Commented Slides
Conference Call H1 2022, August 15, 2022
Henkel Representatives
Carsten Knobel, CEO
Marco Swoboda, CFO
Investor Relations Team

Carsten Knobel, CEO:

Dear Investors and Analysts,

Good morning from Düsseldorf and a warm welcome to our conference call on the results of the first half-year 2022.

Thank you for joining us today.

I am here with our CFO, Marco. And together, we would like to talk you through the key aspects and answer your questions.

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Before we begin, I would like to remind everyone that this presentation which contains the usual formal disclaimer to forward-looking statements within the meaning of relevant US legislations can be accessed via our website at henkel.com/ir.

The presentation and discussion are conducted subject to this disclaimer.
I will not read the disclaimer, but we take it as read into the record for the purpose of this conference call.

AGENDA

01 Key Developments H1 2022

02 Results H1 2022 & Outlook

03 Progress Strategic Framework

04 Key Take-Aways & Closing

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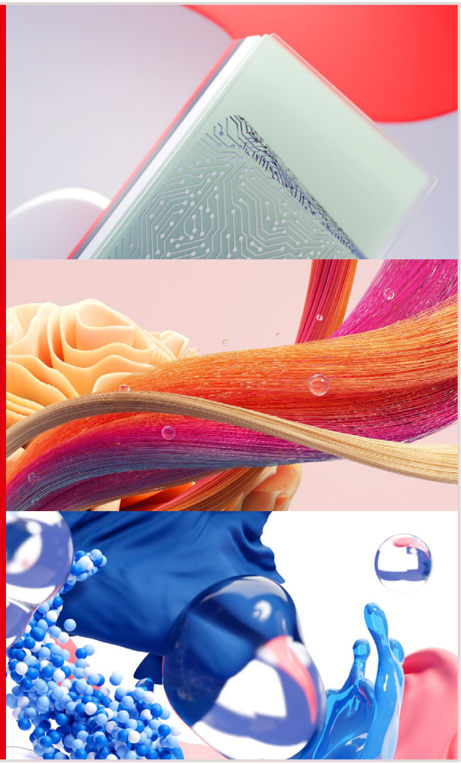
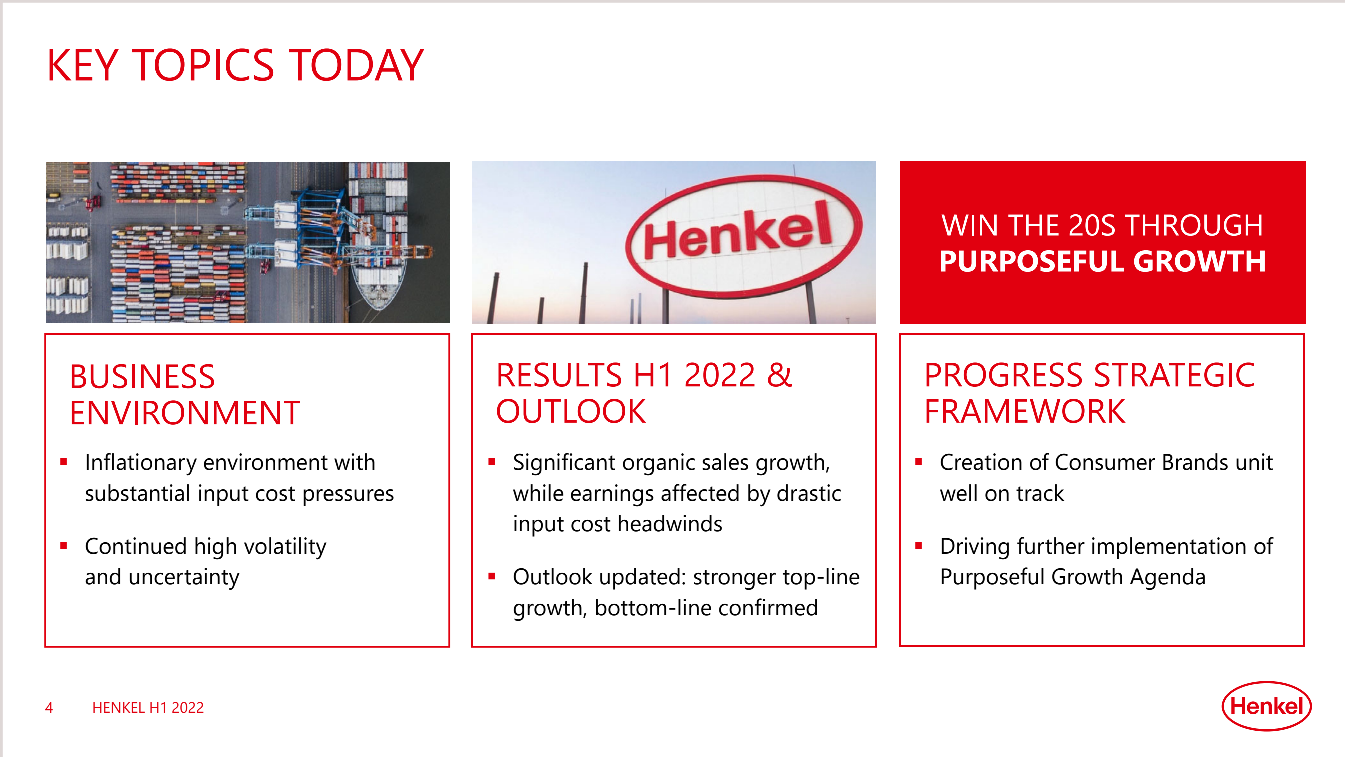


With this, let us start with the key developments.



So, what are the key topics, we will present to you today?

First, we will take closer look at our business environment. Not least intensified by the implications of the war in Ukraine, we face drastic input cost pressures. And while the overall environment is becoming increasingly inflationary, volatility and uncertainty persist.

Second, we will come to our half-year results in detail. In this highly challenging environment, we achieved significant organic sales growth driven strong pricing.
As expected, earnings were affected by the substantial input cost pressures.

Based on this performance in the first half, we have updated our outlook for fiscal 2022 today: We have raised our expectations for organic sales growth on Group level to a range of 4.5 to 6.5% - driven by our consumer businesses. And we have confirmed our guidance for both adjusted EBIT margin and adjusted EPS, while we have more confidence on the margin side in our consumer businesses.

And finally, we will provide a brief overview on the progress on our Purposeful Growth Agenda including an update on the creation of Henkel Consumer Brands.

ROBUST PERFORMANCE IN H1 2022 IN HIGHLY CHALLENGING ENVIRONMENT

ORGANIC SALES GROWTH[1]	ADJUSTED EBIT MARGIN	ADJUSTED EPS[2]
8.9%	10.7%	€1.95
Significant organic growth driven by strong pricing and supported by all business units	Strong pricing and savings could not fully compensate for substantial direct material headwinds yet	-20.8% at constant currencies

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[1] Excluding Russia and Belarus since Q2 2022 [2] Per preferred share

But let us first take a look at our main KPIs in the first half:

We achieved organic sales growth of 8.9 percent driven by strong pricing and supported by all three business units.

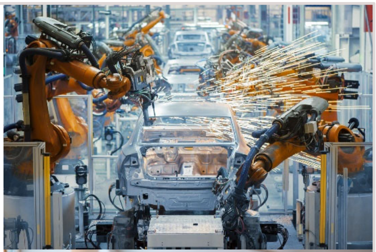
The adjusted EBIT margin came it at 10.7 percent, impacted by substantial input cost pressures which we could not yet fully compensate for through pricing and savings initiatives.

As a consequence, the adjusted EPS was below previous year, at 1.95 euros.

All in all, a robust performance in a highly challenging business environment.

CHALLENGING BUSINESS ENVIRONMENT

- **Broad-based inflationary environment** with continued high volatility and uncertainty
- **Input cost prices at elevated levels** while month-over-month dynamics slowing down recently
- **Robust industrial production** with differentiated developments across industries, partially held back by supply chain challenges
- **Consumer demand continues to normalize** with varying dynamics in different categories



In the first half year, overall, we have witnessed a broad-based inflationary development. Globally and across markets and industries, there is an exceptionally high level of volatility and uncertainty – particularly with regard to the further development on the supply side.

While input prices recorded a drastic increase compared to the first half year 2021, dynamics started slowing down month-over-month recently.
We will get back to that in a minute.

In terms of our end markets, we saw a robust industrial production. However, the Automotive industry was still held back by the ongoing shortage of semiconductors – as reflected in the Light Vehicle Production index, which declined by -1.8% in the first half year of 2022.

Consumer demand continued to normalize from the COVID-related shift in demand patterns – resulting in varying dynamics. For example, as daily life and routines are no longer significantly impacted by the pandemic, demand for Styling products continued its recovery. In contrast, demand for hygiene-related household cleaners and at-home-colorations further declined against elevated prior-year levels.

CONTINUED INPUT COST PRESSURES

- **Raw material and logistic prices still impacted** by war in Ukraine, COVID lockdowns in China as well as strained supply chains
- **Further price increases** throughout H1 **while dynamics slowing down recently**, partially differentiated developments across feedstocks
- **~€1 bn headwinds from direct material price increases in H1** – with expectation of ~€2 bn for FY 2022
- **Continued high volatility and uncertainty**, in particular driven by potential gas shortages in Europe

Development of key feedstock prices[1]

Brent Crude Oil **+70%**

Paper **+41%**

Palm Kernel Oil **+45%**

Ethylene **+49%**

[1] average H1 2022 vs. H1 2021

Taking a closer look at the input cost side.

The war in Ukraine has not only significantly changed the geopolitical situation, but also intensified already strong pressures on the raw material and logistics markets. COVID-related lockdowns in China have put additional pressures on global supply chains.

As a result, prices for input materials further increased drastically throughout the first half of the year. We have seen mid- to high double-digit increases vs. prior year levels in key feedstocks like crude oil or palm kernel oil. But dynamics, as mentioned before, slowed down recently – with partially mixed developments.

