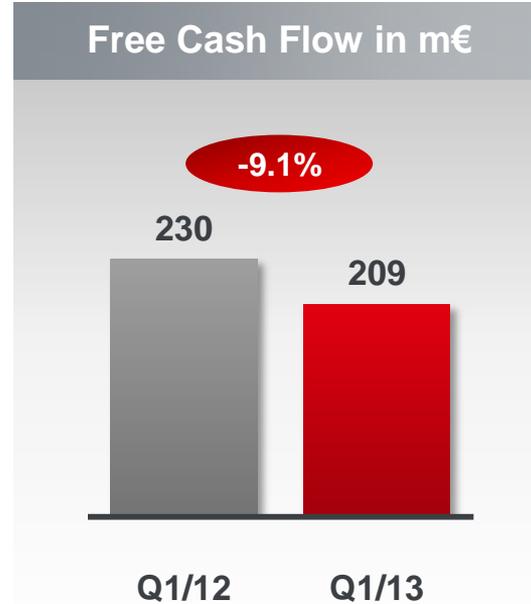
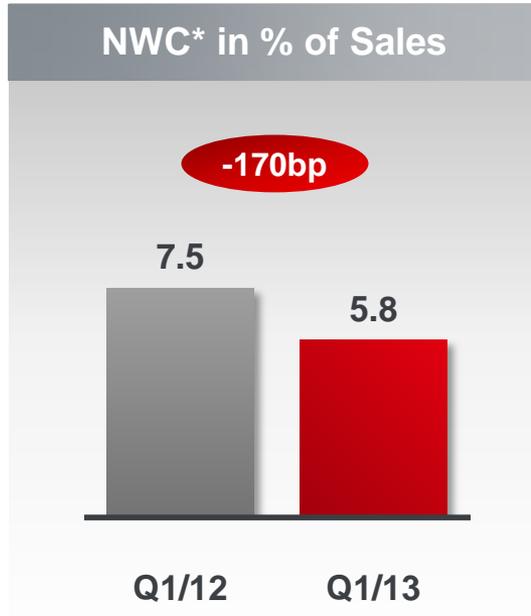
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Key financials Q1 2013 (1/2)



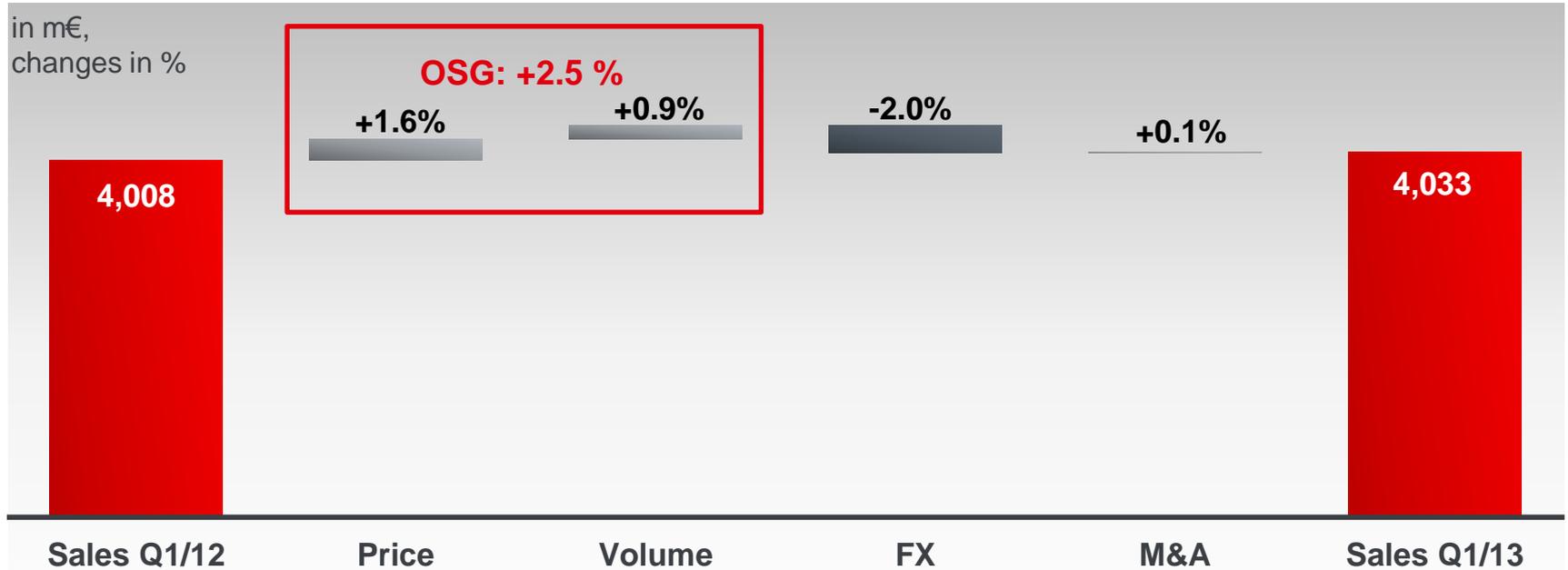
* Prior-year figure before adaptation to IAS 19.

