



# HENKEL Q3 2021

Carsten Knobel, Marco Swoboda | November 8, 2021



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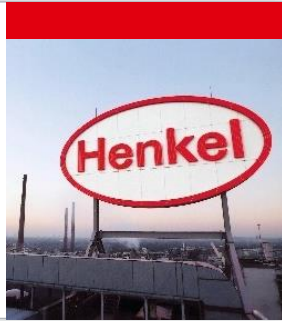
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# AGENDA

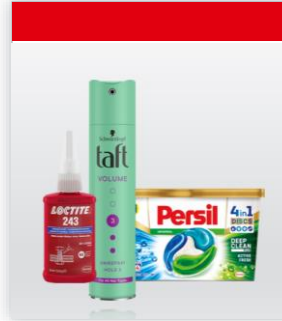
- 01** Key Developments Q3 2021
- 02** Business Performance Q3 2021
- 03** Outlook & Closing

# ▶ HENKEL SUSTAINS GROWTH PATH WITH STRONG Q3 KEY DEVELOPMENTS

**Organic sales growth of +3.5%**  
with differentiated development  
of business units



**Strong two-year OSG CAGR –**  
each business unit organically  
above pre-COVID level in Q3



**Full year 2021 guidance updated**  
with top-line growth confirmed,  
earnings at lower end of prior ranges  
due to stronger input cost headwinds



WIN THE 20s  
THROUGH  
**PURPOSEFUL  
GROWTH**

**Purposeful Growth Agenda**  
with further progress and focus  
on expanding competitive edge  
and enhancing company culture

# HENKEL WITH STRONG TWO-YEAR OSG CAGR EXCEEDING 2019 PRE-COVID LEVELS



**Organic  
sales growth**  
2020-2021

**Organic sales  
growth CAGR**  
2019-2021

▲ **+3.5%** Q3

▲ **+3.7%** Q3

▲ **+8.6%** YTD

▲ **+3.1%** YTD

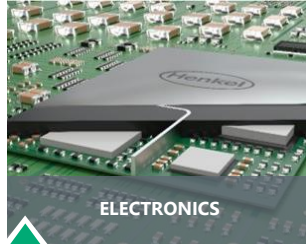
# ▶ BUSINESS ENVIRONMENT

- **Continued economic recovery in Q3 2021** with slowing growth dynamics against a higher comparison base
- **Industrial production overall further improved** with differentiated developments across industries, but held back by supply shortages
- **Consumer demand continues to normalize with varying dynamics** in different categories and partially high volatility
- Intensifying **scarcity and broad-based cost inflation in raw material supply and logistics** in volatile markets

