



# HENKEL Q3 2022

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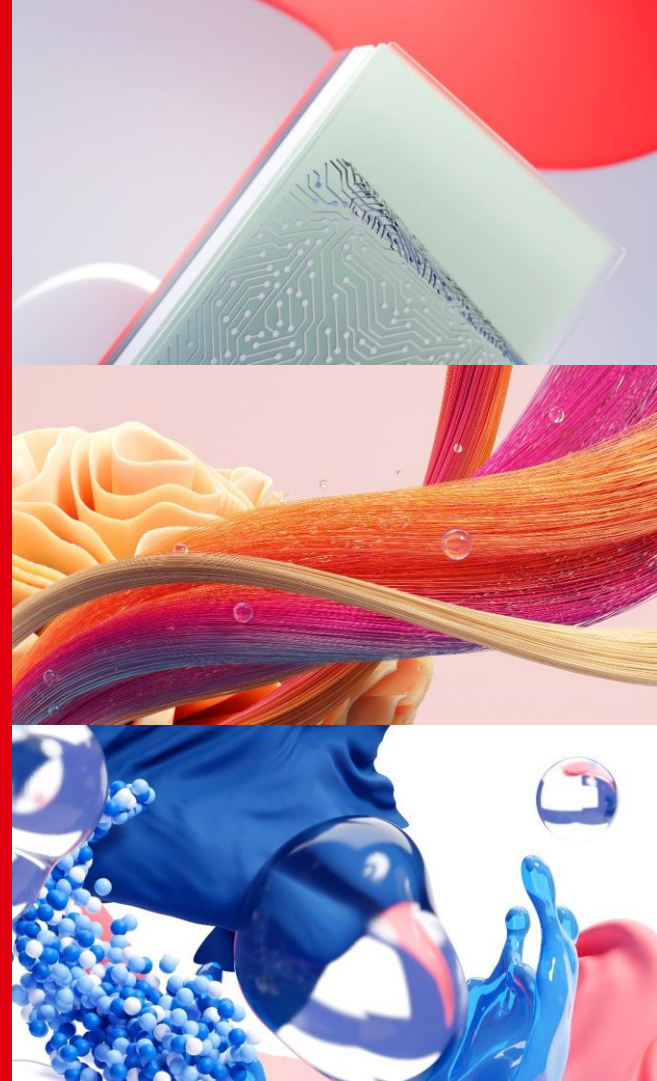
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# AGENDA

- 01 Key Developments**
- 02 Business Performance Q3 2022 & Outlook
- 03 Key Take-Aways & Closing



# KEY TOPICS TODAY



## STRONG Q3 SALES PERFORMANCE

- Double-digit organic sales growth driven by strong pricing across all business units and regions
- Quarterly nominal sales reaching all-time high



## UPDATED OUTLOOK 2022

- Continued strong growth momentum
- Top- and bottom-line expectations for FY22 raised based on strong YTD performance

# DOUBLE-DIGIT ORGANIC SALES GROWTH IN Q3 2022 WITH ALL-TIME HIGH QUARTERLY NOMINAL SALES

## HENKEL GROUP



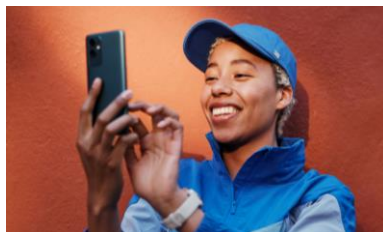
ORGANIC  
SALES  
GROWTH

11.3%

NOMINAL  
SALES

€ 6.0bn

## ADHESIVE TECHNOLOGIES



16.8%

€ 3.0bn

## BEAUTY CARE



0.9%

€ 1.0bn

## LAUNDRY & HOME CARE



7.3%

€ 1.9bn

# BUSINESS ENVIRONMENT

- **Broad-based inflationary environment** and continued high volatility
- **Input cost prices still at elevated levels** with particularly high energy prices in Europe
- **Robust industrial production** with month-over-month dynamics slowing down in certain segments, e.g. construction and furniture, however on high levels
- **Consumer demand with varying dynamics** in different categories and increasing elasticities



