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Agenda

1. Strong foundation and consistent financial performance
2. Compelling ambition 2020 and clear strategy going forward
3. Consistent capital allocation supporting our ambition
4. Strong portfolio of three business units
5. Henkel – a compelling investment
# Henkel: Three areas of competence

A global leader in brands and technologies

<table>
<thead>
<tr>
<th>Industrial Business</th>
<th>Consumer Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adhesive Technologies</td>
<td>Beauty Care</td>
</tr>
<tr>
<td>Globally leading positions</td>
<td>#3 Hair Coloration</td>
</tr>
<tr>
<td>#1 Global</td>
<td>#3 Hair Professional</td>
</tr>
</tbody>
</table>
Well diversified and balanced portfolio

Three business units operating across all regions

Sales by business unit

- Beauty Care: 19%
- Laundry & Home Care: 33%
- Adhesive Technologies: 47%

Sales by region

- Emerging Markets: 40%
- Latin America: 6%
- North America: 26%
- Western Europe: 30%
- Eastern Europe: 14%
- Asia/Pacific: 17%
- Africa/Middle East: 6%

1 Corporate sales not included (account for 1% of sales)
Strong and consistent performance

Key financial developments

Key developments

- Sales exceeding € 20 bn with an average organic sales growth of 3.3%\(^1\)

- Strong organic sales growth complemented by compelling acquisitions in all business units

- Continued improvement of Adj. EBIT Margin and new high in Adj. EBIT of € 3.5 bn

- Adjusted EPS (preferred share) up by 9.1% to € 5.85 in 2017, strong CAGR of 9.6%\(^1\)

Sustainable and profitable growth path

\(^1\) 2012-2017
Operating in a heterogeneous environment
H1 2018 key macroeconomic developments

**Strong industrial production**
Moderate global GDP growth, continued strong IPX

**Currency devaluation**
Strong headwinds from US Dollar and key Emerging Market currencies

**HPC markets mixed**
Persisting difficult conditions and ongoing competitive/pricing pressures

**Commodity inflation**
Increased direct material price pressure including force majeures

---

1 Source: IHS Markit
Good profitable growth in H1 2018

<table>
<thead>
<tr>
<th>Sales</th>
<th>Organic Growth</th>
<th>Adjusted EBIT</th>
<th>Adjusted EBIT %</th>
<th>Adjusted EPS Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>€ 10.0 bn</td>
<td>+2.3%</td>
<td>€ 1.8 bn</td>
<td>17.7%</td>
<td>+1.7%</td>
</tr>
</tbody>
</table>

- Good organic sales growth driven by very strong performance of Adhesive Technologies
- North American consumer goods businesses back to normal service levels
- Substantial FX- and direct material-headwinds on top and bottom line
- Continuous improvement in Adjusted EBIT Margin supported by synergies and Fund Growth initiatives
- Adjusted EPS above previous year
Emerging Markets driving growth
H1 2018

North America
-0.9%
€ 2,444 m (24%)

Western Europe
+0.1%
€ 3,154 m (32%)

Eastern Europe
+7.9%
€ 1,433 m (14%)

Latin America
+6.8%
€ 581 m (6%)

Africa/Middle East
+6.7%
€ 642 m (6%)

Asia-Pacific
+3.0%
€ 1,661 m (17%)

Emerging Markets: +6.2% to € 4,045 m, 41% of Group Sales
Mature Markets: -0.3% to € 5,870 m

OSG in %
abs. in €m
(share of total)
Strong underlying results
Substantial FX headwinds in the first six months 2018

Very strong organic & inorganic sales growth

<table>
<thead>
<tr>
<th>1-6/17</th>
<th>Volume</th>
<th>Price</th>
<th>M&amp;A</th>
<th>FX</th>
<th>1-6/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>10,162</td>
<td>+1.2%</td>
<td>+1.1%</td>
<td>+3.3%</td>
<td>-7.4%</td>
<td>9,978</td>
</tr>
</tbody>
</table>

