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

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

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

FULL OWNERSHIP OF RESULTS

DRIVING CHANGE
WHAT TO EXPECT FROM TODAY

01 Results 2019 and Outlook 2020
02 Henkel Group Review
03 Future Direction
04 Closing
AGENDA

01 Results 2019 and Outlook 2020
02 Henkel Group Review
03 Future Direction
04 Closing
OVERALL MIXED PERFORMANCE IN 2019

Nominal Sales

€ 20.1 bn
+1.1%

Organic Sales Growth

0.0%

Adjusted EBIT Margin

16.0%
-160bps

Adjusted EPS<br>Per preferred share

€ 5.43
-10.1%

Free Cash Flow

€ 2.5 bn
€ +554 m

Dividend Proposal<br>Proposal to shareholders at AGM on April 20, 2020

€ 1.85
stable

1 Per preferred share 2 At constant exchange rates 3 Proposal to shareholders at AGM on April 20, 2020
BUSINESS ENVIRONMENT
2019

- Muted growth in industrial production, H2 recovery did not materialize
- Overall supportive consumer markets with good growth dynamics, yet highly competitive
- Economic activity impacted by continued geopolitical tensions and trade conflicts
- Slight currency tailwinds, persisting pressure from some Emerging Market currencies
- Direct materials pricing headwinds easing throughout the year
FLAT ORGANIC SALES DEVELOPMENT
POSITIVE PRICING COMPENSATING FOR VOLUME DECLINE

Sales in € m, changes in %

OSG: 0.0%

19,899

-1.8%  +1.8%  +0.5%  +0.6%  20,114

+1.1%

Net Sales FY 2018
Volume
Price
M&A
FX
Net Sales FY 2019
WEAK DEVELOPMENT IN MATURE MARKETS AND ASIA

ORGANIC SALES GROWTH FY 2019

North America
-2.3%

Western Europe
-1.2%

Eastern Europe
+6.5%

Mature Markets
-1.6%

Latin America
+4.9%

Africa / Middle East
+13.3%

Asia-Pacific
-6.5%

Emerging Markets
+2.5%
ADHESIVE TECHNOLOGIES
ORGANIC SALES GROWTH: -1.5%

- Significant headwinds especially in Automotive and Electronics
- General Industry affected by demand-driven de-stocking in distribution channels
- Packaging & Consumer Goods flat, but good growth with food packaging solutions
- Strong growth in building and construction in Emerging Markets
- Positive pricing secured in an increasingly challenging industrial environment
ADHESIVE TECHNOLOGIES
FY 2019

Organic Sales Growth

-1.5%

Adjusted EBIT Margin

18.1%

Net Working Capital

11.5%

Price

+1.8%

Volume

-3.3%

Change y-o-y

-60bps

Change y-o-y

-30bps
BEAUTY CARE
ORGANIC SALES GROWTH: -2.1%

▪ Retail with weak development, heavily impacted by de-stocking in China
▪ Western European market shares slightly down in a low growth environment
▪ Full year turnaround in North America not yet achieved, but returned to growth in H2
▪ Share gains in Hair Color and Styling
▪ Continued strong momentum in Professional
▪ Positive contributions from increasing focus on nature brands
<table>
<thead>
<tr>
<th>BEAUTY CARE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FY 2019</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Organic Sales Growth</th>
<th>Adjusted EBIT Margin</th>
<th>Net Working Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>-2.1%</td>
<td>13.4%</td>
<td>1.9%</td>
</tr>
<tr>
<td>Price -0.6%</td>
<td>Volume -1.5%</td>
<td></td>
</tr>
<tr>
<td>Change y-o-y -370bps</td>
<td>Change y-o-y -280bps</td>
<td></td>
</tr>
</tbody>
</table>
LAUNDRY & HOME CARE
ORGANIC SALES GROWTH: +3.7%

- Good growth in Laundry Care, supported by double-digit growth of #1 brand Persil
- Home Care with very strong performance, driven by Toilet Care and Hand Dishwashing
- Share losses in North America
- Emerging Markets with double-digit growth
## LAUNDRY & HOME CARE
### FY 2019