Overall, we faced an absolute headwind of around one billion euros from direct materials in H1. To put this into perspective: That equals the additional amount we faced the entire last year. And we expect around the same amount also for the second half, totaling an absolute headwind of close to 2 billion euros this year – so our expectation from April is unchanged.

Looking at these developments, it is too early to tell whether we have reached a peak yet. The situation remains highly volatile and uncertain – particularly against the background of a possible gas shortage in Europe, which would have far-reaching consequences across industries, also on a global level.

MANAGING BUSINESS IN INFLATIONARY ENVIRONMENT

- Step up of pricing initiatives across all business units and regions to compensate for unprecedented input cost pressures
- Solid volume development in light of high baseline and implementation of portfolio measures in Beauty Care
- Close monitoring and analysis of market developments, price elasticities as well as customer and consumer behavior
- Cost discipline and realization of efficiency gains in supply chain and procurement

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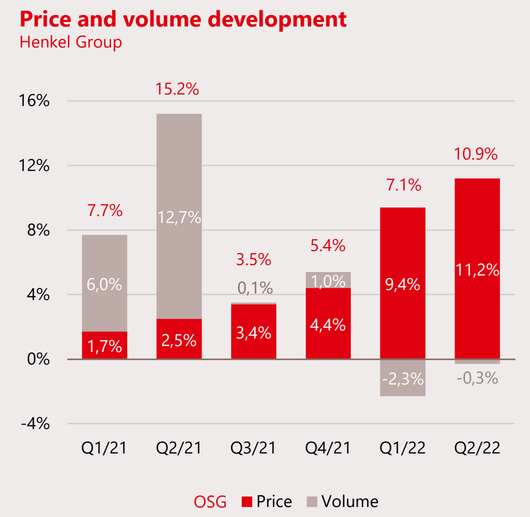

Taking a broader perspective now: How are we managing our business in such an inflationary development, with drastically higher input costs?

As discussed, we have been stepping up pricing initiatives across all business units and regions. You see that reflected in our price development over the past quarters: Pricing further accelerated from 9.4 percent in Q1 to 11.2 percent in Q2.

At the same time, we were able to deliver a solid volume development – despite a strong baseline in the first half of 2021, which had been characterized by a significant COVID recovery, as well as the announced portfolio measures in Beauty Care.

Of course, in this environment, we closely monitor and analyze market developments, price elasticities and customer and consumer behavior. We have confidence in the strengths of our brands. In Beauty Care and Laundry & Home Care, our portfolio covers different price points, from premium laundry detergents and hair care to value-for-money products.

And for sure, we keep a strict cost discipline and strive to realize further efficiency gains in our supply chain and procurement, while the overall priority is always to secure supply.
I am proud to say that we were largely able to compensate for the direct materials headwinds by higher product prices in absolute terms, and supply bottlenecks were resolved. A strong result of our teams!

So, we are on good track, but for sure will need additional pricing efforts going forward.

MAJOR DEVELOPMENTS H1 2022

MANAGING DRASTIC INPUT COST PRESSURES

- Unprecedented price increases from raw materials and logistics
- Significant step-up of pricing and savings initiatives

CONFRONTED WITH WAR IN UKRAINE

- Decision to exit business activities in Russia and Belarus in April
- Currently implementing exit considering different options

CREATING HENKEL CONSUMER BRANDS

- Merging Beauty Care and Laundry & Home Care into multi-category platform Consumer Brands
- Driving growth and profitability – with significant synergies of € ~500 m gross savings mid-term
- Integration of consumer businesses well on track to have new organization fully in place by 2023

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Let me wrap it up by reflecting on the major developments in the first half this year.

We are managing our business in a highly challenging environment.
As just described, we have been stepping up pricing and savings initiatives in light of the drastic input cost inflation. The situation at the supply markets was significantly accelerated by the war in Ukraine, which had also further far-reaching implications.

Against the background of this war, we decided to exit our business activities in Russia and Belarus. And we are currently working towards it.

Besides managing these developments in our environment, we took an important strategic decision, which will transform our company: We announced to merge our Laundry & Home Care and Beauty Care businesses to create one multi-category platform with 10 billion euros sales. Henkel Consumer Brands will be our second strong pillar next to our very successful Adhesive Technologies unit. With the creation of Henkel Consumer Brands, we will fuel growth and profitability – and bring our Purposeful Growth Agenda to the next level. It will enable better opportunities to shape our portfolio, leverage combined scale and provide more exciting roles for our teams. And we will also benefit from significant synergies. In the mid-term horizon, we target gross savings of 500 million euros. The implementation will take place in two phases – and as we will discuss later in the presentation, we are well on track.

So, I believe it is fair to say: This was quite an exceptional half year. And together, as a strong team, we have accomplished a lot.

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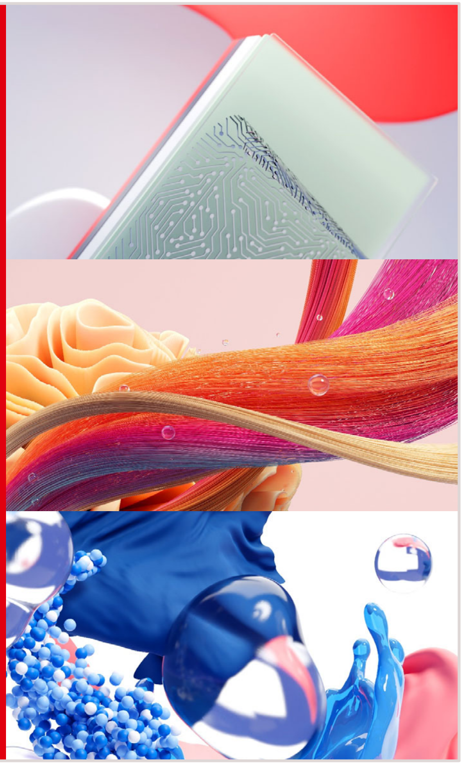
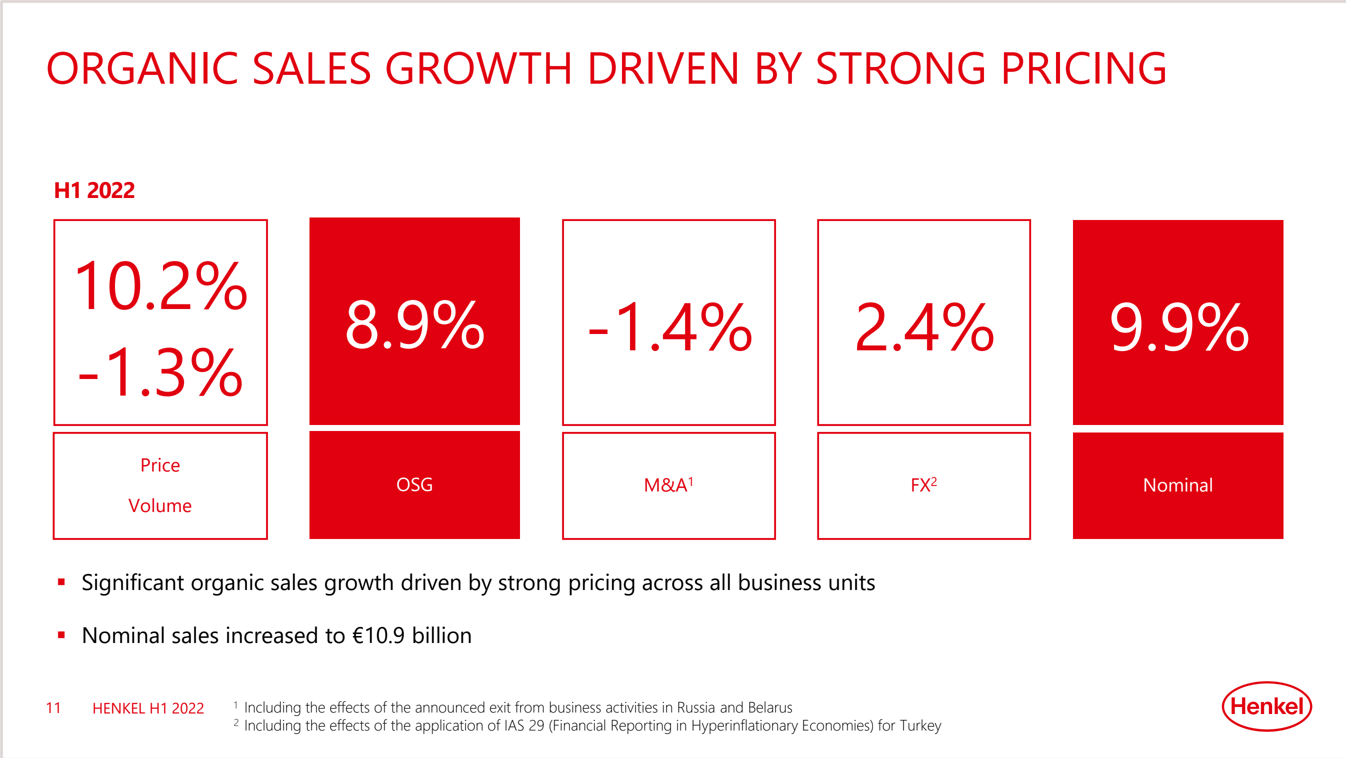


And with this, now handing over to Marco for the details of our half year results. Marco, please.