Strong Adj. EPS growth before FX

<table>
<thead>
<tr>
<th>1-6/17</th>
<th>Operational</th>
<th>FX</th>
<th>1-6/17</th>
<th>1-6/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>€ 2.96</td>
<td>+7.8%</td>
<td>-6.1%</td>
<td>€ 3.01</td>
<td></td>
</tr>
</tbody>
</table>
Business unit performance in H1 2018

<table>
<thead>
<tr>
<th>Adhesive Technologies</th>
<th>Beauty Care</th>
<th>Laundry &amp; Home Care</th>
</tr>
</thead>
<tbody>
<tr>
<td>+5.0% Organic Sales Growth</td>
<td>-2.0% Organic Sales Growth</td>
<td>+1.1% Organic Sales Growth</td>
</tr>
<tr>
<td>18.5% Adj. EBIT Margin</td>
<td>17.4% Adj. EBIT Margin</td>
<td>18.2% Adj. EBIT Margin</td>
</tr>
</tbody>
</table>

Adhesive Technologies with continuously strong OSG and Adj. EBIT Margin
Consumer businesses back to normal service levels in Q2 after North American delivery difficulties in Q1
## Guidance 2018

<table>
<thead>
<tr>
<th></th>
<th>FY 2018 – previously</th>
<th>FY 2018 – updated</th>
</tr>
</thead>
</table>
| **Organic Sales Growth** | Henkel: 2 - 4%  
Adhesive Technologies: 2 - 4%  
Beauty Care: 0 - 2%  
Laundry & Home Care: 2 - 4% | Henkel: 2 - 4%  
Adhesive Technologies: 4 - 5%  
Beauty Care: 0 - 2%  
Laundry & Home Care: 2 - 4% |
| **Adjusted EBIT Margin** | Improvement to a level above 17.5%               | Improvement to a level of around 18%                  |
| **Adjusted EPS Growth**   | 5 - 8%  
Reflecting currency uncertainty | 3 - 6%  
Reflecting currency development |
Committed to driving profitable growth

- Build on strong momentum in Adhesive Technologies with continued price implementation
- Drive compelling innovations in Beauty Care and Laundry & Home Care
- Leverage full acquisition synergy potential
- Advance implementation of Fund Growth initiatives
- Intensify efforts to reduce Net Working Capital quarter by quarter
Agenda

1. Strong foundation and consistent financial performance
2. Compelling ambition 2020+ and clear strategy going forward
3. Consistent capital allocation supporting our ambition
4. Strong portfolio of three business units
5. Henkel – a compelling investment
We pursue a compelling ambition

- Generate **profitable growth** and attractive returns
- Become more **customer-focused, innovative and agile**
- Lead **digital transformation** in all business activities
- **Promote sustainability** across the entire value chain
- Advance our portfolio with **value-adding acquisitions**
- Clear and exciting **growth strategy** going forward
## Financial ambition 2020

<table>
<thead>
<tr>
<th>Financial Objective</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organic Sales Growth</td>
<td>2 – 4%</td>
</tr>
<tr>
<td></td>
<td>(Average 2017 – 2020)</td>
</tr>
<tr>
<td>Adjusted EPS Growth</td>
<td>7 – 9%</td>
</tr>
<tr>
<td></td>
<td>(CAGR 2016 – 2020, per preferred share)</td>
</tr>
<tr>
<td>Adjusted EBIT Margin</td>
<td>Continued improvement in adjusted EBIT margin</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>Continued focus on free cash flow expansion</td>
</tr>
</tbody>
</table>
Henkel 2020+ Strategic Priorities

**Fund Growth**
- Value-creating Resource Allocation
- Net Revenue Management
- Most Efficient Structures
- ONE! Global Supply Chain

**Increase Agility**
- Energized and Empowered Teams
- Fastest Time-to-Market
- Smart Simplicity

**Drive Growth**
- Superior Customer and Consumer Engagement
- Leading Brands and Technologies
- Exciting Innovations and Services
- New Sources of Growth

