



# FINANCIAL PERFORMANCE

**Driving sustainable success**

Henkel Investor & Analyst Day 2019

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# Agenda

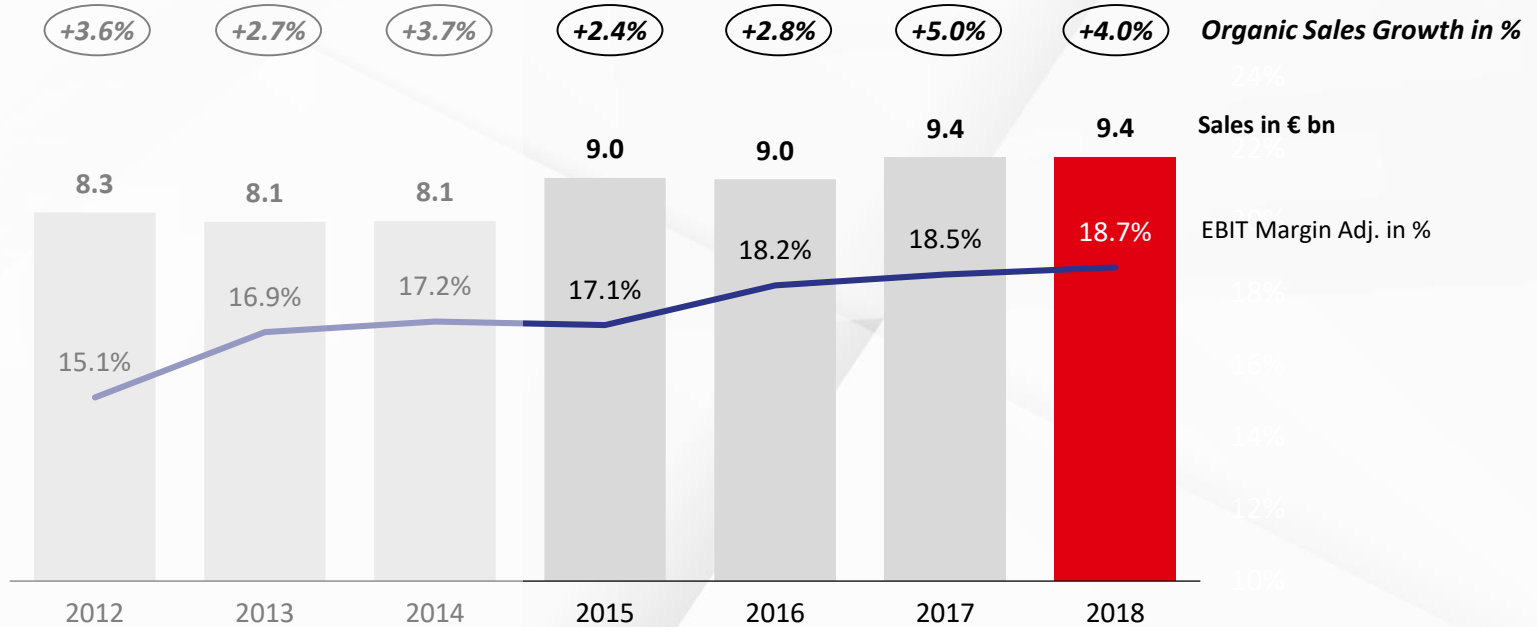
— | **Our development 2015 – 2018** —

— | Our performance Q1 2019 —

— | Outlook & key take-aways —

# Successful performance

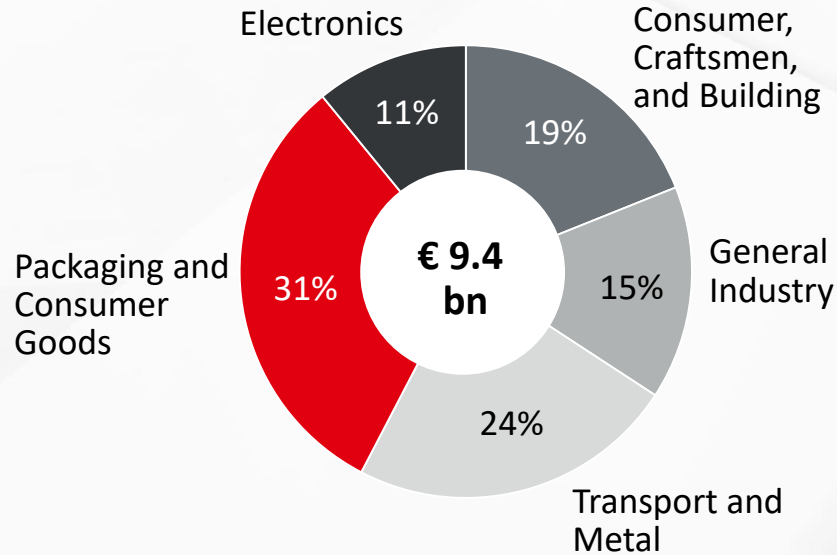
Adhesive Technologies continuously improves all major KPIs