# SUCCESSFULLY MANAGING BUSINESS WHILE DRIVING STRATEGIC PRIORITIES

## Clear proof points:

- **Delivering double-digit organic sales growth** in Q3 with all-time high nominal sales
- **Stepping up pricing initiatives** across all business units and regions to compensate for unprecedented input cost pressures
- **Driving innovation for future growth** across industrial and consumer businesses
- **Executing on Consumer Brands merger** with organizational set-up ahead of plan
- **Pursuing attractive M&A opportunities:** two technology acquisitions successfully closed in Adhesive Technologies
- **Following cost discipline** and driving efficiency gains in supply chain, procurement and SG&A



# UPDATED OUTLOOK 2022

ORGANIC SALES GROWTH<sup>1</sup>

**+7.0 to 8.0%**

*Previously +5.5 to 7.5%*

ADJUSTED EBIT MARGIN

**10.0 to 11.0%**

*Previously 9.0 to 11.0%*

ADJUSTED EPS<sup>2</sup> GROWTH

**-25 to -15%**

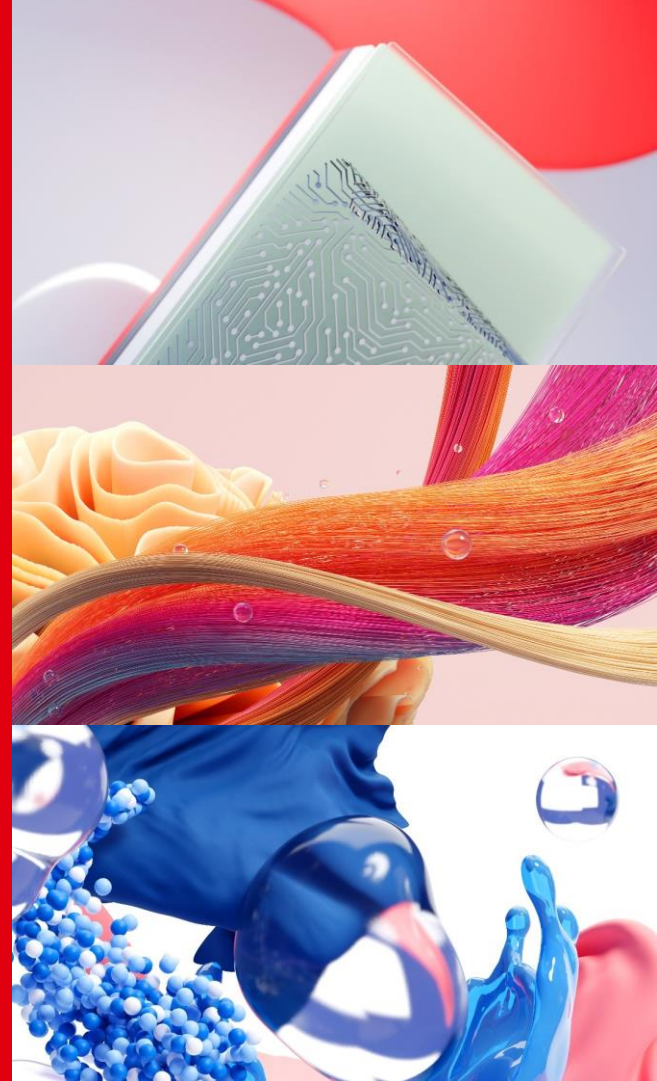
*Previously -35 to -15%*

- Top-line expectations raised driven by continued strong growth momentum
- Bottom-line outlook increased for both adj. EBIT margin and adj. EPS growth



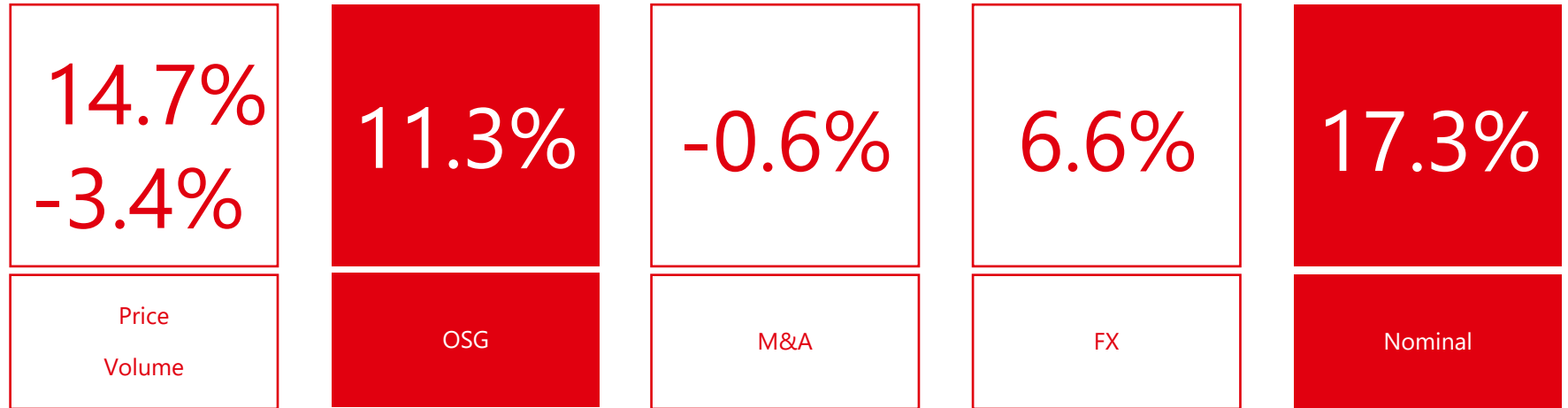
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# DOUBLE-DIGIT ORGANIC SALES GROWTH DRIVEN BY PRICING