**Accelerate Digitalization**
- Drive Digital Business
- Leverage Industry 4.0
- eTransform Organization
Drive Growth

Initiatives

- **Customer & Consumer Engagement**
  Roadmaps expanded to top 500 industrial customers

- **Leading Brands & Technologies**
  Top brands Loctite, Schwarzkopf and Persil with above average growth in all three business units

- **Exciting Innovations & Services**
  >300 automotive applications in Adhesive Technologies, award winning IoT ecosystem in Hair Professional

- **New Sources of Growth**
  Since 2017 ~€ 2 bn invested in 6 compelling acquisitions, committed more than € 50 m VC investments
Accelerate Digitalization

Initiatives

- **Drive Digital Business**
  Ongoing double-digit increase in digital sales, on track to achieve >€ 4 bn by 2020

- **Leverage Industry 4.0**
  Higher efficiency from real-time leverage of automation, sensorics, data exchange and analytics

- **eTransform Organization**
  Gaining traction in transformation through dedicated digital functions and ecosystem including network of external partners
Increase Agility
Initiatives

- **Energized and Empowered Teams**
  Direct communication strengthened through interactive exchange formats

- **Fastest Time-to-Market**
  Co-creating innovations with market leaders in Adhesive Technologies, acceleration of time-to-market of consumer goods innovations

- **Smart Simplicity**
  Seamless integration of >10 companies acquired since 2016 across all business units
Fund Growth
Implementation at full speed

- **€ 100 m efficiency gains in 2017 and accelerating**
  Fully on track in the realization of efficiencies, contribution accelerating in 2018

- **€ 500 m annual efficiency gains**
  Expected sustainable annual efficiency gains in full swing by 2020

- **Re-invest in growth**
  Fair share of annual efficiency gains are re-invested to support innovation and future growth
Henkel 2020+
Clear, long-term strategy based on our values
Sustainability
Leading position further strengthened

- **Performance recognized in ratings**
  Leading positions in DJ Sustainability Rating, Oekom, Sustainalytics and included in relevant indices

- **Broad engagement by our employees**
  More than 50,000 trained sustainability ambassadors, commitment to sustainable action firmly anchored

- **Strong performance**
  Ecological footprint significantly enhanced, occupational safety improved
Agenda

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Consistent capital allocation

Strong sources of cash

Excellent Free Cash Flow

Balance sheet optionality

1. Investments
2. Acquisitions
3. Dividends

Henkel Investor & Analyst Meeting  September 4, 2018  25
Strong FCF generation and balance sheet

- Strong Free Cash Flow generation with average of €1.7 bn p.a. in 2013-16 period
- Continued focus on FCF expansion in strategic cycle 2017-20, driven by operating performance, efficient capital management and disciplined CapEx
- Very robust balance sheet with equity ratio of 54% and net financial position of €-3.6 bn as per Q2 2018
1. CapEx: Asset-light business model

- Asset-light business model with low CapEx requirements, especially in Adhesive Technologies
- CapEx of around €3 bn planned in strategic cycle 2017-20, ~40% up on previous cycle
- Significant investments to support growth initiatives, innovation, infrastructure and IT
- Stepping up investments in digitalization

1 CapEx for existing operations in € million

<table>
<thead>
<tr>
<th>Year</th>
<th>CapEx in € million</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>422</td>
</tr>
<tr>
<td>2013</td>
<td>436</td>
</tr>
<tr>
<td>2014</td>
<td>517</td>
</tr>
<tr>
<td>2015</td>
<td>625</td>
</tr>
<tr>
<td>2016</td>
<td>543</td>
</tr>
<tr>
<td>2017</td>
<td>663</td>
</tr>
<tr>
<td>2018</td>
<td>750 - 850</td>
</tr>
</tbody>
</table>

1 Full Year 2018 expectation incl. €200 m technology investment in Q1 2018
CapEx
Invested € 1.1 bn in 2017 – H1 2018

- **Adhesive Technologies**
  - India: New multi-technology production site
  - China: Continued capacity expansion
  - Spain: New aerospace production site