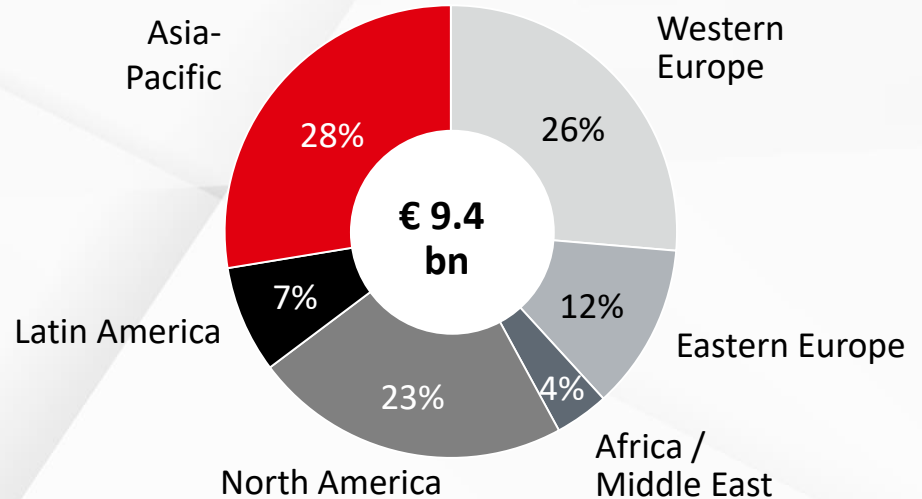
# Our portfolio

Sales breakdown by business areas and geographies\*

## Business Areas



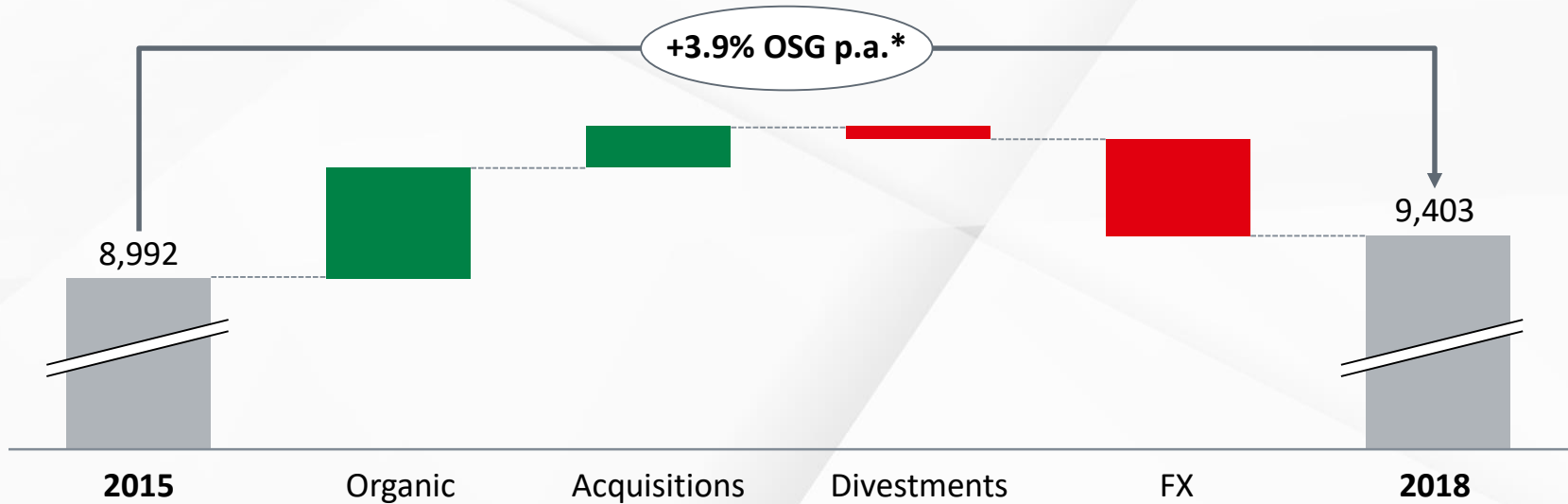
## Geographies



# Balanced growth profile

Result of successful portfolio management

Sales in € m

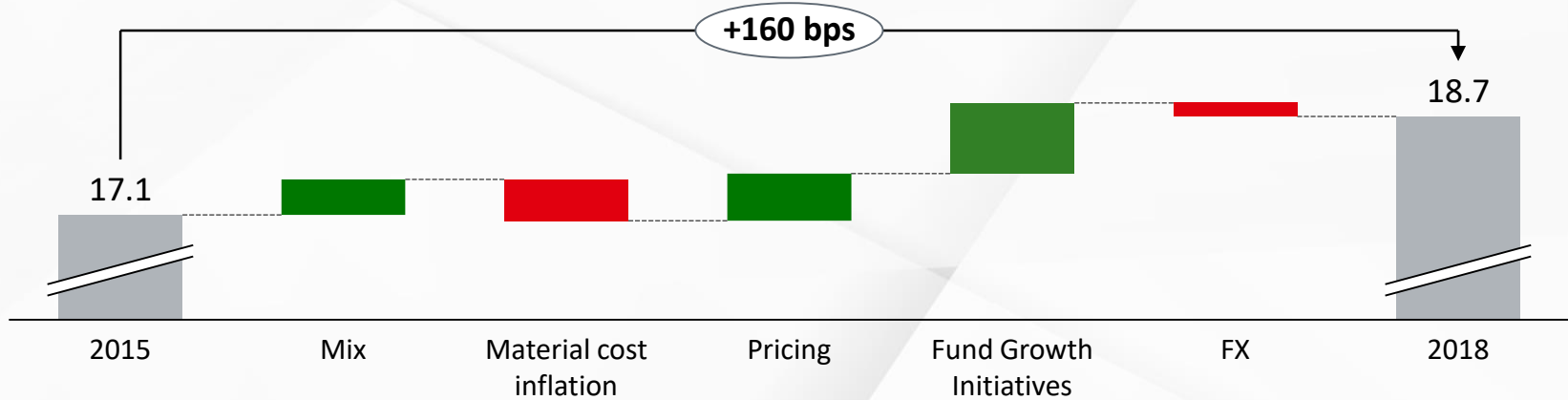


\* Avg. growth

# Strong profitability increase

Active portfolio management and continuous efficiency measures

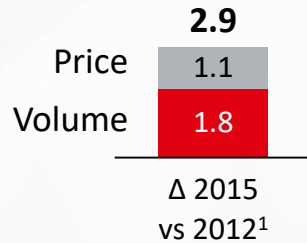
EBIT Margin Adj. in %



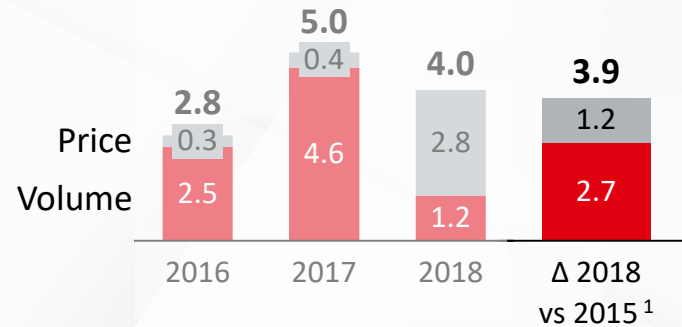
