Commented Slides
Conference Call FY 2022 | 7 March 2023

Henkel Representatives:
Carsten Knobel, CEO
Marco Swoboda, CFO
Investor Relations Team

Leslie Iltgen, Head of IR:

Good morning and a warm welcome to Henkel's full-year conference call.

Here with me today are our CEO Carsten Knobel and our CFO Marco Swoboda.

Following the presentation, as always, Carsten and Marco are happy to take your questions.

Before handing over, please let me remind you that this call will be recorded and a replay will be made available on the investor relations website shortly after this call.

By asking a question during the Q&A session you agree to both the live broadcasting as well as the recording of your question including salutation to be published on our website.

DISCLAIMER

This presentation 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.

This document includes – in the applicable financial reporting framework not clearly defined – supplemental financial measures that are or may be alternative performance measures (non-GAAP-measures). These supplemental financial measures should not be viewed in isolation or as alternatives to measures of Henkel's net assets and financial positions or results of operations as presented in accordance with the applicable financial reporting framework in its Consolidated Financial Statements. Other companies that report or describe similarly titled alternative performance measures may calculate them differently.

This document has been issued for information purposes only and is not intended to constitute an investment advice or an offer to sell, or a solicitation of an offer to buy, any securities.

 Note: Each figure commercially rounded. Addition may result in deviations from the totals indicated.

Also please be reminded that this presentation contains the usual formal disclaimer in regard to forward-looking statements within the meaning of relevant US legislations which can also be accessed via our website at henkel.com/ir.

The presentation and discussion are conducted subject to this disclaimer.

With this, it is my pleasure to hand over to our CEO Carsten Knobel.
Carsten, please go ahead.

KEY TOPICS TODAY

RESULTS FY 2022 & OUTLOOK FY 2023

- Significant top-line growth, earnings impacted by unprecedented input cost headwinds
- Outlook FY 2023: poised for further growth

UPDATE ON STRATEGY PROGRESS & HENKEL CONSUMER BRANDS

- Consistent progress across all strategic pillars of Purposeful Growth Agenda
- Implementation of Henkel Consumer Brands well on track – with next milestones defined

Carsten Knobel, CEO:

Thanks, Leslie – and a warm welcome also from my side to everyone on today's call, in which we would like to walk you through the key aspects of fiscal 2022 and what lies ahead of us.

We will give an overview of our financial performance including the respective drivers leading to Henkel's significant organic sales growth and overall robust earnings development. And we will also outline our expectations for 2023.

We also want to provide an update on where we stand with the implementation of our strategic framework. By merging our consumer businesses, we clearly took our Purposeful Growth Agenda to the next level – and I would like to share the progress we have made so far and outline the details of the second phase of the integration.

AGENDA

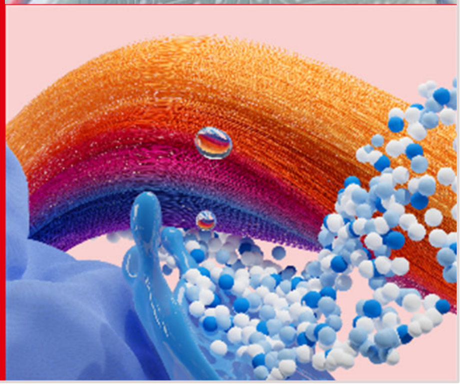
01 Key Developments FY 2022

02 Progress Strategic Framework & Update on Henkel Consumer Brands

03 Results FY 2022 & Outlook FY 2023

04 Key Take-Aways & Closing

4 HENKEL FY 2022



Let us start with the key developments.

Kicking it off with an overview of major achievements in 2022 – and we will give some more color on each of them as we proceed.

Despite the manifold challenges in our business environment, we delivered an overall robust performance. We faced unprecedented cost increases from raw materials and logistics but were able to successfully compensate them to a large extent by stepping up pricing.

We pushed ahead with the merger of our consumer businesses. Our new Consumer Brands unit was established ahead of plan and we already realized first savings.

We continued to enhance our portfolio in both the Consumer Brands and Adhesives business through M&A and further portfolio optimization measures – and we keep on shaping relevant megatrends with our product solutions and technologies.

With the launch of the 2030+ Sustainability Ambition Framework beginning of last year, we have underpinned our strong commitment to fostering a sustainable development and continuously work towards our ambitious targets – with good progress in 2022.

We also successfully launched innovations, which build on our strong technological expertise – again in both businesses.

Last but not least, we followed a clear capital allocation strategy and executed on Henkel's first-ever share buyback, which will be concluded by the end of Q1.

All these achievements were made while operating in a highly challenging and volatile environment.

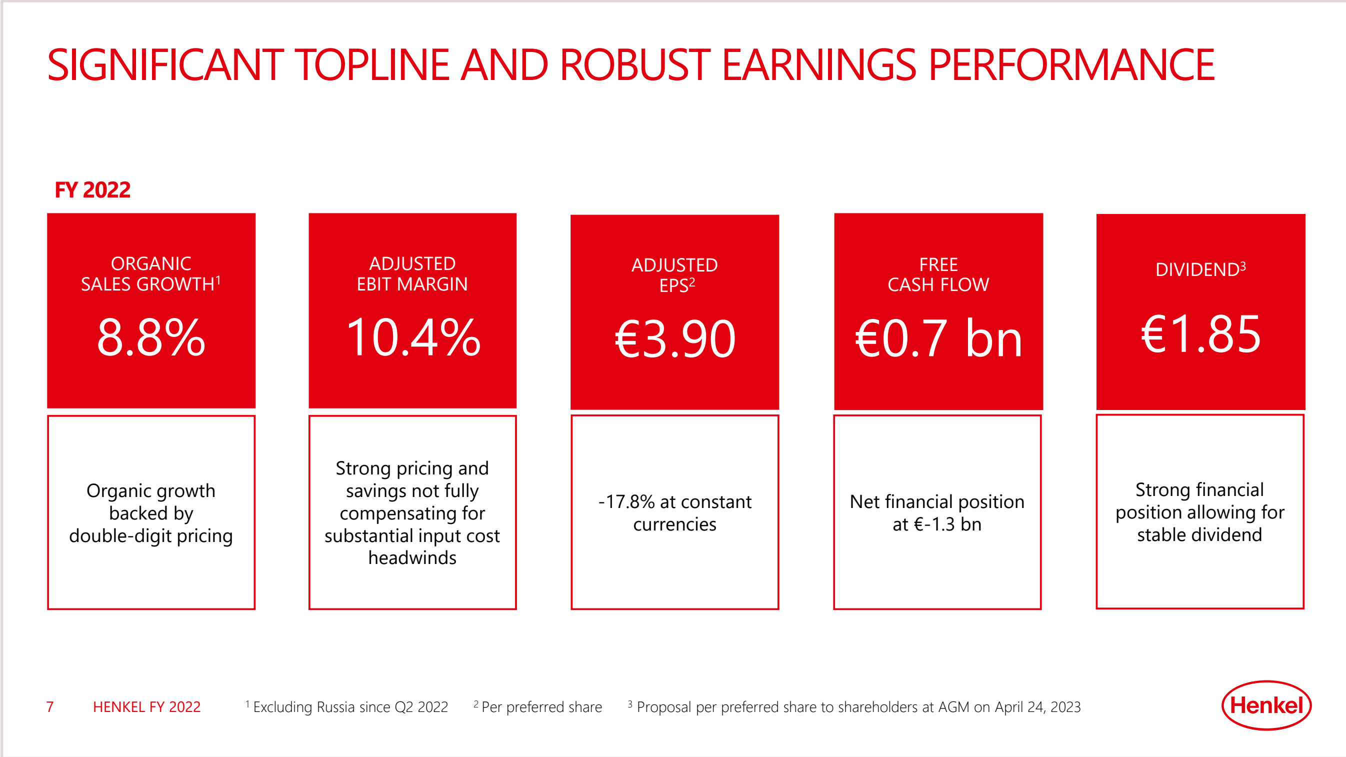
We were confronted with an exceptionally sharp rise in prices for raw materials and logistics. The headwinds totaled more than 2 billion euros – a magnitude we have not seen before.

Simultaneously, global supply chains remained tight and we experienced around 900 disruptions throughout the year, including force majeures. While this number was below what we saw in 2021 – it was yet still clearly above pre-crisis years.

As if this wouldn’t have been enough – the Ukraine war, now raging for over a year, has clearly changed the world. And as you all are aware of, we deliberately took the decision to exit Russia and expect to conclude this process by the end of the first quarter. While we all hope that this war will come to an end – it for sure had broad implications – including unprecedented increases in energy costs, particularly in Europe which we had to deal with.

On the demand side, industrial production slowed down during the year in light of the macroeconomic challenges. 2022 also recorded the highest inflation rate in more than two decades – which is increasingly reflected in overall consumer behavior.

Having all that in mind, I would like to turn to the next slide and share an overview of our key financials.



We concluded the year 2022 with high single-digit organic sales growth – backed by strong pricing, which we had to accelerate throughout the year.

Overall, we recorded a robust earnings performance, delivering an adjusted EBIT margin of 10.4%, and adjusted EPS of 3.90 euros.

Our Free Cash Flow amounted to 0.7 billion euros and we will elaborate on that in more detail in a couple of minutes.

Our dividend proposal to our shareholders at this year's AGM is 1.85 euros per preferred share, thus implying a stable dividend.

NEW EXECUTIVE VICE PRESIDENT ADHESIVE TECHNOLOGIES

Mark Dorn new Management Board member since February 1, 2023

- Broad and long-term experience in international industrial businesses, deep knowledge of Adhesive Technologies business unit
- Started career at Henkel in 1992 – followed by various management positions at Cognis and BASF
- Back at Henkel since 2019: responsible for entire Adhesive Technologies business in APAC, and globally for Craftsmen, Construction and Professional business area; President for Henkel in APAC
- Succeeded Jan-Dirk Auris, who left Henkel end of January 2023 after ~35 years of successful service

8 HENKEL FY 2022

Before moving ahead, I also want to take the opportunity to spare a few words on the most recent change in our Management Board.

Since February, Mark Dorn is the new Executive Vice President for our Adhesive Technologies business. He succeeded Jan-Dirk Auris, who has left Henkel after more than 35 years of successful service at Henkel.

Mark brings along broad and long-term experience from various management positions in different industrial companies and knows our Adhesive Technologies business, our technologies and customers very well.

After having started his career at Henkel and having worked at Cognis and BASF, he returned to Henkel in 2019. Since then, he was responsible for the entire Adhesive Technologies business in the Asia-Pacific region and globally for the Craftsmen, Construction and Professional business area. He also served as President for Henkel in the Asia-Pacific region.

I am looking forward to continuing to work with Mark on the management board. And I am confident that he, together with his leadership team, will leverage the global leading market position of Adhesive Technologies to further increase its growth and profitability in the coming years.

OUTLOOK 2023

ORGANIC SALES GROWTH

1.0 to 3.0%

ADJUSTED EBIT MARGIN

10.0 to 12.0%

ADJUSTED EPS[1]

-10 to +10%

9 HENKEL FY 2022

[1] Per preferred share, at constant exchange rates

With that, I would like to turn to our outlook for 2023 which we published this morning.

For 2023, we expect organic sales growth of 1 to 3 percent, driven by both Adhesive Technologies and Consumer Brands.

