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Agenda

1. Key developments Q2 2016
2. Financials Q2 2016
Q2 2016 – Strong performance in a challenging environment

- OSG: +3.2%
- Adj. EBIT margin: 17.6%
- Adj. EPS growth: +8.5%
- OSG in EM: +6.1%
- NWC in % of sales: 5.3%
- Net financial pos.: € -118 m
Strong profitable growth

- Strong performance driven by all business units
- Solid organic sales growth, volume-driven
- Strong organic sales growth in Emerging Markets, positive in Mature
- Excellent improvement in adjusted EBIT margin
- High single-digit adjusted EPS growth
- Step-change acquisition of Sun Products Corporation in North America
Increasingly challenging environment

- Geo-political instability and macro-economic volatility in some countries
- Global GDP growth on a moderate level with slowing growth dynamics
- Intensified FX headwinds in key currencies
- Persisting macroeconomic headwind still impacting Adhesive Technologies demand in China
Laundry & Home Care
Fostering profitable growth

- Strong OSG
- Laundry Care strong, Home Care solid
- MM solid
- EM very strong

Sales

Return

- Adj. EBIT margin with excellent increase
- ROCE above level of previous year
Laundry & Home Care
Highlights Q2 2016

Somat
Phosphate-free
100% performance in automatic dishwashing – 0% phosphates
Excellent brand growth – launch in 30 countries

Mexico
Double-digit growth driven by liquid detergents
Innovation offense with local and international brands

Persil
Innovation offensive in WE, CEE and MEA
Strong growth in NA with further distribution
Beauty Care
Fostering profitable growth

Sales
- Solid OSG
- Retail solid, Hair Salon positive
- MM slightly negative
- EM very strong

Return
- Adj. EBIT margin with very strong increase
- ROCE on level of previous year
Beauty Care
Highlights Q2 2016

Growth Momentum NA
Successful expansion of Schwarzkopf in hair retail
Body business growing share with Dial Soothing Care innovation

Schwarzkopf Offensive
Further enhancing leading position of 2 bn € mega brand
Strong innovations across all categories

Hair Salon
No. 3 position worldwide, continuing its growth momentum
Growth driven by innovations under Schwarzkopf and successfully integrated US brands
Adhesive Technologies
Fostering profitable growth

Sales

- Solid OSG
- Transport & Metal strong, Electronics negative, all other business areas growing
- MM positive
- EM solid

Return

- Adj. EBIT margin with excellent increase
- ROCE above level of previous year
Adhesive Technologies
Highlights Q2 2016

Surface Treatment
Double-digit growth driven by innovations in light metal pre-treatment for the automotive industry

Packaging & Consumer Goods
Strong growth in emerging markets through innovations in furniture, structural building components and flexible packaging

Construction Industry
Strong organic growth in Eastern Europe supported by successful product launch
Acquisition of Sun Products Corporation
Step-change in Laundry & Home Care North America

• Henkel to become the No. 2 in the US, largest laundry care market in the world
• Attractive portfolio complements Henkel’s core category laundry care
• Well-established & successful brands with leading positions
• Offensive and defensive synergy potential
Acquisition of Sun Products Corporation
Leading positions in North America laundry care

**Attractive Market**
- Focus on the US (96%), presence in Canada
- US: world's largest laundry care market, profitable and growing

**Leading Positions**
- **No. 3** Laundry Detergents
- **No. 2** Fabric Conditioner

**Strong Brands**
- Focus on laundry care (90% of sales), presence in home care
- Branded business (65%) and retailer brands (35%)

- Leading in attractive core categories
- Strong brand awareness based on unique positioning
Bolt-on acquisitions Q2 2016

