



HENKEL Q1 2021

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AGENDA

- 01** **Key Developments Q1 2021**
- 02** Business Performance Q1 2021
- 03** Outlook & Business Priorities

▶ KEY DEVELOPMENTS IN Q1 2021

Strong start to the year 2021
with +7.7% organic sales growth
in the first quarter 2021



Growth across all business units
driven by industrial recovery and
despite COVID-restrictions in
many countries

Full year 2021 guidance raised
on top- and bottom-line, while
uncertainty remains high



WIN THE 20s
THROUGH
**PURPOSEFUL
GROWTH**

Purposeful Growth Agenda
in full execution with focus on
expanding our competitive edge
and enhancing our company culture

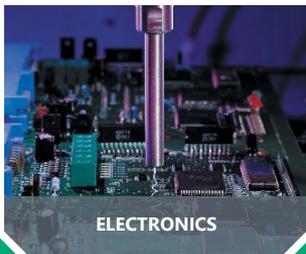
▶ BUSINESS ENVIRONMENT

- **Strong economic recovery in Q1 2021** after significant pandemic-related downturn in 2020
- **Industrial production significantly improved**, in particular in Automotive and Electronics
- **Consumer behavior** continues to be **impacted** by COVID-19 pandemic and constraints to public life
- **Strong price increases in volatile raw material markets** due to notable surge in demand and supply chain disruptions

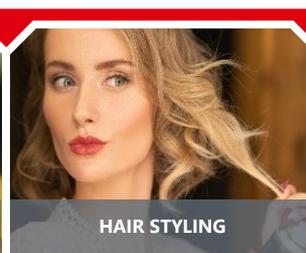


▶ CONTINUED IMPACTS FROM PANDEMIC

ADHESIVE TECHNOLOGIES



BEAUTY CARE AND LAUNDRY & HOME CARE



WIN THE 20s THROUGH
PURPOSEFUL GROWTH

**Winning
Portfolio**

Competitive Edge

**Future-ready
Operating
Model**

Innovation

Sustainability

Digitalization

Collaborative Culture & Empowered People

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Accelerating with impactful innovations in Beauty Care...

- Outperforming growing **Hair Coloration** market with **market share gains** of ~130 bps
- Impactful **Taft relaunch** further strengthening category leadership position
- **Double-digit sales growth** of **Nature Box** fueled by successful communication campaign
- Strong progress in **sustainable portfolio** transformation with **IGORA Royal** relaunch



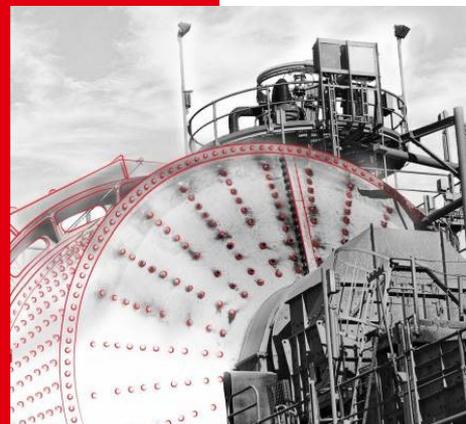
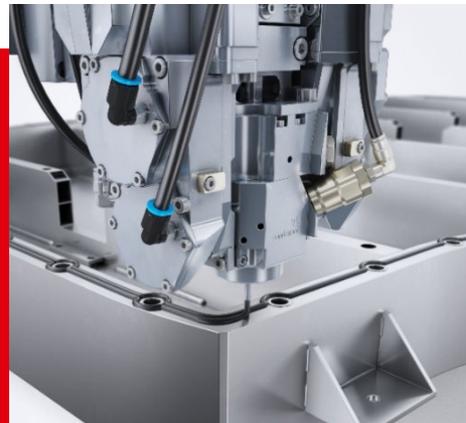
...Laundry & Home Care...

- **Home Care** gaining global market share of ~140 bps especially supported by innovations in Dishwashing and Toilet Care
- **Significantly outgrowing market in detergent caps**, boosted by successful **Persil 4in1 DISCS** and new **Value-for-Money Power Caps**
- **Sustainable Love Nature** brand with unique refill station concept attracting complementary target groups, achieving **strong re-buy rates**



...and Adhesive Technologies.