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
<th>Change y-o-y</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Organic Sales Growth</strong></td>
<td>+3.7%</td>
<td>-160bps</td>
</tr>
<tr>
<td>Price</td>
<td>+3.2%</td>
<td></td>
</tr>
<tr>
<td>Volume</td>
<td>+0.5%</td>
<td></td>
</tr>
<tr>
<td><strong>Adjusted EBIT Margin</strong></td>
<td>16.5%</td>
<td>-140bps</td>
</tr>
<tr>
<td><strong>Net Working Capital</strong></td>
<td>-5.3%</td>
<td></td>
</tr>
<tr>
<td>Change y-o-y</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
ADJUSTED GROSS PROFIT TO ADJUSTED EBIT
FY 2019

in % of sales
Impact on Adjusted EBIT Margin in pp vs. PY

46.3%  -0.2pp
-23.9%  -1.3pp

-2.4%  0.0pp
-4.4%  0.0pp
+0.4%  -0.1pp
16.0%  -1.6pp

Adjusted Gross Profit  Marketing, selling & distribution  R&D  Admin  OO! / OOE  Adjusted EBIT
STEP-UP IN GROWTH INVESTMENTS STARTED

- Step-up in 2019 investments around 50% of planned amount of € 300 million
- Positive impact from successful initiatives, incl.
  - Double-digit growth of Persil, Pril and Bref
  - Strong growth of Hair Professional, got2b, Hair Coloration and nature brands
  - Roll-out of Adhesive Technologies eShop
- Execution of investment plans held back
  - Start of key initiatives only from end of Q1
  - Compensating for unexpected developments
ADJUSTED EPS BELOW PRIOR YEAR
FY 2019

in € m

-3,220
-88
-760 (24.3%)  
2,372
-19
2,353

Adj. EBIT  
Financial result  
Taxes on income (adj.)  
Adj. Net income (NI)  
Minorities  
Adj. NI attributable to shareholders

€ 5.43

-9.7% y-o-y
-10.1% at constant currencies

1 Adjusted tax rate
### Financial Position Further Strengthened

**FY 2019**

<table>
<thead>
<tr>
<th></th>
<th>Net Working Capital</th>
<th>Free Cash Flow</th>
<th>Net Financial Position</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>3.9%</strong></td>
<td>€ 2,471 m</td>
<td>€ -2,045 m</td>
<td></td>
</tr>
<tr>
<td>Change y-o-y</td>
<td>-120bps</td>
<td>Change y-o-y</td>
<td>Change y-o-y</td>
</tr>
<tr>
<td></td>
<td>€ +554 m</td>
<td>€ +850 m</td>
<td></td>
</tr>
</tbody>
</table>
DISCIPLINED APPROACH TO CAPITAL ALLOCATION

€ 662 m  CapEx investments, equivalent to 3.3% of sales
Particular focus on growth and capacity expansion

€ 582 m  Acquisitions with consistent execution of M&A strategy
Venture Capital activities further advanced
**STABLE DIVIDEND DESPITE LOWER EARNINGS**

<table>
<thead>
<tr>
<th>Dividend per pref. share</th>
<th>Payout ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>€ 1.85</strong>¹</td>
<td>25.6</td>
</tr>
<tr>
<td><strong>Dividend per preferred share</strong></td>
<td><strong>Payout ratio</strong></td>
</tr>
<tr>
<td>Dividend kept stable despite lower earnings level in FY 2019</td>
<td></td>
</tr>
<tr>
<td>34.2%</td>
<td>34.2</td>
</tr>
<tr>
<td>Dividend pay-out ratio, increased by 3.3pp y-o-y</td>
<td></td>
</tr>
<tr>
<td>Pay-out well in-line with target ratio of 30 to 40%</td>
<td></td>
</tr>
</tbody>
</table>