Marco Swoboda, CFO:

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

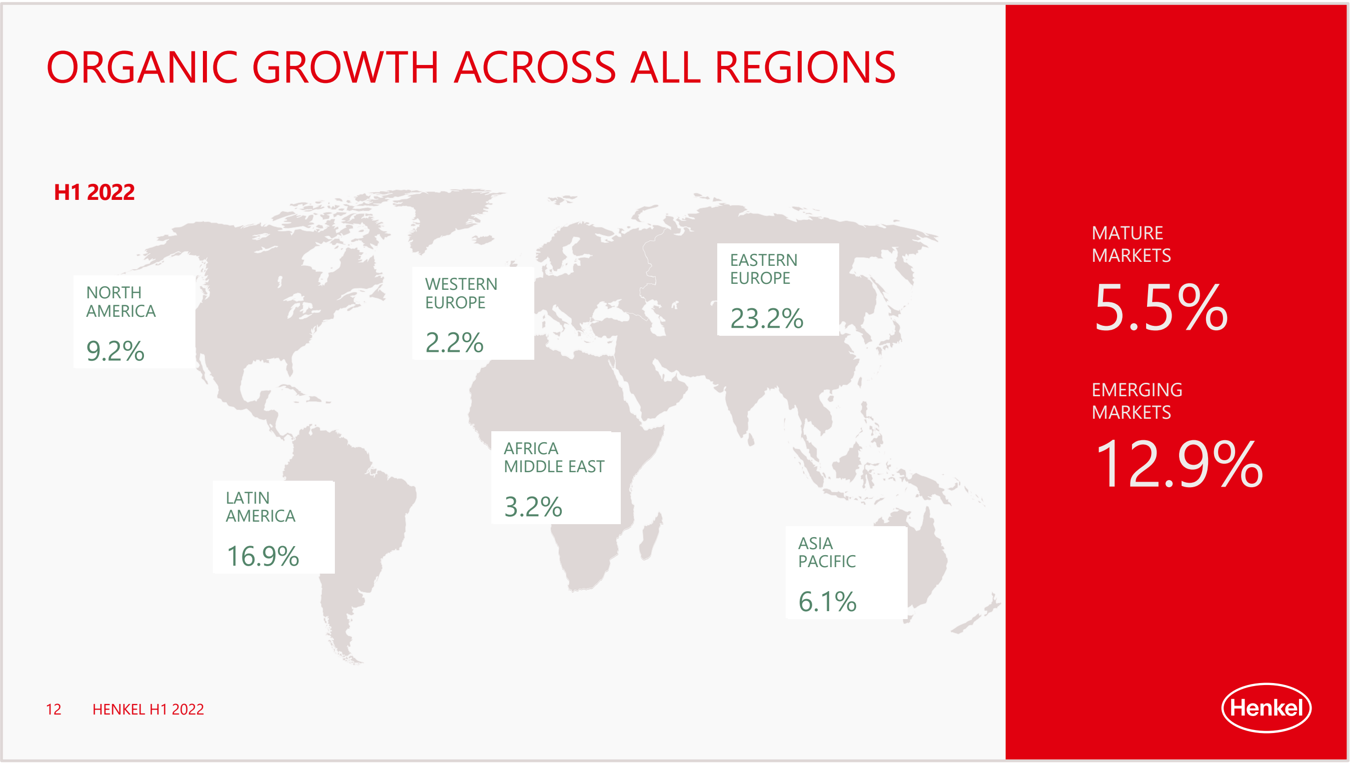
Carsten mentioned some key aspects already - let me provide some more color on our financial performance in the first half.

We achieved significant organic sales growth of 8.9%. Quarter over quarter, we accelerated pricing, resulting in a double-digit contribution in the half year, while volumes were down slightly by -1.3%.

The net effect from acquisitions/divestments was negative at -1.4%.

Currencies were a tailwind this time at 2.4%.

In nominal terms, sales grew by 9.9% to a level of 10.9 billion euros.



From a geographical perspective, we recorded broad-based organic sales growth across all regions in the first half.

The emerging markets overall achieved organic growth of 12.9%, with strongest growth in Eastern Europe and Latin America.

The mature markets showed a very strong increase of 5.5%. While Western Europe grew by 2.2%, the North America region achieved organic sales growth of 9.2%.

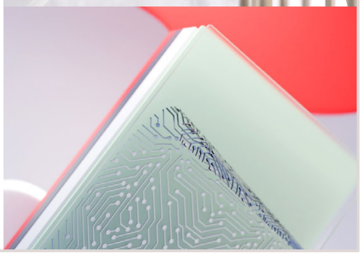
Moving on to the performance of our business units.

ADHESIVE TECHNOLOGIES

H1 2022

ORGANIC SALES GROWTH		ADJUSTED EBIT MARGIN	
12.2%	Price: 12.1% Volume: 0.1%	13.6%	Change y-o-y: -370 bps

- Double-digit organic sales increase driven by further accelerating pricing at stable volumes
- All business areas and regions contributing to continued growth:
  - Automotive & Metals with very strong growth despite impact from semicon shortage
  - Packaging & Consumer Goods and Electronics & Industrials up double-digit
  - Consumer, Craftsmen & Professional with significant organic sales growth
- Adj. EBIT margin affected by substantial raw material and logistic cost headwinds



Starting with Adhesive Technologies, which delivered organic sales growth of 12.2% in H1. Here, the teams further accelerated pricing initiatives, resulting in a double-digit contribution to organic sales growth – at stable volumes.

This growth was driven by all business areas across regions.

Automotive & Metals achieved a very strong sales growth, even though Automotive continued to be impacted by the global semiconductor shortage. Packaging & Consumer Goods benefitted from continuous demand and achieved a double-digit performance – just like our Electronics & Industrials business. And Consumer, Craftsmen & Professional contributed with a significant organic sales increase.

So, all in all, a very strong topline performance.

The adjusted EBIT margin reached 13.6%. That compares to a level of 17.3% in the prior-year period and reflects the negative impact from the drastic increase in input cost, which we could not yet fully compensate. Also here, to keep in mind two effects which we have described before: The time lag of pricing to pass on higher input cost – typically 3 to 6 months. And – even though we are well on track to pass on the input cost in absolute terms – there is a dilutive effect on percentage level.

BEAUTY CARE

H1 2022

ORGANIC SALES GROWTH 0.4%	Price: 6.3% Volume: -5.9%	ADJUSTED EBIT MARGIN 9.2%	Change y-o-y: -80 bps

- Positive organic sales development driven by strong pricing while volumes down, mainly impacted by portfolio measures in Consumer
- Professional with double-digit growth driven by key markets North America and Europe
- Consumer below previous year particularly due to portfolio measures – mixed developments across categories and regions
- Adj. EBIT margin impacted by substantial input cost and logistics increases

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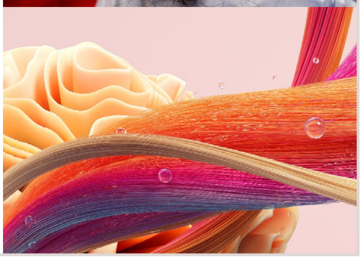

Moving on to Beauty Care.

The business recorded positive organic sales growth of 0.4%. While we saw strong pricing, volumes declined – this development is mainly due to the implementation of the portfolio measures in the Consumer business we announced end of January.

From a business area perspective, Professional continued its strong development and achieved double-digit growth – driven by both the mature and emerging markets.

Consumer, in contrast, was below the prior-year level. Here, as just mentioned, particularly driven by the portfolio measures, which include the discontinuation of non-core activities. For the full year, we expect their impact to be around 5 percentage points of total Beauty Care organic sales growth.

The Hair category recorded an overall stable sales development – with a mixed picture across the different businesses. Styling grew double-digit and thus continued its recovery from the pandemic-related decline. The normalization of demand had an adverse effect on at-home-Coloration: Here, we recorded a negative development versus higher levels last year. Hair Care was also below the prior year. The negative development in the Body Care category was mainly due to the portfolio measures I just mentioned.

The adjusted EBIT margin came in at 9.2%, 80 basis points below last year's level – predominantly impacted by higher input costs.

LAUNDRY & HOME CARE

H1 2022

ORGANIC SALES GROWTH		ADJUSTED EBIT MARGIN	
7.4%	Price: 9.6% Volume: -2.2%	9.0%	Change y-o-y: -600 bps

- Significant growth driven by pricing with double-digit organic growth in Laundry Care and positive development in Home Care
- All regions contributing to growth – with overall good market share development
- Adj. EBIT margin lower due to substantial raw material and logistic price increases

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Laundry & Home Care continued its strong organic sales performance with significant growth of 7.4%, with pricing up by close to 10 percent.

Laundry Care achieved double-digit growth, mainly driven by Heavy-Duty Detergents and Special Detergents.

Home Care recorded a positive development. Main drivers were the Toilet Care and Dishwashing categories, while Hard Surface Cleaner was slightly negative, as consumer demand continued to normalize from higher levels during the pandemic.

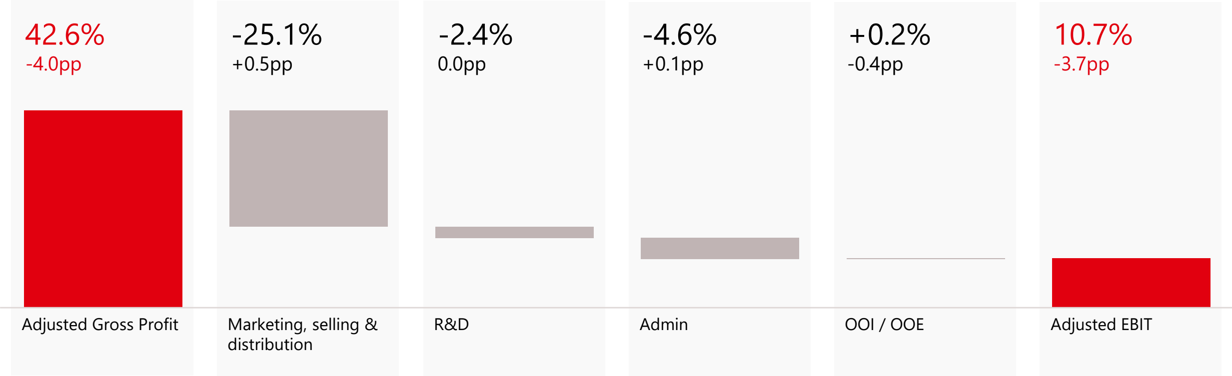
The business unit grew in all regions – and gained further market shares in key countries. Let me specifically mention our performance in North America. Here, we achieved good growth in the first half year – with sales increases in both Q1 and Q2.
And we have seen year-to-date market shares stabilizing, with market share gains in most recent periods. This is a positive trend which needs to be confirmed going forward.

On bottom-line, the adjusted EBIT margin in Laundry & Home Care declined to a level of 9.0%. Also here, sales price increases and savings could not fully compensate the drastic headwinds from raw materials and logistics.