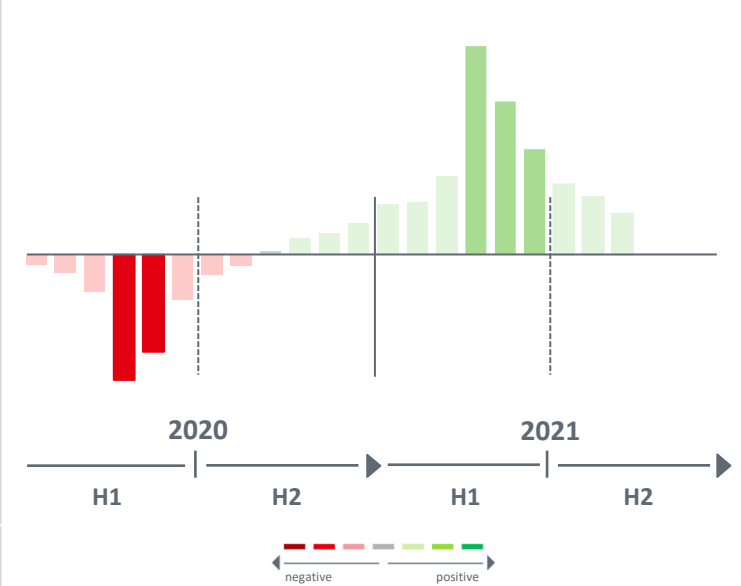


# ▶ CONTINUED RECOVERY OF INDUSTRIAL PRODUCTION DEVELOPMENT OF SELECTED MARKETS Q3 2021

## ADHESIVE TECHNOLOGIES MARKETS

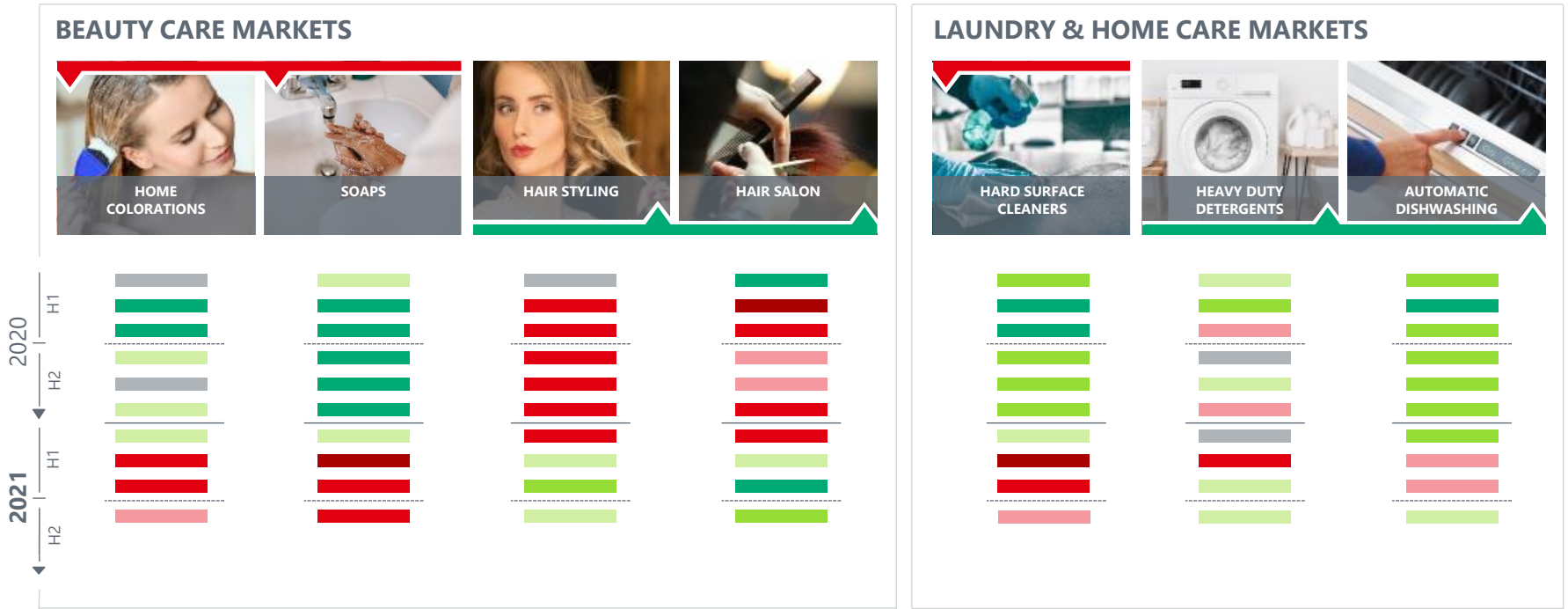


## INDUSTRIAL PRODUCTION INDEX<sup>1</sup>



# ▶ VARYING DYNAMICS IN CONSUMER CATEGORIES

## DEVELOPMENT OF SELECTED MARKETS Q3 2021<sup>1</sup>



<sup>1</sup> Illustrative presentation of bi-monthly market development (year-over-year)