Key financials Q1 2013 (2/2)



* According to new definition: Now including also other customer & supplier related payables & receivables.

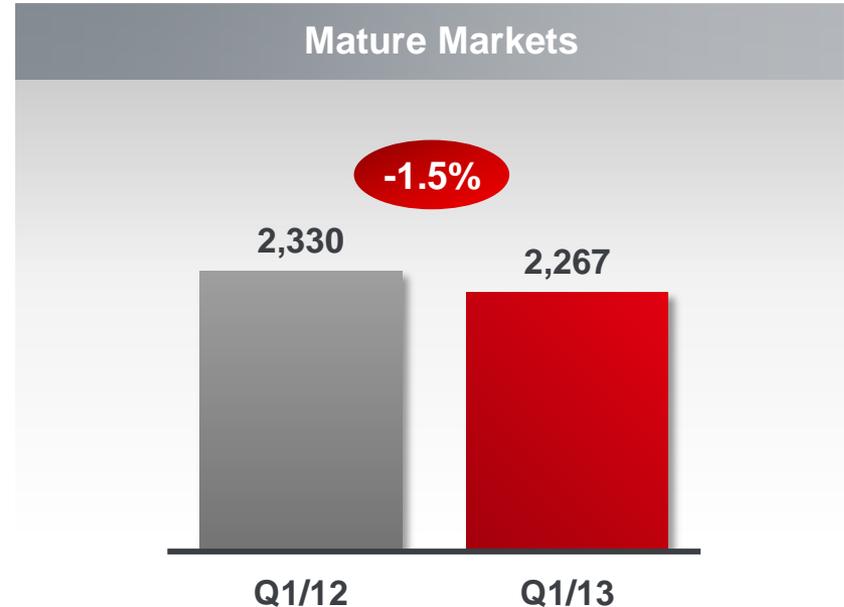
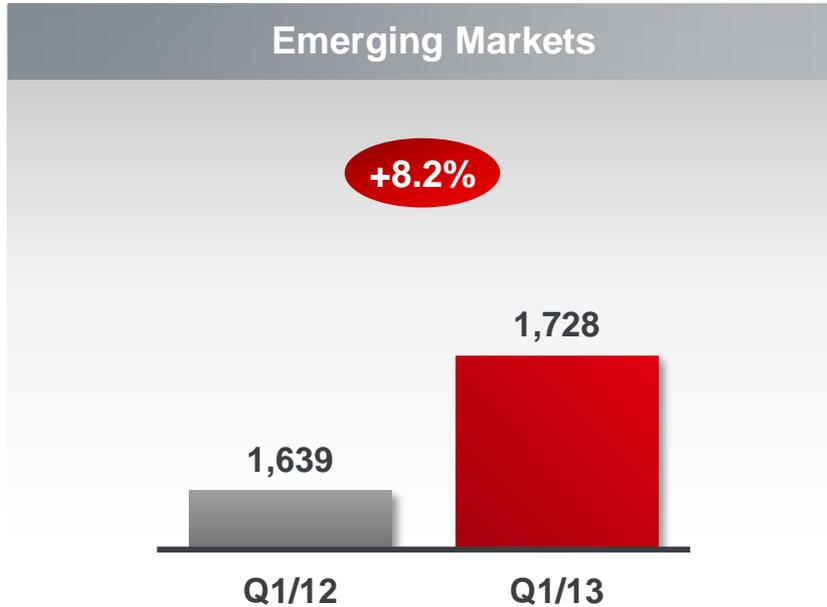
Sales growth – Henkel