# Price / volume development

Strong pricing offsetting raw material price increases

## Recap: IAD 2016



## Today



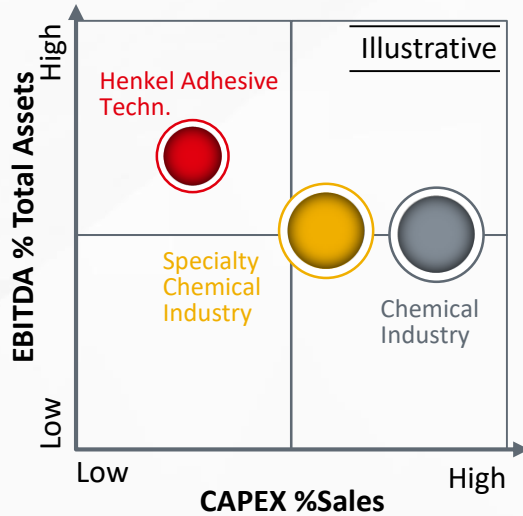
<sup>1</sup> Avg. growth



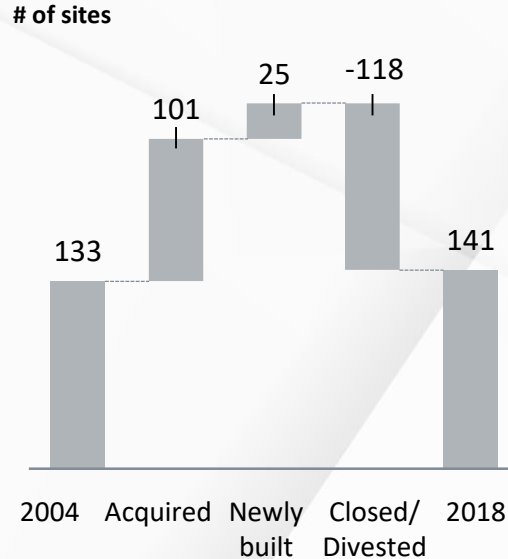
# Profitability increase

Driving operations & supply chain as competitive advantage

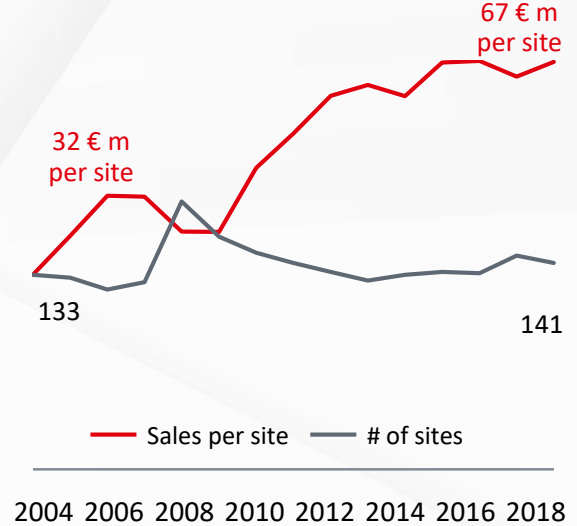
## Asset-light business model



## Continuous optimization



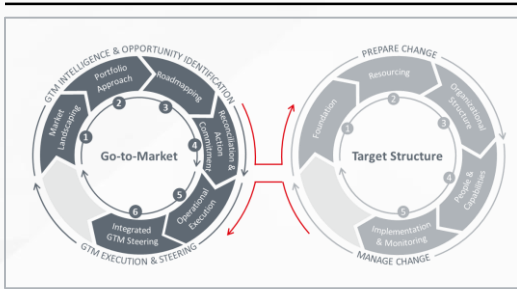
## Productivity improvements



# Profitability increase

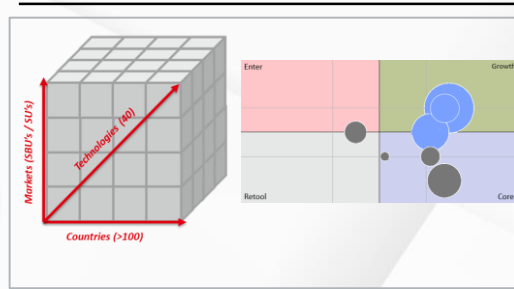
Continuously optimizing our structures / SG&A efficiencies