BRIDGE FROM ADJUSTED GROSS PROFIT TO ADJUSTED EBIT

H1 2022

IMPACT ON ADJUSTED EBIT MARGIN IN PP VS. PY, IN % OF SALES



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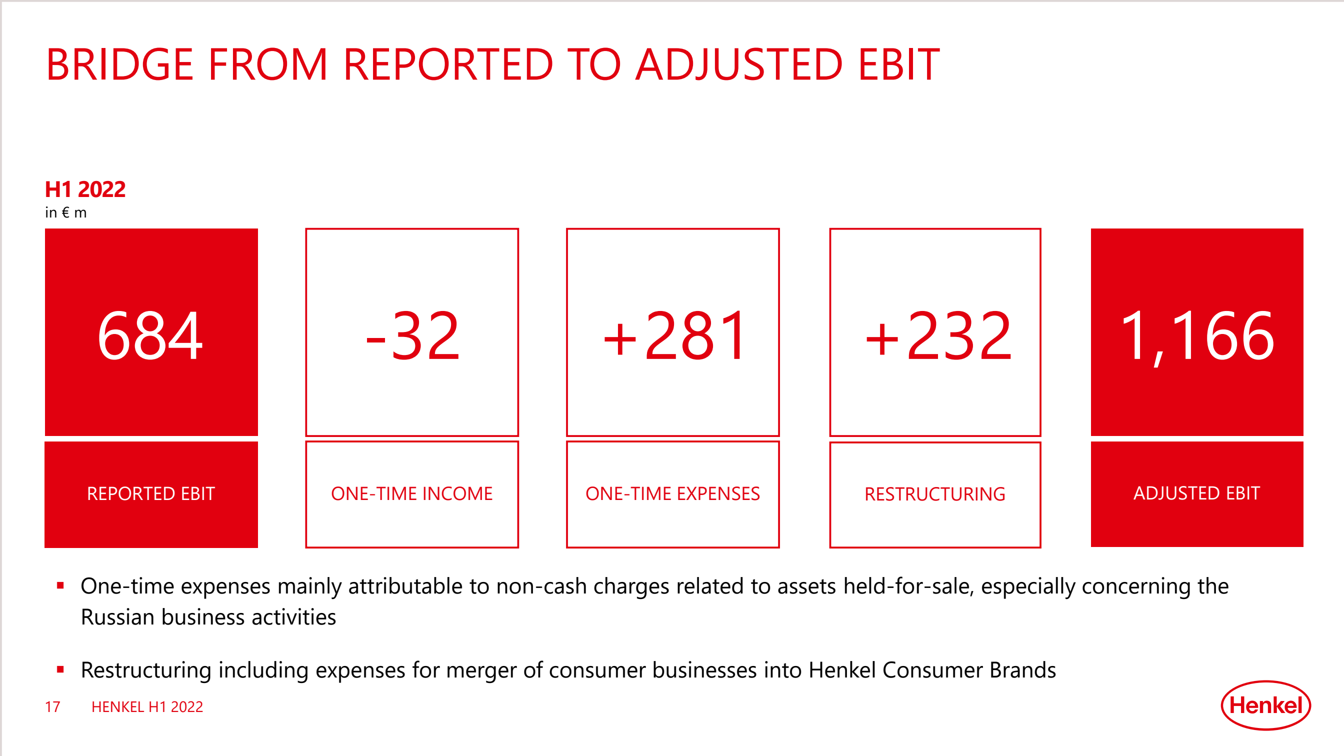
With that, back to the financials on Group level. Let us take a closer look at the components of the adjusted income statement:

Due to the exceptional increase in direct material prices, the adjusted gross profit margin was at 42.6%, down by 4 percentage points.

Marketing, selling and distribution expenses increased in absolute terms, but due to the higher nominal sales level, their impact as a percentage of sales decreased by 50 basis points to a level of 25.1%.

As a result, the adjusted EBIT margin declined to a level of 10.7%.



On to the bridge from reported to adjusted EBIT.

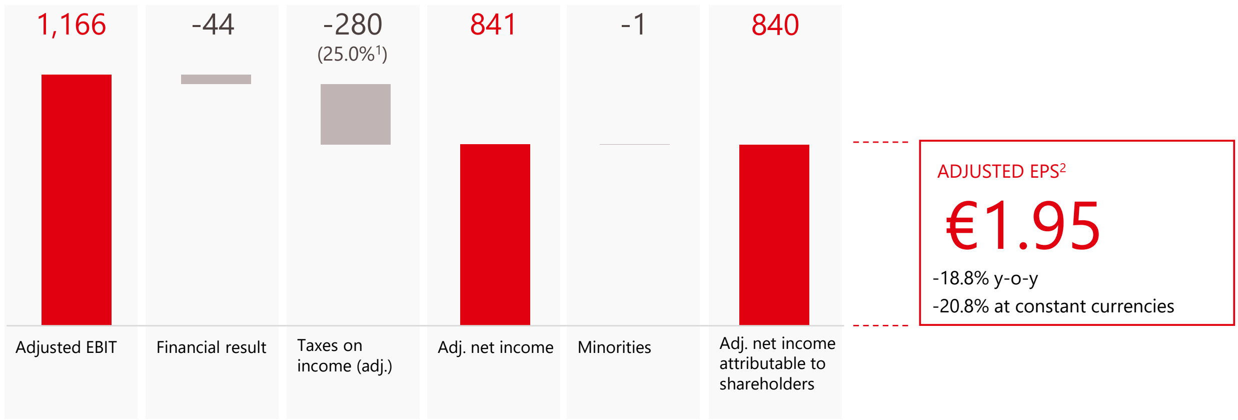
One-time expenses amounted to 281 million euros and mainly relate to non-cash impairments – particularly related to the planned exit from our business activities in Russia and Belarus.

Restructuring expenses were at 232 million euros, thus increased significantly versus the prior year level. As announced, these also include expenses related to the merger of our Laundry & Home Care and Beauty Care businesses.

As a result, reported EBIT came in at 684 million euros – below prior-year level.

BRIDGE FROM ADJUSTED EBIT TO ADJUSTED EPS

H1 2022
in € m



[1] Adjusted tax rate [2] Per preferred share

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Adjusted EBIT declined to a level of around 1.2 billion euros.

The adjusted financial result came in at minus 44 million euros and thus below the prior year level – mainly due to higher interest rates, particularly related to the US dollar.

The adjusted tax rate was stable at 25.0%.

Finally, adjusted net income after minorities amounted to 840 million euros.

This translates into adjusted earnings per preferred share of 1.95 euros – a negative development of minus 18.8% year-over-year, or, at constant exchange rates, a decline of minus 20.8%.

WORKING CAPITAL, CASH FLOW AND FINANCIAL POSITION

H1 2022

NET WORKING CAPITAL	FREE CASH FLOW	NET FINANCIAL POSITION
5.2%	€46 m	€-1,441 m
Change y-o-y	Change y-o-y	Change vs. year-end
+160 bps	-€425 m	-€1,149 m

- Increased net working capital mainly due to substantial input cost increases as well as investments into safety stocks
- Free cash flow impacted by weaker operating cashflow due to lower EBIT and higher working capital requirements
- Net financial position reflecting dividend payout of ~€800 m and investment in share buyback program of ~€430 m in H1

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With that, moving on to our key cash KPIs.

On Group level, the ratio of net working capital to sales increased by 160 basis points to a level of 5.2%. This development was mainly due to two factors:

First, the impact from the inflationary environment, particularly the drastically higher input costs. And second, investments into safety stock in selective cases.

As a result of the higher net working capital and due to a weaker operating cashflow resulting from the lower EBIT, we recorded a free cash flow of 46 million euros.

Our net debt reached a level of around minus 1.4 billion euros. The decline versus the prior year period reflects both the payout of dividends and the investment in our share buyback program. Since its launch in February, we have bought back around 7 million shares amounting to 432 million euros.

UPDATED OUTLOOK 2022

ORGANIC SALES GROWTH[1]	+4.5 to 6.5%
ADHESIVE TECHNOLOGIES	+8.0 to 10.0%
BEAUTY CARE	-3.0 to -1.0%
LAUNDRY & HOME CARE	+4.0 to 6.0%

ADJUSTED EBIT MARGIN	9.0 to 11.0%
ADHESIVE TECHNOLOGIES	13.0 to 15.0%
BEAUTY CARE	5.0 to 7.0%
LAUNDRY & HOME CARE	7.0 to 9.0%

ADJUSTED EPS[2]

-35 to -15%

Reflecting high level of market uncertainty and volatility

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[1] Excluding Russia and Belarus since Q2 2022 [2] Per preferred share, at constant exchange rates

Henkel

With that, moving on to our outlook for 2022, which we have updated today.

Based on our business performance in the first six months, we are raising our expectation for Group organic sales growth in the full year by 100 basis points to a range of 4.5 to 6.5 percent.

The increase is driven by our Consumer businesses:
For Beauty Care, we now expect organic sales growth to be between -3.0 to -1.0 percent, up from -5 to -3 percent. And for Laundry & Home Care, we now assume a range of 4 to 6 percent, compared to 2 to 4 percent previously.

Our outlook for the adjusted EBIT margin on Group level remains unchanged – while we see the clear potential to reach the upper half of the guidance range in both Beauty Care and Laundry & Home Care.

We also confirm our expectations for adjusted EPS growth at constant currencies of -35 to -15 percent.

This guidance is based on the assumption that there will be no widespread business and production closures in industry and retail and that the effects of the war in Ukraine will not worsen significantly. Accordingly, the outlook is based on the assumption that there will be no production shutdowns in the industry resulting from widespread gas shortages in Europe.

With that, back to you, Carsten.