For adjusted EBIT margin, we anticipate 10 to 12 percent on Group level.

And for adjusted earnings per preferred share, we expect a development of -10 to 10 percent at constant exchange rates.

While it is clear that 2023 will again be a challenging year, Henkel is nevertheless set for further growth. And Marco will give you some more color on the details and underlying assumptions around these numbers as we proceed.

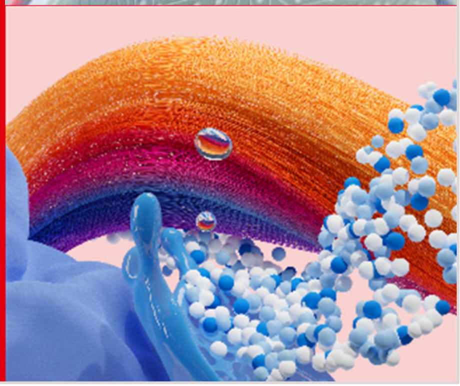
AGENDA

01 Key Developments FY 2022

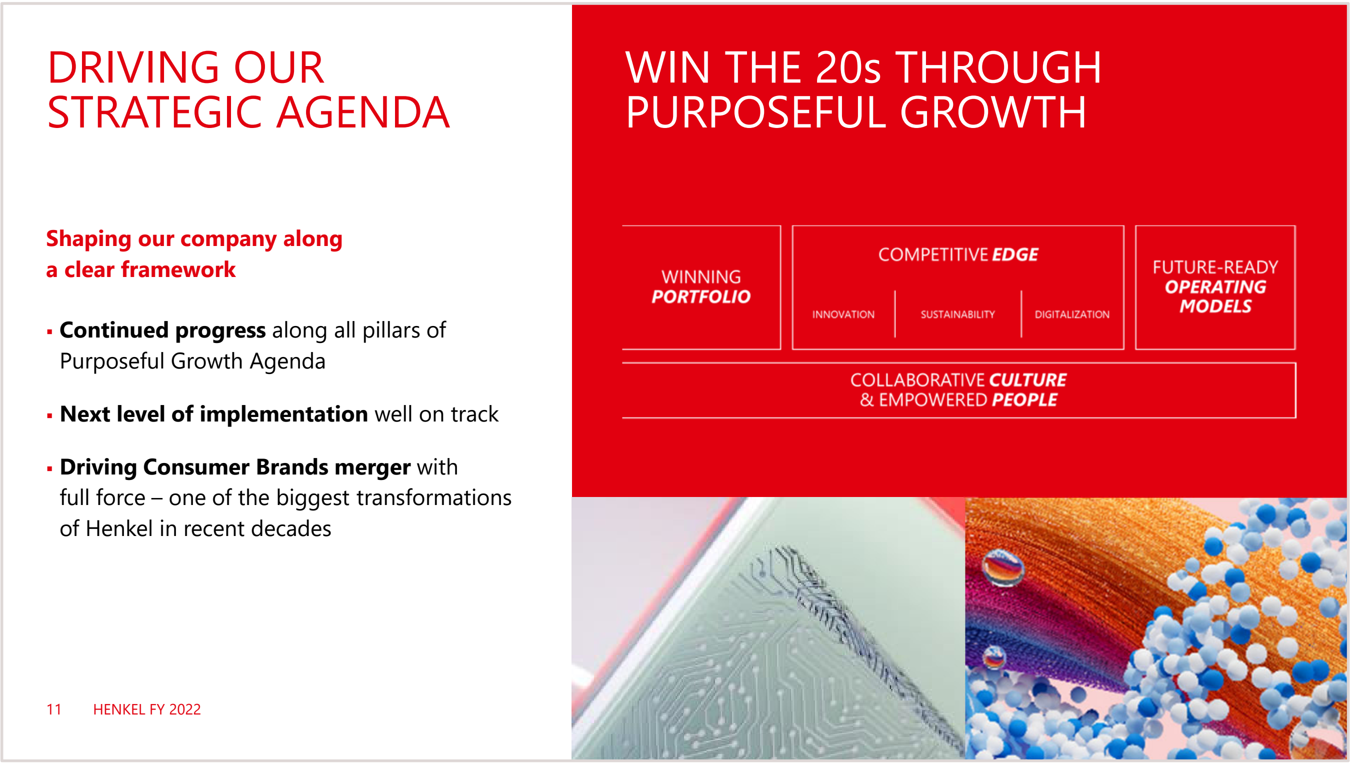
02 Progress Strategic Framework & Update on Henkel Consumer Brands

03 Results FY 2022 & Outlook FY 2023

04 Key Take-Aways & Closing



But let us take one step back again – starting with an update on our strategy implementation and the Consumer Brands merger.



The merger of our consumer businesses certainly is one the biggest transformations of our company in recent decades – and we have been driving it with full force. I'm aware that this one of the key topics of interest which is why I will provide a deep dive in just a couple of minutes.

However, we have been driving progress along all strategic pillars – let us start with the different dimensions to strengthen our competitive edge.

LAUNCHING IMPACTFUL INNOVATIONS IN ADHESIVE TECHNOLOGIES

Technomelt Supra ECO enabling more sustainable packaging

- Packaging hotmelt adhesive **composed of up to 98% bio-based materials**
- Enables manufacturers to **reduce carbon footprint** of packaging while **ensuring highest performance**

New conductive coating for electrodes for fast-growing EV battery market

- Enhances **battery performance** through up to **30% increase in conductivity**
- Enables **>20% reduction of energy consumption** in manufacturing process

Enhanced product range for consumer electronics

- Further development of **bio-based PUR hotmelt adhesives platform**
- **Increased share of renewable, plant-based feedstock** – excellent adhesion and processing properties

12 HENKEL FY 2022 Henkel

We launched numerous innovations to the market, which clearly provide added value for our customers and consumers.

Let me give you three examples of how we shape the relevant megatrends sustainability, mobility and connectivity in our Adhesive Technologies business.

We launched the packaging hotmelt adhesive Technomelt Supra ECO. The product is composed of up to 98% bio-based materials and allows full traceability of its CO2 footprint. It enables manufacturers and brand owners to optimize the carbon footprint of packaging solutions, while ensuring excellent adhesion properties and food safety performance.

The teams also developed a new conductive coating solution for Lithium-ion battery electrodes used in electric vehicles – a market which offers attractive growth rates. By improving adhesion and conductivity inside the battery cell, the technology enhances battery performance. It also enables a more than 20% reduction of overall energy consumption in the manufacturing process. The technology is currently being scaled among major manufacturers.

And we further developed our bio-based polyurethane reactive (PUR) hotmelt adhesives platform for consumer electronics assembly. First launched in 2021 containing 60% bio-based material, the team further developed the range to increase the share of renewable, plant-based feedstock. Additionally, the solution outperforms the conventional alternatives in terms of adhesion and processing properties.

LAUNCHING IMPACTFUL INNOVATIONS IN OUR CONSUMER BUSINESSES

SalonLab&Me: Hyper-personalized hair care

- New **B2B2C business model** combining in-salon hair consultation with convenient online shopping experience
- **>200,000 consultations** since launch with **~10 million data points** generated

Persil "Deep Clean" with Dispersin

- Introduction of **highly innovative and exclusive enzyme technology**
- Enabling **removal of biofilm** for deep clean laundry and hygienically clean machine – **10x better malodor removal**

Sustainable packaging portfolio

- Schauma offering **recyclable and refillable big size bottles** made out of 50% recycled plastic
- **New Pril Strong & Natural** range with dispenser bottles and **recyclable refill packs using 70% less plastic** (vs. bottle)

Henkel

In our consumer businesses, we leveraged our technology capabilities and linked innovations to strong digital and sustainability features. Those of you who joined our Capital Markets Day were able to experience some of these first-hand.

For example, SalonLab&Me – a hyper-personalized hair care connected to a new B2B2C business model. By combining intelligent hair scanning technology with the hairdresser's expert knowledge, salon clients can receive a product that is customized to the needs of their hair. The in-salon experience is linked to a direct-to-consumer solution, as customers can order their personalized SalonLab&Me products through an online store that is exclusively linked to the salon. Since its launch in first markets in October, we recorded over 200,000 consultations, through which we receive valuable insights – and the numbers are growing daily.

We also take our Persil Deep Clean promise to the next level. We are introducing Dispersin, a highly innovative and exclusive enzyme technology. It enables the removal of biofilm for deep clean laundry and a hygienically clean machine – with clear benefits: For example, our new Persil Deep Clean Discs provide 10x better malodor removal from the washing machine compared to our previous product.

And throughout our portfolio, we advanced sustainable packaging solutions. For example, we offer recyclable and refillable big size bottles for our Schauma products. Our new Pril Strong & Natural range also contributes to sustainability through the use of recyclable refill bags. They use 70% less plastic compared to the bottle, which is completely made of recycled plastic.

DRIVING PROGRESS IN SUSTAINABILITY

Climate protection

- **Reduced CO_2 emissions** per ton of product in own operations by **-55%** (vs. base year 2010)
- Enabled >**78m tons CO_2 reduction** with customers, consumers and suppliers (2016 – 2022)
- **Partnership with BASF** to **substitute up to 110,000 tons fossil-based ingredients** with renewable carbon sources under mass balance approach

Sustainable Finance

- Placement of **€650m bond** under "Sustainable Finance Framework"
- 2/3 of outstanding **bond volume sustainability-linked**

External assessment

- **Excellent results** in ratings and rankings
- Including **EcoVadis Platinum** Recognition Level, **ISS ESG** Prime status (B+)

Henkel

Even beyond, we drove further progress in sustainability – guided by our 2030+ Sustainability Ambition Framework, which we presented a year ago and through which we accelerated our efforts along different ESG dimensions.

Just to name a few key examples of how we contribute to climate protection:

We reduced CO2 emissions by 55% in our operations compared to the base year 2010.

Our biggest lever are our products and technologies. Over the past years, we enabled the reduction of more than 78 million tons CO2 – together with our customers, consumers and suppliers, which play a key role in driving sustainable advancements.

In 2022, we partnered with BASF to substitute up to 110,000 tons fossil-based ingredients with renewable carbon sources under the mass balance approach. And just a couple of weeks ago, we announced another partnership: Together with Shell, we want to replace around 200,000 tons of fossil feedstocks with renewable feedstocks for cleaning ingredients used in our largest laundry brands in North America. Also here, a certified mass balance approach will be used.

In the area of Sustainable Finance, we placed another bond under our Sustainable Finance Framework – with a volume of 650 million euros. With that, around two thirds of Henkel's outstanding bond volume are linked to sustainability criteria.

Our efforts and progress are also externally recognized – as demonstrated by our excellent results in relevant ratings and rankings, such as Ecovadis or ISS ESG.
Again they acknowledge Henkel's leading role in our sectors.

FOSTERING DIGITAL TRANSFORMATION

Digital sales share

- Digital sales with double-digit organic growth
- **Digital sales share at 20%** (+140bp vs. 2021)

Data-driven R&D platform

- **Digital end-to-end lab data platform** in Adhesive Technologies scaled across >40 countries
- **Faster innovation processes** through automation and advanced analytics: data from >130,000 tests in 2022

Fully leveraging digital potentials

- Driving **Industry 4.0** initiatives across the supply chain
- Leveraging **digital business platform RAQN**: live in 44 countries, used for >2,500 campaigns
- **Venture Fund II** of €150m with focus on **digital commerce,** innovation and sustainability

Henkel

Moving on to the third area by which we want to strengthen our competitive edge: digitalization.