- Negative FX impact: mainly Japanese Yen, Brazilian Real, Egyptian Pound

Sales growth by region

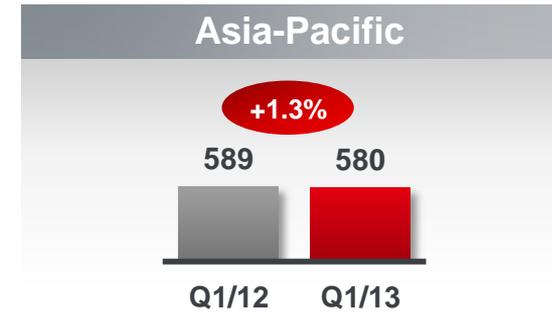
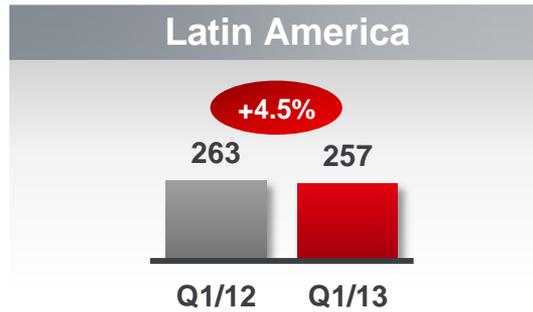
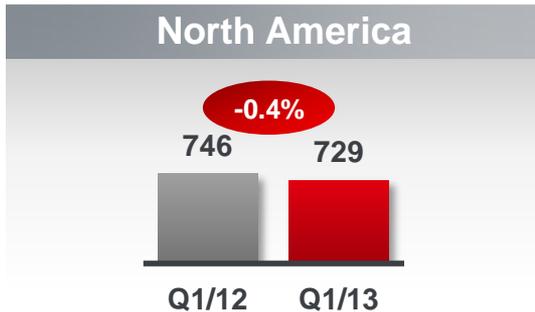
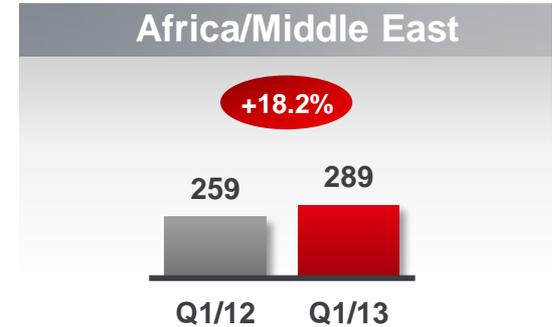
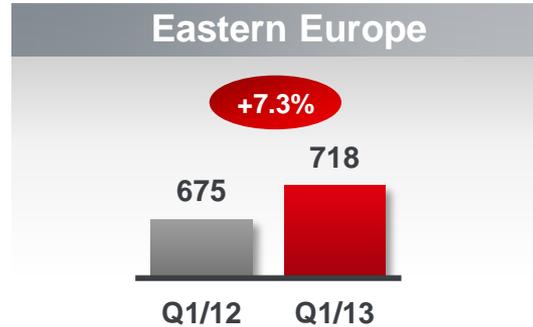
in m€, OSG in %