¹ Proposal to shareholders at AGM April 20, 2020
## GUIDANCE 2020

<table>
<thead>
<tr>
<th>Organic Sales Growth</th>
<th>Henkel Group</th>
<th>0 to 2%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adhesive Technologies</td>
<td>-2 to 1%</td>
<td></td>
</tr>
<tr>
<td>Beauty Care</td>
<td>1 to 3%</td>
<td></td>
</tr>
<tr>
<td>Laundry &amp; Home Care</td>
<td>2 to 4%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Adjusted EBIT Margin</th>
<th>Henkel Group</th>
<th>Around 15%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adhesive Technologies</td>
<td>17 to 18%</td>
<td></td>
</tr>
<tr>
<td>Beauty Care</td>
<td>12.5 to 13.5%</td>
<td></td>
</tr>
<tr>
<td>Laundry &amp; Home Care</td>
<td>15 to 16%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Development in adjusted EPS (at constant exchange rates)¹</th>
<th>Decrease by mid- to high single-digit percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

¹ Per preferred share
IMPLICATIONS FROM CORONAVIRUS OUTBREAK

- Coronavirus outbreak affecting business in China and increasingly spreading globally
- Broad initiatives taken to support and protect employees and their families
- Challenges in logistics and customer demand, while all sites are operational
- First quarter financial performance significantly impacted
- Based on current assumptions full year guidance unchanged, but situation currently highly uncertain and unpredictable

4,100 Henkel employees in China
3rd largest market in terms of sales and profit
12 production plants in operation
SUMMARY

- 2019 below expectations in terms of organic sales growth and net earnings
- Strong cash flow and financial position further improved
- Dividend payment stable on high level
- 2020 expected to be a transition year to position Henkel for the future
AGENDA

01 Results 2019 and Outlook 2020
02 Henkel Group Review
03 Future Direction
04 Closing
GROUP REVIEW

1. STRONG FOUNDATION
2. FINANCIAL PERFORMANCE
3. AREAS FOR CHANGE
1. STRONG FOUNDATION
2. FINANCIAL PERFORMANCE
3. AREAS FOR CHANGE
STRONG FOUNDATION

- Strong, long-standing customer relationships
- High-quality brands, innovations & technologies
- Global leader in Adhesive Technologies
- Beauty Care global #3 in Professional, selective strongholds in Hair Retail
- Global #3 in Laundry & Home Care with many leading positions
STRONG FOUNDATION

- Dedicated, passionate & loyal team
- **Sustainability** deeply rooted and widely recognized
- Strong track record in **execution & efficiency**
- Strong **balance sheet & cash generation** capabilities
- High number of **M&A** deals executed and integrated
GROUP REVIEW

1. STRONG FOUNDATION
2. FINANCIAL PERFORMANCE
3. AREAS FOR CHANGE
STRONG LONG-TERM GROWTH, RECENTLY WEAKER

- Strong long-term organic sales growth driven by all business units

- Slow-down recently, mainly resulting from:
  - execution setbacks in US and China
  - inconsistent innovation & investment
  - weak industrial environment

**Organic Sales Growth**
Average, in %

<table>
<thead>
<tr>
<th>Year</th>
<th>Average, in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012-2017</td>
<td>3.3</td>
</tr>
<tr>
<td>2018-2019</td>
<td>1.2</td>
</tr>
</tbody>
</table>

2012-2017 2018-2019
STRONG LONG-TERM GROWTH, RECENTLY WEAKER

- Strong long-term organic sales growth driven by all business units

- Slow-down recently, mainly resulting from:
  - execution setbacks in US and China
  - inconsistent innovation & investment
  - weak industrial environment

<table>
<thead>
<tr>
<th>Business Unit</th>
<th>Average Organic Sales Growth, in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beauty Care</td>
<td>2012-2017: 2.1</td>
</tr>
<tr>
<td>Laundry &amp; Home Care</td>
<td>2012-2017: 4.4</td>
</tr>
</tbody>
</table>
Adjusted EBIT Margin
Delta in bps

