

Henkel FY 2015

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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 2015

2.

Strategy 2016 - Progress in 2015

3.

Financials FY 2015 & Excellence in value creation

4.

Summary & Outlook FY 2016

FY 2015: Excellent performance in a volatile environment

OSG

+3.0%

Adj. EBIT margin

16.2%

Adj. EPS growth

+11.4%

Free Cash Flow

€ 1.7bn

Acquisitions & CapEx

€ ~1bn

Div. payout ratio*

30.2%

* Proposal to shareholders for the Annual General Meeting on April 11th, 2016.

Delivering on 2015 guidance

	Guidance FY 2015	FY 2015
Organic Sales Growth	~3%	3.0% 
EM Sales Share	At prior-year level	Slight decrease*
Adjusted EBIT Margin	~16%	16.2% 
Adjusted EPS Growth	>10%	11.4% 

* Due to FX effects

Continued profitable growth



- Consistent execution of 2016 strategy
- Double-digit nominal sales growth, with acquisitions & FX tailwind contributing
- Solid organic sales growth driven by all businesses
- Strong organic sales growth in Emerging Markets
- Positive organic sales growth in Mature Markets driven by North America
- Strong increase in adj. EBIT margin
- Double-digit growth in adjusted EPS & dividends*

* Proposal to shareholders for the Annual General Meeting on April 11th, 2016.

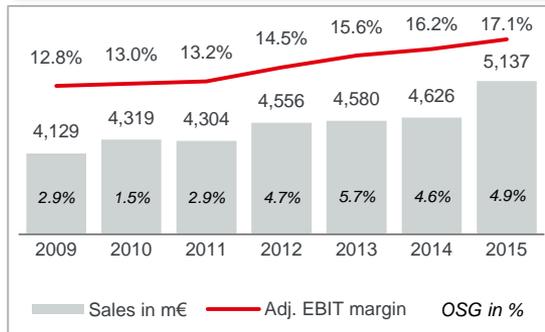
Challenging & increasingly volatile environment

- Severe geo-political and social unrest in some countries
- Moderate global GDP growth
- Lower economic growth in China, impacting demand for Adhesive Technologies



Laundry & Home Care

Solid OSG & very strong margin improvement in 2015



Sales

- Solid OSG
- Laundry solid, Home Care strong
- MM positive, North America solid
- EM very strong

Return

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

Laundry & Home Care

Strengthening innovation leadership across categories

High-performance Cleaners



- Improved performance based on dirt repellent formulations
- Prevents contaminant build-up, weakens adhesion of grease stains

Perwoll Care & Repair



- 1st fiber-repair detergent by Perwoll, reduces fuzzing & pilling by up to 80%
- Effectively prevents new fuzzing & pilling of fibers

Persil ProClean



- High-performance formula, developed for US consumers
- Persil 2-in-1 recently rated #1 Detergent in America by a leading consumer testing publication

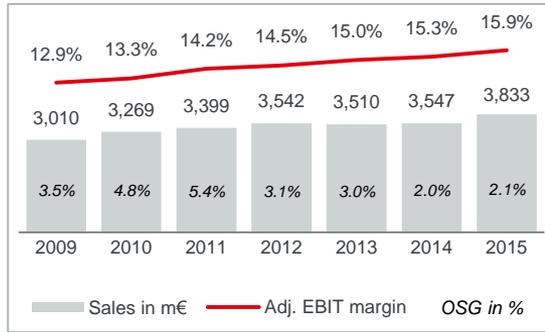


Introducing
Persil
PROCLEAN

Experience Premium Clean

Beauty Care

Solid OSG & very strong margin improvement in 2015



Sales

- Solid OSG
- Retail solid, Hair Salon positive
- MM slightly negative, North America solid
- EM very strong, China double digit

Return

- Adj. EBIT margin with very strong increase
- ROCE above level of previous year

Beauty Care

Strengthening innovation leadership across categories

Taft Ultimate



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

Fa Magic Oil



- 1st refreshing shower gel from Fa with Micro Oil droplets
- Transparent formula providing soft skin feel without greasy residues

Schwarzkopf



- Successful launch of mega brand Schwarzkopf in Retail in the US
- Recognized with multiple industry and consumer awards



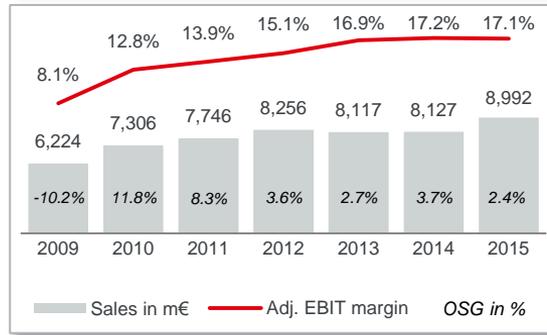
Schwarzkopf

Professional HairCare for you.



Adhesive Technologies

Solid OSG & high margin level in 2015



Sales

- Solid OSG
- All businesses growing
- MM positive, North America positive
- EM solid, China slightly negative

Return

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

Adhesive Technologies

Fostering technology leadership with strong innovations

Loctite 60 sec. Universal Glue



- 1st all-purpose glue from Loctite, repairs in only 60 seconds
- Forms strong bonds faster & allows repositioning after application

Loctite GC 10 Solder Paste



- 1st solder paste stable at room temperature
- Simplifies processes of customers, reduces energy consumption & costs

Mobile Phone Bonding



- Combination of adhesives, dispensing equipment & service
- Improves process chain for assembling mobile phones

LOCTITE®



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2015: Consistent execution of our 2016 Strategy



2015: Consistent execution of our 2016 Strategy



2015: Consistent execution of our 2016 Strategy



Outperform



- Top 3 brands: € 5.9bn sales (2014: € 5bn)
- Top 10 brands: 61% of sales (2014: 59%)
- Customer focus enhanced across all channels

Globalize



- Closing of white spots in attractive categories
- Fostering online sales both in B2C & B2B
- Strengthening footprint in MM & EM

Acquisitions in 2015

Integration of 2014 acquisitions on track

Laundry & Home Care

Beauty Care

Adhesive Technologies

2014



DYLON®
Experts en Couleur



KENRA
PROFESSIONAL

ALTERNA
HAIRCARE
PURE. PROVEN. PROFESSIONAL.



2015

Cold
Power



NOVAMELT



2015: Consistent execution of our 2016 Strategy



2015: Consistent execution of our 2016 Strategy



Simplify



- Building a scalable business model: “ONE! Global Supply Chain”, IT focus & Shared Services
- Flat headcount development year-on-year

Inspire



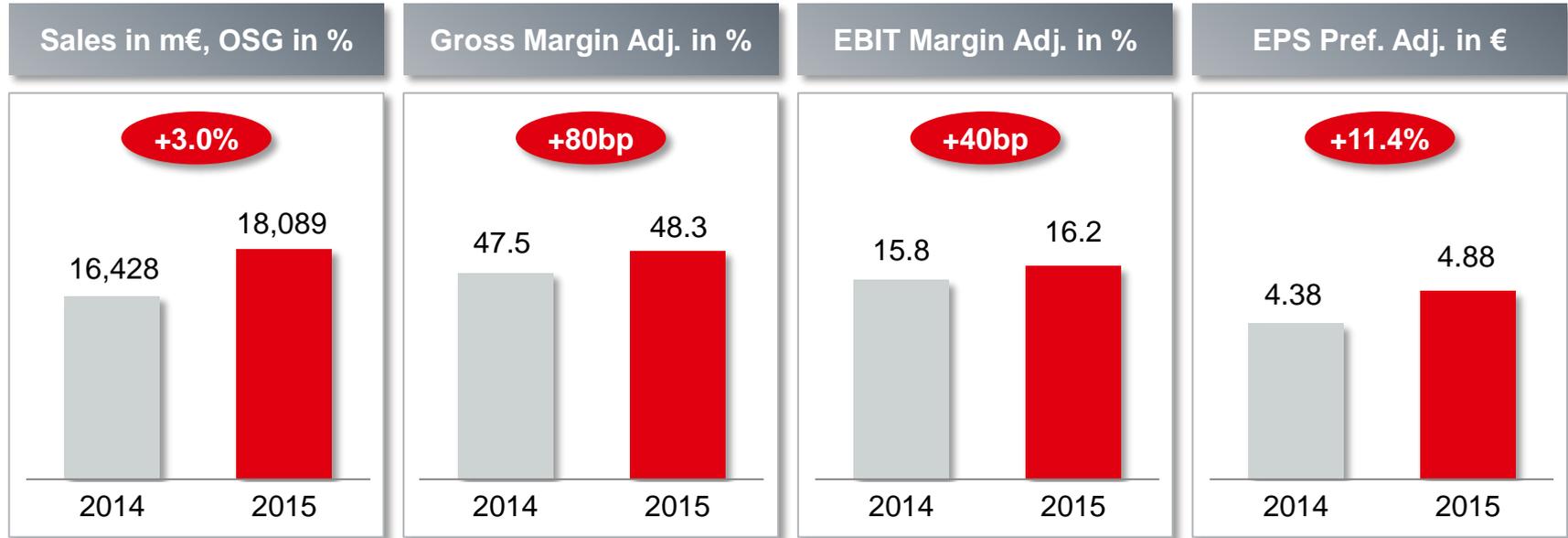
- Henkel Leadership Forum in cooperation with Harvard Business School
- Focus on talent development in Emerging Markets