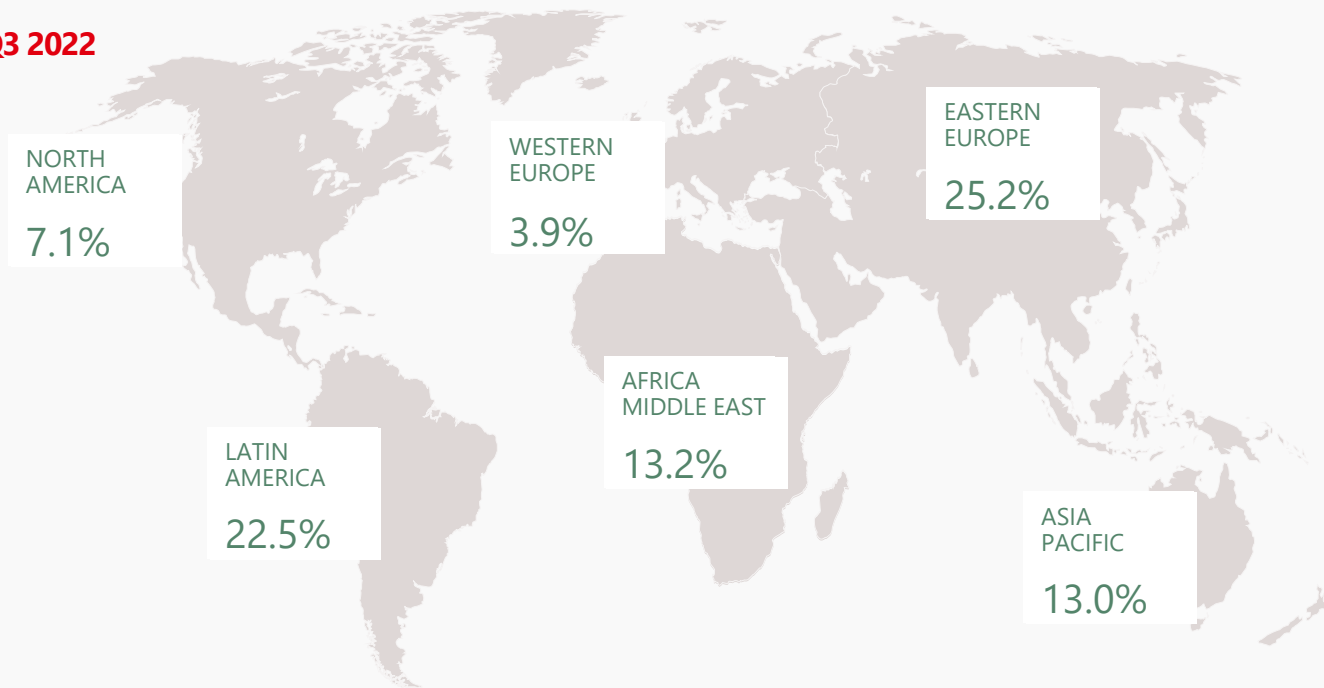
Q3 2022



- Double-digit organic sales growth in still highly challenging environment driven by double-digit pricing across businesses
- All-time high nominal sales of €6.0 billion