In 2022, we again expanded our digital sales share: reaching a level of 20% for the Group. In Adhesive Technologies, we almost reached the 30% mark.

We are also leveraging digital solutions to enhance our R&D processes. For example, we scaled our end-to-end lab data platform in Adhesive Technologies across more than 40 countries. Automation and advanced analytics enable the teams to significantly speed up innovation processes.

And also in further fields, we have been expanding digital capabilities and solutions.
In the area of Industry 4.0, the teams are driving digitalization across the supply chain. Our efforts are also recognized externally – last year, our plant in Düsseldorf was again awarded for the end-to-end supply chain processes.

Supported by our digital unit dx, we continued to leverage our digital platfom RAQN:
It is meanwhile live in 44 countries and was used for more than 2,500 campaigns.

And we expanded the activities under our unit Henkel dx Ventures: We launched a second venture fund with a volume of 150 million euros, Here, we partner with and invest in start-ups which also focus on digital commerce.

STRENGTHENING OUR COMPANY CULTURE

Unifying and stable anchors during challenging times

- Cultural transformation guided by **purpose** and **leadership commitments** as the north star
- Embedding cultural change with **clear set of training and engagement opportunities**

Working towards gender parity

- Share of **women in management** further increased to ~**39%**

Smart Work

- **Global** implementation of **hybrid** strategy across **all countries**
- **Health and wellbeing** as important pillars to strengthen employee resilience

Further initiatives

- Launched new regular Employee Listening **Pulse Check**
- Second global learning festival to drive **learning culture**: total of ~690,000 digital learning hours

We also further progressed with our cultural transformation.

Over the past year, our purpose and leadership commitments proved to be unifying and stable anchors for all of us at Henkel. The cultural change, which we are fostering, is also embedded with a clear set of training and engagement opportunities.

Last year, as part of our holistic approach to diversity which goes beyond the area of gender, we called out our ambition to achieve gender parity across all management levels by 2025. Meanwhile, we increased the share of women in management positions to around 39%.

We further rolled out our Smart Work concept which also provides the frame for mobile working at Henkel. It is now implemented across all countries and also encompasses the dimensions health and wellbeing – both of which are highly relevant when it comes to strengthening employee resilience. To give a specific example: With our global health campaigns around topics like mental health or nutrition, we are reaching more than 90% of our employees.

Further initiatives include the launch of a regular employee listening pulse check, and Henkel's second global learning festival to further enhance our learning culture.

Last but not least, I want to highlight our progress in terms of portfolio and operating models.

When it comes to portfolio, we successfully closed three acquisitions last year. We acquired Shiseido's Hair Professional business in the Asia-Pacific region, through which we became the global co-number 2 in the Hair Professional market. In Adhesive Technologies, we strengthened our technology expertise by acquiring NBD Nano and Thermexit. Here, we added strong capabilities in the areas of innovative surface and thermal management solutions.

On the other hand, we exited parts of our businesses. For example, we divested our global soldering agents business in Adhesive Technologies. Portfolio pruning also played a key role in the context of the Consumer Brands merger: Here, we already executed around 0.4 billion euros out of the total 1 billion euros which we had announced to review. More on these in a few minutes.

In terms of operating models, we further expanded the scope of our well-running Shared Service Center organization. We fostered the insourcing of creative content development, through which we aim to increase efficiency and generate savings.

The merger of our Laundry & Home Care and Beauty Care businesses certainly stood out last year. Here, we are well on track: the Consumer Brands business is live and the integration in full swing.

AGENDA

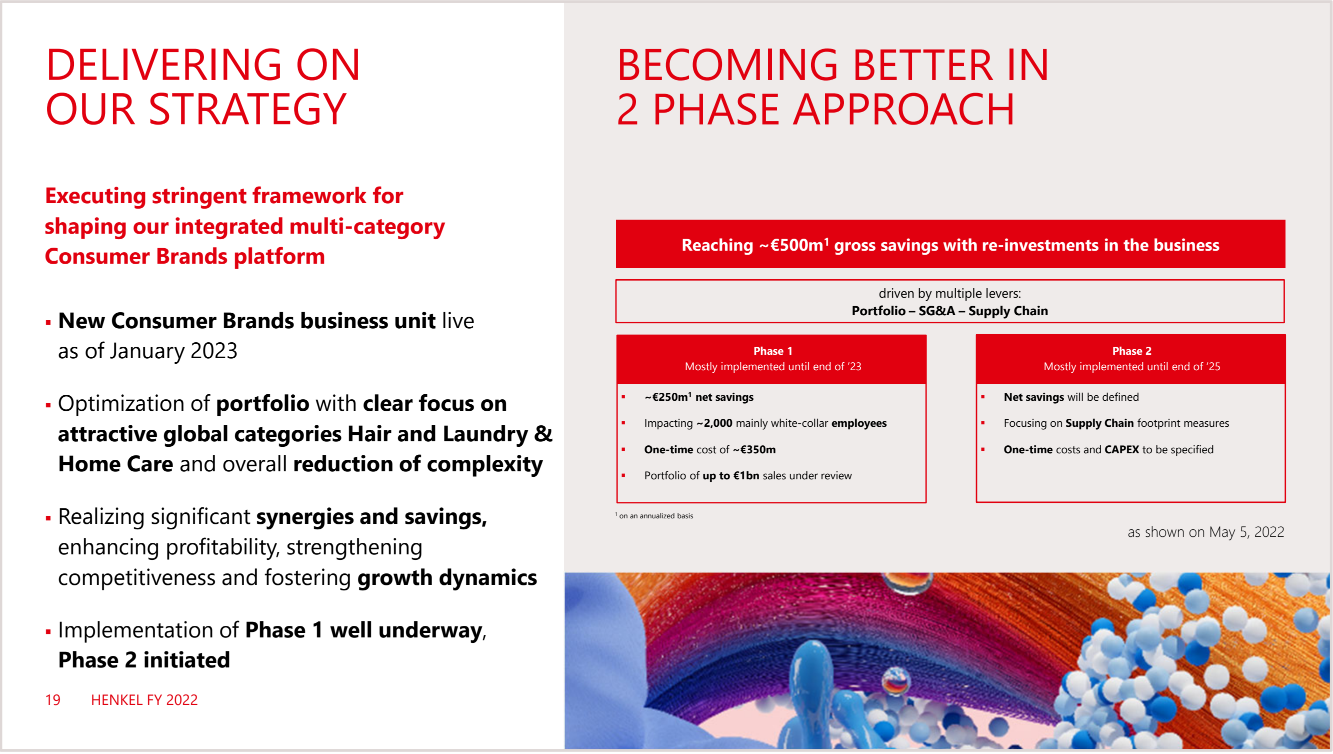
01 Key Developments FY 2022

02 Progress Strategic Framework &
Update on Henkel Consumer Brands

03 Results FY 2022 & Outlook FY 2023

04 Key Take-Aways & Closing

And I would now like to provide the promised deep dive.



The new Consumer Brands business unit is now live as of January.

With the merger of our two consumer businesses, we want to create various benefits:

We will shape a more focused portfolio centered around the attractive global categories Hair and Laundry & Home Care offering promising growth and margin potential – and we want to reduce overall complexity.

We want to realize significant synergies and savings

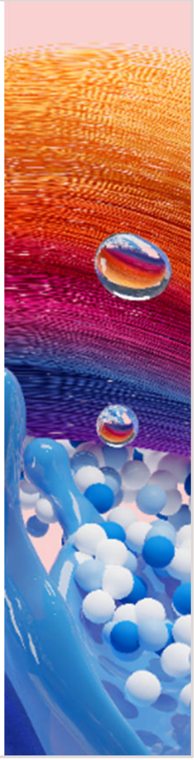
- to enhance profitability
- to strengthen our competitiveness.
- and to accelerate profitable growth.

You may also recall that we outlined a clear roadmap for the merger of our two consumer businesses comprising two phases:

the first phase with a stronger focus on the entire organizational set up – and a second phase with a stronger focus on supply chain excellence – which we just initiated and where I will outline the details in just a minute.

REALIZING SIGNIFICANT **SYNERGIES** AND **SAVINGS** PHASE 1

	Progress 2022	Way Forward
ORGANIZATIONAL SET-UP	Organizational **set-up live** in all regions and across all Consumer Brands functions **~1,000 positions** reduced by year-end	**Further optimization** of organizational set-up and teams Overall **~2,000 affected positions** confirmed
NET SAVINGS	First net savings of **~€60m** already realized	On track to reach **~€250m** net savings in full swing in 2024
ONE TIME COSTS / RESTRUCTURING	**~€290m**	Total of **~€350m** confirmed
FOCUS AREAS OF REINVESTMENTS	Along global categories / media investments for brand building / focus on brands and categories with attractive margin profiles	



20 HENKEL FY 2022

Taking a closer look at what we have achieved so far in regards to Phase 1:

I can confirm, that the organizational set-up of Consumer Brands is already live in all regions and across all functions.

We had announced that around 2,000 positions – mostly white collar – will be affected. And we realized already half of that number by year-end and additionally, more than 200 positions by end of February of this year.

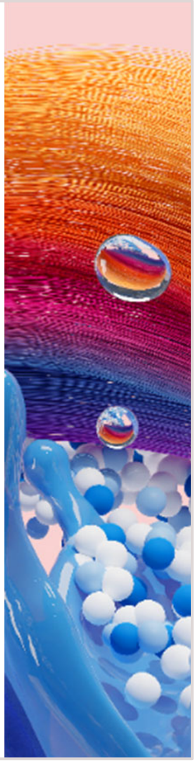
With the progress we made so far, we were able to realize first net savings of around 60 million euros in 2022 and we are well on track to achieve the targeted 250 million euros of annual net savings, which we expect to see in full swing in 2024.

As you may recall, we aim to generate around 500 million of overall gross savings through the merger – for both phase 1 and 2. Besides enhancing our margin profile we will continuously reinvest in our business to strengthen our competitiveness. Main focus areas for reinvestments will certainly be along our global categories Hair and Laundry & Home Care, supported by focused media investments to support our strong brands and in particular those with attractive margin profiles.

Of course, a transformation of this magnitude also comes with corresponding one-time costs and restructuring expenses. In 2022, these amounted to around 290 million euros and we can confirm the announced 350 million euros which we expect in total for phase 1.

SHAPING OUR CONSUMER **PORTFOLIO:** PHASE 1

	Progress 2022	Way Forward
PORTFOLIO OPTIMIZATION MEASURES	Successfully **executed ~€0.4 bn** out of up to €1bn sales under review – thereof **~€0.2bn portfolio optimization measures and the remainder divestments** **Fundamental portfolio transformation** with **exit from categories Oral, Skin and selective Body Care markets**	**Up to ~€0.6 bn** remain under review Further **reduction of portfolio complexity** incl. longtail simplification **Strengthen "hero" SKUs** and support innovation pipeline
ACQUISITIONS	Acquisition of Shiseido's Professional business in APAC to strengthen regional footprint in attractive market	Short-term focus on integration, while M&A remains integral part of strategy



Fundamentally transforming our consumer portfolio is an integral part in the process of merging the two consumer businesses.