# ▶ SUPPLY CHAIN HEADWINDS INTENSIFYING

## Continued price inflation in raw materials



**+10%**  
since Q2 2021

increase of Brent Crude Oil price

**10-year high**

of prices for gas, palm kernel oil and MDI

## Further pressure from logistics and supply chain imbalance



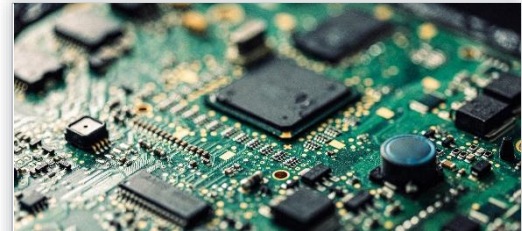
**+18%**  
since Q2 2021

increase of container freight rates

**+8%**  
since Q2 2021

increase of average cost of shipment in NA

## Supply shortages affecting economic activity



**-10%**  
since Q2 2021

cut in FY21 light vehicle production outlook

**2-fold**  
vs Q3 2020

average number of force majeure

# PURPOSEFUL GROWTH

WINNING  
PORTFOLIO

COMPETITIVE EDGE

FUTURE-READY  
OPERATING  
MODELS

INNOVATION

SUSTAIN-  
ABILITY

DIGITALI-  
ZATION

COLLABORATIVE CULTURE & EMPOWERED PEOPLE

# PURPOSEFUL GROWTH

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# Expanding our competitive edge in Adhesive Technologies, ...

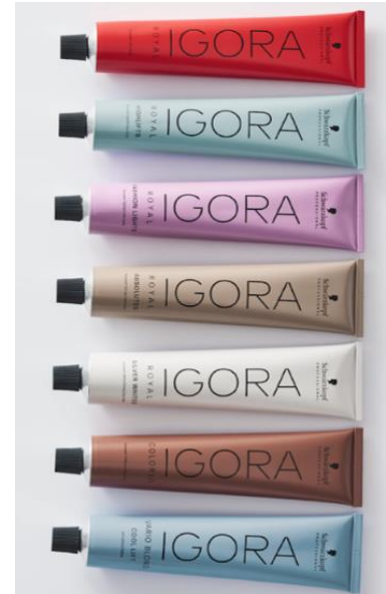


- **Debondable hotmelt solution** allowing repair of car LED headlamps and supporting circular economy
- Innovative **color-matched adhesives** enabling seamless device design and improving water and drop performance
- New bonding technology facilitating **sustainable packaging solution for beverage can industry** with ~50% reduction of CO<sub>2</sub> equivalent



## ... Beauty Care, ...

- Overproportional contribution from **relaunch** of **IGORA Royal** to overall strong Professional sales growth
- **Market share gains** in **Hair Cosmetics** driven by **Coloration** (+20 bps) and **Styling** (+50 bps)
- Further **enriching our nature brands**, e.g. with launches of **Nature Box** conditioner bars and hair shots



# ... and Laundry & Home Care.

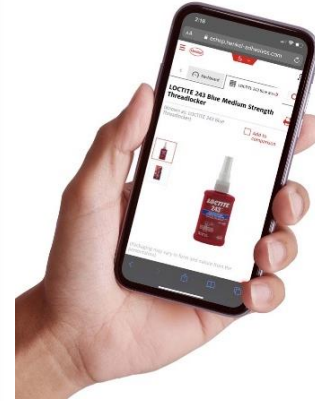
- Very strong growth and **~60 bps market share gains** in **detergent caps**, boosted by successful innovation plan for different segments and price tiers
- Retail launch of innovative, sustainable **Persil Eco Power Bars** with 97% less plastic per wash load<sup>1</sup>
- **Home Care** gaining global market share of **~50 bps** driven by innovations in Toilet Care and Dishwashing



<sup>1</sup> vs. standard Persil liquid detergents

- **Digital share in Group Q3 sales** further advanced to **almost 20%** with increases in all business units
- **Growth of ~20% in e-commerce** in Beauty Care and Laundry & Home Care combined
- **Adhesive Technologies e-shop** continuously onboarding customers, boosting digital sales share to 30%
- **Pioneering role in Industry 4.0** again awarded by World Economic Forum

Further driving **digital transformation**



# AGENDA

- 01** Key Developments Q3 2021
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# ▶ SALES DEVELOPMENT IN Q3 2021