# ORGANIC SALES GROWTH ACROSS REGIONS

Q3 2022



MATURE  
MARKETS

5.6%

EMERGING  
MARKETS

18.6%

# ADHESIVE TECHNOLOGIES

Q3 2022



- Continuously strong growth momentum driven by double-digit pricing and solid volume development
- Organic growth driven by all business areas:
  - Double-digit growth in **Automotive & Metals** with slight easing of headwinds in Automotive from semiconductor shortages
  - **Packaging & Consumer Goods** with continued growth momentum and double-digit growth in all businesses
  - **Electronics & Industrials** with significant growth driven by Industrials
  - Significant growth in **Craftsmen, Construction & Professional**, particularly driven by double-digit growth in General Manufacturing & Maintenance business



# ADHESIVE TECHNOLOGIES

Q3 2022



# BEAUTY CARE

Q3 2022

NOMINAL  
SALES

€1.0bn

ORGANIC  
SALES GROWTH

0.9%

Price:  
11.7%

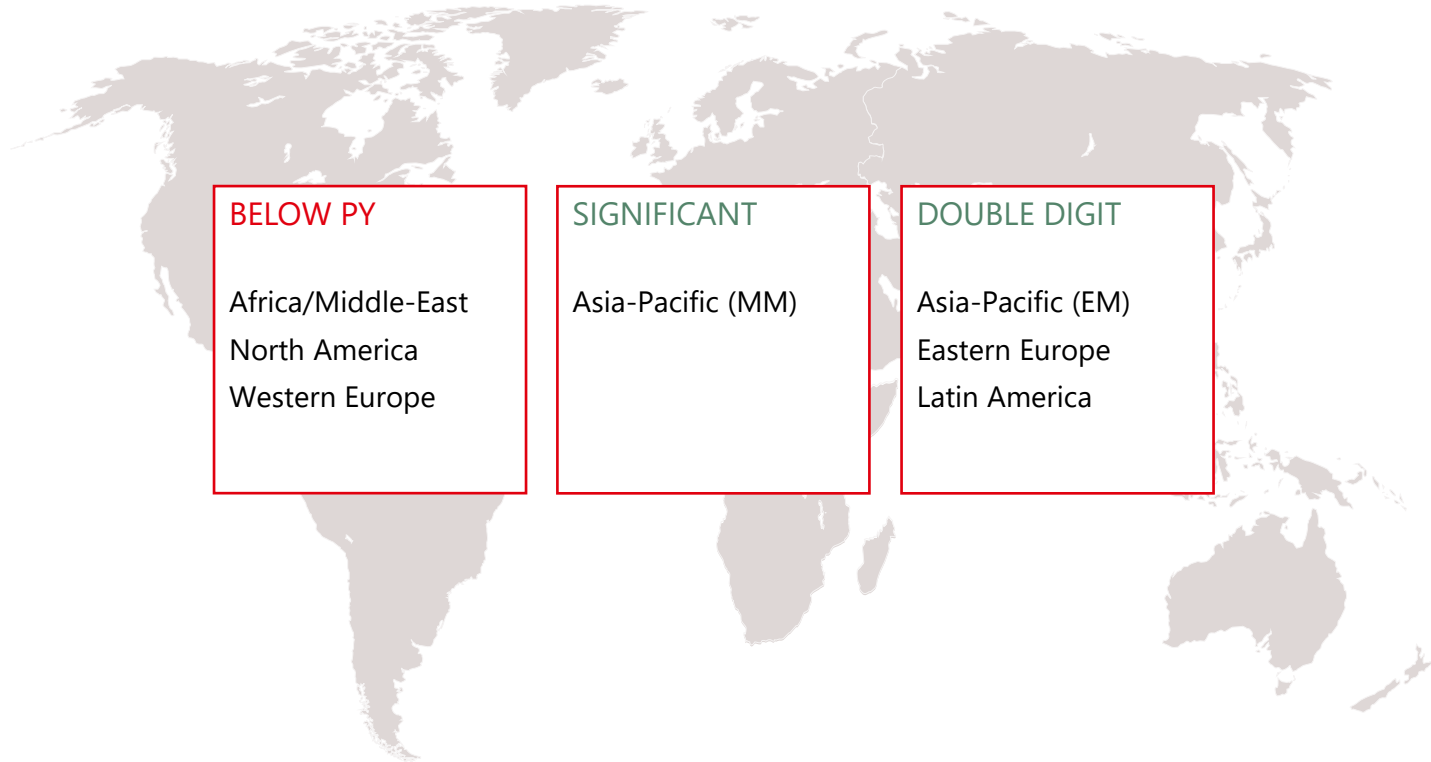
Volume:  
-10.8%

- Double-digit pricing overcompensating volume decline due to portfolio measures and increasing elasticities
- **Consumer** with overall positive organic growth:
  - Hair: double-digit growth in Styling backed by continued market normalization; Coloration & Care with strong organic growth mainly driven by emerging markets
  - Body Care below previous year mainly due to portfolio measures
- **Professional** with good organic growth driven by emerging markets despite strong PY comparables