+320

-130

NOTABLE DECREASE IN PROFITABILITY RECENTLY

- Strong long-term profitability improvement, but recent decline
- Margin improvement thanks to cost management, mix and efficiency – gross margin flat
- Recent profitability decline driven by gross margin pressure and step-up of growth investments
NOTABLE DECREASE IN PROFITABILITY RECENTLY

- Strong long-term profitability improvement, but recent decline
- Margin improvement thanks to cost management, mix and efficiency – gross margin flat
- Recent profitability decline driven by gross margin pressure and step-up of growth investments
CONSISTENT LONG-TERM IMPROVEMENT OF CASH KPIs

- Efficient Net Working Capital management
- Strong and consistent long-term cash generation
- Cash generation capabilities and low debt levels provide options for investments

Net Working Capital

<table>
<thead>
<tr>
<th>Year</th>
<th>% of sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012-2017</td>
<td>4.0</td>
</tr>
<tr>
<td>2018-2019</td>
<td>4.5</td>
</tr>
</tbody>
</table>

Free Cash Flow

<table>
<thead>
<tr>
<th>Year</th>
<th>in € bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012-2017</td>
<td>1.8</td>
</tr>
<tr>
<td>2018-2019</td>
<td>2.2</td>
</tr>
</tbody>
</table>
GROUP REVIEW

1. STRONG FOUNDATION
2. FINANCIAL PERFORMANCE
3. AREAS FOR CHANGE
# MARKET REALITIES

**NEED TO ADAPT TO CHANGING AND DISRUPTIVE ENVIRONMENT**

<table>
<thead>
<tr>
<th>Cyclicality in industrial production</th>
<th>Geopolitical tensions likely to stay</th>
<th>Emerging Markets remain vital to growth</th>
<th>Structural shifts in retailer space</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustainability as key imperative</td>
<td>Data crucial success factor</td>
<td>Need for speed in Innovation &amp; Digital</td>
<td>Demanding customers and consumers</td>
</tr>
</tbody>
</table>
BEAUTY CARE

▪ Attractive market with high gross margins
▪ Key competence Hair, stronghold Professional
▪ Iconic brands and innovation track record
▪ Leading Retail country-category positions
▪ Strong customer relationships & consumer insights, excellent technological expertise

▪ Underrepresented in high-growth markets / categories
▪ Part of portfolio currently not growing
▪ Tail of sub-scale brands
▪ Need to strengthen core brands with innovations and consistent marketing investments

STRONG FOUNDATION

AREAS FOR CHANGE
LAUNDRY & HOME CARE

- Attractive market – comprehensive coverage
- Global #3 with many leading positions
- Trusted brands with strong innovation
- Strengths in Detergents and Toilet Care
- Strong customer ties & consumer insights, excellent technological expertise

AREAS FOR CHANGE

- Need to turn around North America
- Tail of sub-scale brands
- Inconsistent marketing investments
ADHESIVE TECHNOLOGIES

- Globally leading positions in attractive markets
- Balanced and robust portfolio, based on consistent portfolio management
- Most comprehensive technology portfolio
- Broadest regional coverage as well as customer and application mix
- Long-lasting, intimate customer relations

- Performance potential from sustainability not yet fully seized
- Potential to enrich portfolio with further future-oriented technologies and adjacent businesses
SUSTAINABILITY

- Sustainability part of DNA and holistic strategy in place
- Considerable progress made in achieving ambitious set of targets
- Leading in responsible sourcing and supply
- Ambassador program with >50,000 employees trained in sustainability
- Strong external recognition

AREAS FOR CHANGE

- Strong position not tangible enough for our stakeholders, especially customers and consumers
- Potential to drive our performance with sustainable products and solutions not fully utilized
DIGITAL

- Digitalization anchored as strategic priority
- Highly standardized ERP backbone
- State-of-the-art Shared Service organization
- Strong progress in Industry 4.0
- Global Digital Upskilling initiative

AREAS FOR CHANGE

- Business opportunities from Digital and data not sufficiently capitalized
- Inadequate inhouse Digital expertise to respond to new market realities
- IT and CDO organizations decoupled
CULTURE & PEOPLE

