Henkel
Q1 2013

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Carsten Knobel

Düsseldorf
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Outperform
Leverage potential
in categories

Globalize
Focus on regions with
high potential

A global leader
in brands
and technologies

Simplify
Drive operational
excellence

Inspire
Strengthen our
global team

Henkel
Excellence is our Passion
Disclaimer

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Agenda

1. Key Developments Q1 2013
2. Financials Q1 2013
3. Summary & Outlook FY 2013
Key figures Q1 2013

Sales: 4,033 m€
Adj. EBIT margin: 14.9%
Adj. EPS (pref.): 0.96 €
NWC*/% of sales: 5.8%
Net financial pos.: +114 m€

* 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

- 1st to launch multi-chamber caps across E. Europe
- Now also in W. Europe
- Further strengthen position in Western Europe
- Trend setter in scent segment
- 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

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

- 1st body wash with nutrient rich coconut water

- 1st care with nourishing golden oil elixir
## Adhesive Technologies

### Key developments

<table>
<thead>
<tr>
<th>Sales</th>
<th>Return</th>
</tr>
</thead>
</table>
| - OSG below PY quarter  
| - Emerging Markets with solid OSG  
| - Mature Markets below PY quarter | - Adj. EBIT Margin strongly increased  
| | - ROCE further increased |
Adhesive Technologies
Key activities

- Innovation in construction business based on Henkel own technology
- Roll-out of technologies acquired from Cytec in 2012
- Ongoing active portfolio management
Progress towards Henkel’s financial targets 2016

Sales [m€]

<table>
<thead>
<tr>
<th>Q1/12</th>
<th>Q1/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>4,008</td>
<td>4,033</td>
</tr>
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</table>

EM sales [m€]

<table>
<thead>
<tr>
<th>Q1/12</th>
<th>Q1/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,639</td>
<td>1,728</td>
</tr>
</tbody>
</table>

EPS CAGR [%]

<table>
<thead>
<tr>
<th>Q1/12</th>
<th>Q1/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.87**</td>
<td>0.96</td>
</tr>
</tbody>
</table>

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

1. Key Developments Q1 2013
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### Key financials Q1 2013 (1/2)

<table>
<thead>
<tr>
<th>Sales in m€, OSG in %</th>
<th>Gross Margin Adj. in %</th>
<th>EBIT Margin Adj. in %</th>
<th>EPS Pref. Adj. in €</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1/12: 4,008</td>
<td>Q1/12: 47.1</td>
<td>Q1/12: 13.7</td>
<td>Q1/12: 0.87*</td>
</tr>
<tr>
<td>Q1/13: 4,033</td>
<td>Q1/13: 48.6</td>
<td>Q1/13: 14.9</td>
<td>Q1/13: 0.96</td>
</tr>
</tbody>
</table>

- **Sales**: +2.5% compared to Q1/12 (4,033 m€ vs. 4,008 m€)
- **Gross Margin Adj.**: +150bp (48.6% vs. 47.1%)
- **EBIT Margin Adj.**: +120bp (14.9% vs. 13.7%)
- **EPS Pref.**: +10.3%* (0.96 € vs. 0.87 €)

* Prior-year figure before adaptation to IAS 19.
Key financials Q1 2013 (2/2)

NWC* in % of Sales

<table>
<thead>
<tr>
<th></th>
<th>Q1/12</th>
<th>Q1/13</th>
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</thead>
<tbody>
<tr>
<td>NWC</td>
<td>7.5</td>
<td>5.8</td>
</tr>
</tbody>
</table>

-170bp

Free Cash Flow in m€

<table>
<thead>
<tr>
<th></th>
<th>Q1/12</th>
<th>Q1/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Free CF</td>
<td>230</td>
<td>209</td>
</tr>
</tbody>
</table>

-9.1%

Net Financial Position in m€

<table>
<thead>
<tr>
<th></th>
<th>Q1/12</th>
<th>Q1/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net F</td>
<td>-1,159</td>
<td>114</td>
</tr>
</tbody>
</table>

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 Q1/12: 4,008
Price: +1.6%
Volume: +0.9%
FX: -2.0%
M&A: +0.1%
Sales Q1/13: 4,033

Changes in %:
OSG: +2.5%
Sales growth by region
in m€, OSG in %

Emerging Markets

- Q1/12: 1,639
- Q1/13: 1,728 (+8.2%)

Mature Markets

- Q1/12: 2,330
- Q1/13: 2,267 (-1.5%)

- Emerging Market sales share at 43%
Sales growth by region in m€, OSG in %

<table>
<thead>
<tr>
<th>Region</th>
<th>Q1/12</th>
<th>Q1/13</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Europe</td>
<td>1,437</td>
<td>1,421</td>
<td>-1.0%</td>
</tr>
<tr>
<td>Eastern Europe</td>
<td>675</td>
<td>718</td>
<td>+7.3%</td>
</tr>
<tr>
<td>Africa/Middle East</td>
<td>259</td>
<td>289</td>
<td>+18.2%</td>
</tr>
<tr>
<td>North America</td>
<td>746</td>
<td>729</td>
<td>-0.4%</td>
</tr>
<tr>
<td>Latin America</td>
<td>263</td>
<td>257</td>
<td>+4.5%</td>
</tr>
<tr>
<td>Asia-Pacific</td>
<td>589</td>
<td>580</td>
<td>+1.3%</td>
</tr>
</tbody>
</table>

- 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
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

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Net Financial Position (m€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1/12</td>
<td>-1,159</td>
</tr>
<tr>
<td>Q2/12</td>
<td>-1,269</td>
</tr>
<tr>
<td>Q3/12</td>
<td>-612</td>
</tr>
<tr>
<td>Q4/12</td>
<td>-85</td>
</tr>
<tr>
<td>Q1/13</td>
<td>+114</td>
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</tbody>
</table>

In m€: +1.3bn€
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

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

1. Key Developments Q1 2013
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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

<table>
<thead>
<tr>
<th></th>
<th>Guidance FY 2013</th>
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<tbody>
<tr>
<td><strong>Organic sales growth</strong></td>
<td></td>
</tr>
<tr>
<td>- Laundry &amp; Home Care</td>
<td>3 - 5%</td>
</tr>
<tr>
<td>- Beauty Care</td>
<td></td>
</tr>
<tr>
<td>- Adhesive Technologies</td>
<td>Each division 3 - 5%</td>
</tr>
<tr>
<td><strong>Adjusted EBIT margin</strong></td>
<td>~ 14.5%</td>
</tr>
<tr>
<td>- Laundry &amp; Home Care</td>
<td></td>
</tr>
<tr>
<td>- Beauty Care</td>
<td>All divisions contributing</td>
</tr>
<tr>
<td>- Adhesive Technologies</td>
<td></td>
</tr>
<tr>
<td><strong>Adjusted EPS growth</strong></td>
<td>~ 10%</td>
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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!