- **Beauty Care**
  - Russia: Plant upgrade & expansion
  - USA: Body wash capacity expansion
  - Mexico: Colorations capacity increase

- **Laundry & Home Care**
  - Egypt: New laundry detergents production site
  - Germany: Expansion of warehouse & logistic capacities
  - USA: Expansion of detergent capsules production
2. Strong track record in value accretive M&A

- ~€ 8 bn invested since 2012 with projects evenly spread across business units
- > € 3 bn in annual sales\(^1\) added across business units with substantial synergy potential
- Adhesive Technologies focuses on complementary technologies, consumer businesses target leading country/category positions and white spots
- M&A remains integral part of strategy, complemented by selective VC investments

\(^1\) Sum of annualized sales contributions
Acquisitions
Invested ~€ 2 bn in 2017 – H1 2018

- **Adhesive Technologies**
  Complementary leading technologies of Darex Packaging strengthen position in metal packaging

- **Beauty Care**
  Hair Professional advances to #2 position in the US through Nattura Labs & Zotos acquisitions

- **Laundry & Home Care**
  Jempak complementing already leading North American Retailer Brand portfolio acquired with Sun
Continuously increasing dividend

- Consistent dividend policy based on strong earnings and cash flow profile
- Payout ratio within target range of 25-35% of adjusted net income after minorities
- More than €3bn paid out to Henkel shareholders since 2012 via dividends
- Continuous increase of payout with 2017 dividend almost twice as high as 2012
Consistent capital allocation

**Investments**
- Asset-light business model with 2/3 of investments in growth
- CapEx ~40% up to around € 3 bn in strategic cycle 2017-20

**Acquisitions**
- Strong track record in value accretive M&A and integration
- M&A remains integral part of Henkel’s strategy

**Dividends**
- Consistent dividend policy based on strong earnings and FCF profile
- Continuous increase of dividend pay-out in past years
Strong value creation
EVA expansion driven by value-accretive M&A and strong operating performance

- Adj. Economic Value Added (EVA) increased by more than 60% to €2 bn in 2012 to 2017 period
- Expansion of Capital Employed mainly driven by accelerated M&A activity
- Strong focus on sustainable profitable growth and M&A integration with full realization of synergies

1 Calculated based on Henkel Group WACC
1. Strong foundation and consistent financial performance
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Adhesive Technologies
Adhesive Technologies
Global leader in high-impact solutions in Adhesives, Sealants & Functional Coatings

<table>
<thead>
<tr>
<th>Industrial</th>
<th>Consumer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Packaging &amp; Consumer Goods (32%)</td>
<td>Consumer, Craftsmen and Building (19%)</td>
</tr>
<tr>
<td>Transport &amp; Metal (23%)</td>
<td></td>
</tr>
<tr>
<td>General Industry (15%)</td>
<td></td>
</tr>
<tr>
<td>Electronics (11%)</td>
<td></td>
</tr>
</tbody>
</table>

**Industrial**
- Consumer goods, packaging, furniture
  - #1
- Automotive, aerospace, metal industries
  - #1
- Industrial manufacturing, maintenance & repair
  - #1
- Electronic devices, consumer and industrial
  - #1
- Building & construction, DIY, stationery, repair
  - #3

**Consumer**

Note: % share in 2017 business unit sales
Adhesive Technologies
Proven track record of sustainable profitable growth

Key developments

- Strong organic sales growth continuously outperforming industrial production
- Superior customer value and economies of scale
- Active portfolio management and disciplined capital allocation
- Continuous and sustainable margin improvement