- Emerging Market sales share at 43%

Sales growth by region

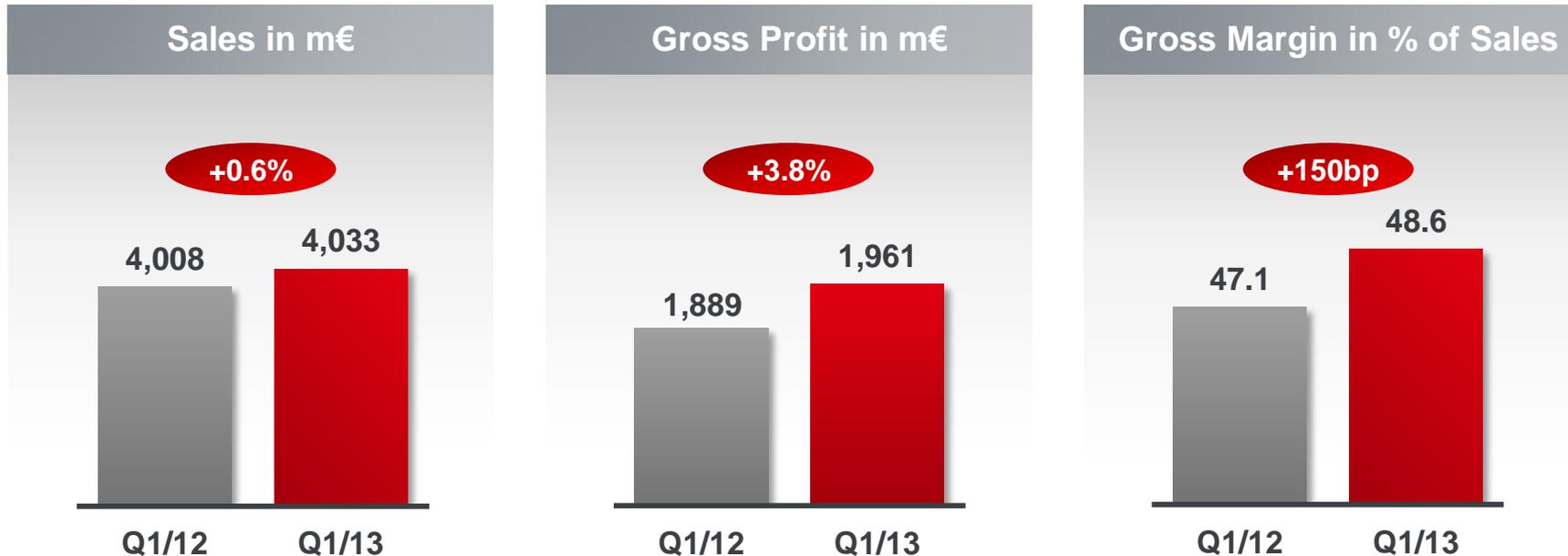
in m€, OSG in %



- Eastern Europe with very strong contribution from Russia, Turkey double digit
- Asia-Pacific with solid growth from China, Japan below PY level