- Loyal and passionate people
- Attractive employer with strong brands & technologies and diverse career opportunities
- Established, long-term focus on talent development
- New Leadership Commitments shaping our foundation for a strong company culture

AREAS FOR CHANGE

- Need to accelerate our cultural journey focusing on collaboration and empowerment
- Tackle rising scarcity of talent
STRONG FOUNDATION

CLEAR VIEW OF AREAS FOR CHANGE

NEED FOR NEW GROWTH AGENDA
AGENDA

01 Results 2019 and Outlook 2020
02 Henkel Group Review
03 Future Direction
04 Closing
WIN THE 20s THROUGH PURPOSEFUL GROWTH
WIN THE 20s THROUGH PURPOSEFUL GROWTH

Create superior Customer & Consumer Value to outgrow the markets

Reinforce our leadership in Sustainability to shape Henkel’s future, contribute to society and benefit the planet

Enable our People to grow with a sense of belonging
KEY FOCUS TOPICS

Rigorously shape a **WINNING PORTFOLIO**

Accelerate with impactful **INNOVATIONS** supported by increased investments

Boost **SUSTAINABILITY** into a true differentiator

Transform **DIGITAL** into a customer & consumer value creator

Reshape **OPERATING MODELS** to be lean, fast & simple

Accelerate **CULTURAL JOURNEY** with Leadership Commitments at the core
PURPOSEFUL GROWTH

Winning Portfolio

Competitive Edge

Future-ready Operating Model

Collaborative Culture & Empowered People

Innovation

Sustainability

Digital
PURPOSEFUL GROWTH

Winning Portfolio

Competitive Edge

Future-ready Operating Model

Collaborative Culture & Empowered People

Innovation
Sustainability
Digital
RIGOROUSLY SHAPE A
WINNING PORTFOLIO

▪ Active portfolio management
▪ Optimize consumer portfolio
▪ M&A integral part of our strategy
ACTIVE PORTFOLIO MANAGEMENT

- Specific focus on brands and categories in consumer businesses
- Key criteria: Market Attractiveness, Ability to Win, OSG and Gross Margin
- Portfolio measures: Turnaround / Continue & Divestment / Exit

Illustrative representation
OPTIMIZE CONSUMER PORTFOLIO

Brands and categories identified for portfolio measures with

>€ 1 bn total sales volume

Around 50% of identified sales marked for divestment or discontinuation by 2021
M&A INTEGRAL PART OF OUR STRATEGY

- Key criteria: Availability of Target, Strategic Fit & Financial Attractiveness
- Expand technology leadership in Adhesive Technologies
- Focus on leading country/category positions, new business models and white spots in Consumer businesses

12.5 bn € invested in M&A since 2008

100 percent of investment was cash and/or debt-financed

20 bn € in free cash flow generated in 2008-19
PURPOSEFUL GROWTH

Winning Portfolio

Competitive Edge

Innovation

Sustainability

Digital

Future-ready Operating Model

Collaborative Culture & Empowered People
ACCELERATE WITH IMPACTFUL INNOVATIONS SUPPORTED BY INCREASED INVESTMENTS

- Innovation approach
- Impactful innovations
- Increased investments
ENHANCE INNOVATION APPROACH

- Leverage digital tools and data for faster and better insights
- Intensify co-creation, open innovation and idea crowdsourcing
- Apply agile approaches and incubators for trend detection, testing & learning
- Enable creative leads by decision-making in the regions for the region
- Build Innovation Centers with state-of-the-art working space
IMPACTFUL INNOVATIONS
ADHESIVE TECHNOLOGIES

▪ Automotive industry in transformation
▪ Double-digit growth expected for electric and hybrid vehicles
▪ Electrification and autonomous driving significantly increase the number of electric components
▪ Well positioned to enable customers to shape the car of the future
IMPACTFUL INNOVATIONS