- **Industry's first bio-based PUR hotmelt** launched for handheld consumer electronics with 60% of content sourced from plant-based feedstocks
- New **high-end sealants for e-battery housings** in electric vehicles introduced, protecting against vibrations, moisture, dust and high temperatures
- **Advanced Protective Coating Technology** reducing maintenance downtimes and extending equipment lifetime up to three times



- **Digital share in Group sales advanced to ~17%** with increases in all business units
- **Growth of ~50% in digital sales** in Beauty Care and Laundry & Home Care combined
- **Adhesive Technologies e-shop** in over 60 countries, achieving mid double-digit % growth in Q1

Accelerated growth
in **digital** sales



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SALES OF € 5 BILLION IN Q1 2021

STRONG OSG OVERCOMPENSATED CURRENCY HEADWINDS

OSG

+7.7%

Price Volume
+1.7% **+6.0%**

M&A

+0.6%

FX

-7.5%



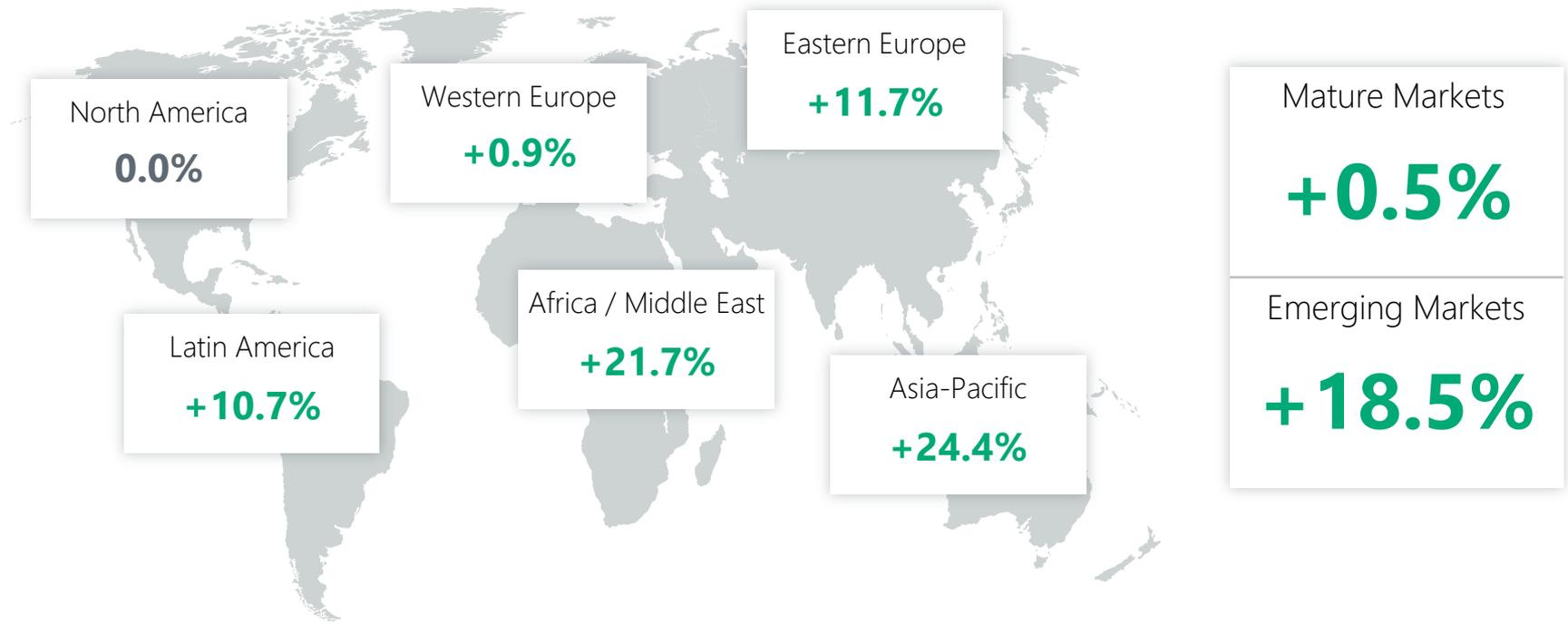
Nominal

+0.8%

€ 5.0 billion

▶ ALL REGIONS GROWING EXCEPT NORTH AMERICA

ORGANIC SALES DEVELOPMENT Q1 2021





ADHESIVE TECHNOLOGIES

ORGANIC SALES GROWTH: +13.0%

- Strong market recovery and growth in all business areas and regions, partially against soft prior-year basis
- Automotive & Metals up double-digit with especially strong automotive demand in China
- Significant growth in Packaging & Consumer Goods, supported by sustainable padded mailer solutions
- Electronics & Industrials grew double-digit due to extraordinary strong Electronics business
- Double-digit growth in Craftsmen, Construction & Professional, driven by stay-home effects and inventory build-up in light of accelerating demand