## STRONG ORGANIC SALES GROWTH DRIVEN BY PRICE

OSG

**+3.5%**

Price      Volume  
**+3.4%**    **+0.1%**

M&A

**-0.3%**

FX

**-1.3%**

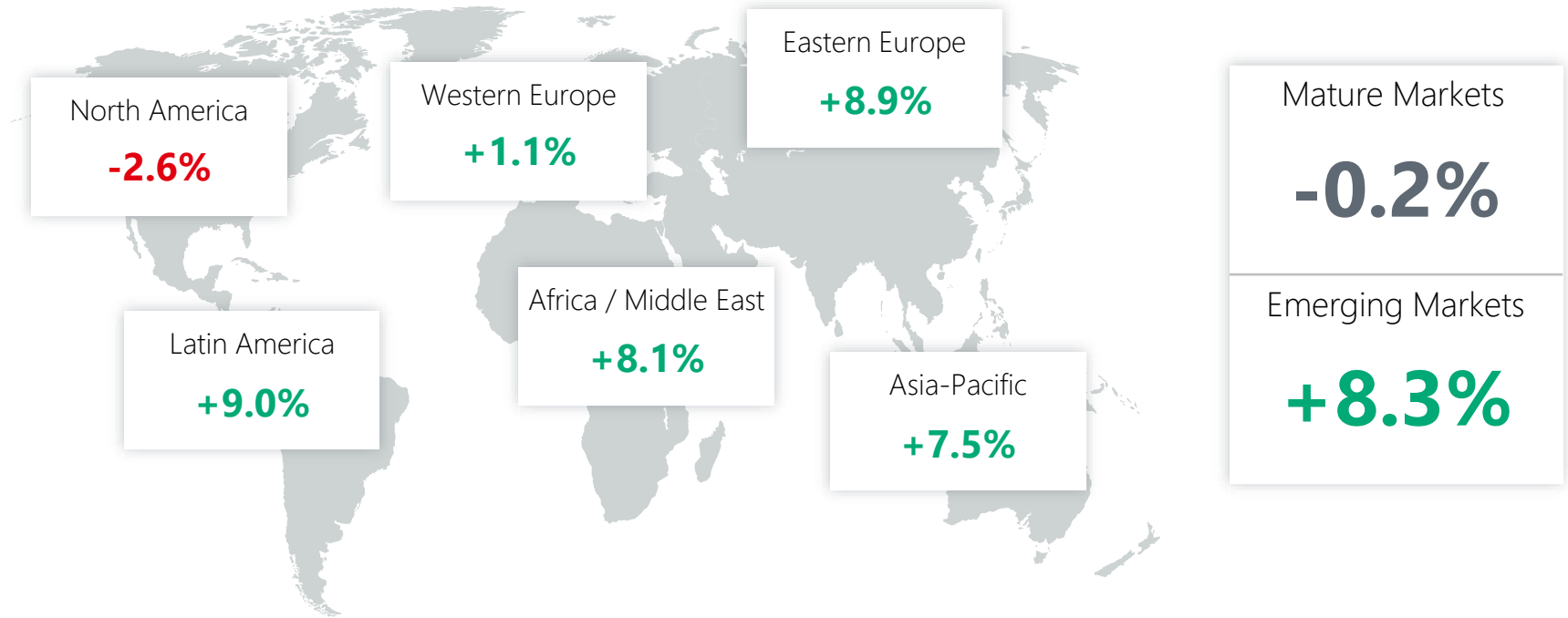
Nominal

**+1.9%**

€ 5.1 billion

# ▶ GROWTH IN ALL REGIONS EXCEPT NORTH AMERICA

## ORGANIC SALES DEVELOPMENT Q3 2021





# ADHESIVE TECHNOLOGIES

ORGANIC SALES GROWTH: +7.0%

- Very strong growth against positive prior year basis, supported by all regions
- **Automotive & Metals** slightly negative due to Automotive; Metals with double-digit growth
- **Electronics & Industrials** up double-digit across both businesses, backed by strong demand
- **Packaging & Consumer Goods** growing double-digit with particularly strong Packaging business
- **Craftsmen, Construction & Professional** with very strong growth, driven by Construction and General Manufacturing & Maintenance