Agenda

1. Key developments Q3 2015
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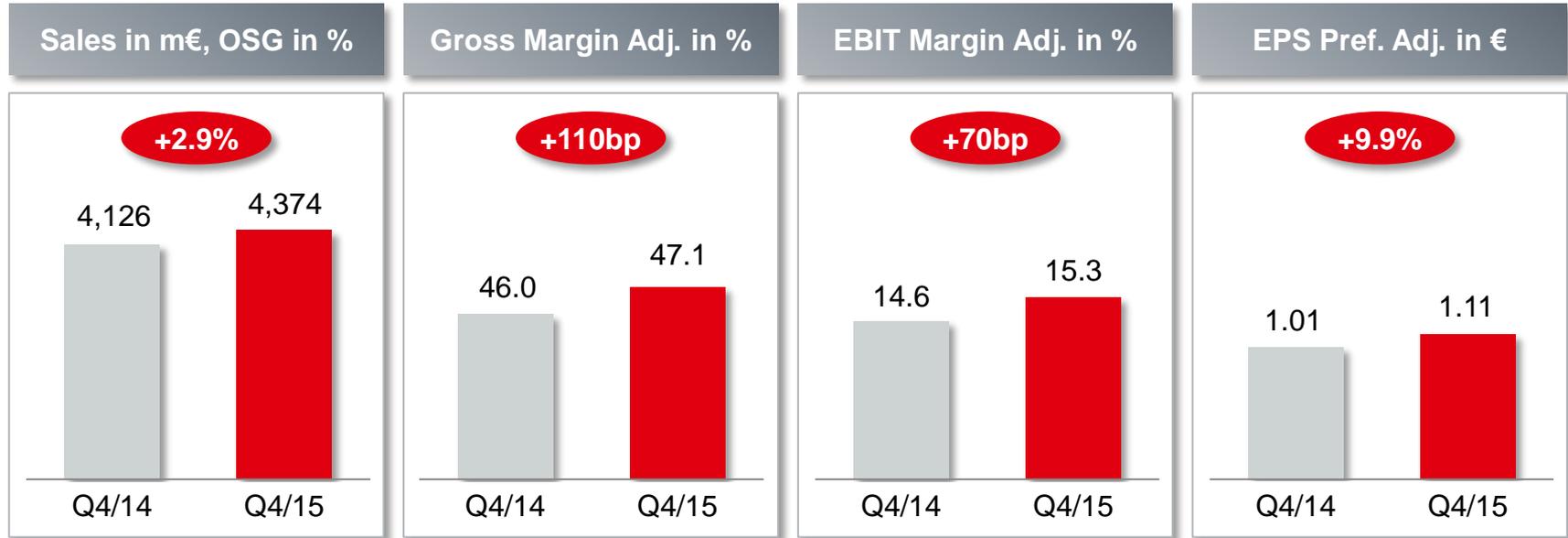
High quality of earnings