ADHESIVE TECHNOLOGIES

- Worldwide 5G roll-out
- Internet of Things and mobile communication drive double-digit growth rates of 5G devices
- 20 million new 5G base stations to be installed globally by 2025 to enable high-speed data transmission
- Well positioned as material solution provider for the connected future
IMPACTFUL INNOVATIONS
BEAUTY CARE

- Win new customers and consumers with salon-exclusive, fully modular hair care brand Fibre Clinix
- Harness customization trend with SalonLab Analyzer – leading-edge hair & IoT science
- Sustain strong growth momentum in Professional
Attract new consumers via sustainable proposition of Nature Box solid bars: vegan, 0% plastic, travel-friendly, free-from

Seize opportunities in natural segment growing double-digit

Premiumize hair care portfolio by building on strong position of Nature Box
IMPACTFUL INNOVATIONS
LAUNDRY & HOME CARE

- Leveraging breakthrough Persil 4in1 DISCS with innovations across countries
- New PROCLEAN OXI DISCS & Liquid in North America, with the best performance in the OXI segment
- Launch 4in1 DISCS with patented technology for Malodor Control offering unique, highly relevant benefit
Breakthrough in Hand Dishwashing with revolutionary innovations making dishwashing fast & easy

Global launch of new Pril 5+ with unique Self-Grease-Lift-Technology

Quick expansion of innovative Power & Pearls for extraordinary dishwashing experience
INCREASED INVESTMENTS

- Consistently support innovations and brands with targeted investments in core categories and regions
- \( €350 \text{ m} \) increase of growth investments in advertising, digital and IT in 2020 versus 2018
- Sharpen communication of brand purpose
PURPOSEFUL GROWTH

Winning Portfolio

Competitive Edge

Future-ready Operating Model

Innovation

Sustainability

Digital

Collaborative Culture & Empowered People
BOOST SUSTAINABILITY INTO A TRUE DIFFERENTIATOR

- Become climate-positive
- Promote circular economy
- Anchor Sustainability in all we do
BECOME CLIMATE-POSITIVE

ACCELERATE TOWARDS 2025

65% reduction in the CO₂ emissions of our production

100m t CO₂ saved together with our consumers, customers and suppliers

BECOME CLIMATE-POSITIVE BY 2040
CIRCULAR ECONOMY
ACCELERATE TOWARDS 2025

100%
recyclable / reusable plastic packaging\(^1\)

50%
reduction of fossil-based virgin plastics\(^2\)

\(^1\) Excl. adhesive products where residue may affect recyclability or pollute recycling streams;
\(^2\) Consumer products
POSITIVE SOCIAL IMPACT
ACCELERATE TOWARDS 2025

100% responsible sourcing

>50,000 engaged employees

IMPROVE 20 MILLION LIVES GLOBALLY
ANCHOR SUSTAINABILITY IN ALL WE DO

**Consumer businesses:**
- Central pillar of innovation strategy
- Strengthen sustainability positioning and brand purpose
- New plastics strategy: less – recycled – zero

**Adhesive Technologies:**
- Stronger positioning of sustainability
- Leveraging market potential
- Setting industry standards
PURPOSEFUL GROWTH

Winning Portfolio

Competitive Edge

Future-ready Operating Model

Innovation

Sustainability

Digital

Collaborative Culture & Empowered People
TRANSFORM **DIGITAL** INTO A CUSTOMER & CONSUMER VALUE CREATORE

- Boost 1:1 engagement and digital sales in consumer
- Drive E2E customer-centric digitalization in industrial
- Enable digital business focus and efficiency
BOOST 1:1 ENGAGEMENT AND DIGITAL SALES IN CONSUMER

- Scale-up IoT projects and D2C – eSalon, SalonLab, Choicify, Somat Smart, Truman’s
- Build 1:1 consumer relationships leveraging eCRM – Schwarzkopf CRM, Ask Team Clean
- Expand inhouse capabilities to enhance speed and relevance – Content Factories
- Drive digital sales growth through dedicated and unique e-Innos – Persil concentrated tabs
DRIVE E2E CUSTOMER-CENTRIC DIGITALIZATION IN INDUSTRIAL