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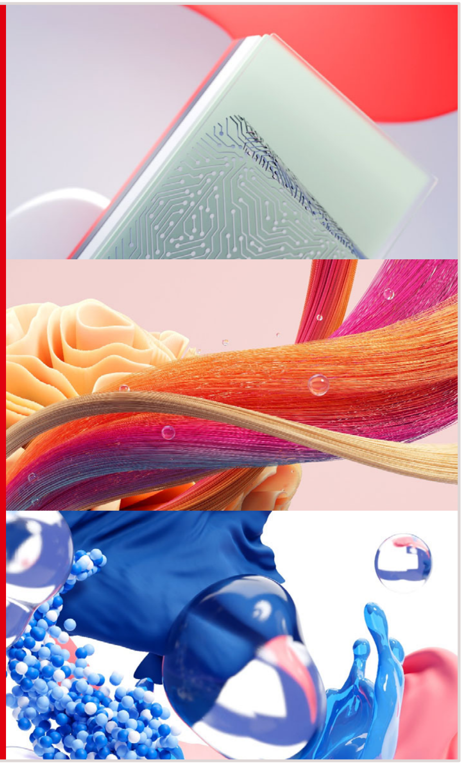


Carsten Knobel, CEO:

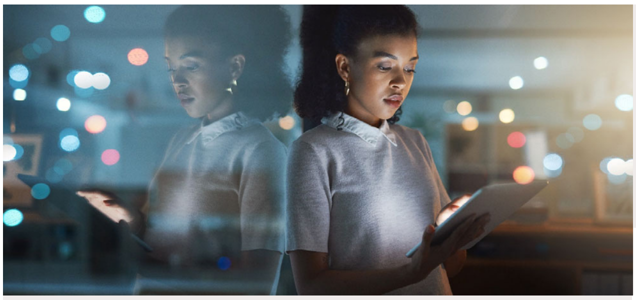
Thanks, Marco.

While managing our business in a truly challenging environment, we remain fully committed to the strategic priorities laid out in our Purposeful Growth Agenda. And we have been driving further progress along all pillars.

We will outline a more holistic review on where we stand since the strategy launch two and a half years ago and what's ahead for us at our Capital Markets Day, which is planned and scheduled for September 20.

Today, I would like to briefly share some of the highlights of the first half this year.

WINNING PORTFOLIO



Shaping portfolio with € 1 bn sales under review – progressing with discontinuations and divestments of non-core businesses in Consumer

Closed compelling transaction in Beauty Care with clear strategic fit – acquiring Shiseido’s Hair Professional business in APAC

As announced, to further shape our portfolio in Consumer, we currently have brands and businesses with a total volume of around 1 billion euros sales under review for potential portfolio measures – including the divestment or discontinuation of activities. And we have been taking action already. We had announced the discontinuation of around 200 million euros sales volume in Beauty Care this year. Here, we are well on track and expect a further acceleration in the second half, as Marco has mentioned it.

We also strengthened our portfolio through a value-adding acquisition. We acquired Shiseido’s Hair Professional business in the Asia-Pacific region, which helped us advance to the global Co-number 2 position in the Professional business.

To put that into perspective: While M&A remains integral part of our strategy, we have been clear that short-term, our focus in Consumer will be on successfully completing the integration of our two business units.

Moving on to the area of competitive edge – starting with some of our key innovations.

INNOVATIONS IN ADHESIVE TECHNOLOGIES

Innovative hotmelt technology transforming garment production – **increasing manufacturing efficiency in the fashion industry** by up to 7 times

New fire protection coatings for **EV batteries** significantly increasing passenger safety and enabling cost-effective production

Enhanced and certified solvent-free solutions for flexible packaging improving recyclability and allowing for use of up to 35% recycled material

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In Adhesive Technologies, we transform the garment production in the fashion industry by replacing stitching with gluing. Our innovative hotmelt technology provides clean operations and a trouble-free production line. Thanks to process automation, it increases manufacturing efficiency by up to 7-times versus the traditional stitching method.

As you know, e-mobility is a highly attractive market for us. Our Automotive team has developed Thermal Propagation Prevention materials that protect passengers of electric vehicles. In case of accidents, they delay the spread of fire so that passengers have more time to exit the car safely. Here, we are currently running various projects with different OEMs, Tier 1 suppliers, and battery manufacturers.

And we have expanded our product range in flexible packaging with two new solvent-free solutions, which were recognized for recyclability externally this year. The products not only increase second-life options for flexible packaging, but also enable the use of up to 35% recycled content.

INNOVATIONS IN BEAUTY CARE

Double-digit growth in Professional supported by **superior innovations** such as **Bonacure Clean Performance** and **IGORA Royal Highlifts** providing advanced technologies and 100% recyclable packaging concept

Relaunch of Schauma with **redesigned sustainable packaging concept** using 50-100% recycled plastic and new big sizes offering sustainable refill solution

Moving to Beauty Care. In Beauty Care, we have relaunched our family brand Schauma with a redesigned sustainable packaging concept. For example, selected variants now come in 750ml big size bottles, which are recyclable, made out of 50% recycled plastic and are refillable. As such, they use 25% less plastic compared to three normal-size Schauma bottles.

In Professional, growth was supported by strong innovations under our Bonacure and IGORA brands.

Our new Bonacure Clean Performance line embraces clean beauty – with 100% vegan formulas, which are free from sulphates, silicones and parabens. The high-performing products introducing our new Vegan Keratin and Cell Equalizer technology are highly biodegradable. And they come in fully recyclable packaging made of up to 97% recycled plastic.

Also the reworked IGORA Royal Highlifts range of Ultra and Special Blondes builds on our strong technological know-how: Its new formula allows a more powerful lift combined with a stronger color neutralization. Thanks to its special Fibre Bond Technology, the product helps protect the inner hair bonds during the lifting process and minimizes hair breakage.

INNOVATIONS IN LAUNDRY & HOME CARE

Double-digit growth of Persil with further market share gains, supported by **improved hygienic cleanliness** as well as **expansion of sustainable and ecommerce-ready product ranges** using less resources

Impactful relaunches of core brands like Perwoll, Vernel, Snuggle and Pril with strong performance upgrades and further sustainability improvements

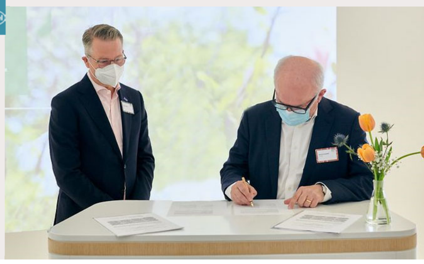
In Laundry & Home Care, our core brand Persil achieved double-digit organic sales growth and expanded market shares. This performance was supported by strong innovations with improved hygienic cleanliness – and also by expanding our sustainable and ecommerce-ready product ranges. For example, our ultra-compact Persil Eco Power Bars using 97% less plastic meanwhile are available in 9 countries across Europe.

And we relaunched core brands in both Laundry and Home Care with strong perfomance upgrades and further sustainability improvements for innovations from Perwoll, Snuggle and Pril. Be it better color revival, improved scent or cold water activeness – and that all comes with an increasing share of natural or biodegradable ingredients.

SUSTAINABILITY

Launch of **2030+ Sustainability Ambition Framework** based on tangible targets and ambitions in three dimensions: „Regenerative Planet – Thriving Communities – Trusted Partner"

Transforming raw materials through **new partnerships:** together with BASF aiming at replacing 110,000 tons p.a. fossil-based materials with renewable carbon sources



Advancing decarbonization in our operations by converting three additional production sites in Europe into **100% CO_2-neutral energy**

As we have just seen, sustainability is integral part of the innovations across our businesses.

We take a holistic perspective on driving sustainability as an element of our competitive edge. That is why we have evolved our previous long-term sustainability strategy: Beginning of the year, we launched our "2030+ Sustainability Ambition Framework".
It is based on tangible targets and includes new long-term ambitions to drive further progress in the dimensions Regenerative Planet, Thriving Communities and Trusted Partner.

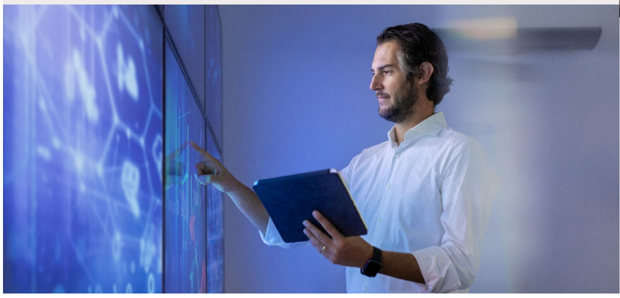
Let me give you two examples of how we turn this into practice.

In March, BASF and Henkel committed to substitute around 110,000 tons of fossil-based ingredients per year with renewable feedstock – using BASF's certified biomass balance approach. As a result, our core brands like Persil, Pril, Fa and Schauma will come with a reduced carbon footprint, avoiding around 200,000 tons of CO2 emissions in total.

We also took additional steps towards our ambition for climate-positive operations by 2030. In the first half of this year, three sites in Germany have been converted to operate with 100 percent CO2-neutral energy.

DIGITALIZATION

Digital sales share growing double-digit and **advancing to >20% on Group level** – increases across business units supported by integrated RAQN platform



Further driving digital initiatives across all businesses:

- **Adhesive Technologies** eShop continuously onboarding customers and achieving double-digit growth
- **Beauty Care** Professional eShop Salonory growing double-digit with expanded range of brands and products
- **Laundry & Home Care** advancing ecommerce-ready offering

Moving on to digitalization.

The share of digital sales grew double-digit in the first six months of this year – now to more than 20% on Group level. This growth is enabled by our integrated RAQN platform, which we have been leveraging through our partnership with Adobe.

The expansion of our digital sales share is driven by all business units, which are continuously advancing their digital initiatives – be it with our eShops in Adhesive Technologies and Beauty Care Professional growing double-digit, or with dedicated ecommerce-ready products in Laundry & Home Care.

Especially, but not only in times of high volatility and disruption, it is obvious that a future-ready operating model is a critical success factor.

And here, let me provide a brief recap and update on where we stand with the Consumer Brands merger:

We have designed the structure of the future organization – with two global categories: Laundry & Home Care and Hair Care. Other categories will be steered via the regional structure. We will have efficient structures with reduced layers, which also offer our people roles with higher levels of responsibility.