# BEAUTY CARE

Q3 2022



# LAUNDRY & HOME CARE

Q3 2022

NOMINAL  
SALES

€1.9bn

ORGANIC  
SALES GROWTH

7.3%

Price:  
14.8%

Volume:  
-7.5%

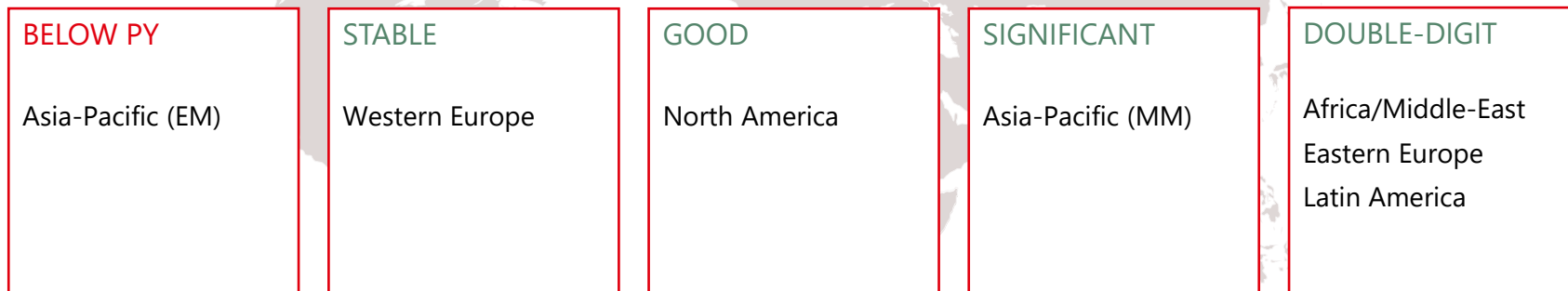
- Double-digit pricing clearly offsetting volume decline
- **Laundry Care** with double-digit organic growth driven mainly by Heavy Duty and Special Detergents with strong contribution from core brands Persil, 'all and Perwoll
- **Home Care** with flat development mainly due to further normalization of post-COVID environment and despite strong PY comparables