Profitable growth path

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales (€ bn)</th>
<th>Adj. EBIT %</th>
<th>OSG %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>8.3</td>
<td>15.1%</td>
<td>+3.6%</td>
</tr>
<tr>
<td>2013</td>
<td>8.1</td>
<td>16.9%</td>
<td>+2.7%</td>
</tr>
<tr>
<td>2014</td>
<td>8.1</td>
<td>17.2%</td>
<td>+3.7%</td>
</tr>
<tr>
<td>2015</td>
<td>9.0</td>
<td>17.1%</td>
<td>+2.4%</td>
</tr>
<tr>
<td>2016</td>
<td>9.0</td>
<td>18.2%</td>
<td>+2.8%</td>
</tr>
<tr>
<td>2017</td>
<td>9.4</td>
<td>18.5%</td>
<td>+5.0%</td>
</tr>
</tbody>
</table>
Market and competition
Leading position through broad technology & product portfolio

**Global market leadership**

- Highly specialized and fragmented market with ~50 segments
- Henkel with ~14% global market share the only player present across all segments

**Consistent outperformance**

- Industrial Production Index (IPX) as key market indicator
- Organic sales growth continuously outperforming the IPX by >100 bps over the past 6 years

**Barriers to entry**

- Global key accounts demand highest quality, performance and global presence
- Technology and application know-how

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Henkel Investor & Analyst Meeting September 4, 2018
Key success factors for profitable growth

High-impact solution provider

Through customer proximity,...
- >130,000 customers across broad range of industries
- Create value for our customers and establish trust
- Digitalize customer touch-points

...broadest expertise and...
- Develop innovations and customized solutions
- Brodest portfolio of 40 technologies & manufacturing network of 146 sites
- Bringing know-how to our customers with >6,500 customer-facing experts

...global scale...
- Truly global footprint, active in 172 countries
- Winning combination of best-in-class service & leading technologies
- Global R&D and manufacturing capabilities on all continents
Key success factors for profitable growth
High-impact solution provider

- 5 business areas with 26 market focused steering units
- Ongoing optimization towards solution-oriented business model

- Broad geographical & industry coverage results in ~40% cyclical and ~60% non-cyclical business
- Flexible cost structures (e.g. SSC) according to market requirements

- High-impact solutions drive customers’ product performance but represent low share of cost
- Material cost increases are passed on to customers over time

1 Illustrative
Driving Growth
Co-creating innovations with market leaders

Global coverage through state-of-the-art innovation centers

Industry trends
Customized solutions

Industry insights through strong and unique customer base

Foundation

People
Technologies
Applications
Footprint
Digitalization

Mobility
Sustainability
Conscious lifestyle
Connectivity
Mass personalization
Adhesive Technologies
Global leader in high-impact solutions in Adhesives, Sealants & Functional Coatings

- Creating value through transformative solutions with high performance, but limited cost impact
- “High-touch” business model: >6,500 customer-facing experts working with >130,000 customers every day
- Growth and innovation driven by customer insights and global trends combined with unique technology portfolio
- Actively managed portfolio with broadest industry and geographical coverage and resilient structures
- Distinct entry barriers due to knowledge and customer proximity
Beauty Care
# Beauty Care

Focused portfolio with core competence in Hair

<table>
<thead>
<tr>
<th>Professional</th>
<th>Retail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hair Professional 19%</td>
<td>Hair Retail 51%</td>
</tr>
<tr>
<td>Salon, Color, Care, Styling</td>
<td>Body Care 26%</td>
</tr>
<tr>
<td>#3 globally</td>
<td>Soaps, Shower, Deo</td>
</tr>
<tr>
<td>#2 North America</td>
<td>Face, Mouthwash</td>
</tr>
</tbody>
</table>

Note: % share in 2017 business unit sales
Beauty Care
Proven track record of sustainable profitable growth

Key developments

- Continuous organic expansion with strong focus on Hair & Body Care and Mature Markets
- Growth through strong innovations and fast integration of value-adding acquisitions
- Adj. EBIT expansion driven by optimization and consolidation of structures
- Clear ambition to accelerate top line growth going forward