We had announced that we would review up to 1 billion in sales. And we already successfully executed 40 percent of what we had announced beginning of last year – approximately 0.2 billion euros derive from portfolio optimization measures and further around 0.2 billion euros are divestments.

The result is a fundamental transformation of our previous portfolio by consequently focusing on our global categories Hair and Laundry & Home Care.

We divested our Oral and Skin Care businesses and exited selective markets in Body Care – this by the way is a consistent continuation of what we had already been executing on before when divesting our fragrance and parts of our deodorant business in 2021.

With that, we still have around 0.6 billion euros which remain under review. As part of our portfolio optimization efforts, we will continue to reduce complexity. At the same time, we are further strengthening our "hero" SKUs and boosting our innovation pipeline.

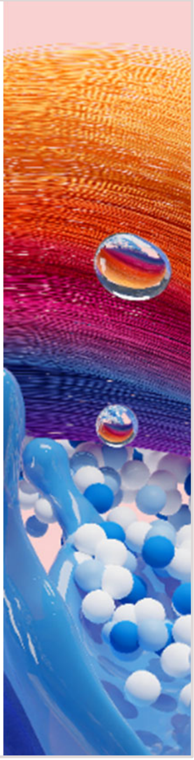
When it comes to M&A, following the "Better before bigger" approach, our short-term focus primarily lies on the successful integration of our consumer businesses.

Nonetheless, M&A remains an integral part of our overall strategy – and if attractive opportunities arouse, we will certainly evaluate them. A good example is the acquisition of Shiseido's Hair Professional business in Asia-Pacific, by which we further strengthened our footprint in an attractive market.

So, wrapping up phase 1: We have made great progress and are fully on track to reach our defined targets.

REALIZING SIGNIFICANT **SYNERGIES** AND **SAVINGS** PHASE 2

TIMING	Implementation starting in 2023
SCOPE	Focus on supply chain excellence ▪ Improve efficiency of own production set up ▪ Optimize contract manufacturers network ▪ Drive commercial integration with optimized logistics capabilities ▪ Leverage procurement opportunities
NET SAVINGS	€~150m, in full swing in 2026
ONE TIME COSTS / RESTRUCTURING	~€250m[1]



[1] Corresponding part of restructuring expenses included in guidance for 2023.

Let me now turn to Phase 2 which we just initiated. The Consumer Brands merger enables us to further optimize our supply chain.

This includes the following areas:

We will improve the efficiency of our own production set up and optimize our network of contract manufacturers.

And we will drive the commercial integration by implementing our 1-1-1 approach – meaning one order, one shipment and one invoice – thus truly living up to the principle of “one face to the customer”.

Last but not least, we also want to leverage opportunities in our procurement organization.

Through these measures, we aim to generate additional annual net savings of around 150 million euros, which are expected be realized in 2026 in full swing.

In terms of one-time costs, we anticipate around 250 million euros.

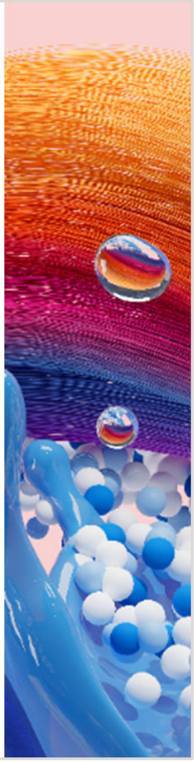
The required CapEx share for 2023 is already included in our CapEx outlook. You can assume that going forward, CapEx will again be within historic levels.

Overall, a comprehensive set of measures complementing what we are already executing, in order to both enhance our profitability and foster growth dynamics.

ACCELERATING PROFITABLE **GROWTH**

- Total **Consumer Brands** with **strong organic growth of 3.9% in 2022** despite difficult market environment and continued portfolio streamlining
- Our global categories **Hair and Laundry & Home Care gaining market shares**

- **Measures implemented in phases 1 + 2 as catalyst for accelerated profitable growth**
- **Continued focus on strengthening foundation** for sustainable profitable growth platform in Consumer Brands
  - Drive brand equities and equity-based pricing
  - Focused marketing spend optimization
  - Step up innovation power through superior technologies
  - Strengthen portfolio in attractive category / country combinations in global categories Hair and Laundry & Home Care
- **M&A remains integral part of our strategy** – continuously **reviewing opportunities in global core and adjacent categories** with customer and consumer overlap, similarity in supply chain, profitability and growth perspective



Looking at growth. In 2022, Consumer Brands – based on a pro-forma calculation – delivered organic sales growth of 3.9% – a good achievement given the challenging business environment and the impacts from our portfolio pruning measures.

In particular, Styling and Professional as well as Laundry Care showed over-proportional organic growth.

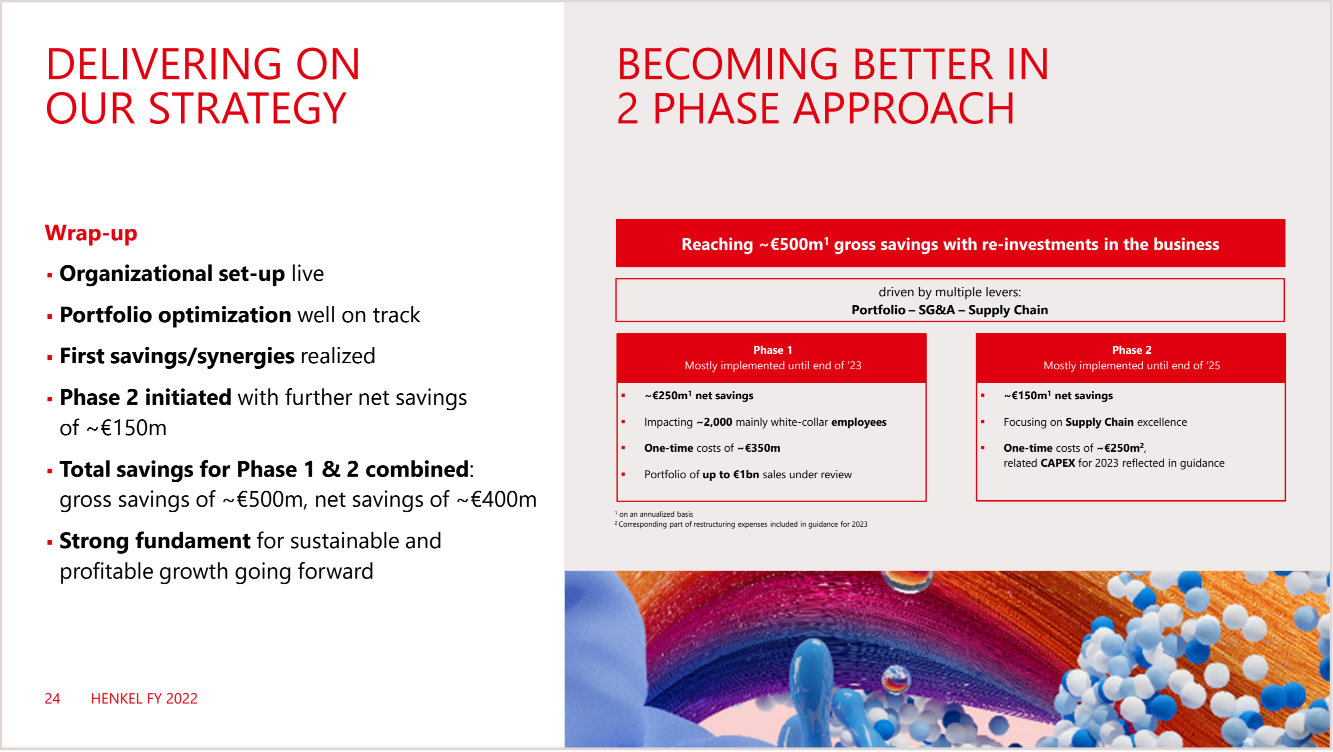
We not only managed to keep our market shares stable across our active markets, but even succeeded in gaining 20bps in our global categories Hair and Laundry & Home Care.

This is a solid starting point. But we want to become even better – in particular, as we are convinced that our business has not yet unlocked its full potential.

The measures that we are executing on in Phase 1 and 2 will serve as a catalyst to accelerate profitable growth going forward and we will continue to focus on strengthening the foundation of our growth platform. To be more precise, we see four levers here:

- We are driving brand equities and fostering equity-based pricing.
- We are continuously optimizing our marketing spend through a stronger focus on those brands/categories and in those countries where most promising returns can be expected.
- We are stepping up our innovation power by leveraging superior technologies.
  I already mentioned Persil with Dispersin. Other examples are got2b which offers a range of pioneering, vegan and sustainable styling products – or BLONDME which comes with a new DUAL BOND technology including new anti-metal agents.
- And we are strengthening our brand and business portfolio in attractive country/category positions along our global categories Hair and Laundry & Home Care.

Beyond organic growth, the Consumer Brands platform will also enable new opportunities for M&A. Here, we will continue to review potential targets, both in core and adjacent categories – underpinned by clear criteria. But as already mentioned, our short-term focus will be on the integration of our consumer businesses.



Wrapping it up: We are delivering on our strategy.

The organizational set-up of our new Consumer Brands business unit is live.

The portfolio optimization is well on track and we already realized first savings.

Today, we also laid out more details on the second phase which we just kicked off. Here, we want to generate additional 150 million euros in net savings in full swing by 2026, adding up to around 400 million euros of total net savings for both phase 1 and 2 – which result from a total of around 500 million gross savings. Hence, a significant part will be also reinvested to strengthen our business going forward.

By doing so, we are laying a strong fundament for sustainable and profitable growth of our consumer business going forward.

With that, I would like to close this part of the presentation and hand over to Marco, who will provide more insights on the financials in fiscal 2022.

Marco Swoboda, CFO:

Thank you, Carsten. Good morning to everyone on the call also from my side.

Let me talk you through our financial performance in 2022 in more detail and provide a closer look at our outlook including the underlying assumptions for this year.

ORGANIC SALES GROWTH DRIVEN BY STRONG PRICING

FY 2022

12.6% -3.8%	8.8%	-1.1%	3.9%	11.6%
Price Volume	OSG	M&A[1]	FX[2]	Nominal

- Significant organic growth driven by strong pricing across business units
- Nominal sales reaching all-time high of €22.4 billion

26 HENKEL FY 2022

[1] Including the organic sales development in Russia since the beginning of the second quarter against the background of the announced exit of our business activities there. [2] Including the effects of the application of IAS 29 (Financial Reporting in Hyperinflationary Economies) for Türkiye.