# LAUNDRY & HOME CARE

Q3 2022



# UPDATED OUTLOOK 2022

## ORGANIC SALES GROWTH<sup>1</sup>

**+7.0 to 8.0%**

*Previously +5.5 to 7.5%*

ADHESIVE TECHNOLOGIES +11.0 to 12.0%

BEAUTY CARE -1.0 to 0.0%

LAUNDRY & HOME CARE +5.5 to 6.5%

## ADJUSTED EBIT MARGIN

**10.0 to 11.0%**

*Previously 9.0 to 11.0%*

ADHESIVE TECHNOLOGIES 13.5 to 14.5%

BEAUTY CARE 7.5 to 8.5%

LAUNDRY & HOME CARE 8.0 to 9.0%

## ADJUSTED EPS GROWTH

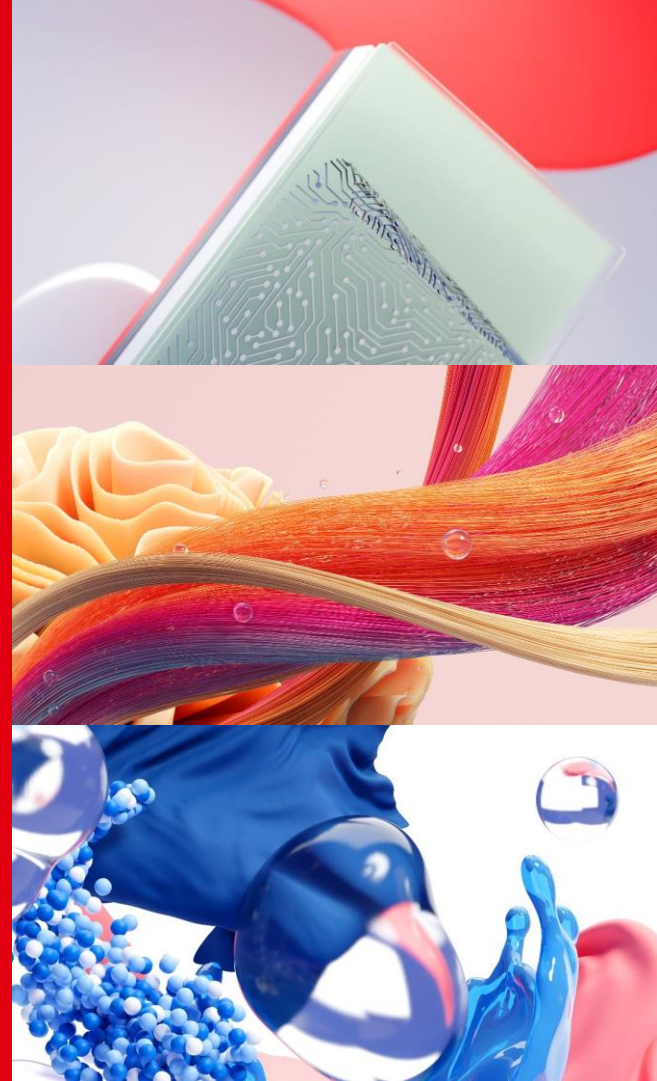
**-25 to -15%**

*Previously -35 to -15%*

Per preferred share,  
at constant exchange rates

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# KEY TAKE-AWAYS

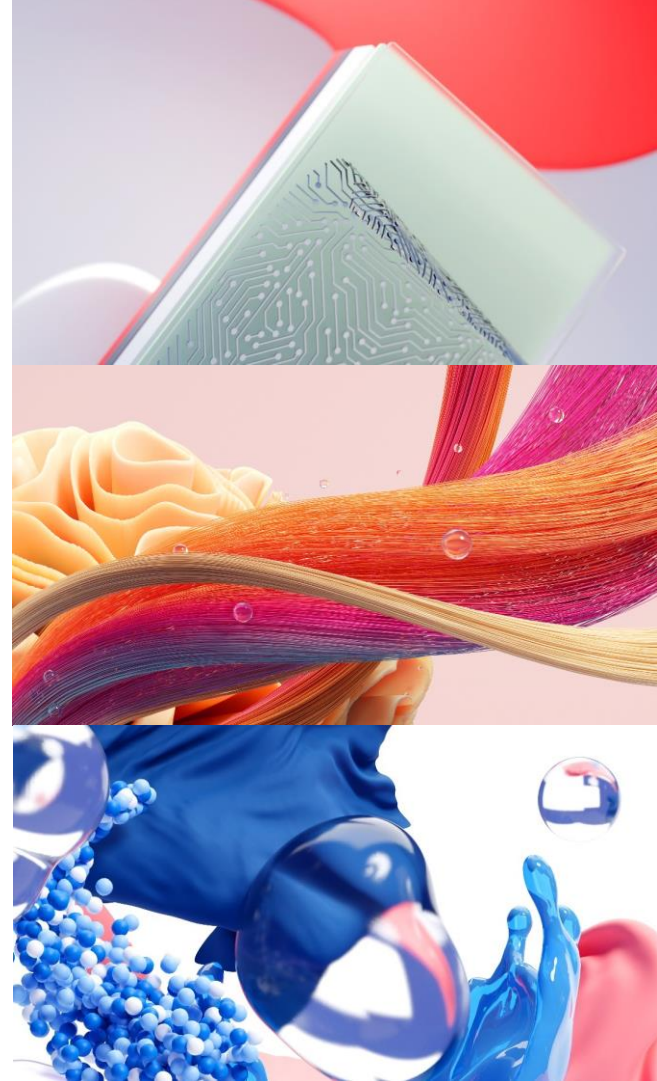
- **Double-digit organic sales growth** in Q3 2022 driven by **further accelerated pricing** across business units and regions – reaching all-time high of quarterly nominal sales
- **Managing business successfully and driving strategic priorities** in a continuously challenging business environment
- **Raised FY 2022 outlook** with updated top- and bottom-line expectations based on strong YTD performance