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales € bn</th>
<th>OSG %</th>
<th>Adj. EBIT %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>3.5</td>
<td>14.5%</td>
<td>+3.1%</td>
</tr>
<tr>
<td>2013</td>
<td>3.5</td>
<td>15.0%</td>
<td>+3.0%</td>
</tr>
<tr>
<td>2014</td>
<td>3.5</td>
<td>15.3%</td>
<td>+2.0%</td>
</tr>
<tr>
<td>2015</td>
<td>3.8</td>
<td>15.9%</td>
<td>+2.1%</td>
</tr>
<tr>
<td>2016</td>
<td>3.8</td>
<td>16.9%</td>
<td>+2.1%</td>
</tr>
<tr>
<td>2017</td>
<td>3.9</td>
<td>17.2%</td>
<td>+0.5%</td>
</tr>
</tbody>
</table>
Market and competition
Attractive, dynamic and challenging

**Attractive market**
- Largest non-food FMCG market with more than € 400 bn
- Structurally high gross margins and premiumization opportunities
- Long-term growth dynamics, low cyclical and seasonality

**Consolidation & intense competition**
- Consolidation of retailers and manufacturers
- Increased price & promo pressure especially in mature markets
- Small challenger brands competing for shelf space and market share

**Channel shifts**
- Growing share of digital investment and sales
- New online players (retailers and brands)
- eCommerce reducing ‘offline’ basket & traffic
Key success factors for profitable growth
Beauty Care as trusted partner

Key competence in Hair...

▪ Schwarzkopf Hair mega-brand with > € 2 bn annual sales
▪ Global #3 in Hair Professional thanks to strong base and successful M&A
▪ Top Retail positions in Europe

...and strong customer focus...

▪ Leveraging category leadership positions in brick & mortar and eCommerce
▪ Deepening partnerships through unique interactive customer experience center

...leveraging innovation power

▪ In-depth consumer insights & early identification of latest trends
▪ Leading, consumer-centric innovations
▪ Agile organizational setup with fast-track innovation process
## Driving growth
Acceleration of performance with strong innovation focus

<table>
<thead>
<tr>
<th>Strengthen core</th>
<th>Expand core</th>
<th>Innovations</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Rejuvenate brand equities and innovate on top trends</td>
<td>▪ Top brands in new categories (e.g. got2b Color) and countries</td>
<td>▪ Disruptive new brands, technologies and business models</td>
</tr>
<tr>
<td>▪ Insight-driven innovation process &amp; multi-channel communication</td>
<td>▪ Further leverage Professional portfolio globally</td>
<td>▪ Enhance portfolio focusing on key trends</td>
</tr>
<tr>
<td>▪ Clear channel focus, best-in-class insights &amp; strong customer proximity</td>
<td>▪ Step-change eCommerce in Retail and Professional</td>
<td>▪ Leverage synergies in Retail &amp; Professional</td>
</tr>
</tbody>
</table>
Beauty Care
Strong brands and innovations

- Strong track record of profitable growth and leading positions in attractive markets worldwide
- Core competence in Hair Professional and Retail, Body Care as second pillar focusing on Europe and North America
- State-of-the-art consumer-centric innovations responding to relevant market trends
- Holistic Growth Acceleration Plan defined and in execution, leveraging strengths and digital opportunities
- Fast integration of value-adding acquisitions
Laundry & Home Care
### Laundry & Home Care

Focused portfolio of strong global and local brands

<table>
<thead>
<tr>
<th>Laundry Care (75%)</th>
<th>Home Care (25%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Heavy Duty Detergents</strong></td>
<td><strong>Dishwashing</strong></td>
</tr>
<tr>
<td>Premium, Mid-Tier, Value for Money</td>
<td><strong>Hand Dishwashing</strong></td>
</tr>
<tr>
<td>Special Detergents, Fabric Finishers, Laundry Additives</td>
<td><strong>Automatic Dishwashing</strong></td>
</tr>
<tr>
<td><strong>Laundry Specialties</strong></td>
<td><strong>Home Care Specialties</strong></td>
</tr>
<tr>
<td><strong>Home Care (25%)</strong></td>
<td><strong>Surface Cleaners, Toilet Care, Air Care &amp; Insect Control</strong></td>
</tr>
</tbody>
</table>