▶ ADHESIVE TECHNOLOGIES

GROWTH IN ALL BUSINESS AREAS AND REGIONS

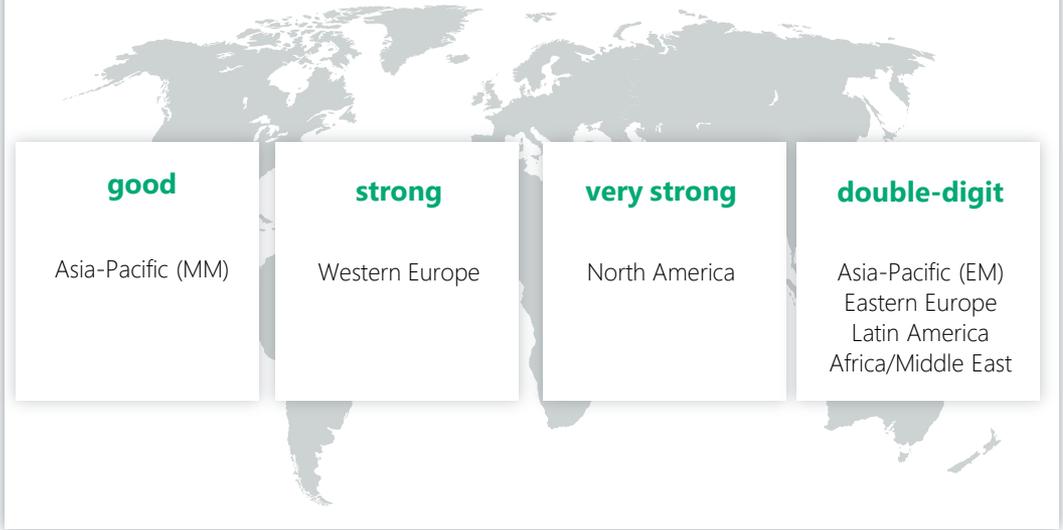
Organic Sales Growth

+13.0%

Price
+0.8%

Volume
+12.2%

Organic Sales Growth by Region





BEAUTY CARE

ORGANIC SALES GROWTH: +2.3%

- Consumer business with overall positive development and mixed regional development
- Consumer Hair: double-digit growth in Coloration, very strong growth in Hair Care, Styling below previous year
- Body Care below prior year due to softer demand in key markets and a high prior-year basis
- Professional business with very strong growth despite COVID-restrictions, fueled by key market North America, and Asia & Latin America
- Further expansion of online sales in both Consumer and Professional



BEAUTY CARE

OVERALL DOUBLE-DIGIT GROWTH IN EMERGING MARKETS

Organic Sales Growth

+2.3%

Price
+1.0%

Volume
+1.3%

Organic Sales Growth by Region

negative

Western Europe
Africa/Middle East

good

North America

very strong

Eastern Europe
Asia-Pacific (MM)

double-digit

Asia-Pacific (EM)
Latin America



LAUNDRY & HOME CARE

ORGANIC SALES GROWTH: +4.1%

- Double-digit growth in Home Care with core brands Pril, Bref & Somat growing double-digit
- Laundry Care with positive growth driven by Persil 4in1 DISCS, special detergents and laundry additives
- Organic sales growth and continued share gains in almost all regions with key mature markets starting to slow
- North America below prior year, affected by supply bottlenecks, weather-related production cut and softer market dynamic
- Continued mid double-digit growth in eCommerce channels