Key financials – FY 2015



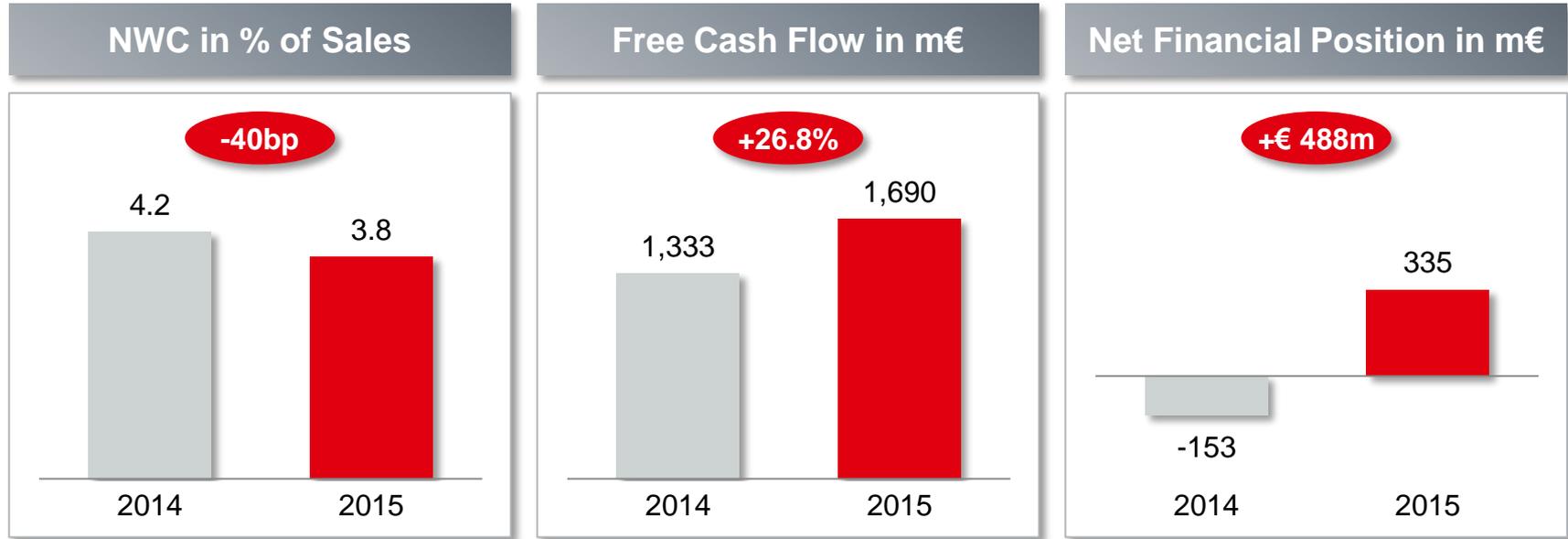
High quality of earnings

Key financials - Q4 2015

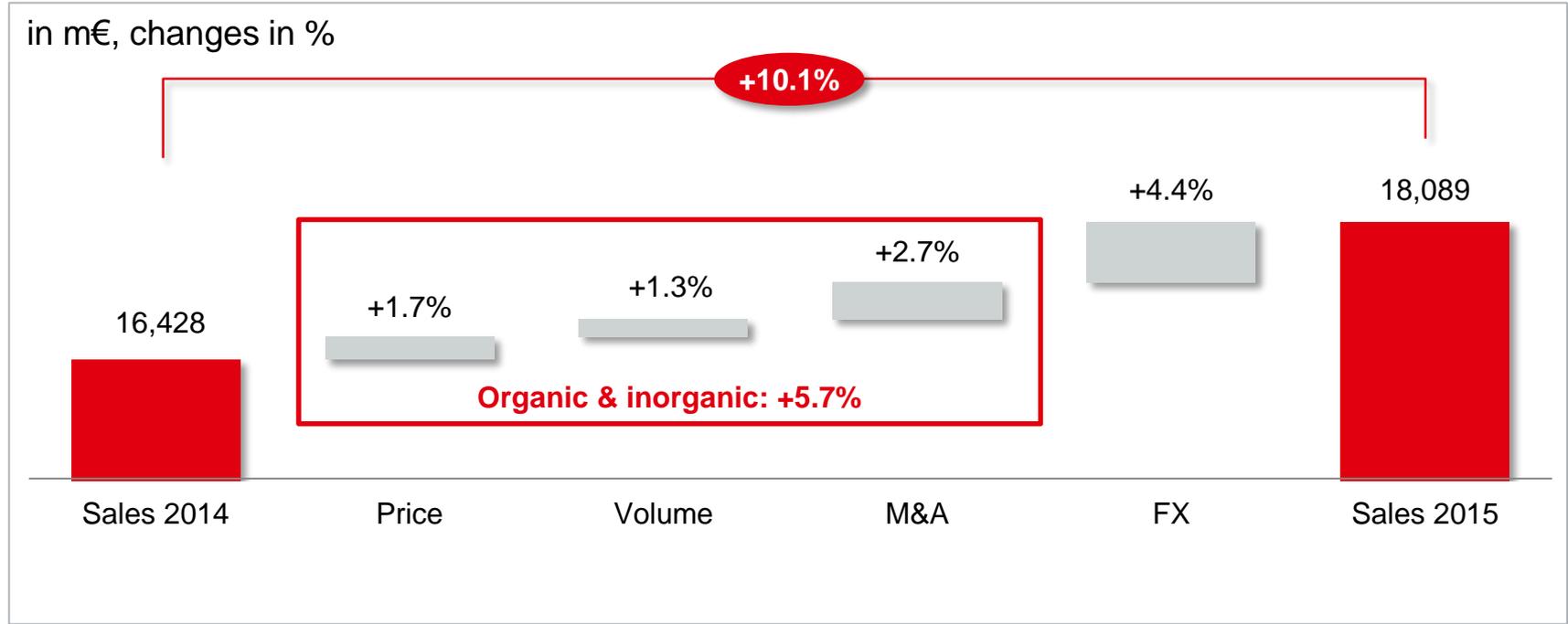


Strong cash generation

Key financials – FY 2015

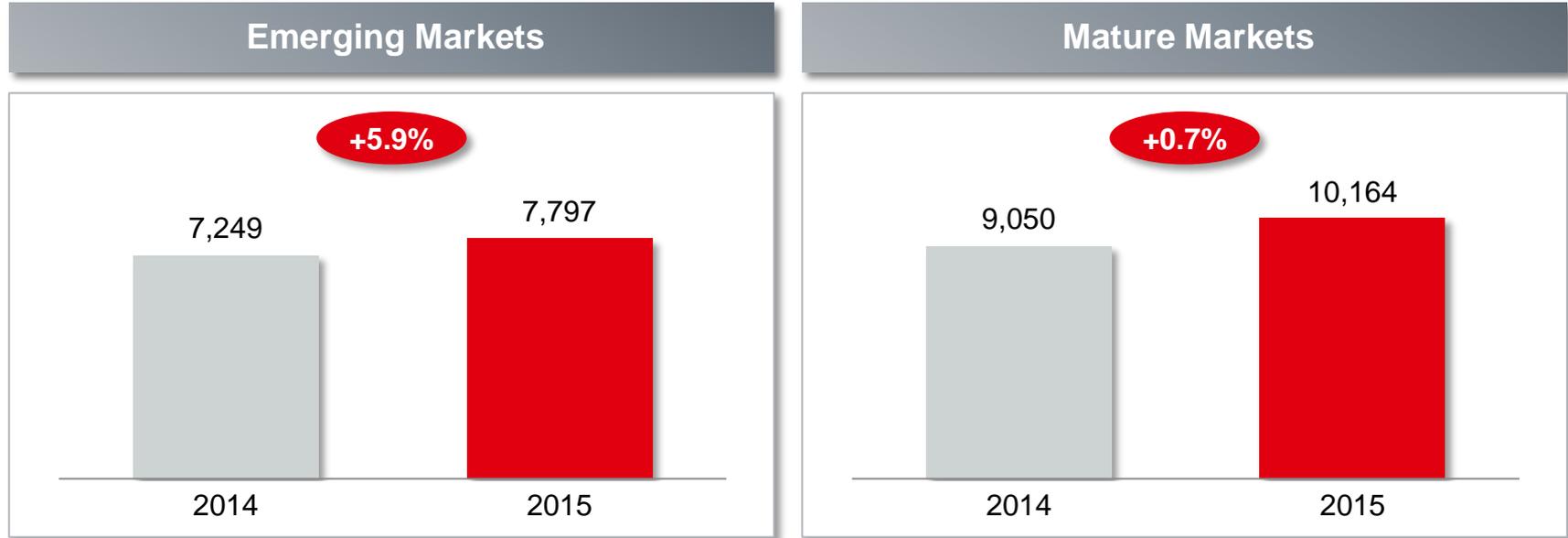


Solid organic & inorganic sales growth



Strong organic sales growth in Emerging Markets

in m€, OSG in %



- Emerging Markets sales share at 43%, affected mainly by FX headwind

Balanced growth across regions

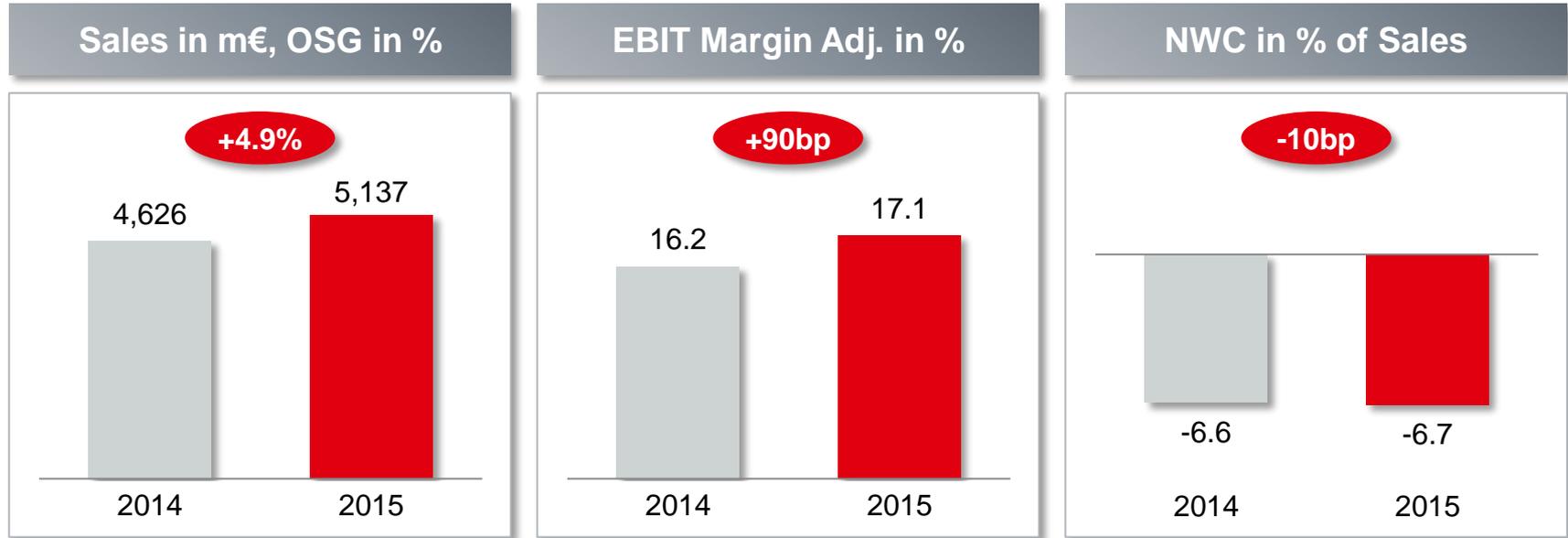
in m€, OSG in %



- MM: USA with robust growth; Germany, Southern Europe & France positive
- EM: Russia & Mexico up double-digit, China positive with negative H2 as flagged