#1 Europe | #2 North America | #3 Global

Note: % share in 2017 business unit sales
Laundry & Home Care
Proven track record of sustainable profitable growth

Key developments

- Sales up 46%, thanks to very strong organic growth and transformational acquisitions
- Growth through successful innovations, market entries and new segments
- Adj. EBIT significantly improved by nearly +80%
- Substantial efficiency measures implemented to continue on profitable growth path

Profitable growth path

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales (€ bn)</th>
<th>Adj. EBIT (%)</th>
<th>OSG (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>4.6</td>
<td>14.5%</td>
<td>+4.7%</td>
</tr>
<tr>
<td>2013</td>
<td>4.6</td>
<td>15.6%</td>
<td>+5.7%</td>
</tr>
<tr>
<td>2014</td>
<td>4.6</td>
<td>16.2%</td>
<td>+4.6%</td>
</tr>
<tr>
<td>2015</td>
<td>5.1</td>
<td>17.1%</td>
<td>+4.9%</td>
</tr>
<tr>
<td>2016</td>
<td>5.8</td>
<td>17.3%</td>
<td>+4.7%</td>
</tr>
<tr>
<td>2017</td>
<td>6.7</td>
<td>17.6%</td>
<td>+2.0%</td>
</tr>
</tbody>
</table>
Market and competition
Dynamic market environment with intense competition

**Attractive market**
- Huge market of ~€ 135 bn, growing but at a lower pace
- Potential to grow via penetration and consumption in EM and MM
- Innovations as strong lever to fuel growth

**Competitive / pricing pressures**
- Intense competition between global players; growing local players in EM
- High trade and promotion pressure in many countries
- Increase of discounters, smaller store formats and drugstores

**Emerging digital channels**
- Online channels growing (>15% p.a.), but still small in our markets (~3%)
- Convergence of online and offline channels
- Industry transformation e.g. through services and advanced machines
Key success factors for profitable growth

Moving ahead of competition

- Unique coverage and in-depth knowledge of all major categories (11/12 categories of LHC market)
- Leading positions in active markets with >70 #1 positions globally

- Well-known and trusted brands with strong equity (Top 10: 52% of total sales in 2017)
- Unique position in growing retailer brands business in North America

- Platform innovations regionally adapted and locally implemented
- >130k shopper interviews in 32 countries to strengthen innovation power and customer relationships
Driving growth
Strengthen leading positions and expand into new businesses

**Drive penetration and loyalty**
- Educate, generate trial and initiate re-purchase
- Strengthen core and drive complementary categories via strong innovations

**Strengthen footprint**
- Reinforce leadership in MM and strengthen positions in EM
- ‘Smart’ entry into new geographies and white spots

**Innovations**
- Enhance portfolio focusing on key trends
- Grow via expansion of laundry services as well as in digital / IoT
Laundry & Home Care
Leading brands around the world

▪ Strong financial track record and clear initiatives for profitable growth going forward

▪ Challenging market environment, but major opportunities due to significant transformation

▪ Unique category / country coverage, strong brands and agile “Glocal” approach as key success factors

▪ Targeted innovations addressing strategic search fields to drive future growth

▪ Clear action plan to leverage digital opportunities
Agenda

1. Strong foundation and consistent financial performance
2. Compelling ambition 2020+ and clear strategy going forward
3. Consistent capital allocation supporting our ambition
4. Strong portfolio of three business units
5. Henkel – a compelling investment
Henkel – a compelling investment

- Strong foundation based on a well-balanced portfolio with distinct competitive advantages
- Global leader in brands and technologies, leveraging growth opportunities in attractive markets
- Excellent and consistent financial performance
- Compelling ambition Henkel 2020+ to deliver sustainable, attractive returns
- Clear and exciting growth strategy, based on our four strategic priorities
Thank you