## Go-to-market / target structure process



- **Continuously adapt** to changing market conditions
- Drive **efficiencies**

## Focus 2018: Consumer, Craftsmen & Building



- Focus on **higher growth categories & channels**
- More **efficient** organization

## Focus 2019: Operations & Supply Chain

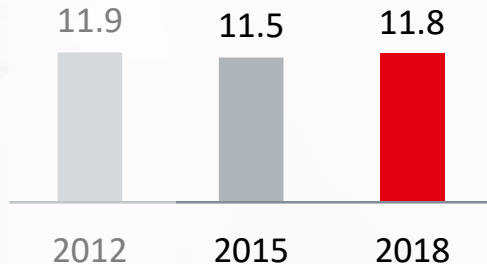


- Global organizational blueprint for **E2E supply chain**
- **Standardization** and further automation

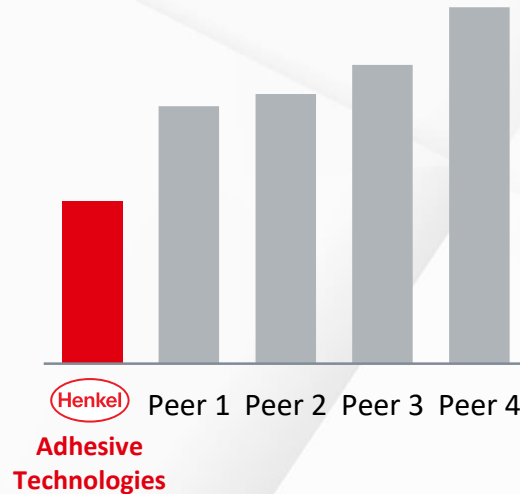
# NWC level consistently outperforming peers