Laundry & Home Care

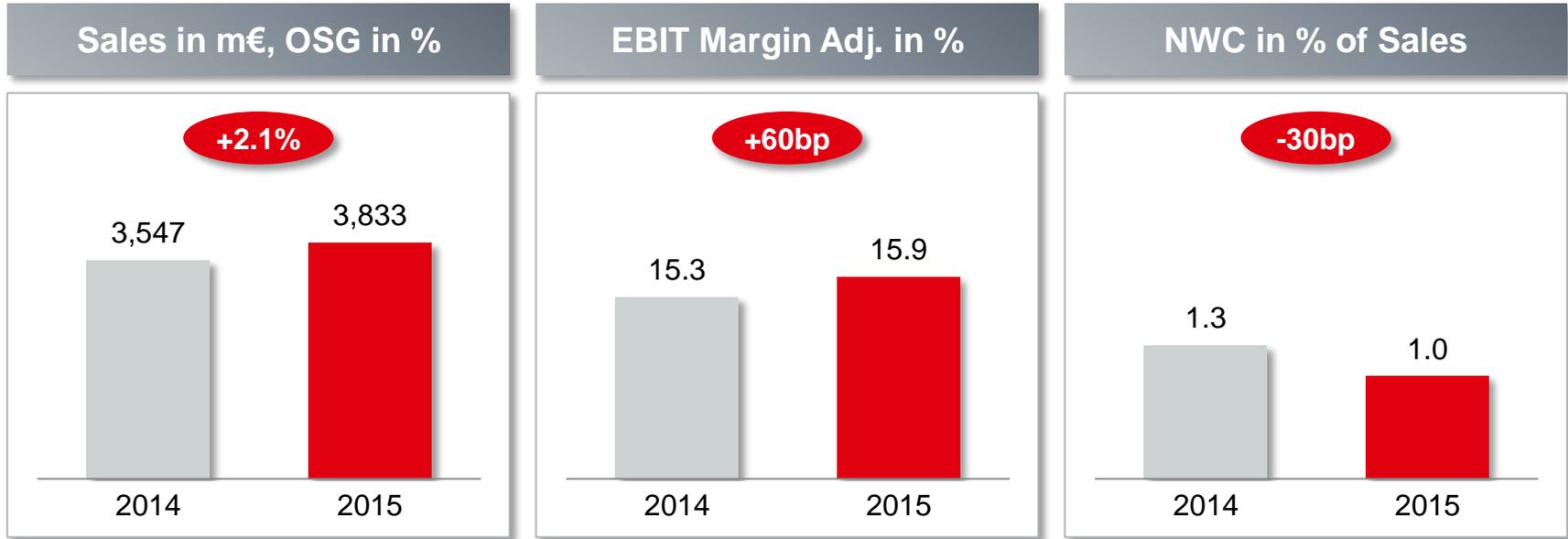
Delivering profitable growth again in 2015



- OSG driven by 2.2% in price and 2.7% in volume
- Very strong EBIT margin increase supported by innovations and efficiency gains

Beauty Care

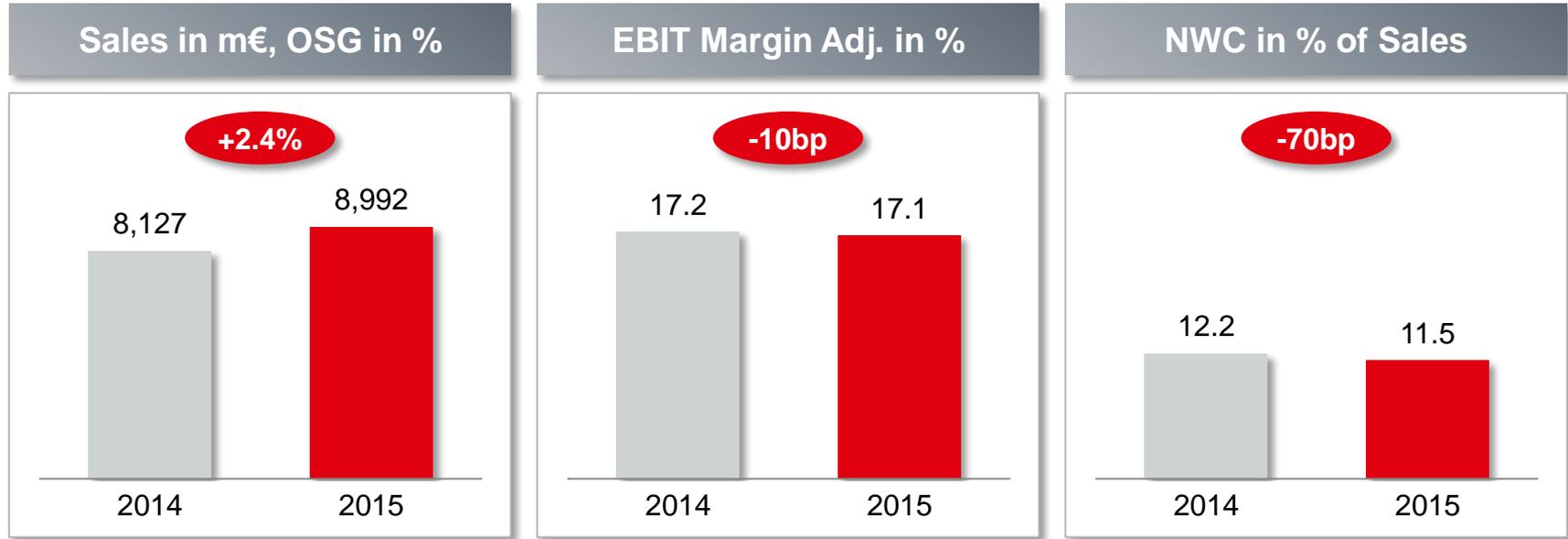
Delivering profitable growth again in 2015



- OSG driven by 1.5% in price and 0.6% in volume
- Very strong EBIT margin increase driven by innovations and efficiency gains

Adhesive Technologies

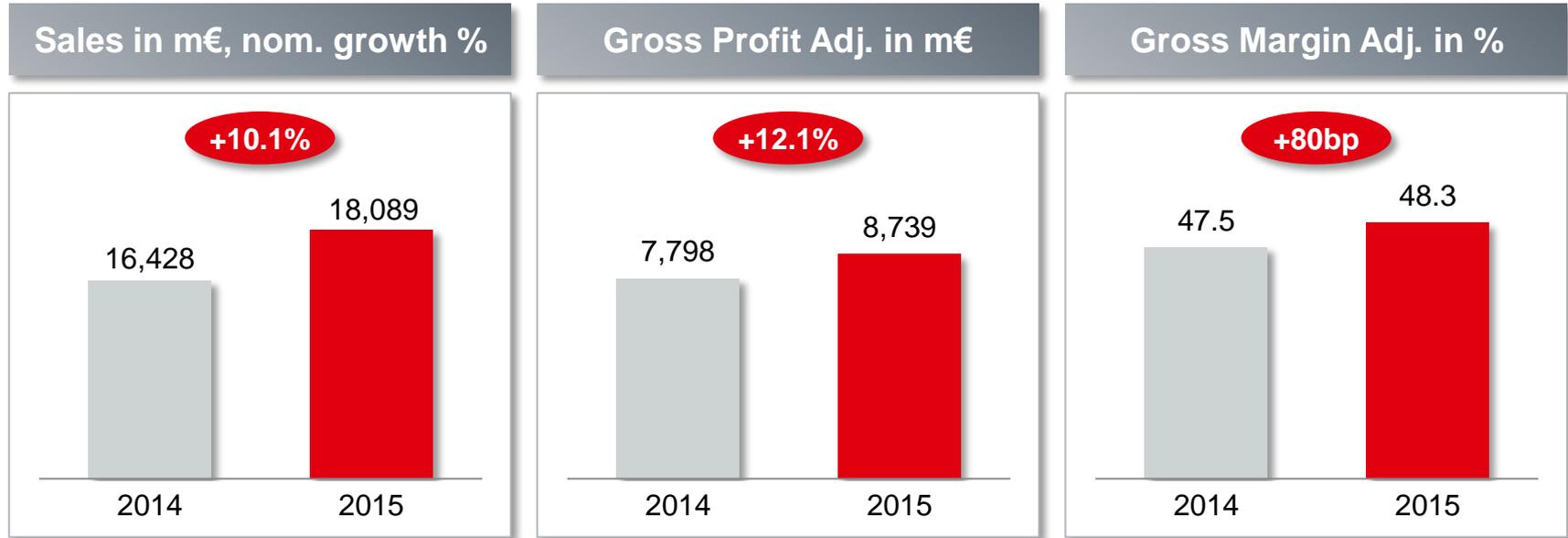
Solid OSG, continuous high level of profitability



- OSG driven by 1.5% in price and 0.9% in volume
- Decline of adj. EBIT margin in H1 nearly compensated by increase in H2