# Q&A

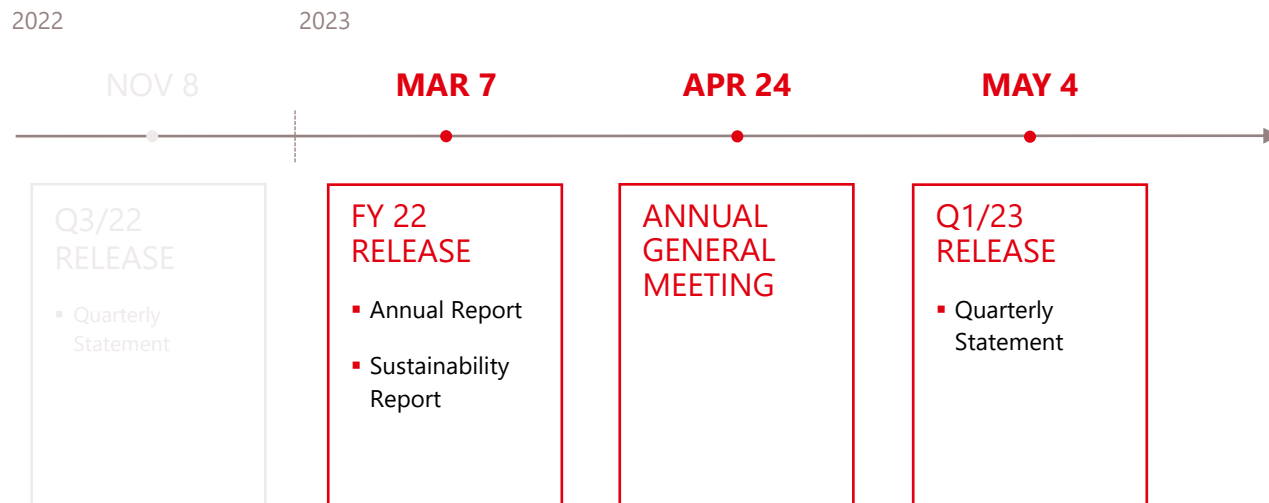
# CLOSING REMARKS

- **Double-digit organic sales growth** in Q3 2022 across business units and regions driven by **accelerated pricing** – reaching all-time high nominal sales
- Navigating successfully in a **continuously challenging business environment**
- **Managing business while driving strategic priorities:** executing on Consumer Brands merger, driving innovation and pursuing attractive M&A
- **Raised FY 2022 outlook** for sales and earnings based on strong YTD performance



# UPCOMING EVENTS

## What's next



# THANK YOU.





# ORGANIC SALES GROWTH DEVELOPMENT

## Q3 & 1-9 2022

	Q3 2022	1-9 2022
Adhesive Technologies	+16.8%	+13.7%
Beauty Care	+0.9%	+0.6%
Laundry & Home Care	+7.3%	+7.4%
<b>Henkel Group</b>	<b>+11.3%</b>	<b>+9.7%</b>

# OUTLOOK 2022

		FY 2022 – previously	FY 2022 – updated
ORGANIC SALES GROWTH <sup>1</sup>	ADHESIVE TECHNOLOGIES	+10.0 to 12.0%	+11.0 to 12.0%
	BEAUTY CARE	-3.0 to -1.0%	-1.0 to 0.0%
	LAUNDRY & HOME CARE	+4.0 to 6.0%	+5.5 to 6.5%
	<b>HENKEL GROUP</b>	<b>+5.5 to 7.5%</b>	<b>+7.0 to 8.0%</b>
ADJUSTED EBIT MARGIN	ADHESIVE TECHNOLOGIES	13.0 to 15.0%	13.5 to 14.5%
	BEAUTY CARE	5.0 to 7.0%	7.5 to 8.5%
	LAUNDRY & HOME CARE	7.0 to 9.0%	8.0 to 9.0%
	<b>HENKEL GROUP</b>	<b>9.0 to 11.0%</b>	<b>10.0 to 11.0%</b>
ADJUSTED EPS	Per preferred share, at constant exchange rates	-35 to -15%	-25 to -15%

# OUTLOOK 2022

## ADDITIONAL INPUT FOR SELECTED KPIS

Currency Impact on Sales	Low- to mid-single-digit % positive <sup>1</sup>
M&A Impact on Sales	Low to mid-single-digit % negative <sup>2</sup>
Prices for Direct Materials	Increase by mid twenties % <sup>1</sup>
Restructuring Charges	€ 450 – 500m <sup>3</sup>
CapEx	Around € 650m

# 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



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