# ▶ ADHESIVE TECHNOLOGIES GROWTH ACROSS ALL REGIONS

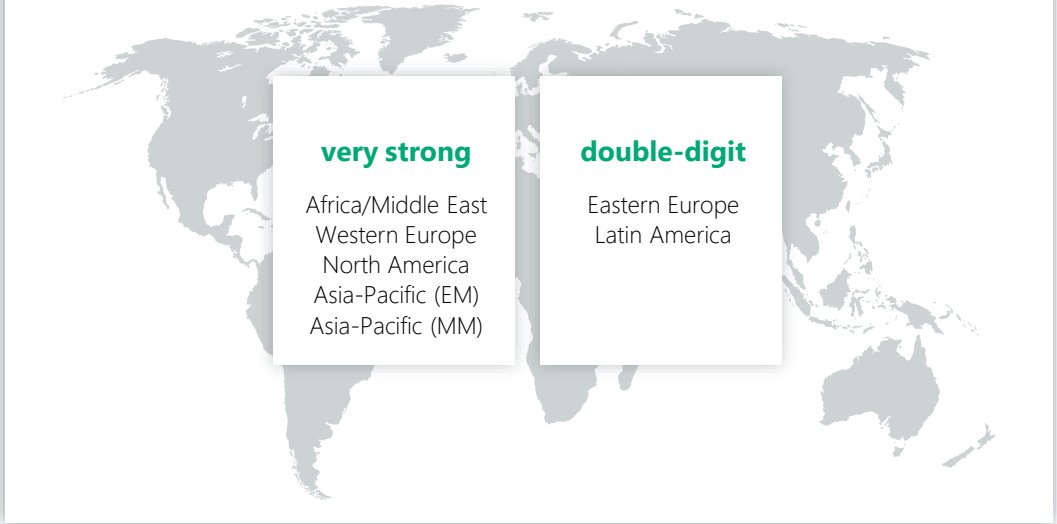
Organic Sales Growth

**+7.0%**

Price  
**+3.4%**

Volume  
**+3.6%**

Organic Sales Growth by Region





# BEAUTY CARE

ORGANIC SALES GROWTH: -3.0%

- **Professional** business with continued strong growth, exceeding pre-COVID levels, driven by North America and emerging markets
- **Consumer** overall below previous year with mixed developments across categories and regions
  - Challenging market environment in mature markets results in double-digit % decline in Body Care, especially Soap, vs high prior year
  - Normalization of demand in Hair: Styling with significant growth, while Color and Care below previous year
- **Market share gains** in Styling and Color