Company initiatives drive gross margin improvement

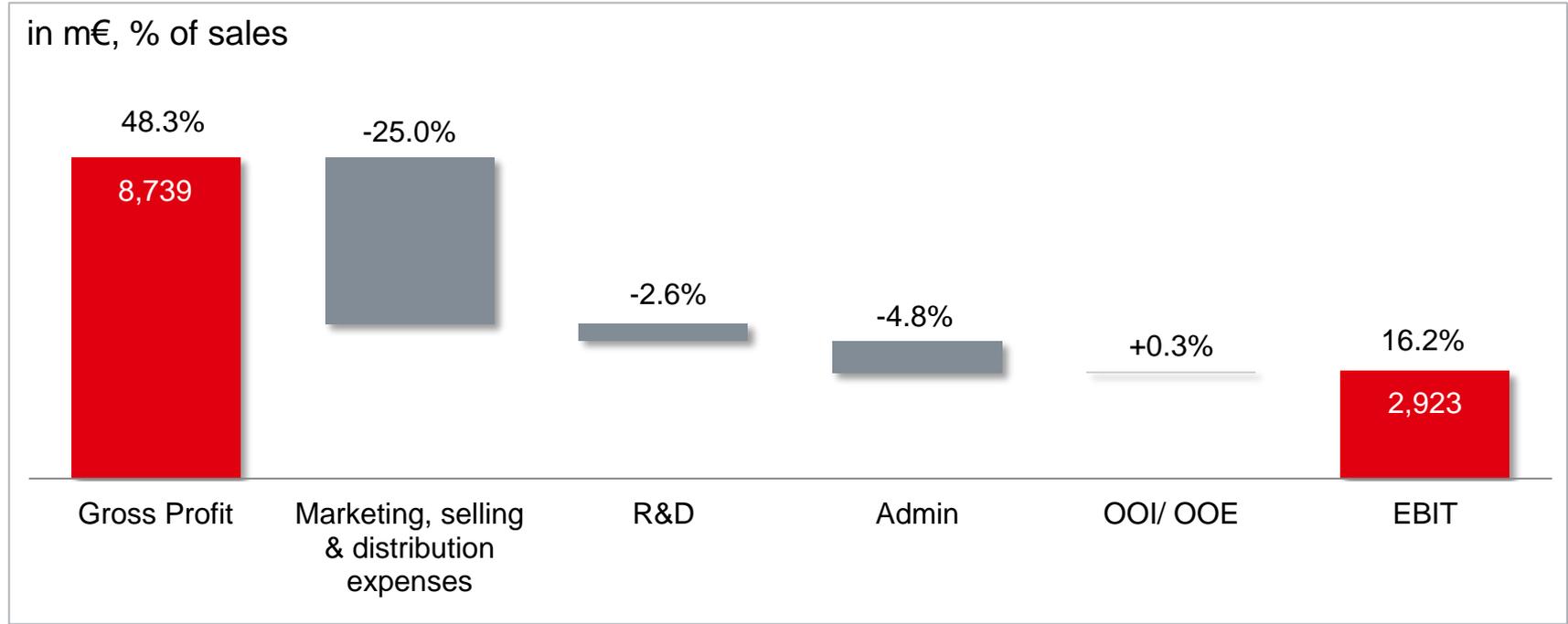
Income statement adjusted



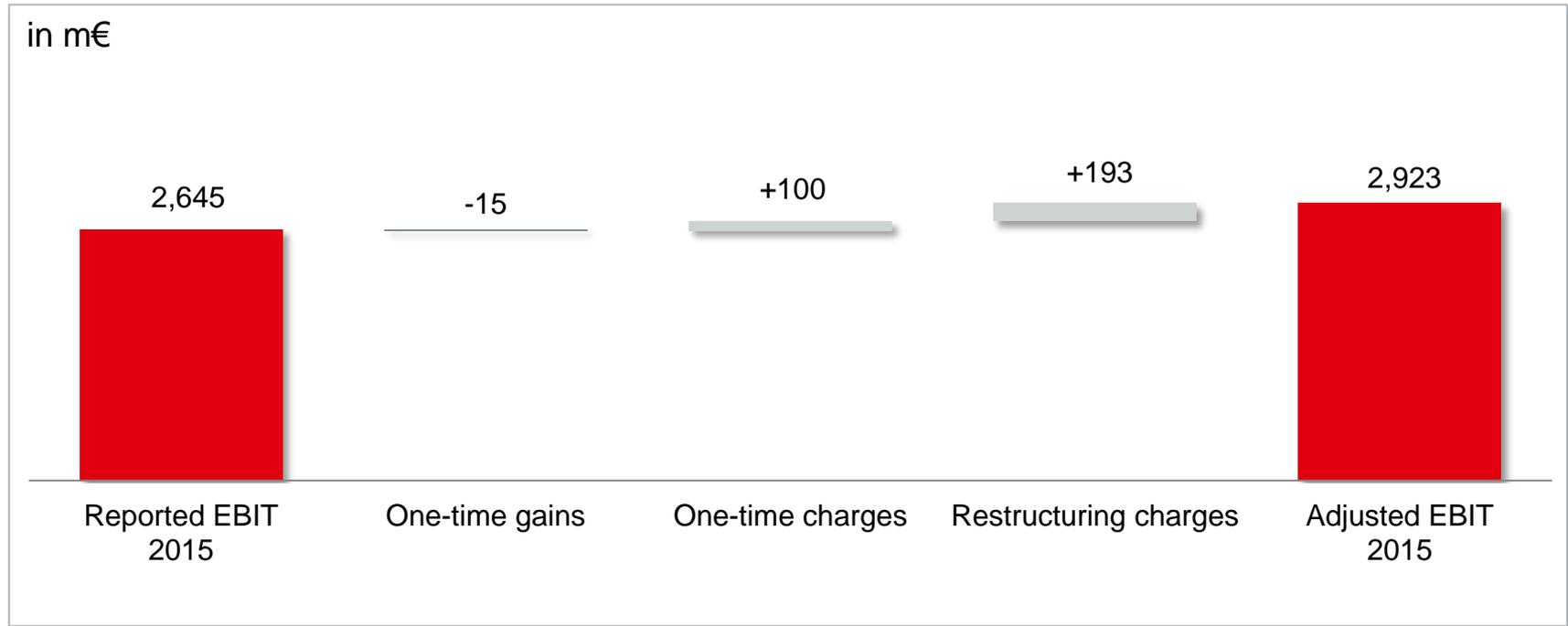
- Benefit from lower input costs offset by negative transactional FX impacts
- Margin improvement mainly driven by efficiency gains & innovation

EBIT margin expansion fueled by gross margin improvement

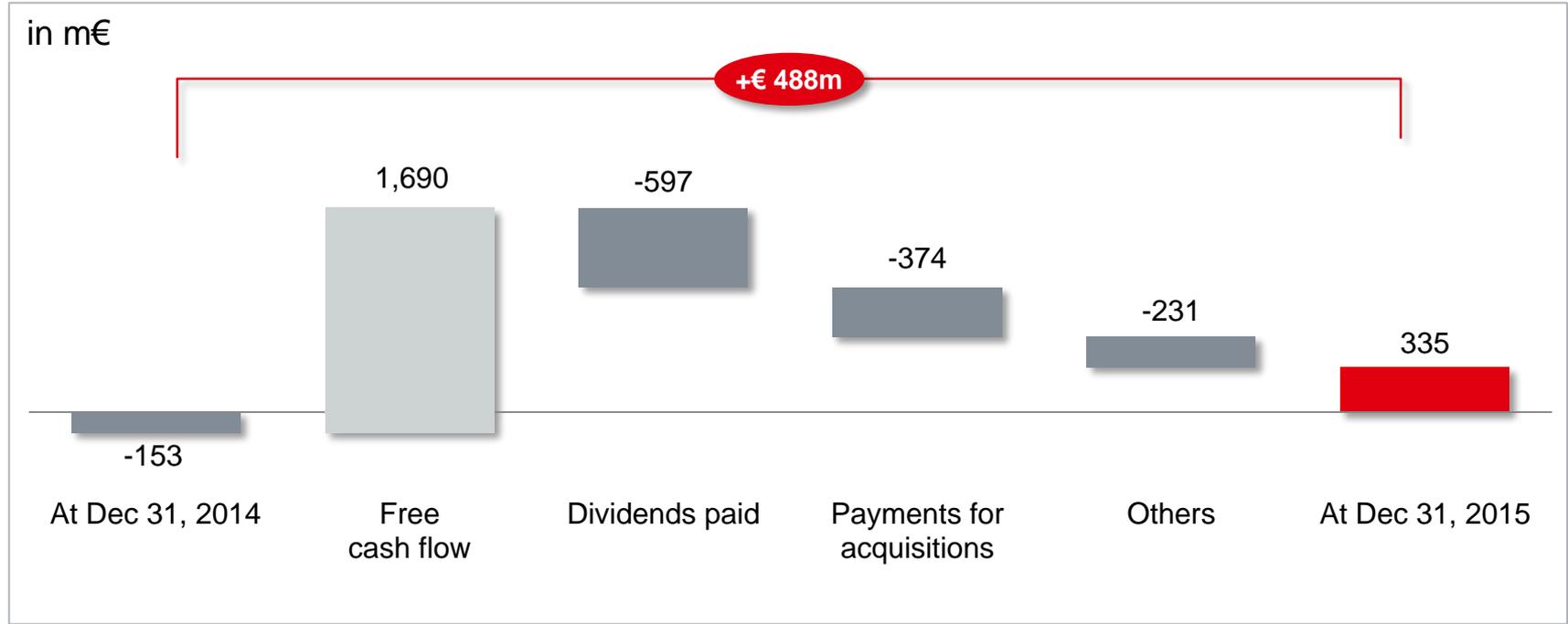
Strong adj. EBIT margin increase, plus 40bp