Henkel

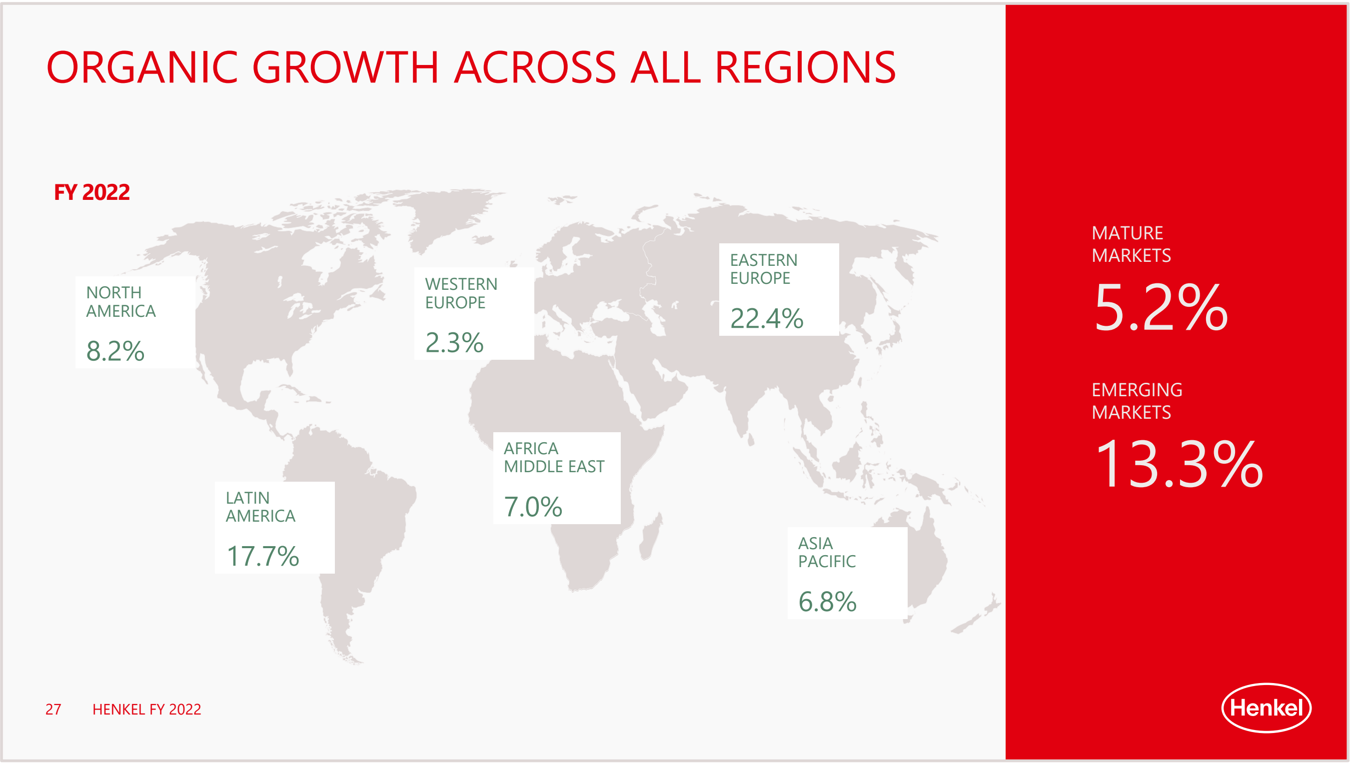
We achieved significant organic sales growth of 8.8% – a strong achievement driven by pricing, which we accelerated throughout the year. Which was clearly needed to compensate for the raw material and logistic cost increases.

In contrast, volumes declined. However, with the start into 2023, we expect a better volume development compared to what we saw in Q4, particularly in our consumer businesses.

I will get to the individual dynamics when discussing the business units in detail.

Acquisitions/divestments had a negative effect on sales.
Currencies on the other hand were a tailwind, contributing around 4%.

In nominal terms, sales increased by 11.6%. With that, we reached an all-time high in nominal sales of around 22.4 billion euros.



Growth was driven by all regions – and again, in particular with a strong double-digit contribution from the emerging markets which account for around 40% of total sales.

Within the emerging markets, Latin America and Eastern Europe showed the strongest growth rates.

The mature markets achieved significant growth of 5.2%. North America grew by more than 8%, while Western Europe showed a more muted growth.

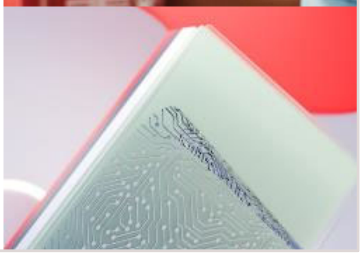
Moving on to the performance of our business units.

ADHESIVE TECHNOLOGIES

FY 2022

ORGANIC SALES GROWTH		ADJUSTED EBIT MARGIN	
13.2%	Price: 13.8% Volume: -0.6%	13.6%	Change y-o-y: -260 bps

- Double-digit organic sales growth driven by strong acceleration of pricing
- All business areas and regions contributing to continued organic sales growth:
  - Double-digit growth in **Automotive & Metals** and **Packaging & Consumer Goods**
  - **Electronics & Industrials** with very strong growth
  - **Craftsmen, Construction & Professional** with significant growth
- Adj. EBIT margin affected by substantial raw material price headwinds



Starting with Adhesive Technologies, which delivered organic sales growth of 13.2%.

This was driven by a double-digit increase in price, as we were able to continuously increase our price level throughout the year to mitigate the substantial input cost pressures. By doing so, we achieved double-digit pricing in every single quarter.

Volumes were overall slightly below the prior year level. This was mainly due to a slowdown of most markets in the fourth quarter, particular also impacted by the COVID resurgence in China with a corresponding effect on our Electronics business.

The organic sales growth was driven by all regions and all business areas.

The double-digit growth in Automotive & Metals was supported by the demand recovery in the Automotive business. While the effect from the ongoing global shortage of semiconductors eased throughout the year, production levels in the automotive industry still remained below the pre-crisis level of 2019.

Also in Packaging & Consumer Goods, we achieved a double-digit increase, thus continuing our growth path.

The Electronics & Industrials business generated very strong sales growth.

Craftsmen, Construction & Professional posted overall significant organic sales growth. Here, we achieved good growth in Construction, however, witnessed a slowing dynamic over the course of the year.

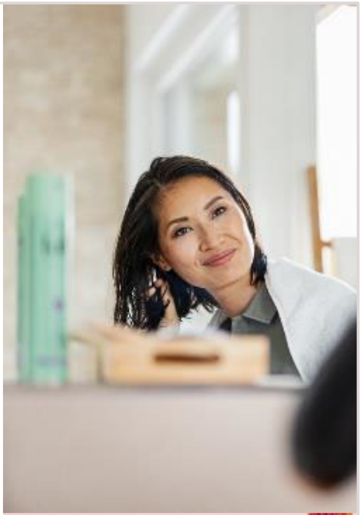
The bottom line reflects the negative effects from the substantial rise in input cost. The adjusted EBIT margin came in at 13.6%, down by 260 basis points versus the prior year. So on margin level, the strong increase in pricing and ongoing savings measures could not fully offset the headwinds we faced. While we were able to compensate the input costs in absolute terms, you need to take into account a significant dilutive mathematical effect on the percentage margin.

BEAUTY CARE

FY 2022

ORGANIC SALES GROWTH		ADJUSTED EBIT MARGIN	
-0.5%	Price: 8.9% Volume: -9.4%	7.8%	Change y-o-y: -170 bps

- Slightly negative organic sales development – strong pricing, volume below prior year
  - **Consumer** below previous year mainly due to portfolio measures and with mixed developments across categories and regions
  - **Professional** continues track record with very strong organic growth driven by emerging markets
- Adj. EBIT margin impacted by substantial input cost increases



On to Beauty Care.

The business unit posted an organic sales development of -0.5% – with strong pricing of around 9%, while volumes were below prior year. More than half of the decline in volume is due to the announced portfolio optimization measures in our Consumer business. As you may recall, we had announced back in January 2022 to discontinue business activities of around 200 million euros throughout the year.

From a category point of view, we saw a differentiated developments in Hair Consumer, which was nearly flat overall. Styling grew double-digit, and with that continued its recovery from the previous pandemic-related lower demand levels. By contrast, we saw the reverse effect in Hair Colorants, resulting in a negative development. Hair Care was also below prior year.

Sales in Body Care were organically significantly lower compared to 2022 [sic! 2021] levels – this is mainly due to the portfolio optimization measures.

In the Professional business, we continued the positive growth trajectory. Here, we achieved very strong growth, backed by a double-digit increase in the emerging markets.

The adjusted EBIT margin decreased by 170 basispoints to 7.8% – here again, mainly the result of the substantially higher input costs.

LAUNDRY & HOME CARE

FY 2022

ORGANIC SALES GROWTH		ADJUSTED EBIT MARGIN	
6.3%	Price: 12.9% Volume: -6.6%	8.6%	Change y-o-y: -510 bps

- Very strong organic growth driven by double-digit pricing while volumes declined
  - **Laundry Care** with significant growth driven by double-digit growth of our brands Persil and Perwoll
  - **Home Care** with positive growth despite normalization of elevated demand levels for hygiene-related categories
- North America with organic growth and stabilization of market shares
- Adj. EBIT margin below prior year due to drastic input cost increases

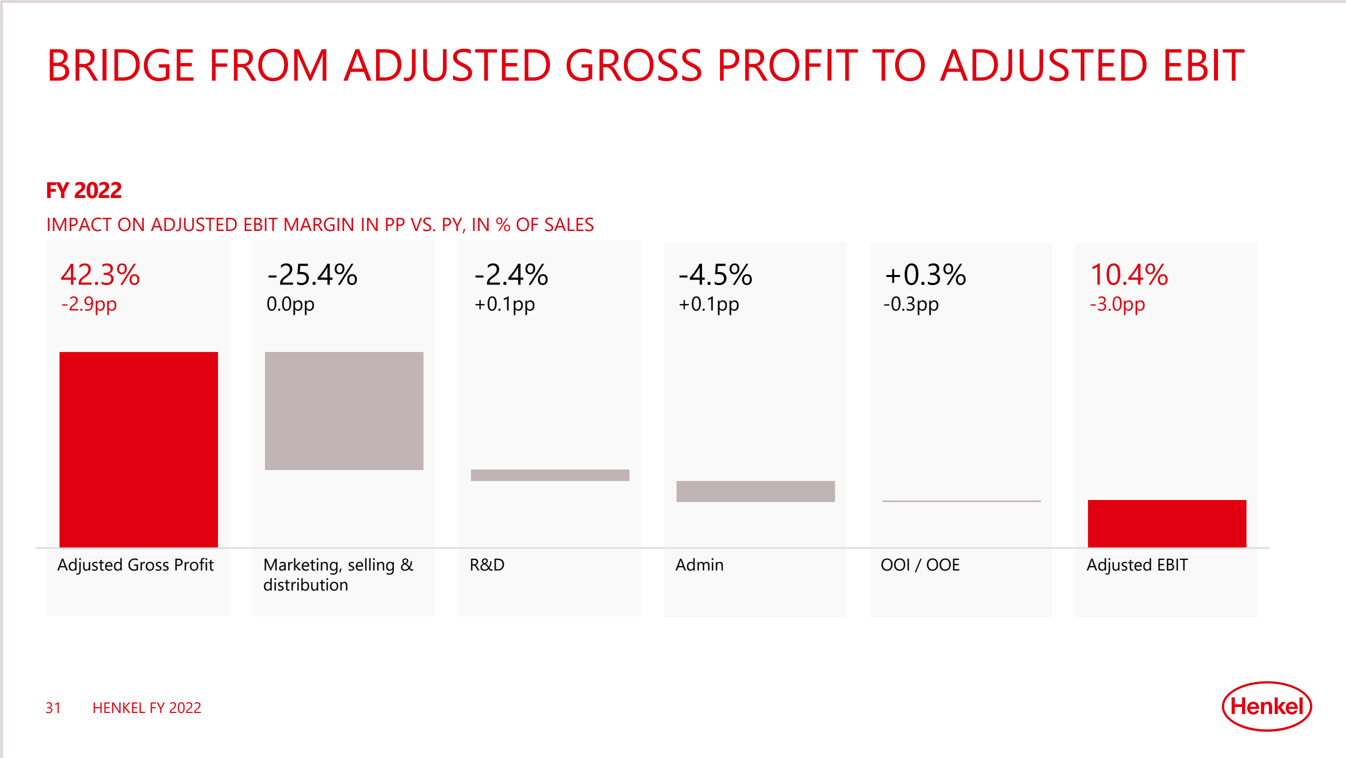
Laundry & Home Care achieved very strong growth of 6.3%. We recorded a clear double-digit increase in pricing, while volumes showed a decline, partially also due to effects from trade negotiations, portfolio optimization measures – which amount for roughly 1 percentage point – and destocking at retailers, in particular at the year end.