# BEAUTY CARE

## SALES DEVELOPMENT BELOW PRIOR YEAR DUE TO MATURE MARKETS

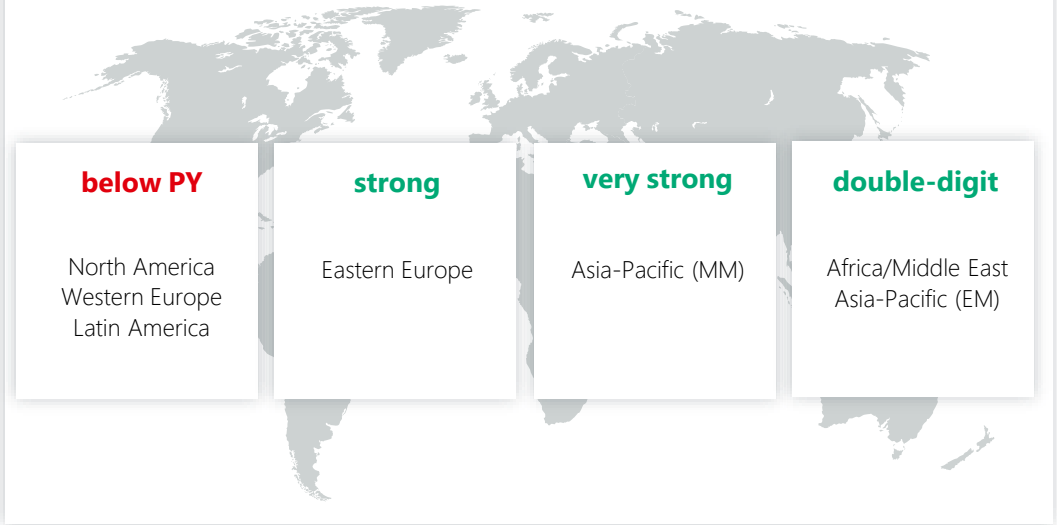
Organic Sales Growth

**-3.0%**

Price  
**+1.7%**

Volume  
**-4.7%**

Organic Sales Growth by Region





# LAUNDRY & HOME CARE

ORGANIC SALES GROWTH: +2.0%

- **Laundry Care** with strong performance driven by strong growth in Heavy-Duty Detergents and double-digit growth in Special Detergents
- **Home Care** with share gains but slightly negative organic sales development due to normalizing demand in declining markets
- **Market share gains** in Europe, Africa/Middle East, Latin America and Asia-Pacific
- **North America** below prior year level due to persisting supply/logistics challenges