Continuous adaptation of our structures to the market



High cash generation strengthens net financial position



Excellence in value creation

Usage of cash

Organic Performance



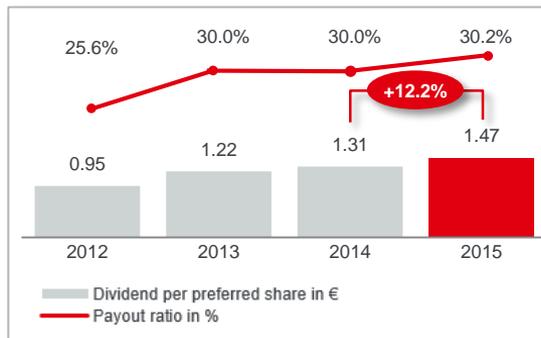
- CapEx of € 625m
- Focus on expansion projects, consolidation measures and IT

Acquisitions



- Payments for acquisitions: € 374m
- Strengthening market positions across business units & regions

Cash-Return Options



- Double digit increase in dividends
- Dividend payout ratio: 30.2%* for FY 2015

* Proposal to shareholders for the Annual General Meeting on April 11th, 2016.

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FY 2015: Excellent performance in a volatile environment

- Delivering on guidance in 2015 in challenging markets
- Solid organic sales growth driven by all business units
- Strong organic sales growth in Emerging Markets, positive in Mature Markets
- Strong increase in adjusted EBIT margin
- Double digit growth of adj. EPS & dividends*

Another successful step in 2016 strategy execution

* Proposal to shareholders for the Annual General Meeting on April 11th, 2016.

Challenges & opportunities in our global markets

Geopolitics



GDP Development



FX Volatility



Raw Material Prices



Ongoing complex & challenging environment in 2016

- Persisting geo-political tensions and political risks
- Moderate and heterogeneous global GDP growth
- High volatility of some key currencies and of crude oil prices

- Focused and balanced investments to foster organic and inorganic growth
- Strong innovation pipeline in all business units
- Cost focus and continuous adaptation of our structures to the market
- Continued focus on 2016 Strategy execution

Guidance FY 2016

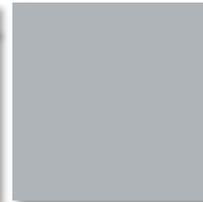
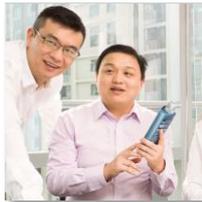
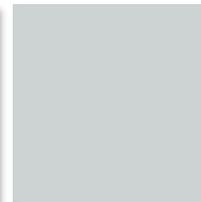
	Guidance FY 2016
Organic Sales Growth	2 - 4% All Business Units within this range
EM Sales Share	Slight increase
Adjusted EBIT Margin	~16.5% All Business Units on or above PY level
Adjusted EPS Growth	8 - 11%

> Commitment to achieve 10% adj. EPS CAGR in strategy cycle 2013-2016

Upcoming events

- April 11th, 2016 Annual General Meeting
- May 19th, 2016 Q1 2016 Financials
- June 6-7th, 2016 Investor & Analyst Day Adhesive Technologies
- August 11th, 2016 Q2 2016 Financials
- November 8th, 2016 Q3 2016 Financials
- November 17th, 2016 Henkel Strategy 2020 Presentation

Thank you!

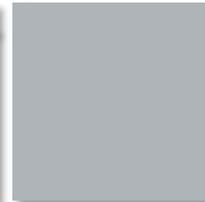
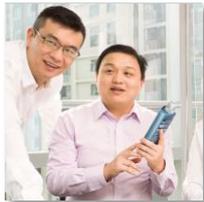


Additional Guidance FY 2016 for selected KPIs

	Guidance 2016
Prices for Total Direct Materials	Approx. at the level of the prior year
Restructuring Charges	€ 150 – 200m
CapEx	€ 650 – 700m