Significant growth in the Laundry Care business area was driven by double-digit increases in Heavy-Duty Detergents and Specialty Detergents categories, backed by our strong brands Persil and Perwoll.

Performance in Home Care did still reflect some demand normalization effects from pandemic-related higher levels in the previous year. Consequently, the Hard Surface Cleaners category was down year on year. Dishwashing grew very strongly, Toilet Cleaners recorded positive growth. Overall, Home Care posted a positive development.

From a regional perspective, all regions – with the exception of Western Europe – contributed to growth. Notably, Laundry & Home Care in North America achieved organic sales growth in every single quarter and a stabilization of market shares.

The bottom-line was significantly impacted by the drastic input cost pressures we faced in 2022. Consequently, the adjusted EBIT margin was down by around 500 basispoints to a level of 8.6%. Strong pricing and the continued implementation of efficiency and saving measures could not fully offset the extraordinary adverse effects. And we also increased investments in marketing and advertising compared to the prior year.



With that, leaving the business unit perspective behind and back to the Group level.

Starting with the components of the adjusted income statement.

The adjusted gross profit margin was at 42.3%, reflecting the drastic rise in direct material prices and thus down by almost 300 basispoints versus the prior year.

Considering more than 2 bn EUR of headwinds in fiscal 22 - we nevertheless managed to limit the absolute EBIT decline to roughly 350 MEUR, also supported by first benefits from the merger.

Be assured that we are already in the process of reviewing additional measures to not only compensate for the negative external headwinds but also in order to get back to restore EBIT margin levels.

Marketing, selling and distribution expenses increased in absolute terms – but due to the higher nominal sales level, their impact as a percentage of sales remained stable at 25.4%.

R&D and admin expenses were also higher on absolute levels, while their relative impact decreased slightly to 2.4 and 4.5% respectively.

Other operating income and expenses were below the prior year, and with that, their impact as a percentage of sales decreased to 0.3%.

As a result, the adjusted EBIT margin declined to a level of 10.4%.

BRIDGE FROM REPORTED TO ADJUSTED EBIT

FY 2022
in € m

1,810	-32	+137	+405	2,319
REPORTED EBIT	ONE-TIME INCOME	ONE-TIME EXPENSES	RESTRUCTURING	ADJUSTED EBIT

- Restructuring/one-time expenses mainly related to merger of consumer businesses into Consumer Brands

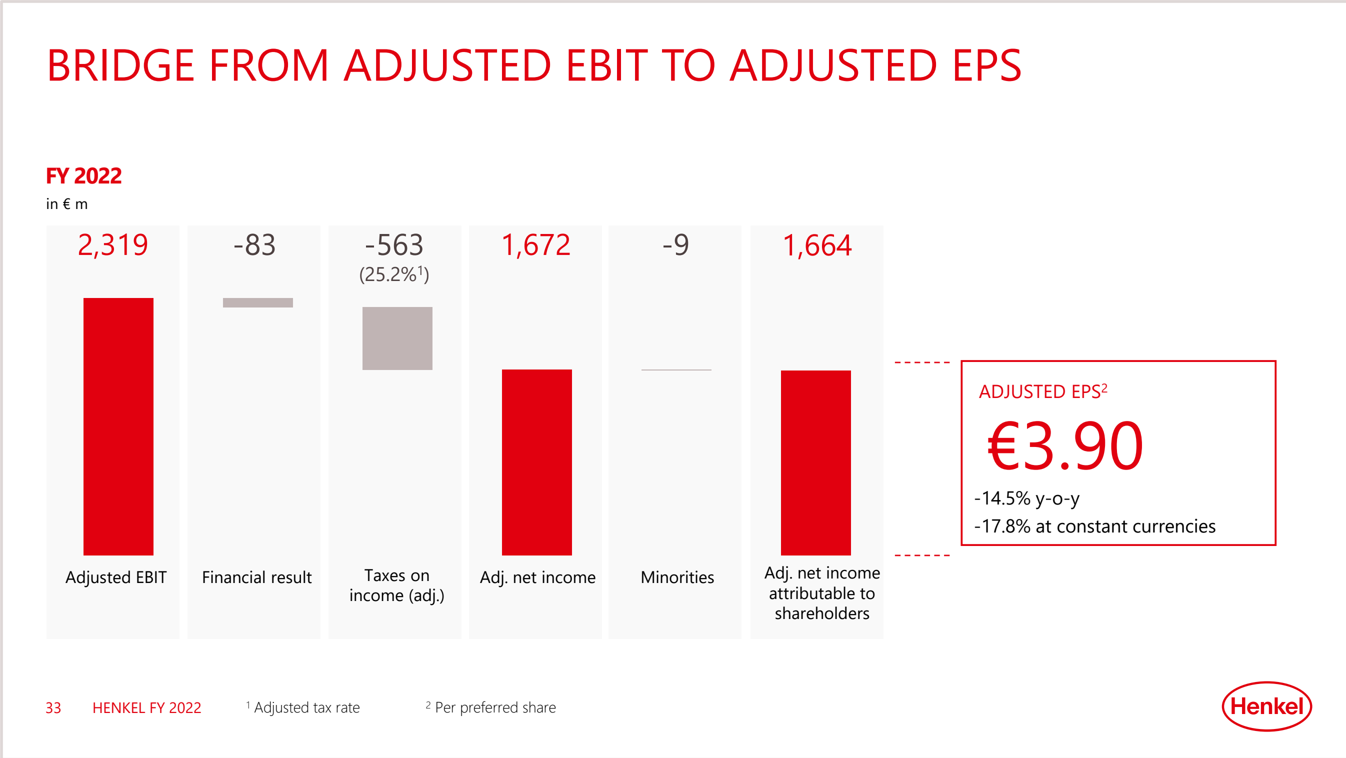
On to the bridge from reported to adjusted EBIT.

The reported EBIT came in at around 1.8 billion euros, below the prior year level.

One-time income of around 30 million euros mainly related to the divestment of our soldering agent business in Adhesive Technologies.

One-time expenses and restructuring charges overall amounted to around 540 million euros. The majority of these are related to the merger of our Laundry & Home Care and Beauty Care businesses.

As a result, adjusted EBIT came in at around 2.3 billion euros.



Taking that now further to the adjusted EPS.

The adjusted financial result amounted to minus 83 million euros. The decrease versus prior year is mainly due to higher interest rates, particularly related to the US dollar.

The adjusted tax rate was at 25.2%.

Finally, adjusted net income after minorities amounted to around 1,660 million euros.

This translates into adjusted earnings per preferred share of 3.90 euros – a decline of minus 14.5% year-over-year. At constant exchange rates, this corresponds to a development of minus 17.8%, which is at the upper end of our guided range.

WORKING CAPITAL, CASH FLOW AND FINANCIAL POSITION

FY 2022

NET WORKING CAPITAL	FREE CASH FLOW	NET FINANCIAL POSITION
4.5%	€653 m	€-1,267 m
Change y-o-y +230 bps	Change y-o-y -€825 m	Change y-o-y -€975 m

- Increased net working capital mainly due to substantial input price increases and selective safety stocks
- Free cash flow impacted by weaker operating cash flow resulting from higher working capital requirements and lower EBIT
- Net financial position reflecting payout of ~€1.6 bn for dividends and share buyback program

Henkel

With that, moving on to our key cash KPIs for the Group.

Net working capital as a percentage of sales increased by 230 basis points to a level of 4.5%. This increase is mainly due to the drastically higher input costs as well as selective safety stocks across our businesses and at year-end, partially affected by a demand slowdown in certain areas also resulting from the COVID resurgence in China.

We recorded a free cash flow of around 650 million euros – and here, the decline versus the prior year is mainly due to two factors: on the one hand, the higher working capital requirements I just mentioned – and on the other hand, a lower EBIT which also partially results from one-time expenses associated with the merger.

Our net debt amounted to around minus 1.3 billion euros at year-end. This reflects the investment of around 810 million euros in our share buyback program, which we had launched in February 2022, while the payout of dividends was at a comparable level last year.

STRINGENT EXECUTION OF CAPITAL ALLOCATION STRATEGY

FY 2022

- Investing in growth, maintenance/rationalization and sustainability/digital
- Total CapEx equivalent to 2.6% of Group sales in 2022

INVESTMENTS 2022

€600 m

NO. OF ACQUISITIONS 2022

3

- Two technology acquisitions in Adhesive Technologies
- Acquisition of Shiseido's Hair Professional business in APAC

- Stable dividend proposed
- Strong financial position allowing for payout ratio above target range

DIVIDEND[1] FOR 2022

€1.85

SHARE BUYBACK 2022

€812 m

- Buyback started in Feb 2022
- Up to €1 bn to be purchased until end of Q1 2023

[1] Proposal (per preferred share) to shareholders for AGM on April 24, 2023

Henkel

And that brings me to our capital allocation strategy.

As you know, we are following a stringent approach which focuses on both – strengthening our businesses, and letting our shareholders participate.

In 2022, our CapEx spend amounted to around 600 million euros, corresponding to 2.6% of Group sales.

We have also strengthened our business through very promising acquisitions. Carsten already highlighted the acquisition of Shiseido's Hair Professional businesses in Asia-Pacific, through which we strengthened our footprint in this highly attractive region and advanced to the global co- number 2 in the Hair Professional market. And with the two technology acquisitions of NBD Nano and Thermexit, we expanded our expertise in Adhesive Technologies. Also going forward, M&A remains integral part of our strategy.

When it comes to dividends, we sustain our track record and will propose a stable dividend of 1.85 euros per preferred share at our Annual General Meeting. The stable dividend, which implies a payout ratio of 46.6% and thus above our target range, is possible thanks to our strong financial position. Despite the extraordinary burden from input costs, we are able to ensure dividend continuity for our shareholders.

Last but not least, we expanded our capital allocation toolbox last year by launching Henkel's first-ever share buyback to enhance shareholder returns and create additional value for our investors. We announced that we would buy back shares in the amount of up to 1 billion euros until end of Q1 2023. And we are well on track. To date, we stand at an investment level of more than 900 million euros.