Laundry care, Iran

Laundry care, Nigeria

Tile adhesives, Colombia
Agenda

1. Key developments Q2 2016

2. Financials Q2 2016

High quality of earnings
Key financials – Q2 2016

- **Sales in m€, OSG in %**
  - Q2/15: 4,695
  - Q2/16: 4,654
  - Change: +3.2%

- **Gross Margin Adj. in %**
  - Q2/15: 48.2
  - Q2/16: 49.1
  - Change: +90bp

- **EBIT Margin Adj. in %**
  - Q2/15: 16.4
  - Q2/16: 17.6
  - Change: +120bp

- **EPS Pref. Adj. in €**
  - Q2/15: 1.29
  - Q2/16: 1.40
  - Change: +8.5%
Disciplined NWC management and strong cash generation
Key financials – Q2 2016

<table>
<thead>
<tr>
<th>NWC in % of Sales</th>
<th>Free Cash Flow in m€</th>
<th>Net Financial Position in m€</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2/15</td>
<td>Q2/16</td>
<td>Q2/15</td>
</tr>
<tr>
<td>6.6</td>
<td>5.3</td>
<td>26</td>
</tr>
<tr>
<td></td>
<td></td>
<td>476</td>
</tr>
<tr>
<td>(-130bp)</td>
<td>(+€ 450m)</td>
<td>(+€ 516m)</td>
</tr>
</tbody>
</table>

Q2/2015: 6.6% NWC, 26 m€ Free Cash Flow, -634 m€ Net Financial Position
Q2/2016: 5.3% NWC, 476 m€ Free Cash Flow, -118 m€ Net Financial Position
Solid organic & inorganic sales growth, increased FX headwind

in m€, changes in %

Sales Q2/15: 4,695
Volume: +2.5%
Price: +0.7%
A&D: +1.2%
FX: -5.3%
Sales Q2/16: 4,654

Organic & inorganic: +4.4%
Strong organic sales growth in EM, positive in MM in m€, OSG in %

<table>
<thead>
<tr>
<th></th>
<th>Emerging Markets</th>
<th>Mature Markets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2/15</td>
<td>2,047</td>
<td>2,617</td>
</tr>
<tr>
<td>Q2/16</td>
<td>1,964</td>
<td>2,659</td>
</tr>
</tbody>
</table>

- Emerging Markets sales share at 42%, impacted by FX headwind
Broad based growth, all regions growing in m€, OSG in %

<table>
<thead>
<tr>
<th>Region</th>
<th>Q2/15</th>
<th>Q2/16</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Europe</td>
<td>1,564</td>
<td>1,585</td>
<td>+1.1%</td>
</tr>
<tr>
<td>Eastern Europe</td>
<td>707</td>
<td>698</td>
<td>+9.7%</td>
</tr>
<tr>
<td>Africa/Middle East</td>
<td>342</td>
<td>333</td>
<td>+4.4%</td>
</tr>
<tr>
<td>North America</td>
<td>934</td>
<td>932</td>
<td>+1.8%</td>
</tr>
<tr>
<td>Latin America</td>
<td>292</td>
<td>266</td>
<td>+11.0%</td>
</tr>
<tr>
<td>Asia-Pacific</td>
<td>826</td>
<td>808</td>
<td>+0.4%</td>
</tr>
</tbody>
</table>

- Mature Markets: positive, with uneven dynamics
- Emerging Markets: Russia, Mexico and India double-digit, China negative
Laundry & Home Care  
Delivering profitable growth

### Sales in m€, OSG in %

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Value (m€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2/15</td>
<td>1,314</td>
</tr>
<tr>
<td>Q2/16</td>
<td>1,345</td>
</tr>
</tbody>
</table>

**Change:** +5.3%

### EBIT Margin Adj. in %

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Value (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2/15</td>
<td>17.1</td>
</tr>
<tr>
<td>Q2/16</td>
<td>18.1</td>
</tr>
</tbody>
</table>

**Change:** +100bp

### NWC in % of Sales

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Value (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2/15</td>
<td>-3.1</td>
</tr>
<tr>
<td>Q2/16</td>
<td>-3.9</td>
</tr>
</tbody>
</table>

**Change:** -80bp

- OSG driven by 4.3% in volume and 1.0% in price
Beauty Care
Delivering profitable growth