Additional Information

Financials Q4/2015



Q4 2015: Strong performance in a challenging environment

OSG

+2.9%

Adj. EBIT margin

15.3%

Adj. EPS growth

+9.9%

OSG in EM

+4.7%

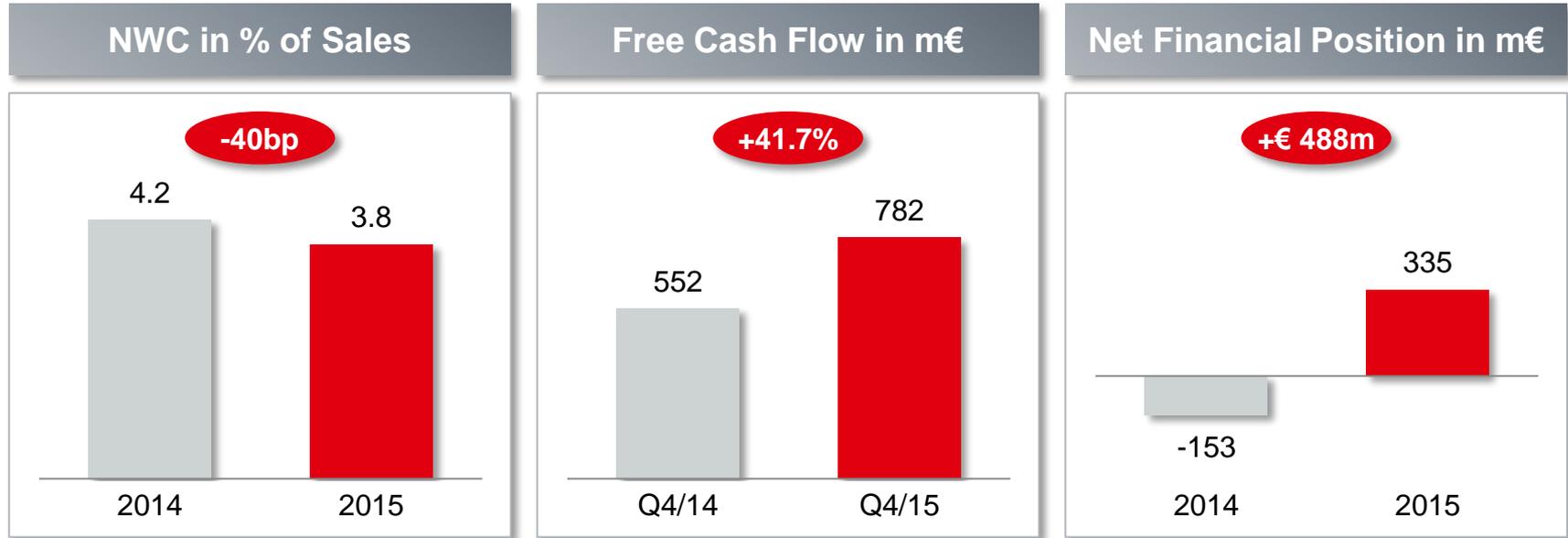
NWC in % of sales

3.8%

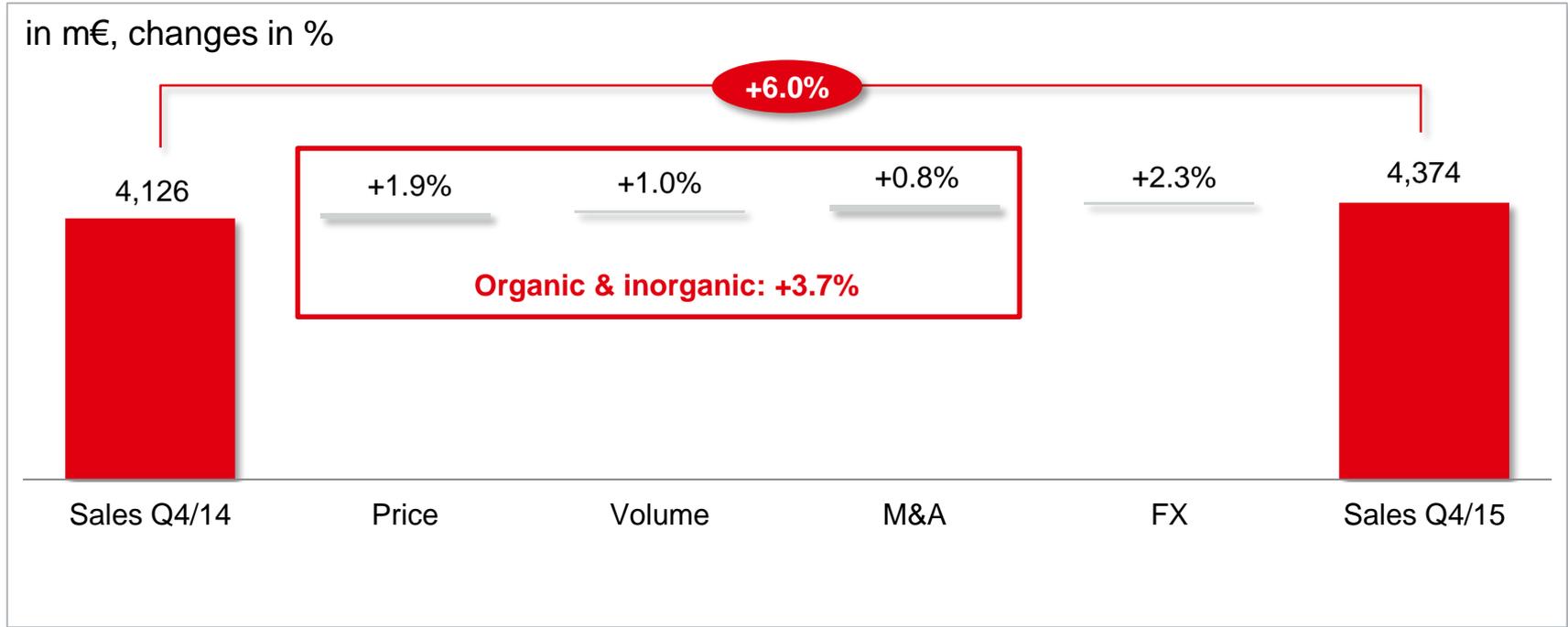
Net financial pos.