Meanwhile, we have defined the first four organizational layers. And we are committed to have the new Consumer Brands unit up and running latest by beginning of 2023. In some countries, we are even ahead of this timing. In the USA, the new organization will be established already from September onwards. So, we are well on track.

When it comes to our digital unit dx, we are leveraging the reorganization of our digital and IT teams, which we had also completed ahead of time. The new set-up with highly efficient structures and standard IT processes helps us boosting our investments in digital skills and platforms – and makes us future-ready for additional growth.

COLLABORATIVE CULTURE & EMPOWERED PEOPLE

Launch of ambition to reach **gender parity** across all management levels by **2025** – **tangible first steps** with clear communication, targeted measures and continued monitoring of progress

Comprehensive **change management program** launched in context of Consumer Brands merger – focus on employees' change capabilities with trainings and team workshops

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With this now coming to the last pillar of our strategic framework: Collaborative Culture & Empowered People. Because we have always been outspoken about it – you can set whatever strategy you want, in the end, it will be the culture which makes the difference.

And we are well aware that the Consumer Brands merger, which affects a large number of People, is a topic we can only complete successfully together, as a strong team. That is why we have launched a comprehensive Change Management Program – building on the pillars culture, communication and capabilities.

In February, we also made a bold statement by launching our ambition to reach gender parity across all management levels by 2025. And we take action towards it – with clear communication, targeted measures and initiatives – while continuously monitoring our progress.

So, despite the challenges we are facing in our business environment, we do not lose sight of the priorities of our Purposeful Growth Agenda, which will help us to win the 20s.

AGENDA

01 Key Developments H1 2022

02 Results H1 2022 & Outlook

03 Progress Strategic Framework

04 Key Take-Aways & Closing

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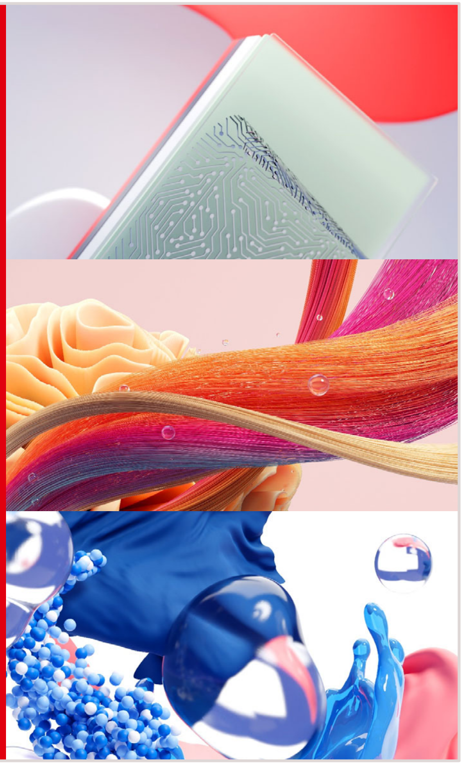
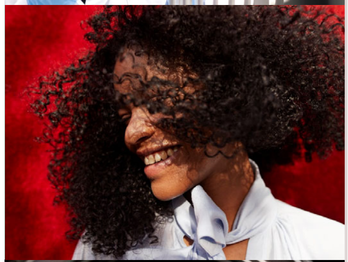


Let me briefly sum it up.

KEY TAKE-AWAYS

- **Henkel's performance in H1** with significant organic growth driven by strong pricing across business units – earnings affected by drastic input cost pressures
- **Outlook for FY 2022 updated** – with higher expectations for top-line
- Creation of multi-category platform **Henkel Consumer Brands** well on track
- **Good progress** along all pillars of **Purposeful Growth Agenda**



In the first half, we operated in a challenging environment, with a war in the middle of Europe and unprecedented price increases for raw materials and logistics.

In this environment, we achieved a strong topline performance. We stepped up our pricing initiatives across all businesses. As a result, we were largely able to compensate the drastic input cost pressures on an absolute level. But, as expected, the strong headwinds have impacted our margin and EPS development.

Based on our H1 performance, we have updated our outlook for fiscal 2022 today: We raised our expectations for Group organic sales growth by 100 bps. And we confirmed our bottom-line guidance, while seeing the clear potential to reach the upper half of our margin outlook ranges in our consumer businesses.

We are well on track with the integration of Laundry & Home Care and Beauty Care into the combined Consumer Brands unit. And also beyond, we made further tangible progress along our strategic framework.

With that, let us move on to the Q&A.
Marco and I are looking forward to taking your questions.

Q&A

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Question: Hi. Good morning. My first questions is, did I hear correctly that your guidance does not include any impact of any potential gas shortages? That's sort of what I heard in the last few minutes there, because surely there's already some impact of sort of lower gas availability in Germany, and it doesn't look like it's going to get better with sort of all the problems in hydropower equally. So, just want to confirm that the entire guidance is free of any potential gas shortages. And if that's the case, could you please expand a little bit about the magnitude of what you'd expect to happen under different scenarios presuming you have made, different scenarios about something happening.
The second question is around how you account for the impact of Russia on Belarus. I noticed in your discontinuation of brands in the Beauty category it is sort of a part of organic growth, and therefore, weighs on organic growth. But I have the impression that you treated Russia and Belarus differently. You haven't put it as a reduction of lower organic growth. You're putting it into M&A despite not really disposing of it. Did I really hear that correctly? And what's the reason to treat Belarus and Russia differently from the brands you're discontinuing? Thank you.

Carsten Knobel, CEO: Good morning. I take your first question regarding the guidance. And, Marco, you take the one regarding the OSG impact with Russia and Belarus. So first of all, when we come to the guidance, I think, yes, you've phrased it right, the guidance what we have is not taking into account any production shutdowns based on gas shortages in Europe. So therefore, for sure, we also see current some impacts of the gas shortage, that's for sure impact – that's included. But, the overall impact of a gas shortage in terms of really production stops or whatever in a severe situation is not included in that guidance.
And taking that as a starter and your second question in terms of how we, as a company, could be impacted or how we are working on that, I think let me outline that in the context of, first of all, overall, Henkel is not a company with really high energy consumption. Our total energy spend accounts for a low-single digit percentage of our cost of goods base. Nevertheless, for sure, ensuring here security of energy supply for our production sites is for us, for sure, of utmost importance.

In the hypothetical case that a gas supply is cut off, this would have, for sure, severe impacts on many companies across countries. On the other side, I think, in that context, we have made our homework in terms of preparing ourselves, our production sites, and we will close that at the end of this month that we will be also able, with alternative supplies of other materials, to compensate. On the other side, it's clear, if the whole gas supply would stop, then, for sure, suppliers of us for raw materials would be impacted.
So, in a nutshell, as I said, quite low energy consumption also in the share of cost of goods. We're preparing ourselves for that, and we are more or less ready with alternative supplies. But the big question mark for sure remains for the whole industries, if supply from basic chemicals and things like that is not available anymore then, for sure, also that would have an impact on us. I hope that clarifies. With this, to Marco.

Marco Swoboda, CFO: Good. So, to your second question, I think, yes, you understood that correctly. We basically did also explain how we would treat Russia/ Belarus in our OSG calculation going forward, when we did announce the Q1 results and we informed that we will exclude Russia, Belarus from the OSG calculation from Q2 onwards, as we have decided the exit. And also, the sales trend there is a result of the geopolitical development and the sanctions environment and does not reflect the operational development of the Group. That's why we also decided on that treatment and we did basically disclose that accordingly.

Questioner adds: Can I just come back on the gas situation? I understand that you worry more about your own suppliers a little bit more than the energy consumption of your customers, wouldn't be the impact on the Adhesive customers be by far the biggest thing you would carry in case there was a gas shortage in Germany? Thank you.

Carsten Knobel, CEO: I think on that, for sure, suppliers and customers is at that point a similar situation. Yes.

Questioner adds: Okay. Thank you.

Carsten Knobel, CEO: And for that, there would be also an impact, clear. Clarified?

Question: Yes, sir. Thank you. Good morning, Carsten, Marco, and IR team. Two questions, if I may. First of all, congrats on the share gains in Laundry & Home. Are you also seeing share gains in North America in that segment? And in that context, how is Persil in the US performing and how the Sun liquid portfolio?And then my second question would be another logistic question. Any possible impact from the Rhine river situation? I mean, I would believe for now, not directly, not for you guys in Düsseldorf, but what about if there were force majeures being declared by some of your key suppliers, such as BASF or Covestro? Thank you.

Carsten Knobel, CEO: Morning. Yeah, starting with your first question. I think to put it a little bit, if it is okay for you in the overall perspective, we have seen a good development of market shares or stable development of market shares with slightly gains in Laundry & Home Care and in Beauty Care overall worldwide.

I think taking especially into account the situation of pricing and I think you have also seen – we have seen quite good developments in quarter two in Laundry & Home Care of our volumes, so despite the price increases, we are able also to bring volume through.
In Beauty Care, you don't see a volume increase. The significant part of the reduction in volume is due to the portfolio measures in the mid-single digit, it's a little bit less. So, we're expecting an over proportional development in the second half of the year. And taking that as a starter, and now moving to your specific question in North America, I think what we see is – and we're talking about that, we have continuously seen now in quarter one and quarter two really good development of organic net sales growth in both, in our Beauty Care business and specifically also in our Laundry & Home Care business with significant growth now in the first half year. This is also taking a positive impact on the market share situation.
If I take year-to-date, you know that we have been significantly losing market shares. This is more or less bottoming out now. We have year-to-date only more or less stable, slightly negative situation. But if I see the recent periods, the last ones, here, I see a positive market share developments which is going, I would say, across the board. But also you mentioned specifically Persil, we see a good development also here.
So overall, I think as I said, couple of times before, we're doing it step by step. I think we have launched a couple of initiatives from pricing, innovations, investments, and portfolio changes and management changes. And I think that the fruits are coming into reality. And Purex is currently in the market share, is more or less stable, but here also maybe consumer behavior or changes in consumer behavior, because Purex is value-for-money positioned will from my point of view, we'll see in the second half some positive effects. I hope that answers – was quite long the answer, but I wanted to give a comprehensive one on the overall market share situation. And I think Marco will now take the Rhine river question.