Income statement adjusted

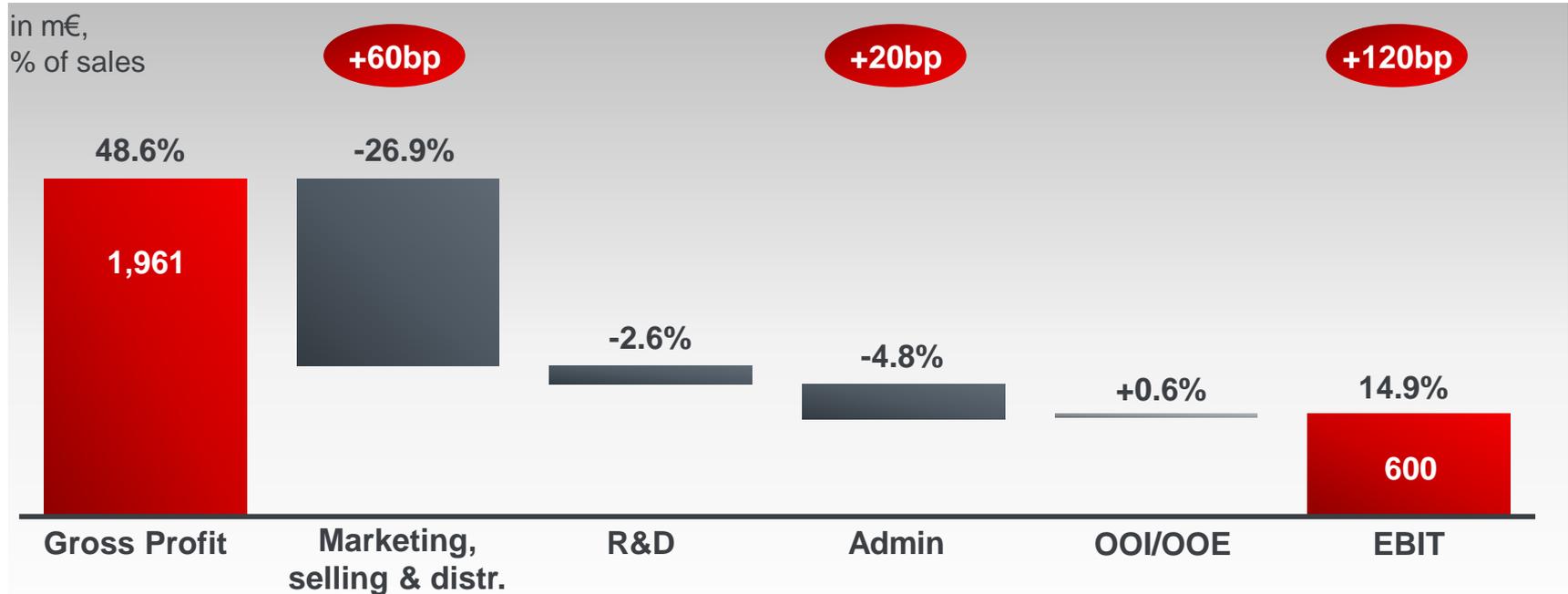
Sales to gross profit



- Significant increase in gross margin, despite negative impact of 50bp from COGS
- Disciplined execution of countermeasures

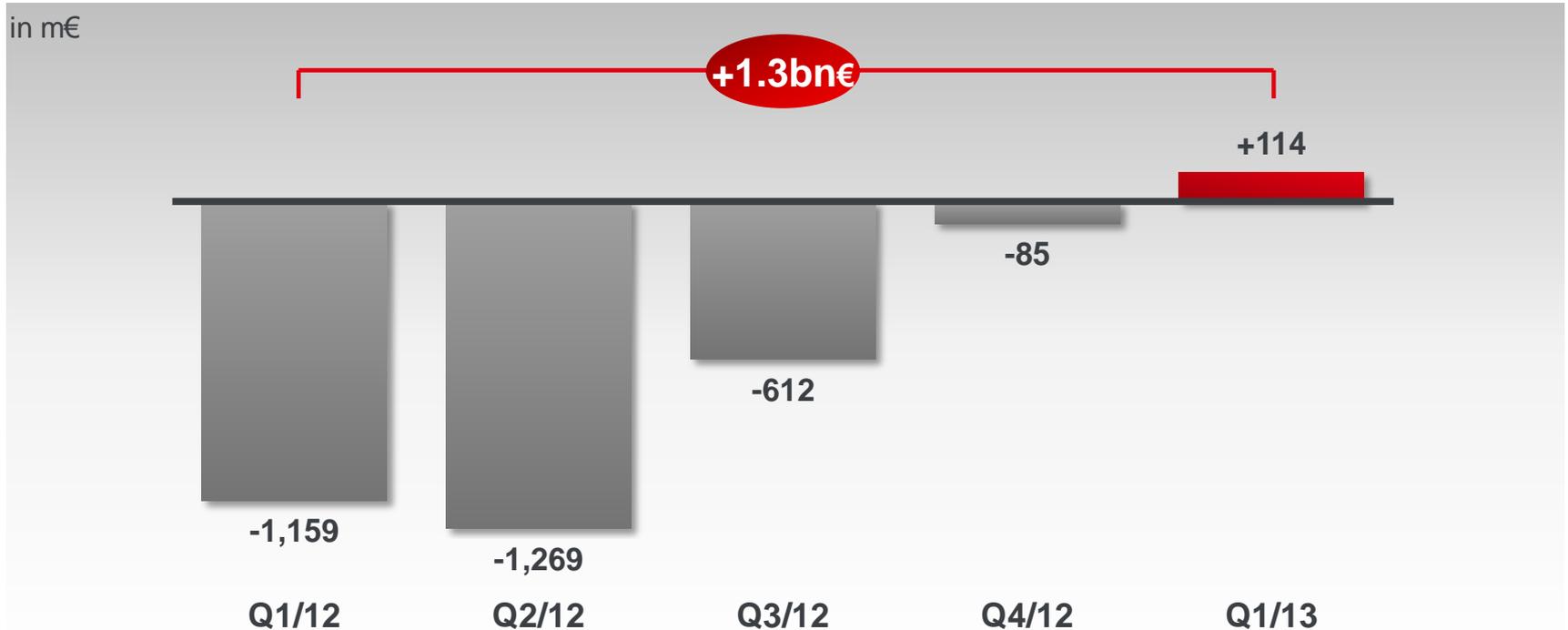
Income statement adjusted

Gross profit to EBIT



- Higher marketing expenses, selling & distribution flat
- Higher admin expenses due to investments in regional hubs in Emerging Markets