Maintain leading position in a volatile environment

NWC % of sales



Peer comparison 2018



Levers for further improvement

Implement **new digital tools**:

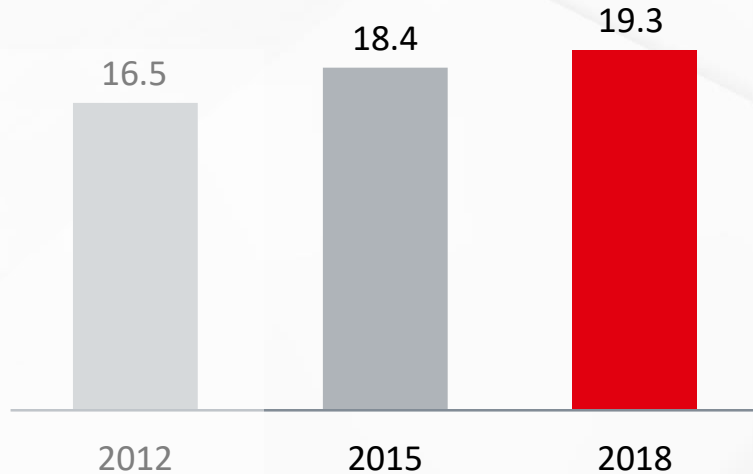
- Improve **anticipation of demand swings** for inventory management
- Targeted **accounts receivable** management

# ROCE

Constantly high level achieved through efficient governance

## ROCE

## Major contributors



- Active portfolio management
- Efficient target setting
- Rigorous capital allocation

# Agenda

— | Our development 2015 – 2018 —

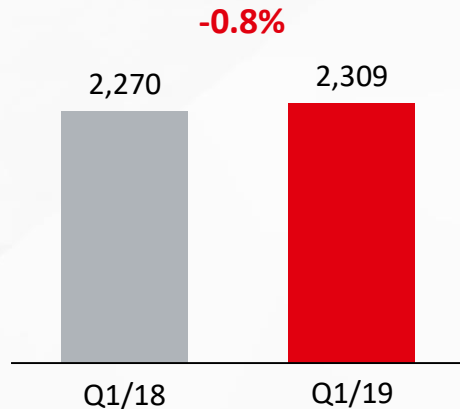
— | **Our performance Q1 2019** —

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# Q1 2019

## Key financials

### Sales in € m, OSG<sup>1</sup> in %

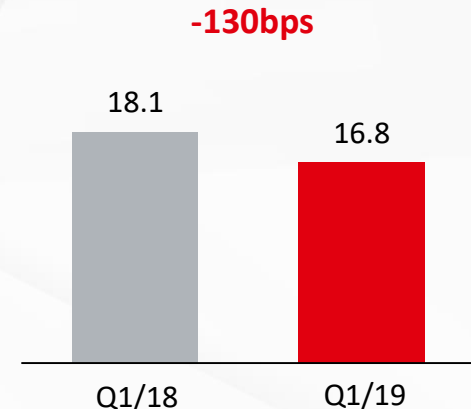


### Drivers of performance

**Organic sales development** impacted by weak Automotive and Electronics in Asia Pacific and North America, supported by strong pricing

**EBIT margin below prior year** due to negative volume / mix effects; direct material headwinds compensated by pricing and cost efficiency initiatives


### EBIT Margin Adj. in %




<sup>1</sup> Volume: -3.7% Price: 2.9%

# Q1 2019

Robust portfolio

- 
- 
- Aerospace
  - Metal Packaging
  - Food & Beverages

- 
- 
- Automotive
  - Consumer Electronics

 **Less cyclical segments compensate for markets with soft demand**



# Agenda

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# Priorities for remainder of 2019

- Focus on most attractive markets and customers to outbalance some declining markets
- Further drive gross margin improvement through pricing and savings initiatives
- Complete implementation of target structure projects to drive efficiency and adjust resources to market developments

# Levers for long-term success

Continuous focus on excellence in execution

## Topline drivers



- Leverage **megatrends**
- **Innovation**

## Profitability drivers



- **Efficiencies**
- Value based **pricing**

## Digitalization



- Exploit our **data treasure**
- Enrich **customer journey**

# Key take-aways on our financial performance

- Attractive market and unique business model
- Active portfolio management as integral part of value creation
- Differentiated resource allocation supporting profitable growth
- Continuous adaptation of our structures, processes and systems