OUTLOOK 2023
KEY ASSUMPTIONS AND FACTORS

Business environment

- **Inflation** remains elevated – wage increases and continued high energy prices expected
- **Macroeconomic headwinds** resulting in anticipated slowdown of industrial production and consumer spending
- Average **direct materials** price expected to increase by a low to mid single-digit percent rate, with tight supply chains
- Slightly negative **FX** impact on sales

Portfolio

- **Russia exit** assumed to be finalized by end of Q1/2023 – disposal reflected in top and bottom line guidance
- **Portfolio optimization measures in Consumer Brands** reflected in OSG guidance

With that, moving on to our outlook for 2023, which we provided this morning.

Starting with the underlying assumptions and factors.

Overall, we expect to see a further dampening of global economic growth and elevated inflation levels. Specifically, our environment will likely be characterized by increasing wages and continuously high prices for energy and raw materials.

That is why we anticipate a more muted industrial demand and reduced growth dynamics in relevant consumer categories.

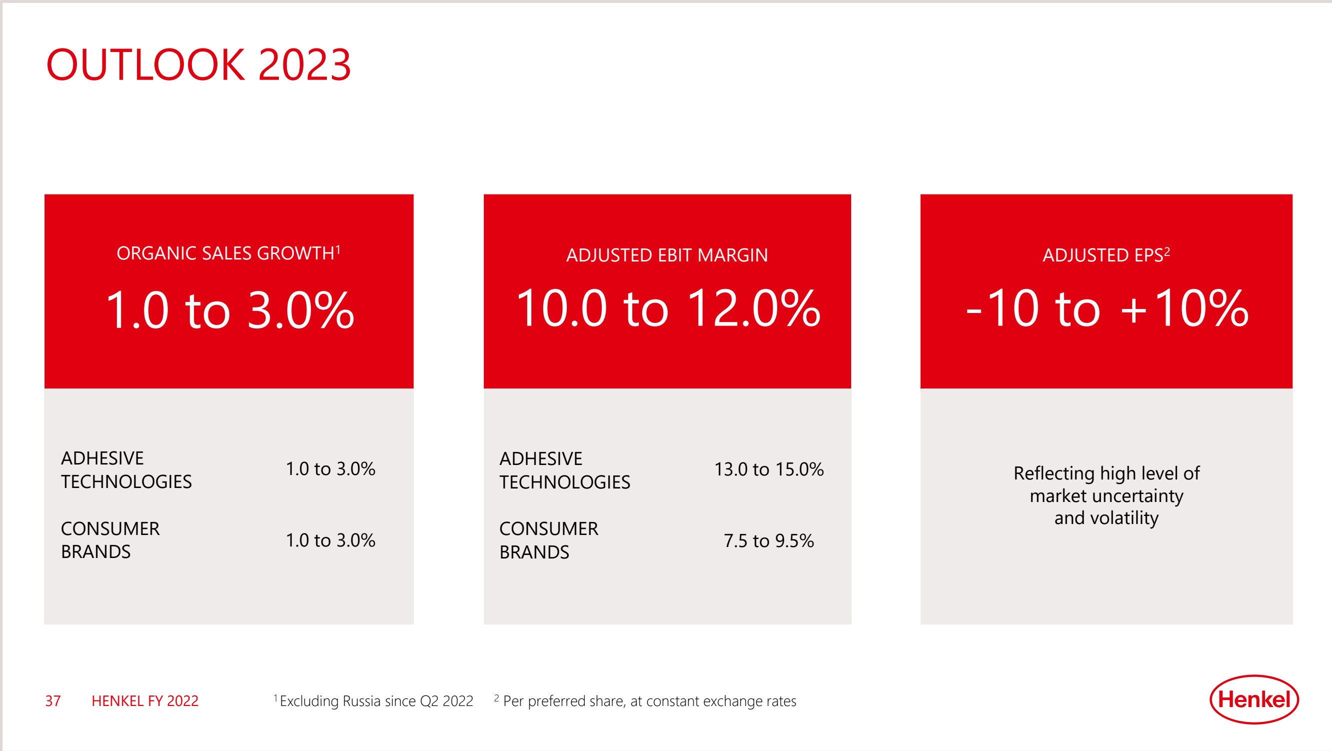
When it comes to direct material prices, we expect a further rise in the low to mid single-digit percentage range compared to last year on average. While commodity prices have peaked off, they are still on higher levels – and we expect that higher energy costs and wage inflation will have a relevant price effect on the materials that we purchase from our suppliers. At the same time, supply chains will remain tight.

We expect to see a continued high volatility on the currency markets. Overall, we anticipate a slightly negative impact from currencies on sales.

Besides the expected developments in our business environment, we factored in relevant changes in our portfolio.

As mentioned earlier, we assume to finalize the exit from our business activities in Russia by end of the first quarter. This is also reflected in our guidance of a mid single-digit percentage negative M&A impact on nominal sales.

Our OSG guidance also reflects the portfolio measures in Consumer Brands.



With the merger of Laundry & Home Care and Beauty Care, going forward, we will report our outlook for our two business units Adhesive Technologies and Consumer Brands.

For 2023, we expect organic sales growth of 1 to 3 percent, with both Adhesive Technologies and Consumer Brands coming in within that range.

For adjusted EBIT margin, we forecast 10 to 12% on Group level. Here, we expect a range of 13 to 15% for Adhesive Technologies. For Consumer Brands, we expect an adjusted EBIT margin of between 7.5 and 9.5%.

For adjusted EPS, we expect a development of -10 to +10% at constant currencies.

So, it goes without saying – 2023 is expected to remain a challenging year, with still some headwinds expected in our market environment. But we are confident to generate further growth, while maintaining our strong focus on earnings development.

With that, back to you, Carsten.

Carsten Knobel, CEO:

Thank you, Marco.

KEY TAKE-AWAYS

- **Henkel's performance in FY 2022** with significant organic growth driven by strong pricing across business units – earnings reflecting drastic input cost pressures
- **Outlook for FY 2023:** poised for further growth
- **Consumer Brands** business unit live – implementation well on track: first savings realized, next milestones defined
- **Good progress** along all strategic pillars

39 HENKEL FY 2022

Let me summarize today's key take-aways:

Despite a challenging market environment with drastic input cost increases, we made good progress and delivered an overall robust business performance. We achieved significant organic sales growth, backed by accelerated pricing across all businesses.

And while it is clear that also 2023 will be a challenging year, we are set to generate further growth.

And of course, in light of the pronounced and unprecedented external headwinds due to raws/logistics, we are already in the process of reviewing additional measures [operations/portfolio] in order to restore margins.

We followed through with our strategy and are on track with the integration of our consumer businesses. The new Consumer Brands unit is live, we made already drastic portfolio changes and realized first savings. And we outlined the next steps and milestones for the second phase. With that, we continue to drive the integration with full force.

Guided by a clear strategic framework and set up with two strong pillars – Adhesive Technologies and Consumer Brands – we are consistently working on strengthening our businesses to generate sustainable profitable growth.

With that, let us move on to the Q&A.

Marco and I are looking forward to taking your questions.

Question: Good morning, Carsten and Marco, I have two questions. The first one is on your trading conditions. There has been a clear deterioration in your volume growth in Q4 pretty much across the board, across your three divisions. So I was wondering here whether you've seen major changes in your trading environment so far this year. So as in any areas you would flag where relative to Q4, things may have improved or even gotten worse. I think, Marco, in your presentation, you mentioned an improvement in Consumer Brands volume-wise so far this year. So any color on this would be helpful.

And then my second question is on pricing. I appreciate it's still very early days, but how much pricing do you think you will be able to retain going into the second half of the year when inflation at least on your direct material costs should be much lower? So do you anticipate you may have to share any hypothetical benefit with your customers in Adhesives or with consumers in your Consumer Brand business? Thank you.

Carsten Knobel, CEO: Good morning. I think I'll take the first question regarding the trading conditions and Marco will take the topic of the inflation. So starting -- and if you allow me, I will put it in a little bit of a broader context first.

So if we look into the total year of 2022, and looking in our consumer businesses, I think, first of all, we witnessed, and I think you have seen that strong price increases, while definitely volumes declined. On the other side, I think there is a third component which needs to be taken into account, which is the situation of how our market shares are developing - because pricing, volume and market shares, I think they play to each other.

And we recorded, as I mentioned, overall stable market shares in our consumer businesses. With our global categories, Hair and Laundry & Home Care, which is the focus going forward, even slightly gaining market shares. So the overall picture I would say, is good.

If you then look into the situation of the total year and look at the volumes and maybe we're starting with -- still in that part, 2022, it's Beauty Care and Laundry Care splitted. We see that the volumes are in total down in Beauty Care by minus 9% and if you see that the portfolio measures which we had announced and which we executed in 2022, amount for around 5%. So you have a pure volume decline in that part of around 4%. And these 4% are in line what we see in the markets in which we are operating from a volume decline, so also around 4%.

If you move to the Laundry & Home Care business on a full year basis, we see that volumes are down 6.5% overall. We have portfolio measures of slightly more than 1%, which brings that down to 5%. And we have, especially in Laundry & Home Care, had in the retailers part – or impact of negotiations with the retail parts around 1%. So if you also deduct that, then you have also pure volume declines of around 4%. And also that number is in line with what we see in Laundry & Home Care markets in which we are active over the year 2022.

It is correct that in Q4, we have seen accelerating volume declines in both businesses. And I think despite the fact that here, I could also make a bridge in detail, I think important is that you need to put in perspective, we took conscious choices to compensate for raw materials and headwinds to restore the margins at a certain point. And at the other side, I think it's important when the timings of our own price increases have been happening. So a big wave was at the end of Q3. So therefore, there was quite a lot of buying in Q3 and therefore, less volumes in Q4 to observe. And also it's important what competitors are doing in that sense.

And as you have talked about that, while Marco was alluding to that, we had a real good start in the consumer businesses into the year in Jan and Feb. You know that we normally don't talk about current trading, but in these topics, especially when it comes to volumes in the consumer businesses, I think we have seen a significant change in terms of that. For sure, also impacted by the destocking in Q4, particularly in North America. I know that was a little bit broader now the answer, but I wanted to give the perspective for the full year and your specific question on Q4. I hope this helps.

And with that, handing over to Marco for the other question.

Marco Swoboda, CFO: Hello also from my side. So I understand your question was particularly on pricing development in Adhesives and how we see that in the year on the back of the fact that the raw materials have peaked basically end of last year in Q4. I mean what we have to see is that from a raw material cost perspective, what we project is that 2023 on average is still above the 2022 average. So while we have seen raws coming down a bit from the peak, still the average cost clearly above 2022.

So therefore, we do not plan here that we will give back on pricing here significantly on the Adhesive Technologies side. On the other hand, what is clear, we still have to work on restoring the margin. I mean we have also lost margin points in Adhesives. And for sure, the goal is to also restore that. And there is quite a way to go for the raw material to go down. If we would come to a point then that we also would need to consider giving up on the price to our customers so far that is not the case with the raw material costs that we see.

And also while we achieved a very good pass-through overall in absolute terms for Adhesive Technologies, they are also here still some areas within that business where we have to work on passing on, where that hasn't been yet achieved to the full extent. So from that point of view, with the current assumptions on raw material pricing, I don't see that we materially will give back on the sales prices.