- OSG driven by 1.3% in volume and 0.8% in price
Adhesive Technologies
Delivering profitable growth

- OSG driven by 2.2% in volume and 0.4% in price
Gross margin with very strong improvement
Income statement adjusted

Sales in m€, nom. growth %

-0.9%

Q2/15  4,695
Q2/16  4,654

Gross Profit Adj. in m€

+1.0%

Q2/15  2,265
Q2/16  2,287

Gross Margin Adj. in %

+90bp

Q2/15  48.2
Q2/16  49.1
Excellent increase of adj. EBIT margin

<table>
<thead>
<tr>
<th>Category</th>
<th>Value (€m)</th>
<th>% of Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Profit</td>
<td>2,287</td>
<td>49.1%</td>
</tr>
<tr>
<td>Marketing, selling &amp; distribution expenses</td>
<td>-819</td>
<td>-24.8%</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>-815</td>
<td>-2.5%</td>
</tr>
<tr>
<td>Admin</td>
<td>-815</td>
<td>-4.5%</td>
</tr>
<tr>
<td>OOI/OOE</td>
<td></td>
<td>+0.3%</td>
</tr>
<tr>
<td>EBIT</td>
<td>819</td>
<td>17.6%</td>
</tr>
</tbody>
</table>
Adaptation of our structures to the market

<table>
<thead>
<tr>
<th>in m€</th>
<th>Reported EBIT Q2/16</th>
<th>One-time gains</th>
<th>One-time charges</th>
<th>Restructuring charges</th>
<th>Adjusted EBIT Q2/16</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>757</td>
<td>-1</td>
<td>22</td>
<td>41</td>
<td>819</td>
</tr>
</tbody>
</table>
Net financial position affected by higher dividend payout

<table>
<thead>
<tr>
<th>Date</th>
<th>Net Financial Position (in m€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>30.06.15</td>
<td>-634</td>
</tr>
<tr>
<td>30.09.15</td>
<td>-336</td>
</tr>
<tr>
<td>31.12.15</td>
<td>335</td>
</tr>
<tr>
<td>31.03.16</td>
<td>452</td>
</tr>
<tr>
<td>30.06.16</td>
<td>-118 (-€ 570m)</td>
</tr>
</tbody>
</table>

The net financial position shows a significant decline from 30.06.15 to 30.06.16 due to an increase in the dividend payout.
### Acquisition of Sun Products Corporation

#### Key facts of the transaction

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>~1.4 bn €</td>
</tr>
<tr>
<td>Transaction value</td>
<td>~3.2 bn €</td>
</tr>
<tr>
<td>Scope</td>
<td>100% of capital</td>
</tr>
<tr>
<td>Employees</td>
<td>~2,000</td>
</tr>
<tr>
<td>Prod. / R&amp;D Sites</td>
<td>2 / 1</td>
</tr>
<tr>
<td>Financing</td>
<td>Debt</td>
</tr>
</tbody>
</table>

Date: August 11, 2016

Q2 2016 – Henkel Investor & Analyst Call
Acquisition of Sun Products Corporation
Increasing the share of Laundry & Home Care and North America

**Henkel 2015**

- **Segments**
  - Beauty Care: 28%
  - Adhesive Technologies: 50%
  - Corporate: 1%
  - Laundry & Home Care: 21%

- **regions**
  - North America: 20%
  - Emerging Markets: 43%
  - Western Europe: 34%
  - Other: 3%

**Henkel 2015 pro forma**

- **Segments**
  - Beauty Care: 33%
  - Adhesive Technologies: 46%
  - Corporate: 1%
  - Laundry & Home Care: 20%

- **Regions**
  - North America: 26%
  - Emerging Markets: 40%
  - Western Europe: 31%
  - Other: 3%
Bolt-on acquisitions Q2 2016

**Strengthen leading position in laundry care Iran**
- Acquisition of 100% of Behdad Chemical Company PJSC
- Annual sales: ~€ 70 m
- Enterprise value: ~€ 158 m