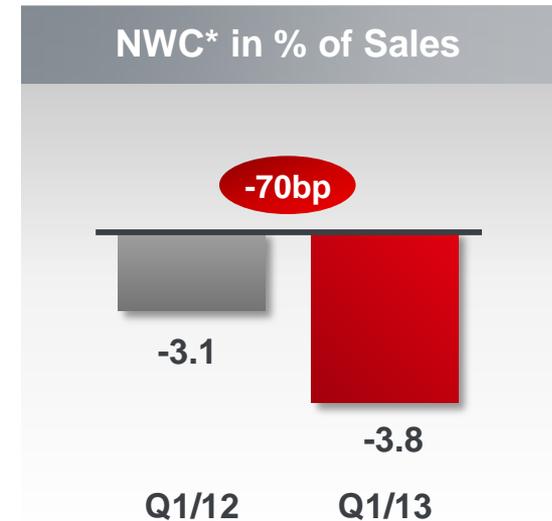
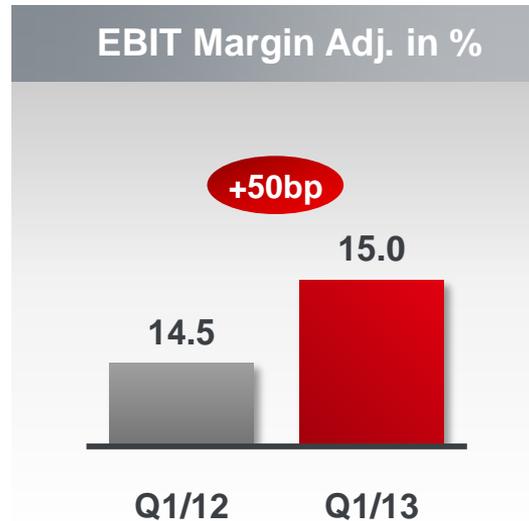
Development of net financial position



- Net financial position significantly improved

Laundry & Home Care

Key figures

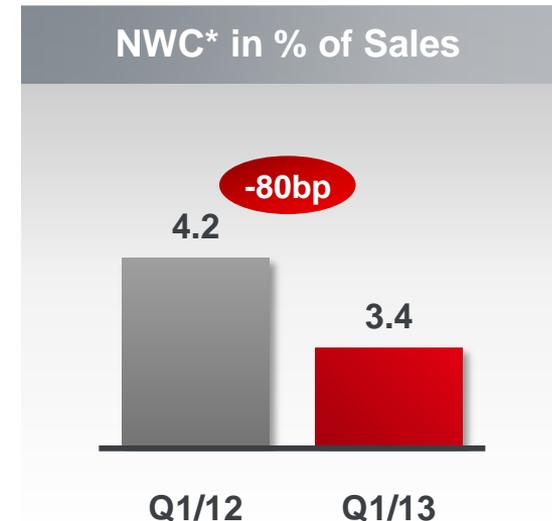
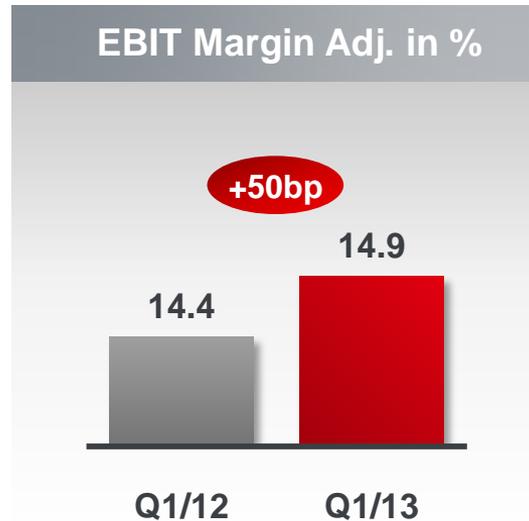
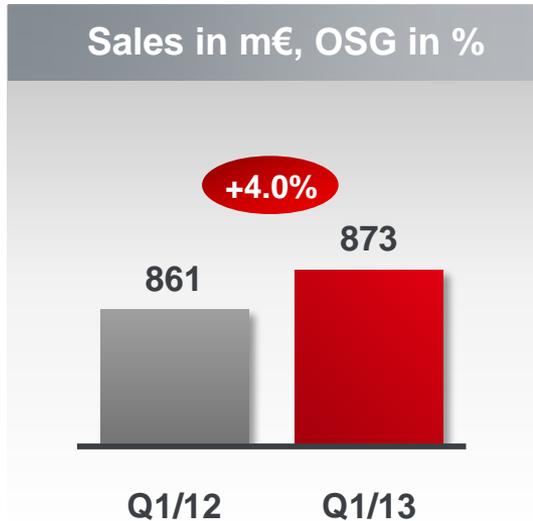