Marco Swoboda, CFO: I will take the question on river Rhine, the water level is extremely low, and indeed, that plays a role in transportation in continental Europe. So we are, of course, concerned that this is putting additional stress on the supply chains. Henkel itself does not use the river Rhine directly to transport large amounts of goods. But, of course, we depend on our suppliers, which are using to a larger degree the river Rhine as means of transportation. And since the last low-level situation 2018, our suppliers have put in place various mitigation measures, and that's what we also understand from current conversations. So, we are currently confident that we won't have major impacts from the low water level. But, ultimately, of course, we have to see how that finally plays out. But, so far, we understand mitigations are in place.

Questioner adds: Okay. Thank you very much, both.

Carsten Knobel, CEO: You're welcome.

Question: Good morning. Good morning, all. So, first, my question is on the cost inflation. So, you said it's €2 billion for the year, and that's unchanged. At the same time, you said that some of the feedstocks are starting to roll over. So, I just want to understand, when are we going or are you going to see the benefit of lower price point into your overall cost basket? And does this €2 billion include a higher energy costs even if you say it's a small number?
And just to follow up on that, does this impact your pricing negotiation, i.e., the lower feedstock and are you still planning for price increases in H2 or are we starting now as well that pricing is peaking, and especially thinking also at some of the industrial price negotiation?
My second question is on the volume bounce-back between Q1 and Q2 in Laundry. So, you talked about market share, but can you explain why the volume bounced back so dramatically between the quarters? Yes. Thank you.

Carsten Knobel, CEO: Morning. Starting with your first question, and to put that in perspective, I think what we have seen, and maybe if I start with Adhesives, we have been seeing – and I think we talked about the continuously increase in our pricing initiatives, quarter one, quarter two. Also seeing that now starting in quarter three, that pricing was going up. We expect the peak of that in the course of quarter three. And by that, getting, for sure, a spillover effect then in quarter four and into next year.
In the consumer businesses, the peak, when it comes to the pricing, and by that, for sure, first, the input cost increases, and by that, the pricing is seen for Q3, more Q3/ Q4 on the year in that respect. In Adhesives, we have a time delay of around 3 to 6 months, until we get the pricing initiatives into the P&L. And I think independent of that, we expect that the market situation remains quite uncertain and volatile due to the war in Ukraine, due to the economic slowdown by the high inflation, by the potential gas shortage we just discussed. But also, for sure, geopolitical tensions, which are also in other parts of the world.
Maybe that's to the first question. And to your second question, when it comes to the bounce back of volumes, you may recall, when we were in our Q1 call, we said that the volume in both in Beauty and in Laundry was impacted also by negotiations with the trade or reluctance of the trade to accept a respective pricing initiative. I think, during the course of Q1 and Q2, we have been solving most of these negotiations, which then play also an impact now into the quite significant bouncing back of the volumes in Q2. And maybe also a slight impact because of this extraordinary impact is the pre-buying of some of the accounts before the 1st of July. And then also in Q2, we had the portfolio measures in Beauty, which is taking down volume, as I said, the mid-single digit, I think you need to exclude that. And if you take the development of volume in Beauty, I think that's on a comparable level to competitors what we are seeing. Hope that clarifies.

Questioner adds: Thank you. I just didn't understand. You said there was some extraordinary buying. What were you referring to and how big is that?

Carsten Knobel, CEO: First of all, I do not quantify that. What I meant is for sure if you have price increases scheduled in parts of the world, then there is a certain element of pre-buying in order to still buy…

Questioner adds: Okay.

Carsten Knobel, CEO: …on the old prices. But that's – you asked for quite a significant bounce back, and there are different reasons, and therefore, I wanted to give you a couple of.

Questioner adds: Thank you so much.

Carsten Knobel, CEO: You're welcome. Thank you.

Question: Thank you very much. Morning, everyone. I wondered if you could talk a little bit about Middle East, North Africa, and what you're seeing in that region. It's clearly a business where you've done very well in Laundry historically, but then some concern around recent macro. Perhaps any color on how the consumer is holding up would be great.
And then, secondly, just stepping back a little bit, I wondered if you could remind us with your merger of Beauty and Laundry business in terms of the total gross savings that that was expected to yield, which I believe you've quantified at €500 million, how much of that we should expect to see reinvested across the life cycle of the program and how much dropped through? I think you've quantified a drop-through for the first stage of that only, but I wondered if you could just talk across the entire program how much reinvested versus how much dropped through. Thank you very much.

Carsten Knobel, CEO: So I thought the merger question would be more on a strategic perspective, but due to the fact that you are more related to numbers, I think, Marco, you will take that in terms of the savings, if you want.
To your Middle East question, I think what we see is, also during first half year, a good growth pattern in the Middle East businesses. That's valid for Adhesives. That's valid for Laundry & Home Care. We have quite good pricing, which we bring through with double digits and by that, also increasing our market shares quite good and significant on that. I think important here, maybe different to other regions, the consumers in Middle East, Africa are used to pricing initiatives because of the inflationary development over the last couple of years. In Beauty Care, I think, here, in general, it's the same. But here, specifically, first half is related also to our portfolio measures. The €200 million, which we have been pointing out for 2022 overall plays a role for sure across the world, but has also a significant/fair share also in the Middle East/Africa situation in order to get portfolio parts out, businesses/brands, which are dilutive, be it in top line, be it from a margin perspective. So therefore, in the first half year, we see here an extraordinary impact in Beauty Care, but the rest of the businesses is continuing, as I pointed it out before.

So I think – hope that clarifies. And by that, giving the synergy question now to Marco.

Marco Swoboda, CFO: Yeah. Indeed, we have communicated that we aim at roughly €500 million of gross savings for the entire program. And we had subdivided that in two phases because, obviously, first phase comes sooner and we have more visibility on that. And we did announce that we will aim at approx. €250 million of net savings, also including already potential reinvestments.
So, we haven't detailed out the overall impact of the reinvestment on the €500 million because it's quite some time into the future. We haven't communicated on that because also here, we haven't taken a final decision. We want to stay flexible to also cater for the market requirements and the return pattern. We do see, as I said before, that it's still some time into the future.
With the announcement of the €500 million, we wanted to give you some flavor on where we see the potential opportunity in total going forward, and that's why we announced it and we will communicate at some point in the future also how much of that will be reinvested. So, so far, I need to now ask you to stay a bit more cautious or need to wait for our communication coming. At the moment, I cannot give you more flavor to that.

Questioner adds: Perhaps a very quick follow-up, if I may. You talked about €250 million net in stage one. Are you able to give the gross figure in stage one, please?

Marco Swoboda, CFO: No, we haven't communicated that on purpose. We will steer that flexibly. And hence, on that number, I cannot give you more details. I'm sorry.

Questioner adds: Okay. Thank you very much.

Carsten Knobel, CEO: The only thing, on that, we are really making good progress on that, that we wanted to get that executed. So, we're really on track.

Marco Swoboda, CFO: It is our commitment to bring the €250 million net savings down to the bottom line. I think that's what's now important also, and that's why we thought that is a major information piece that you need also to understand how that will impact the earnings, that's why we concentrated on that figure.

Questioner adds: Thank you.

Carsten Knobel, CEO: You're welcome.

Question: Hi. Good morning. A couple of questions from me. First one is can you give a bit more detail on the margin for some of the consumer divisions in H2? So clearly, in Beauty, you're ahead of your full year targets. In Laundry, you're kind of at the top end of the range. So can you talk about the main kind of margin moving parts in H2 and clarify the comment that you made on being clearly at the top end – or, sorry, clear potential for being at the top end of the range in those divisions?

And then, secondly, can you talk a little bit about what your sort of base case scenario for the Adhesive end markets are in the second half of the year? What sort of growth you'd expect to see there and how that would translate into your kind of volumes within the division? Thanks.

Carsten Knobel, CEO: Now, first of all, good morning. Maybe starting with your second question in terms of growth perspective. I think we had the guidance in Adhesives, which we have with 8% to 10%, and the results of more than 12% in the first half year.
We see that in the second half, at least, if you look from the macroeconomic perspective, you see that industrial demand, at least there is a little bit of reducing pace in the dynamics, which is I think maybe then reflected in a little bit lower organic growth in the second half of the year.
On the other side, we have quite high comparables based on the pricing we had already in the second half of last year. But I think overall, 8% to 10% guidance. I think we have so many influencing factors and volatility taking into account, I think that's more than fair where we are.
In Beauty Care and in Laundry & Home Care, we have raised the guidance by 200 basis points each the guidance. And on that, I think, for sure there is a certain impact, which maybe is from consumer behavior, which to be seen. But I think, overall, the situation is, as we raise the guidance, that we are quite confident to further drive the businesses on that and having also an impact on what we see. The other question was more related to the bottom-line, to the margin perspective. Marco, do you want to take that?

Marco Swoboda, CFO: Of course. And, yes, indeed, we kept the margin guidance for the two consumer business as before. But we said that there is a clear potential to reach the upper half of the guidance range in both Beauty and Laundry and to also make clear that it can also get there.
The key moving part of that margin on the second half, on the one hand, we do expect a higher advertising, promotion support in the second half to support our brands, in particular in Beauty. I think we haven't invested so much at the beginning, also to finish our portfolio analysis to really be very decisive where to invest and we have finalized all those plans. So we do believe in the second half, that will be higher than in the first half. And to some extent, that also holds true for Laundry & Home Care.
We also do see that in the second half, from a P&L perspective, the input cost will be above the first half. The price hikes we have seen in input prices have accelerated throughout the first half and we do not expect easing off so fast in the second half. So that now looking on average also input price in second half will be about first half and that will also then impact the margin. So those are the two key drivers.
And then, of course, we talked about it earlier, on the gas situation, of course, there's some also uncertainty how that will unfold. Although, as said before, we don't see a major downside on that part. But still, uncertainty remains. And also on the input cost, it's quite volatile. So we stay cautious here. But clear, there is a potential to finish at the upper half of the range.