**Enter into the growing laundry care market in Nigeria**
- Acquisition of 57.5% of Expand Global Industries UK Ltd
- Annual sales: ~€ 60 m
- Enterprise value: € 112 m

**Enter into the ceramic tile adhesives market in Colombia**
- Acquisition of 100% of Alfagres S.A., tile adhesives
- Annual sales: ~€ 10 m
- Enterprise value: € 17 m

Signed
Signed & Closed
Signed & Closed
1. Key developments Q2 2016
2. Financials Q2 2016
Q2 2016 – High quality of earnings driven by excellent team performance

• Strong performance in all dimensions driven by all business units
• Both Emerging & Mature Markets contributing to organic sales growth
• Excellent increase in adjusted EBIT margin
• High single-digit adjusted EPS growth
• Step-change acquisition of Sun Products Corporation in North America, small- and medium-sized bolt-on acquisitions
## H1 2016 – Strong performance

<table>
<thead>
<tr>
<th></th>
<th>Sales</th>
<th>OSG</th>
<th>EM sales share</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>€ 9.1bn</td>
<td>+3.1%</td>
<td>42%</td>
</tr>
<tr>
<td><strong>Adj. EBIT</strong></td>
<td>€ 1.6 bn</td>
<td>17.2%</td>
<td></td>
</tr>
<tr>
<td><strong>Adj. EBIT margin</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Adj. EPS growth</strong></td>
<td></td>
<td></td>
<td>+8.1%</td>
</tr>
</tbody>
</table>
Increasingly challenging environment in 2016

- Persisting geo-political instability and macro-economic volatility
- Global GDP growth on a moderate level with slowing growth dynamics
- High volatility of some key currencies remain

- Focused and balanced investments to foster organic growth
- Strong innovation pipeline in all business units
- Cost focus and adaptation of our structures to the market

Continued focus on 2016 strategy execution
Guidance FY 2016 – updated

<table>
<thead>
<tr>
<th>Category</th>
<th>Guidance FY 2016 – previously</th>
<th>Guidance FY 2016 – updated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organic Sales Growth</td>
<td>2 - 4%</td>
<td>2 - 4%</td>
</tr>
<tr>
<td>EM Sales Share</td>
<td>Slight increase</td>
<td>Slight decrease</td>
</tr>
<tr>
<td>Adjusted EBIT Margin</td>
<td>~16.5%</td>
<td>&gt;16.5%</td>
</tr>
<tr>
<td>Adjusted EPS Growth</td>
<td>8 - 11%</td>
<td>8 - 11%</td>
</tr>
</tbody>
</table>

Committed to achieve 10% adj. EPS CAGR in 2013-2016 strategy cycle
Upcoming events

• **November 8\(^{th}\), 2016**
  Q3 2016 Earnings Release

• **November 17\(^{th}\), 2016**
  Henkel Strategic Priorities & Targets

• **February 23, 2017**
  Full Year 2016 Earnings Release
Thank you
### Additional Guidance FY 2016 for selected KPIs - unchanged

<table>
<thead>
<tr>
<th>Pricing for Total Direct Materials</th>
<th>Approx. at the level of the prior year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restructuring Charges</td>
<td>€ 150 – 200m</td>
</tr>
<tr>
<td>CapEx</td>
<td>€ 650 – 700m</td>
</tr>
</tbody>
</table>
# Key financials (1/2)
## YTD 1-6 2016

<table>
<thead>
<tr>
<th>Category</th>
<th>1-6/15</th>
<th>1-6/16</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales in m€, OSG in %</strong></td>
<td>9,125</td>
<td>9,110</td>
</tr>
<tr>
<td></td>
<td><strong>+3.1%</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Gross Margin Adj. in %</strong></td>
<td>48.7</td>
<td>49.0</td>
</tr>
<tr>
<td></td>
<td><strong>+30bp</strong></td>
<td></td>
</tr>
<tr>
<td><strong>EBIT Margin Adj. in %</strong></td>
<td>16.2</td>
<td>17.2</td>
</tr>
<tr>
<td></td>
<td><strong>+100bp</strong></td>
<td></td>
</tr>
<tr>
<td><strong>EPS Pref. Adj. in €</strong></td>
<td>2.47</td>
<td>2.67</td>
</tr>
<tr>
<td></td>
<td><strong>+8.1%</strong></td>
<td></td>
</tr>
</tbody>
</table>
Key financials (2/2)
YTD 1-6 2016