- Digitalization of customer experience across all touchpoints
- End-to-end data integration to strengthen competitive advantage
  - Creation of innovative solutions through Analytics and Artificial Intelligence
  - Efficiency increase in Operations & Supply Chain
- Further build-up of expertise through recruitment of data scientists & engineers
ENABLE DIGITAL BUSINESS
FUTURE SET-UP

- Combining Digital and IT under CDIO, reporting to CEO
- Business Technology continuously optimizing processes & IT systems to ensure efficiency
- Henkel Digital as dedicated unit for market-oriented incubation & innovation
  - Hubs in Berlin, Silicon Valley & Asia
  - Internal software, data & analytics expertise
  - New business building
  - Driving strategic partnerships
PURPOSEFUL GROWTH

Winning Portfolio

Competitive Edge

Future-ready Operating Model

Innovation

Sustainability

Digital

Collaborative Culture & Empowered People
RESHAPE OPERATING MODELS TO BE LEAN, FAST & SIMPLE

- Step-up customer & consumer proximity
- Increase efficiency
Strategic Business Units (SBUs) focused on customers and markets

End-to-end responsibility of SBUs enables fast customer responsiveness

Drive synergies and competitive advantage through scale and know-how across portfolio

4 Divisions with 11 SBUs

Market

Megatrends

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

Mobility
Sustainability
Connectivity
Urbanization
BEAUTY CARE

- Empower the front line being closest to consumers and customers
- Design, develop and decide in the region for the region
- Establish global growth office to identify and prioritize buckets of growth
- Leaner structures with less layers and complexity
LAUNDRY & HOME CARE

- Enhanced regional focus for more synergies & empowerment with three regions
- New Digital & Game Changer Unit focusing on future growth fields
- New process and agile methods for more agility and customer & consumer proximity
PURPOSEFUL GROWTH

Winning Portfolio

Competitive Edge

Future-ready Operating Model

Innovation

Sustainability

Digital

Collaborative Culture & Empowered People
ACCELERATE CULTURAL JOURNEY WITH LEADERSHIP COMMITMENTS AT THE CORE

- Drive culture of collaboration and empowerment
- Upskill employees on future capabilities
- Enable people to grow with strong sense of belonging
We act as entrepreneurs

We collaborate as strong teams

We develop people with passion

We own our results
DRIVE CULTURE OF COLLABORATION AND EMPOWERMENT

**Leadership Commitments** introduced as first step of our cultural journey

- Powerful global roll-out
- Integration in key HR processes

**Cultural transformation** requires engagement of all employees

- Commitment to transformation at the top
- Leverage change potential of younger generation
UPSKILL EMPLOYEES ON FUTURE CAPABILITIES

- Cloud-based learning platform
- 1st global Digital Upskilling Initiatives
- Upskilling offer for senior management
- Digital workforce transformation by recruiting digital talents
## PURPOSEFUL GROWTH

### Winning Portfolio
Rigorously shape a winning portfolio

### Competitive Edge
- **Innovation**: Accelerate with impactful innovations supported by increased investments
- **Sustainability**: Boost sustainability into a true differentiator
- **Digital**: Transform digital into a customer & consumer value creator

### Future-ready Operating Model
Reshape operating models to be lean, fast & simple

### Collaborative Culture & Empowered People
Accelerate cultural journey with Leadership Commitments at the core
FIRST SET OF ACTIONS

Shape portfolio: >€ 1 bn sales identified, ~50% marked for divest / exit by 2021
Step up investments by € 350 m vs 2018 to succeed with impactful innovations
Reduce CO₂ by 65% and move to 100% recyclable / reusable plastics by 2025
Implement new “Digital Business” set-up in 2020
Complete execution of operating models in all businesses
Finalize roll-out of Leadership Commitments
MID- TO LONG-TERM FINANCIAL AMBITION