Question: Good morning, two questions. One is, I was looking at the Eastern European margins, which are in your annual report, and it sort of showing on a full year basis and nearly doubling of the EBIT margin. And if I calculate correctly, the second half margin in Eastern Europe seems to have gone to about 20%, nearly twice what you made previous H2. So I presume that the impact of Russia and sort of how the profitability is developing there. Could you just quantify how much Russia sort of contributed in EBIT and sales in the second half? So that helps us to think about next year when we potentially remove that.

My second question is around capital allocation. I just wonder if you are starting to consider reviewing the capital allocation framework. Clearly, your earnings are going down. The volume declines are accelerating quite a bit, particularly in quarter four. So to what extent do you want to keep doing share buybacks and acquiring new businesses when the core business is showing such negative momentum? At which point would you consider reviewing buybacks and M&A as part of the sort of capital allocation?

Carsten Knobel, CEO: Good morning. I'll take the first question regarding the margins, and Marco will comment on the capital allocation, especially on the share buyback topic. So maybe to put the thing overall in perspective: So Eastern Europe, yes, the reported EBIT margin has been significantly improving, mainly also driven by the performance in Russia due to the favorable impact from stopped, also, marketing spend and to put now the situation in more Russia on this part:

So first of all, I think - you know that from April of last year, we have not been recognizing the Russia business in the organic net sales development. If you look for the total year 2022, now in nominal terms, we have recorded a low single-digit negative sales development in local currencies for the full year. And if we look for the margin situation – the margin situation, we had been alluding to, I think, during the year that Russia is more or less in line in the margin in normal years or in the history in terms of margin support. In this year, or better to say in 2022, there was an over-proportional contribution of that, based on two reasons: the one I mentioned, which is the marketing spend or the stop of the marketing spend and the other one is related to the currency development in terms of better-than-expected currency, which had a positive impact on gross margins and by that also on the impact in terms of the profitability.

So Russia contributed positively and slightly above the group levels. And that means when you see the 10.4%, which we reported on the group margin, overall without Russia, you can see that the margin was without that slightly below 10%.

Also, I think that needs to be taken now into account when you compare that to the 10% to 12% guidance for the year 2023. And here, it is like we have recorded or input [sic! included] the Russia part for the first quarter only. And for the rest of the year, not. And overall, the impact of the EPS for Russia was – I think we talked already about that 8% to 10%. And based on what I said before, it's slightly above that impact, how the impact was in 2022. Also, again, quite comprehensive the answer but I think it was important to put all the things in perspective. Be it the impact of profitability, be it on sales and also what we have been taking into consideration for the year 2023.

So, Marco?

Marco Swoboda, CFO: Good morning. So on your questions, yes, share buyback, obviously, we launched the first share buyback program beginning of last year, so decided on that as part also of our new strategy. And we also said that, of course, share buybacks are part of our toolbox also going forward. And practically, of course, we will review from time to time the situation and assess our financial situation where we stand on the business, what investment opportunities we see in the different areas and taking decision whether we want to launch a program or not. For now, we focus on the execution of the announced program and then we will, of course, further also review that going forward.

On the acquisition side, we clearly said acquisitions are an integral part of our strategy. And I think we were also a bit differentiated and Carsten said that, I think, earlier: for the Consumer Brands business, I think short term, the focus is on executing the merger, getting the opportunities brought to the bottom line and the top line, and focusing also on restoring margins here. So that would not be the first focus of acquisitions. That is different in Henkel Adhesive Technologies. We clearly said we want to grow the business, and that also includes external growth. And here, acquisitions would be, of course, in focus to develop that business further.

Question: Good morning. A couple of questions for me. Could you start off by talking a little bit more about some of the Adhesive markets? Obviously, you gave quite a comprehensive account of what's going on in Consumer, maybe a bit more on kind of where you see the Adhesive end markets and also what the impact of the China weakness at the end of the year was on the Q4 volumes?

And then secondly, can you spell out in a bit more detail what you think the impact of the portfolio measures would be on the organic growth within the Consumer Brands business in '23?

Carsten Knobel, CEO: Good morning, starting with your Adhesives question. So you know that we have our four divisions or four segments. So Automotive & Metals, double-digit OSG in the full year, also in Q4. Here supported by the demand recovery in the Automotive business, although effects from global semicon shortages eased as the year progressed and the production levels in the automotive industry remained below the pre-crisis level of 2019. And the other part of that business, the Metals business, posted significant sales growth over the year 2022.

If we look at the Packaging & Consumer Goods business, I think we have seen here a contribution of a double-digit organic sales growth for the full year. The growth here has been driven by double-digit percentage price increases and continuing high demand. In Q4, the business here achieved a significant sales growth also driven by double-digit pricing, while demand softened a little bit.

If we go to Electronics & Industrials, we have seen a very strong sales growth throughout the year 2022, here mainly driven by double-digit growth rates in the Industrial business, where we registered strong demand for the aerospace solutions. If we look to Q4, sales was below prior year, driven by the lower volumes, especially due to the COVID resurgence in China as well as the overall lower consumer demand.

And last but not least, the Construction, Professional & Craftsmen business, a double-digit growth in Q4. And we achieved a significant growth for the full year, and this was primarily driven by double-digit growth development in general manufacturing, maintenance and also by the Consumer and the Craftsman business. Maybe that gives you an overview and more details about the Adhesives market. And Marco, you're prepared to take the portfolio question?

Marco Swoboda, CFO: So your question is, what will the portfolio measures have as an impact on the OSG for 2023. So it's indeed true – I mean, we implemented the portfolio optimization measures, of course, throughout the year. So there is a carryover, which for the Consumer business, we do expect in the order of magnitude of 1 percentage points into 2023, including some new measures that we intend to implement.

Questioner adds: Maybe could you just say anything on Adhesives at the start of '23? I know you gave the detail on Consumer. If there's anything on Adhesive you have to say that would be very helpful as well.

Carsten Knobel, CEO: I think we don't comment on the current trading in detail, but especially to the volume topic, I wanted to say something on consumer business, but nothing more in Adhesives. We had a good start.

Question: Yes. Good morning, Carsten, Marco, and Leslie and team. Two questions, please. Would you expect working capital to improve this year versus 2022? And then can I ask why we saw a more pronounced sequential deceleration in adjusted EBIT in Beauty Care in the second half versus the first half compared to Laundry & Home Care? Do these segments have a very different cost or contract structure? Thank you very much.

Q&A

47 HENKEL FY 2022

Carsten Knobel, CEO: So, I'll start with the second one related to the margin situation. I think what we have seen is definitely a situation that in -- compared to our original assumptions where we would have thought that peaks in raw material prices would come more at the beginning of the second half of the year, that in reality showed that these topics peak more at the end of the year. That means in Adhesives, more in the direction of October, November and in the consumer businesses, November. And by that, the margin in the second half has been lower for the group than -- or for the businesses than in the first half.

And in the consumer business, I think the point is that we stepped up especially marketing spend, in the second half and also especially in Q4. And I think that is the main driver supporting our brands. I think you have seen that we are spending overall more in comparison to prior year, that is, I think, the major reason behind that. We had also a more pronounced impact from destocking and trade negotiations through the end of the year and also some mix effects, which were impacting that. When you see the Professional business also going to the end of the year with the inflation situation and the overall cost situation, consumers as always in that part, doing the things more on the retail part than instead of going to the hairdresser from a frequency point of view, and that had some impact.

I hope that clarifies and for the working capital part as a last question, Marco?

Marco Swoboda, CFO: Yes, of course. Yes, indeed, net working capital, as I said, last year was moving up also driven mainly by the drastically increased input cost or price component of our inventories, in particular, but of course, also on receivables, partially compensated by the payables also in that regard. And your question is how will that -- what do we see for 2023.

So at the end, with raws at least coming down from the peak, so prices for raw materials, we should see also some improvement of the inventory values. Also what we have seen end of last year, the slowdown in certain markets, which led to also carrying some more inventory. At the end, of course, that will unwind. And so I see a slight improvement in the inventory values. But all that, depending very much on how strongly also raws will come down.

But what is important to where your question directs at, I mean, when it comes to the cash flow, of course, what I don't expect is that we are going to repeat the cash outflow that we had because I don't expect that we will see another net working capital build-up like that what we had in 2022. So from that perspective, cash flow will naturally come out much better in 2023 than it was in 2022 because that net investment for net working capital won't repeat.

Carsten Knobel, CEO: So first of all, thanks for your questions. I have seen that there are more questions in the loop. I think the Investor Relations team will take that up after that. Sorry, because we are already out of the timing.

UPCOMING EVENTS

What's next

2023

APR 24	MAY 4	AUG 10	NOV 9
ANNUAL GENERAL MEETING	Q1/23 RELEASE ▪ Quarterly Statement	H1/23 RELEASE ▪ Financial Report HY 23	Q3/23 RELEASE ▪ Quarterly Statement

So let me close today's call with a brief overview of the upcoming financial reporting dates.

Our next topic is our Annual General Meeting, which is taking place on April 24. And we are looking forward to connecting with you again beginning of May for our Q1 release.

With this, I would like to thank you for joining today's call.

Have a good day.

And as always – take care, stay safe and also stay healthy. And goodbye.

THANK YOU.

ORGANIC SALES GROWTH
FY & Q4 2022

	FY	Q4
HENKEL GROUP	**8.8%**	**6.0%**
ADHESIVE TECHNOLOGIES	13.2%	11.5%
BEAUTY CARE	-0.5%	-3.9%
LAUNDRY & HOME CARE	6.3%	2.9%

RESULTS 2022 & OUTLOOK 2023

		RESULTS 2022	OUTLOOK 2023
ORGANIC SALES GROWTH[1]	ADHESIVE TECHNOLOGIES	13.2%	+1.0 to +3.0%
	CONSUMER BRANDS	3.9% (pro forma[3])	+1.0 to +3.0%
	HENKEL GROUP	**8.8%**	**+1.0 to +3.0%**
ADJUSTED EBIT MARGIN	ADHESIVE TECHNOLOGIES	13.6%	13.0 to 15.0%
	CONSUMER BRANDS	8.3% (pro forma[3])	7.5 to 9.5%
	HENKEL GROUP	**10.4%**	**10.0 to 12.0%**
ADJUSTED EPS[2]	Reflecting high level of market uncertainty and volatility	-17.8%	Development in the range of -10.0 to +10.0%

[1] Excluding Russia
[2] Per preferred share, at constant exchange rates
[3] Pro forma values for the integrated Consumer Brands business unit, based on aggregated values of the Laundry & Home Care and Beauty Care business units in FY 2022.

OUTLOOK 2023
ADDITIONAL INPUT FOR SELECTED KPIS

Currency Impact on Sales	Low single-digit % negative[1]
M&A Impact on Sales	Mid single-digit % negative[2]
Prices for Direct Materials	Low-to-mid single-digit % increase[1]
Restructuring Charges	€ 300 – 350m
CapEx	€ 650 – 750m

[1] Versus the prior year average [2] Including effect from exiting Russia

FINANCIAL REPORTING FROM 2023 ONWARDS[1]

Group Top & bottom line	HENKEL	
Business unit Top & bottom line	ADHESIVE TECHNOLOGIES	CONSUMER BRANDS
Business area Topline	Automotive & Metals; Packaging & Consumer Goods; Electronics & Industrials; Craftsmen, Construction & Professional	Laundry & Home Care; Hair; Other

[1] Unchanged general Q1/Q3 reporting structure with focus on top line development only

FIND OUT MORE ON HENKEL.COM/IR