### NWC in % of Sales
- 4-6/15: 6.6%
- 4-6/16: 5.3%
- Change: -130bp

### Free Cash Flow in m€
- 1-6/15: 311 m€
- 1-6/16: 766 m€
- Change: +€ 455 m€

### Net Financial Position in m€
- 4-6/15: -634 m€
- 4-6/16: -118 m€
- Change: +€ 516 m€
## Solid organic & inorganic sales growth

**YTD 1-6 2016**

<table>
<thead>
<tr>
<th>Component</th>
<th>Sales 1-6/15</th>
<th>Volume</th>
<th>Price</th>
<th>A&amp;D</th>
<th>FX</th>
<th>Sales 1-6/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales 1-6/15</td>
<td>9,125</td>
<td>+2.7%</td>
<td>+0.4%</td>
<td>+1.1%</td>
<td>-4.4%</td>
<td>9,110</td>
</tr>
</tbody>
</table>

Organic & inorganic: +4.2%

in m€, changes in %
Excellent increase of adj. EBIT margin
YTD 1-6 2016

in m€, % of sales

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
<th>% of Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Profit</td>
<td>4,460</td>
<td>49.0%</td>
</tr>
<tr>
<td>Marketing, selling &amp; distribution expenses</td>
<td>-24.6%</td>
<td></td>
</tr>
<tr>
<td>R&amp;D</td>
<td>-2.5%</td>
<td></td>
</tr>
<tr>
<td>Admin</td>
<td>-4.6%</td>
<td></td>
</tr>
<tr>
<td>OOI/OOE</td>
<td>-0.1%</td>
<td></td>
</tr>
<tr>
<td>EBIT</td>
<td>1,570</td>
<td>17.2%</td>
</tr>
</tbody>
</table>
Reported to Adjusted EBIT
YTD 1-6 2016

<table>
<thead>
<tr>
<th></th>
<th>in m€</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reported EBIT 1-6/16</td>
<td>1,474</td>
</tr>
<tr>
<td>One-time gains</td>
<td>-1</td>
</tr>
<tr>
<td>One-time charges</td>
<td>29</td>
</tr>
<tr>
<td>Restructuring charges</td>
<td>68</td>
</tr>
<tr>
<td>Adjusted EBIT 1-6/16</td>
<td>1,570</td>
</tr>
</tbody>
</table>
Laundry & Home Care
Key figures YTD 1-6 2016

- OSG driven by 4.7% in volume and 0.3% in price
Beauty Care
Key figures YTD 1-6 2016

<table>
<thead>
<tr>
<th>Sales in m€, OSG in %</th>
<th>EBIT Margin Adj. in %</th>
<th>NWC in % of Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-6/15: 1,946</td>
<td>1-6/15: 16.2</td>
<td>4-6/15: 3.9</td>
</tr>
<tr>
<td>1-6/16: 1,938</td>
<td>1-6/16: 17.0</td>
<td>4-6/16: 3.1</td>
</tr>
</tbody>
</table>

- OSG driven by 2.0% in volume and 0.4% in price
Adhesive Technologies
Key figures YTD 1-6 2016

Sales in m€, OSG in %

- 1-6/15: 4,503
- 1-6/16: 4,433

+2.4%

EBIT Margin Adj. in %

- 1-6/15: 16.7
- 1-6/16: 18.1

+140bp

NWC in % of Sales

- 4-6/15: 13.5
- 4-6/16: 11.9

-160bp

- OSG driven by 1.9% in volume and 0.5% in price