Questioner adds: Thank you very much.

Carsten Knobel, CEO: You're welcome.

Question: Yeah. Morning, everybody. I wondered just, firstly, could you maybe give some comments on where the absolute level of EBIT is in Russia and what the impact on the EBIT margin has been? Presumably your A&P in Russia is down substantially at the moment and just where the margin is versus when you last gave the guidance, please.
And then just on Adhesives ex-Russia, are we now in a point where pricing – and I take your comments onboard about perhaps some slower demand in the second half of the year. But are we at a point where the absolute EBIT is now stable that the pricing is matching the cost increases that you're seeing in Adhesives? Sort of trying to take out some of the seasonality perhaps as well, but if you that would be great. Thank you.

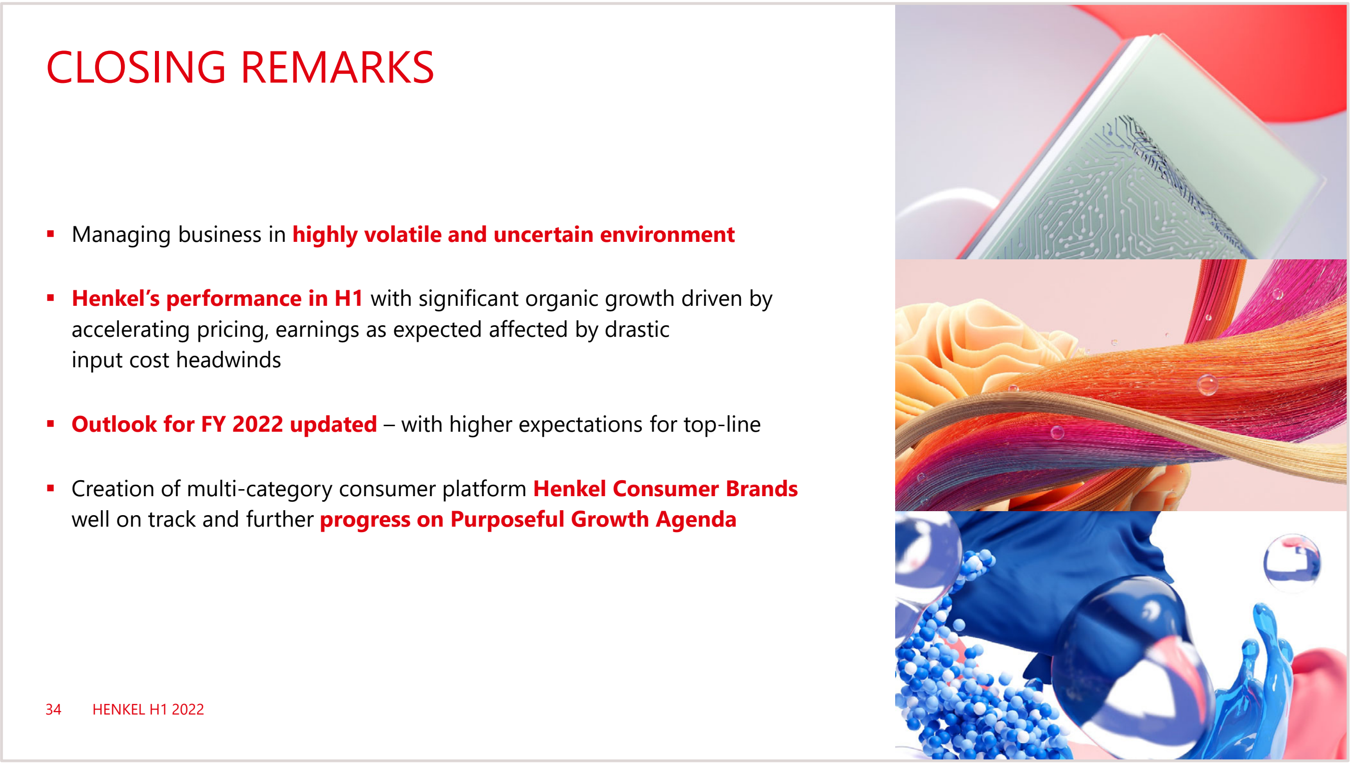
Carsten Knobel, CEO: So, good morning. So if we take the Adhesives situation, maybe I'll start with that and Marco takes the question with the EBIT of Russia. I'm not 100% sure I understand your question. Can you elaborate it again?

Questioner adds: There's obviously a high pass-through element in Adhesives, which is depressing the operating margin as well as whether you can match your prices against costs. So are we at a point now where you're trending at your price increases, matching the cost increases across Adhesives? And so, therefore, although your volumes may move up or down, are we at a point where that's essentially a stable EBIT number in Adhesives now sequentially?

Carsten Knobel, CEO: Yeah, yeah. So, if I take that now, the absolute pass-through level is reached. And I think it's – I would say, yeah, maybe in the course of Q3, we are reaching this absolute pass-through level. And by that, for sure, that will then impact further also the margins in a positive sense because, as you see, we had a margin in the first half year of 13.6%. We have not changed the guidance, mid 13% to 15%. The midpoint, I don't need to tell you what the midpoint is on that. So, therefore, we expect a better half two in comparison to half one when it comes to the EBIT margins partly, for sure, also impacted by the absolute pass-through, which we have more or less reached while we're speaking. Maybe that's to that part. I hope that clarifies or answers your question. And for the other one, the Russia question, I give it to Marco.

Marco Swoboda, CFO: So, question was on Russia and the EBIT level. So, in the first half, the EBIT in Russia was approximately on the prior-year level, also fueled by lower advertising spend. As we obviously had communicated that from April roughly onwards, we're going to stop the advertising in the country. And when you recall, sales of Russia of the total Group is roughly 5% and the EBIT level in the first half was a bit above that sales share that we have in Russia. So, all in all, it was a bit accretive on the margin.

Questioner adds: Okay. Thank you.



Thank you first of all for your questions. I hope that Marco and myself could answer that accordingly.

Let me briefly summarize the key takeaways of today's presentation.

We are operating, once again, in a challenging environment, with high volatility and uncertainty. The war in Ukraine has far-reaching implications. It also accelerated the already tight situation at the supply markets. All in all, in an overall inflationary environment, we faced absolute headwinds from increased direct material prices of around one billion euros in the first half.

Against this background, as pointed out, we recorded significant organic sales growth of 8.9 percent – driven by strong pricing initiatives in all three business units, which accelerated quarter over quarter. In sum, we were largely able to compensate the drastic input cost pressures on an absolute level. But, as expected, our margin and EPS are affected by the exceptional input cost pressures. Nevertheless, we are confident to recover our profitability over time.

Today, we updated our outlook for fiscal 2022, taking into account the performance in the first half: We raised our expectations for organic sales growth and confirmed our earnings guidance for the Group adjusted EBIT margin and adjusted EPS. And as Marco pointed out, just again, in our consumer businesses, we see the clear potential to reach the upper half of our margin outlook ranges.

Finally, while managing our business, we are driving the Consumer Brands merger with full force and remain focused on our strategic priorities.

Before closing today's call, let me use the opportunity again to invite you to our upcoming Capital Markets Day on September 20. We are looking forward to meeting you in person at our headquarters here in Düsseldorf. Together with my Board colleagues, we will share our perspectives on our two future business units – Adhesive Technologies, Consumer Brands also focus on Sustainability.

In case of any questions related to the event, please reach out to our Investor Relations team.

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

And, as always: Take care, stay safe and stay healthy.

THANK YOU.

ORGANIC SALES GROWTH DEVELOPMENT H1 & Q2 2022

	H1	Q2
Adhesive Technologies	+12.2%	+13.7%
Beauty Care	+0.4%	+2.1%
Laundry & Home Care	+7.4%	+10.1%
Henkel Group	**+8.9%**	**+10.9%**

Henkel

OUTLOOK 2022

		FY 2022 – previously	FY 2022 – updated
ORGANIC SALES GROWTH[1]	ADHESIVE TECHNOLOGIES	+8.0 to 10.0%	+8.0 to 10.0%
	BEAUTY CARE	-5.0 to -3.0%	-3.0 to -1.0%
	LAUNDRY & HOME CARE	+2.0 to 4.0%	+4.0 to 6.0%
	HENKEL GROUP	**+3.5 to 5.5%**	**+4.5 to 6.5%**
ADJUSTED EBIT MARGIN	ADHESIVE TECHNOLOGIES	13.0 to 15.0%	13.0 to 15.0%
	BEAUTY CARE	5.0 to 7.0%	5.0 to 7.0%
	LAUNDRY & HOME CARE	7.0 to 9.0%	7.0 to 9.0%
	HENKEL GROUP	**9.0 to 11.0%**	**9.0 to 11.0%**
ADJUSTED EPS[2]	Reflecting high level of market uncertainty and volatility	-35 to -15%	-35 to -15%

[1] Excluding Russia and Belarus since Q2 2022 [2] Per preferred share, at constant exchange rates

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OUTLOOK 2022
ADDITIONAL INPUT FOR SELECTED KPIS

Currency Impact on Sales	Low- to mid-single-digit % positive[1]
M&A Impact on Sales	Low to mid-single-digit % negative[2]
Prices for Direct Materials	Increase by mid twenties %[1]
Restructuring Charges	€ 450 – 500m[3]
CapEx	Around € 700m

[1] Versus the prior year average [2] Including effect from exiting Russia and Belarus
[3] Including restructuring charges related to the merger of Laundry & Home Care and Beauty Care

MID- TO LONG-TERM AMBITION

	HENKEL GROUP	ADHESIVE TECHNOLOGIES	CONSUMER BRANDS
ORGANIC SALES GROWTH	3 to 4%	3 to 5%	3 to 4%
ADJUSTED EBIT MARGIN	~16%	high teens %	mid teens %
ADJUSTED EPS GROWTH	mid- to high single-digit % at constant exchange rates, including M&A		
FREE CASH FLOW	continued focus on Free Cash Flow expansion		

Compelling financial ambition for the **Henkel Group**

and the **Adhesive Technologies** and **Consumer Brands** business units

Henkel

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