COMMITTED TO PURPOSEFUL GROWTH

- Achieve organic sales growth of 2-4%
- Deliver mid- to high single-digit % adjusted EPS growth at constant currencies
- Continued focus on Free Cash Flow expansion
- Pursue compelling growth opportunities with superior execution
- Maintain cost discipline and focus on margin
CAPITAL MARKET COMMUNICATION
CHANGING THE WAY WE INTERACT AND COMMUNICATE

Reinforce open and transparent communication

Committed to increase facetime with top management

Focus on top-line in quarterly reporting

- Q1 / Q3 financial statements to focus only on sales / organic sales growth and respective commentary
- Providing detailed presentation of full results in the more meaningful six-months and full year periods
AGENDA

01 Results 2019 and Outlook 2020
02 Henkel Group Review
03 Future Direction
04 Closing
Create superior **Customer & Consumer Value** to outgrow the markets

Reinforce our leadership in **Sustainability** to shape Henkel’s future, contribute to society and benefit the planet

Enable our **People** to grow with a sense of belonging
PURPOSEFUL GROWTH

Winning Portfolio

Competitive Edge

Future-ready Operating Model

Innovation
Sustainability
Digital

Collaborative Culture & Empowered People
WIN THE 20s THROUGH PURPOSEFUL GROWTH
THANK YOU
<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 20, 2020</td>
<td>Annual General Meeting</td>
</tr>
<tr>
<td>May 11, 2020</td>
<td>Q1 2020 Release</td>
</tr>
<tr>
<td>August 6, 2020</td>
<td>Q2 &amp; H1 2020 Release</td>
</tr>
<tr>
<td>November 10, 2020</td>
<td>Q3 2020 Release</td>
</tr>
<tr>
<td>March 4, 2021</td>
<td>Q4 &amp; FY 2020 Release</td>
</tr>
</tbody>
</table>
## FY 2020: Additional input for selected KPIs

<table>
<thead>
<tr>
<th>KPI</th>
<th>Estimation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Currency Impact on Sales</td>
<td>Low to mid-single-digit % negative&lt;sup&gt;1&lt;/sup&gt;</td>
</tr>
<tr>
<td>Prices for Direct Materials</td>
<td>Low single-digit % increase&lt;sup&gt;1&lt;/sup&gt;</td>
</tr>
<tr>
<td>Restructuring Charges</td>
<td>€ 250 - 300 m</td>
</tr>
<tr>
<td>CapEx</td>
<td>€ 700 - 800 m</td>
</tr>
</tbody>
</table>

<sup>1</sup> versus the prior year
Further increasing efficiencies and adapting our structures to market and customer requirements

2019 focus on:

- changes of go-to-market model in Emerging Markets
- sales & distribution and production & logistics optimization
## NEW IFRS 16 LEASE STANDARD

### P&L IMPACT FROM FIRST-TIME APPLICATION

<table>
<thead>
<tr>
<th>in € m</th>
<th>Impact on Q1 results</th>
<th>Impact on H1 results</th>
<th>Impact on Q1–Q3 results</th>
<th>Impact on full year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td></td>
<td></td>
<td></td>
<td>No impact</td>
</tr>
<tr>
<td><strong>Operating expense</strong></td>
<td>+37</td>
<td>+74</td>
<td>+112</td>
<td>+149</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td></td>
<td></td>
<td></td>
<td>+149</td>
</tr>
<tr>
<td><strong>D&amp;A</strong></td>
<td>-33</td>
<td>-66</td>
<td>-100</td>
<td>-133</td>
</tr>
<tr>
<td><strong>Operating profit (EBIT)</strong></td>
<td>+4</td>
<td>+8</td>
<td>+12</td>
<td>+16</td>
</tr>
<tr>
<td><strong>Adj. EBIT Margin</strong></td>
<td>No material impact</td>
<td>No material impact</td>
<td>No material impact</td>
<td>No material impact</td>
</tr>
<tr>
<td><strong>Financial result</strong></td>
<td>-4</td>
<td>-8</td>
<td>-12</td>
<td>-16</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>No material impact</td>
<td>No material impact</td>
<td>No material impact</td>
<td>No material impact</td>
</tr>
</tbody>
</table>