# ▶ LAUNDRY & HOME CARE

## GROWTH IN ALL REGIONS EXCEPT NORTH AMERICA

Organic Sales Growth

**+2.0%**

Price

**+4.3%**

Volume

**-2.2%**

Organic Sales Growth by Region

**below PY**

North America

**positive**

Western Europe

**very strong**

Africa/Middle East

**significant**

Eastern Europe

**double-digit**

Asia-Pacific (EM)  
Asia-Pacific (MM)  
Latin America

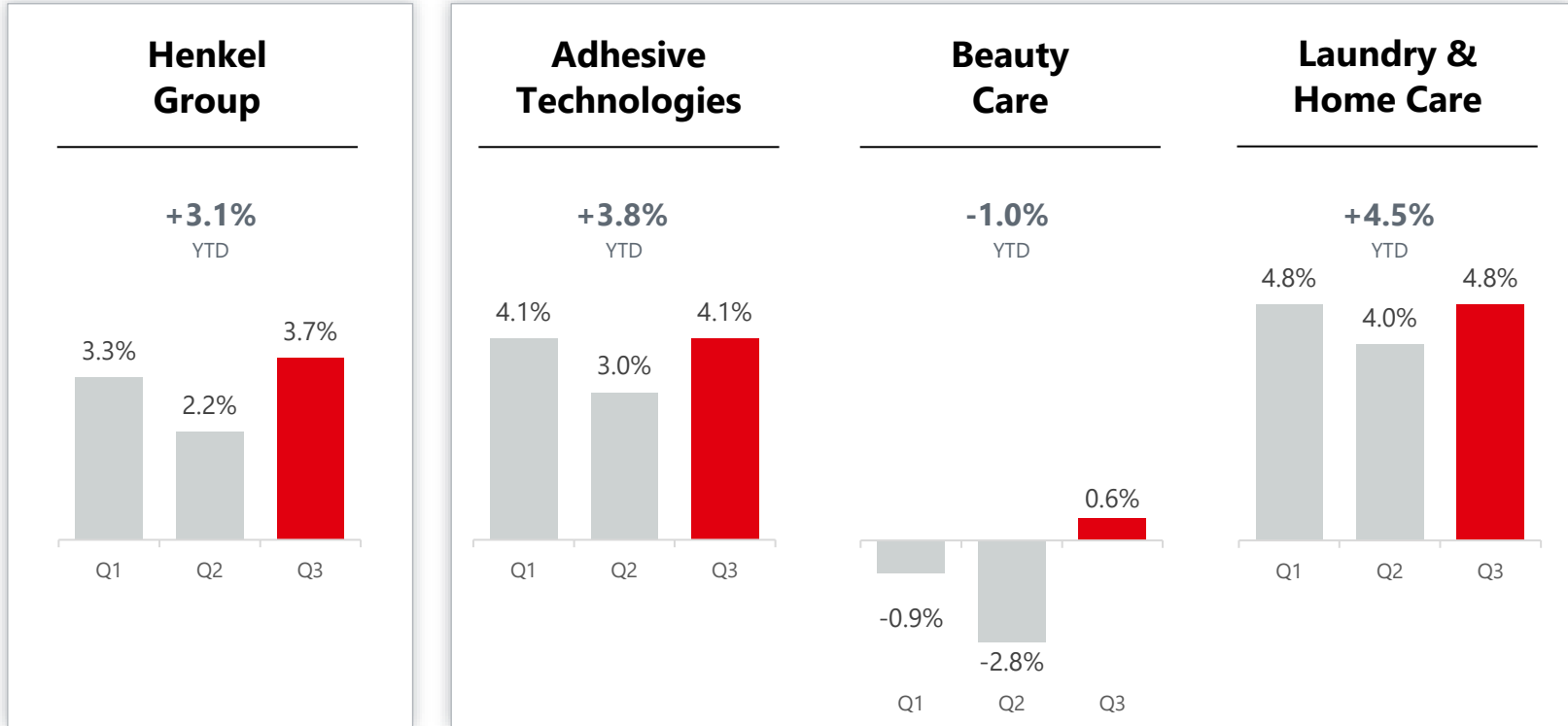




# HENKEL WITH STRONG TWO-YEAR OSG CAGR

## EACH BUSINESS UNIT ORGANICALLY ABOVE PRE-COVID LEVEL IN Q3

OSG CAGR 2019-2021



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# ▶ UPDATED GUIDANCE 2021

	<b>FY 2021 – previously</b>	<b>FY 2021 – updated</b>
<b>Organic Sales Growth</b>	<b>6.0 to 8.0%</b>	<b>6.0 to 8.0%</b>
<b>Adjusted EBIT Margin</b>	<b>13.5 to 14.5%</b>	<b>~13.5%</b>
<b>Adjusted EPS<sup>1</sup> (at constant currencies)</b>	<b>High single-digit to mid-teens %</b>	<b>High single-digit %</b>

# ▶ BUSINESS PRIORITIES

- **Protect and support** employees, customers and business partners
- **Manage performance** across all business units in volatile markets and unprecedented raw material and supply chain environment
- **Drive execution of Purposeful Growth Agenda** with focus on expanding our competitive edge and enhancing our company culture



Q&A

## ▶ CLOSING REMARKS

- Henkel achieves overall **strong organic sales growth** in Q3 2021, **exceeding pre-COVID levels** in each business unit
- **Differentiated business unit development** driven by varying dynamics in industrial and consumer markets
- **Agile management of volatile business environment** as challenges in tight supply and logistics markets with broad-based input cost inflation intensify
- **2021 outlook updated**
- Continued focus on implementation of **Purposeful Growth Agenda**



# UPCOMING EVENTS

February 23, 2022

**Q4 & FY 2021 Release**

April 4, 2022

**Annual General Meeting**

May 5, 2022

**Q1 2022 Release**

THANK YOU





# ▶ UPDATED GUIDANCE 2021

## Organic Sales Growth

**+6.0 to 8.0%**

Adhesive Technologies +10.0 to 12.0%

Beauty Care +2.0 to 4.0%

Laundry & Home Care +2.0 to 4.0%

## Adjusted EBIT Margin

**~13.5%**

Adhesive Technologies ~16.0%

Beauty Care ~9.5%

Laundry & Home Care ~14.0%

## Adjusted EPS<sup>1</sup>

**High single-digit %**

increase at constant exchange rates

## ► FY 2021: ADDITIONAL INPUT FOR SELECTED KPIS

Currency Impact on Sales	Mid-single-digit % negative <sup>1</sup>
Prices for Direct Materials	Increase by low to mid teens % <sup>1</sup>
Restructuring Charges	€ 250 - 300m
CapEx	€ 600 - 700m