€ 335m

Key financials - Q4 2015

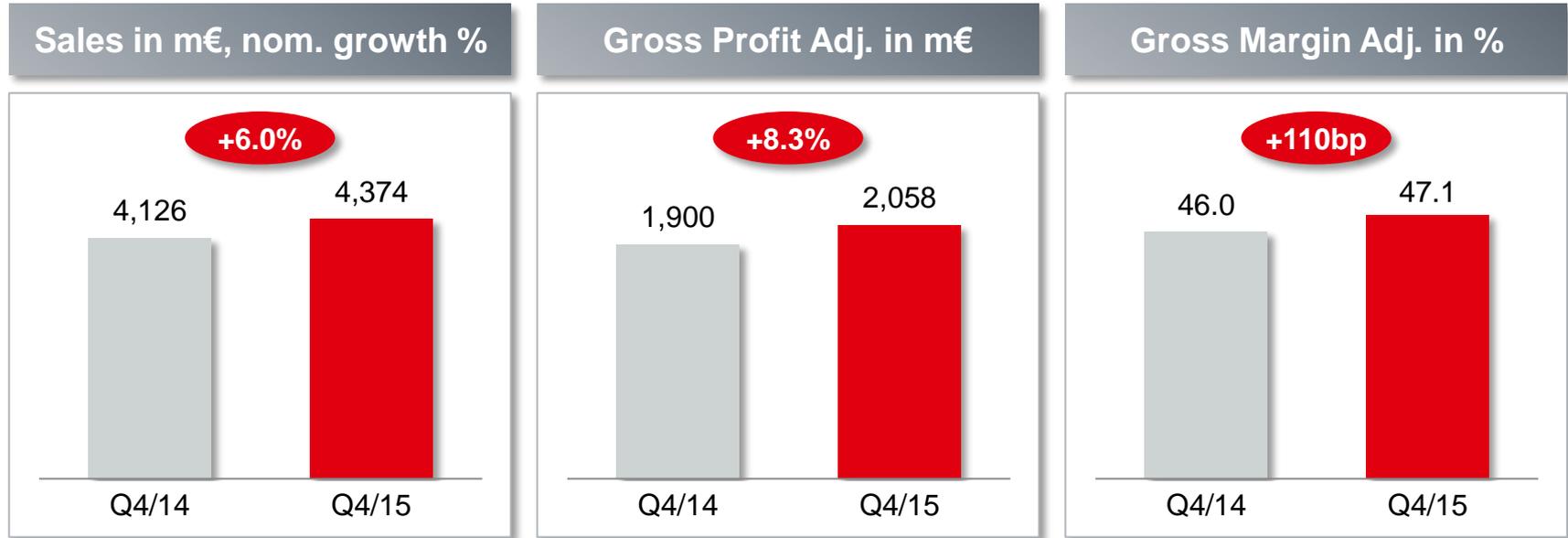


Sales growth – Q4 2015

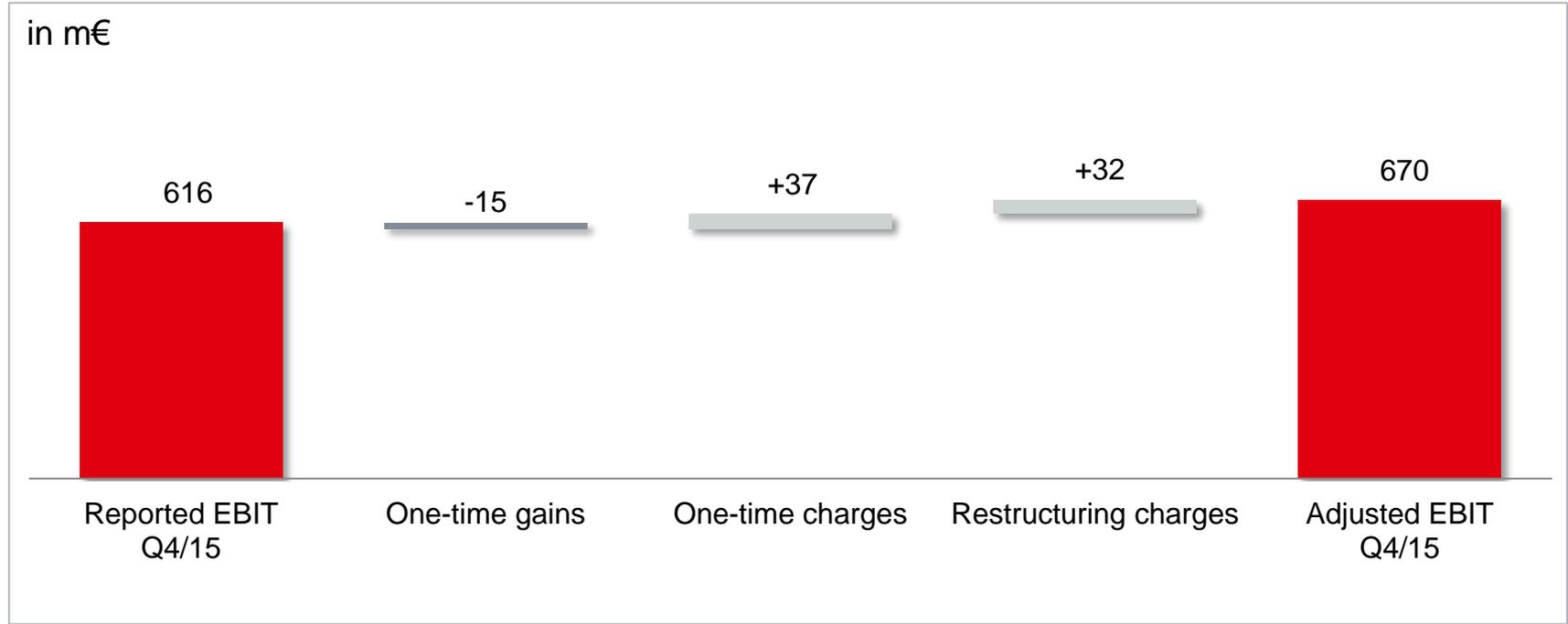


Income statement adjusted – Q4 2015

Sales to Gross Profit

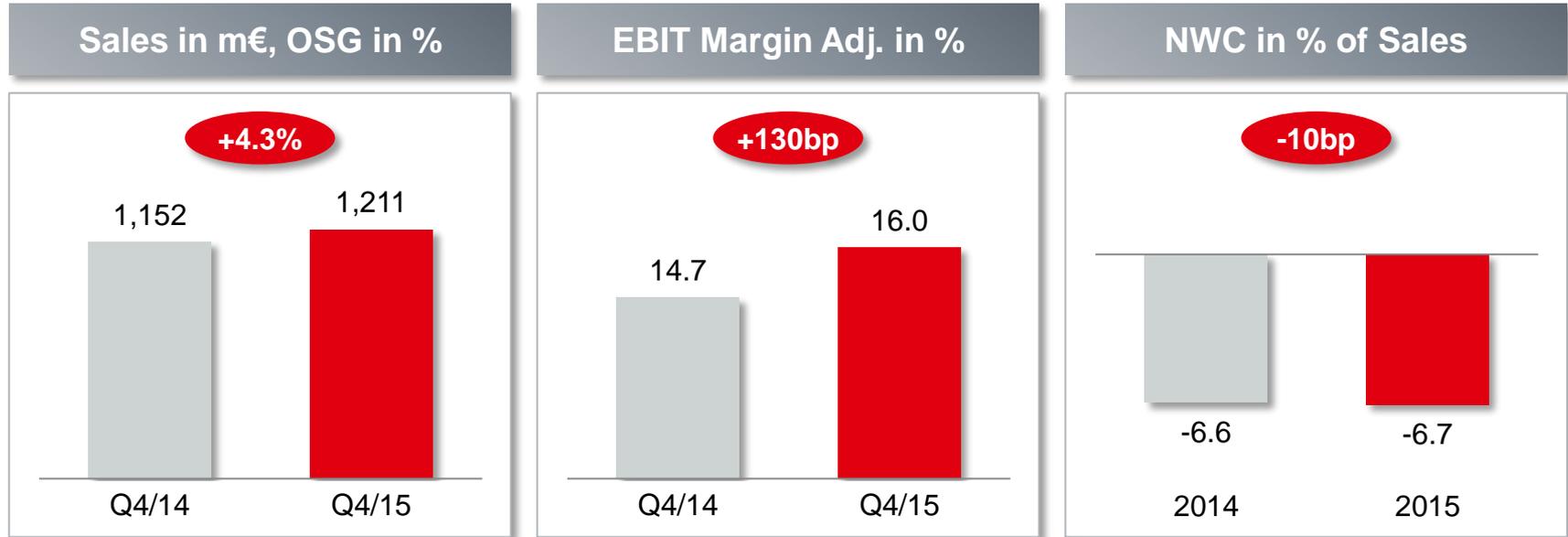


Reported to Adjusted EBIT – Q4 2015



Laundry & Home Care

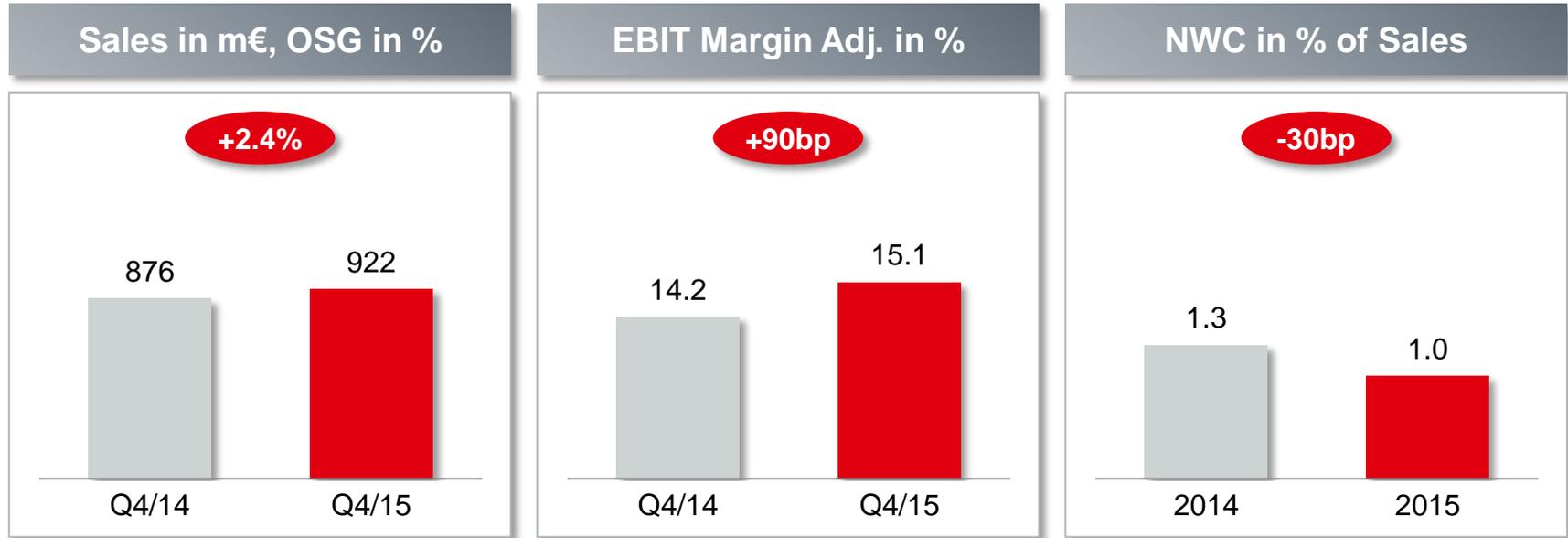
Key figures Q4 2015



- OSG driven by 3.6% in price and 0.7% in volume

Beauty Care

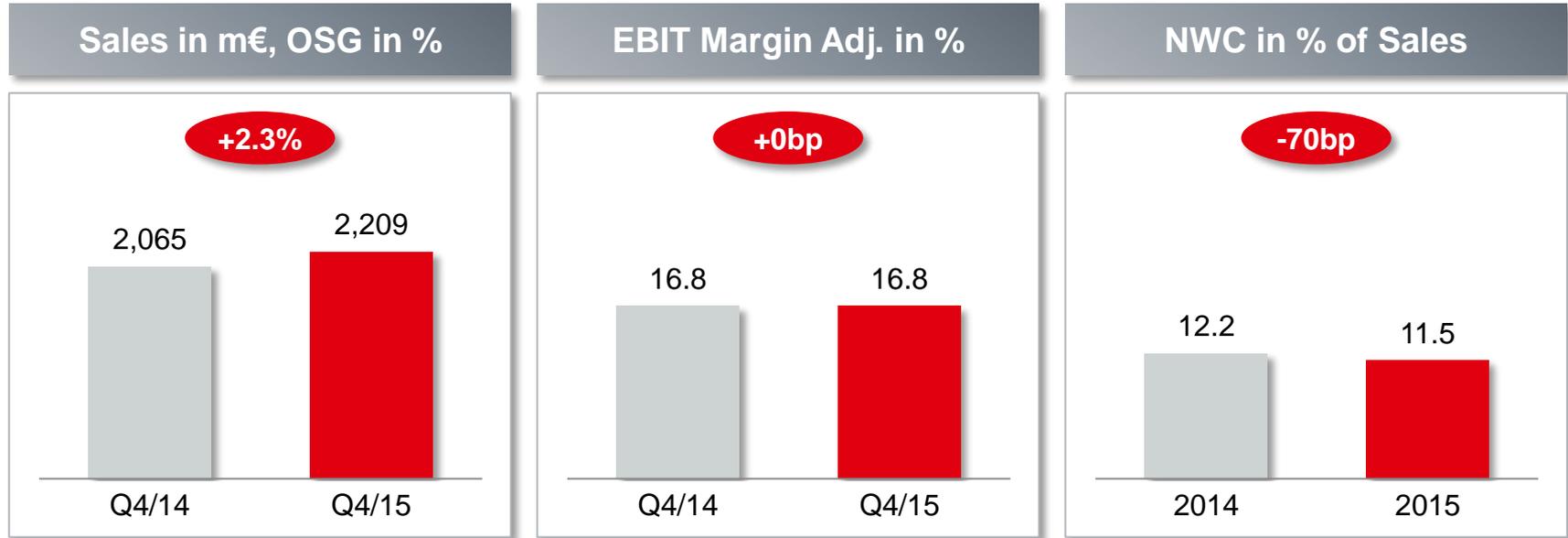
Key figures Q4 2015



- OSG driven by 0.7% in price and 1.7% in volume

Adhesive Technologies

Key figures Q4 2015



- OSG driven by 1.4% in price and 0.9% in volume

Thank you!