LAUNDRY & HOME CARE

GROWTH IN ALL REGIONS, EXCEPT NORTH AMERICA AND LATAM

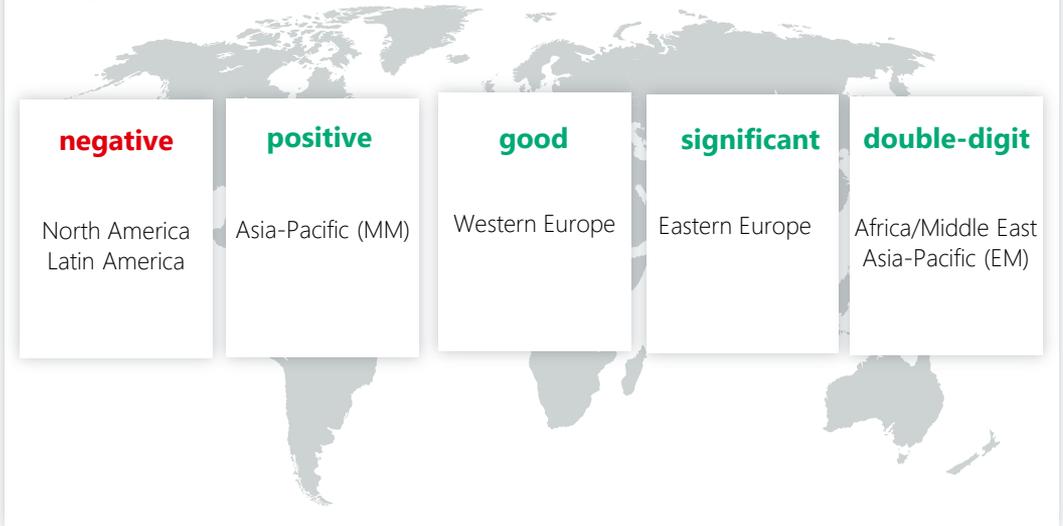
Organic Sales Growth

+4.1%

Price
+3.1%

Volume
+0.9%

Organic Sales Growth by Region



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▶ BUSINESS ENVIRONMENT IN 2021

Henkel's 2021 guidance is based on the following assumptions

- Industrial demand to recover significantly and stronger than anticipated in the beginning of the year
- Demand for many consumer goods categories to normalize in the course of the year, strong recovery in particular in Professional business
- Headwind from direct materials price increases in upper mid-single digit % across businesses, triggered by strong demand recovery meeting very tight supply chains
- No widespread closures of retail and industrial businesses assumed as year progresses
- Uncertainty about further course of infection rates and related restrictions remains high



GUIDANCE 2021

TOP- AND BOTTOM-LINE RAISED

Organic Sales Growth

+4.0 to 6.0%

Adhesive Technologies	+7.0 to 9.0%
Beauty Care	+2.0 to 6.0%
Laundry & Home Care	+1.0 to 3.0%

Adjusted EBIT Margin

14.0 to 15.0%

Adhesive Technologies	16.0 to 17.0%
Beauty Care	10.5 to 12.0%
Laundry & Home Care	14.5 to 15.5%

Adjusted EPS¹

High-single digit to mid-teens %

increase at constant exchange rates

▶ BUSINESS PRIORITIES

- Protect and support employees, customers and business partners
- Drive execution of Purposeful Growth Agenda with focus on expanding our competitive edge and enhancing our company culture
- Continued focus on executing active portfolio management
- Successfully drive performance across all business units in challenging markets



Q&A

▶ CLOSING REMARKS

- Henkel with **strong start to the year and significant organic sales growth** in continued challenging business environment
- **Growth driven by all business units** with particular strength in Adhesive Technologies due to stronger than anticipated industrial demand recovery
- **Ensuring employee safety, supplying customers and supporting communities** at any time during the pandemic
- **Progress in implementation of our Purposeful Growth Agenda in Q1** with clear focus areas
- **2021 outlook raised** with expected recovery of industrial demand and Professional business, while uncertainty in environment remains high

THANK YOU



► FY 2021: ADDITIONAL INPUT FOR SELECTED KPIS

Currency Impact on Sales	Mid-single-digit % negative ¹
Prices for Direct Materials	Increase by upper mid-single-digit % ¹
Restructuring Charges	€ 250 - 300m
CapEx	€ 600 - 700m

▶ GUIDANCE 2021 RAISED ON TOP AND BOTTOM LINE

		Guidance 2021 (4 March)	Guidance 2021 (new)
Organic Sales Growth	Henkel Group	2.0 to 5.0%	4.0 to 6.0%
	Adhesive Technologies	2.0 to 6.0%	7.0 to 9.0%
	Beauty Care	2.0 to 6.0%	2.0 to 6.0%
	Laundry & Home Care	1.0 to 3.0%	1.0 to 3.0%
Adjusted EBIT Margin	Henkel Group	13.5 to 14.5%	14.0 to 15.0%
	Adhesive Technologies	15.5 to 16.5%	16.0 to 17.0%
	Beauty Care	10.5 to 12.0%	10.5 to 12.0%
	Laundry & Home Care	15.0 to 16.0%	14.5 to 15.5%
Development in adjusted EPS (at constant exchange rates)¹		+5.0 to +15.0%	Increase by high single-digit to mid-teens %

▶ UPCOMING EVENTS

August 12, 2021

Q2 & H1 2021 Release

November 8, 2021

Q3 2021 Release

February 23, 2022

Q4 & FY 2021 Release

April 4, 2022

Annual General Meeting