- OSG driven by 2.7% in price and 5.3% in volume
- EBIT margin driven by improvement in gross margin; marketing expenses increased

* According to new definition: Now including also other customer & supplier related payables & receivables.

Beauty Care

Key figures

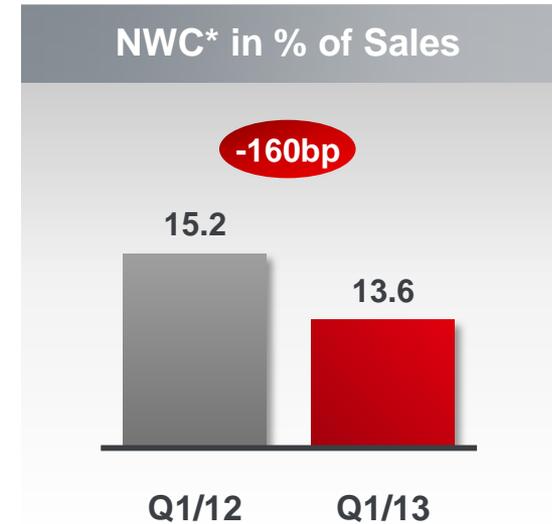
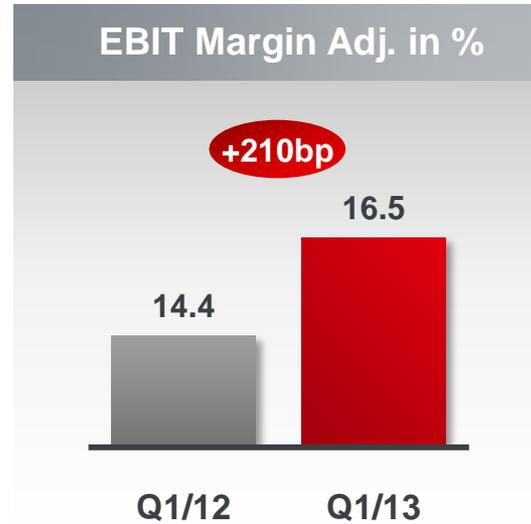


- OSG driven by 0.8% in price and 3.2% in volume
- EBIT margin driven by improvement in gross margin; marketing expenses increased

* According to new definition: Now including also other customer & supplier related payables & receivables.

Adhesive Technologies

Key figures



- OSG driven by 1.3% in price, volume down by -2.5%
- EBIT margin driven by improvement in gross margin; strong cost discipline

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Summary Q1 2013

- Mixed growth dynamics: Strong growth in HPC, Adhesives negatively impacted by weakness in Mature Markets & slow start in North America
- Increased efficiency driven by supply chain and cost discipline
- Adj. EBIT margin at all-time high, driven by all 3 businesses
- Adj. EPS (pref.) with growth above 10%
- Net financial position significantly improved



Overall strong quarter in challenging market environment

Outlook 2013

- Global economic environment will remain difficult
- Improving development for major industrial sectors expected during the second half of the year
- Strong innovation pipeline to continuously outperform challenging market environment in HPC
- FX headwinds persisting



Confirmed guidance for FY 2013 despite headwinds

Guidance FY 2013

	Guidance FY 2013
Organic sales growth	3 - 5%
- Laundry & Home Care	
- Beauty Care	Each division 3 - 5%
- Adhesive Technologies	
Adjusted EBIT margin	~ 14.5%
- Laundry & Home Care	
- Beauty Care	All divisions contributing
- Adhesive Technologies	
Adjusted EPS growth	~ 10%



We will continue to adapt our structures to the market

Upcoming events

- June 18, 2013
Investor & Analyst Day Adhesive Technologies
Düsseldorf
- August 8, 2013
Q2 2013 Financials
- November 12, 2013
Q3 2013 Financials

Thank You!

