

**Henkel**  
**Q2 2013**

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London  
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# Disclaimer

This information 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.

# Agenda

- 1 Key Developments Q2 2013**
- 2 Financials Q2 2013
- 3 Summary & Outlook FY 2013

## Key figures Q2 2013

4,286 m€

Sales

15.4 %

Adj. EBIT margin

1.07 €

Adj. EPS (pref.)

5.2 %

NWC/ % of sales

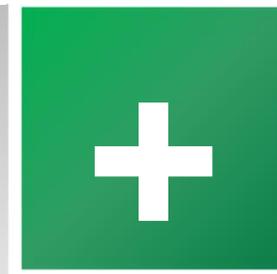
-130 m€

Net financial pos.

## Achievements Q2 2013

### Henkel

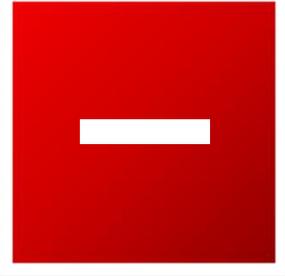
- Solid organic sales growth driven by all businesses
- All regions growing, Emerging Markets very strong
- Emerging Market sales share at 45%
- Return to solid growth of Adhesive Technologies, also in North America
- Adj. EBIT margin very strong, growth driven by all businesses



## Challenges Q2 2013

### Henkel

- Weakness in Southern Europe impacting all businesses
- Further increased promotional pressure
- Electronic Adhesives improving, sales still slightly negative
- Continued headwind from FX
- Further geo-political and social unrests



# Laundry & Home Care

## Key developments



### Sales

- Strong OSG, Laundry strong Home Care very strong
- Emerging Markets OSG double digit
- Mature Markets flat

### Return

- Adj. EBIT Margin showing very strong increase
- ROCE further increased

# Laundry & Home Care

## Key activities

### Perwoll Sport & Active



- Patented odor neutralization system
- Successful roll-out in Central Eastern Europe

### Power Gel



- Residue-free power gel
- Value for money innovation in MENA

### Pril 3x Best Power



- Best degreasing power in three dimensions
- Further strengthen position in E. Europe and MENA

## Beauty Care

### Key developments



#### Sales

- Solid OSG
- Retail solid, Hair Salon below PY quarter
- All regions growing, Emerging Markets with strong OSG

#### Return

- Adj. EBIT Margin showing strong increase
- ROCE further increased

# Beauty Care

## Key activities

### Schwarzkopf Million Color



- Revolutionary permanent intense powder-to-cream coloration
- Millionized powder pigments

### Fa Shower + Lotion



- 1<sup>st</sup> shower cream with body lotion complex from Fa

### Igora Royal



- High Definition Technology
- The new standard in professional Hair Coloration

# Adhesive Technologies

## Key developments



### Sales

- Solid OSG
- Emerging Markets with very strong OSG
- Mature Markets slightly below PY quarter
- North America with solid OSG

### Return

- Adj. EBIT Margin showing excellent increase
- ROCE further increased

# Adhesive Technologies

## Key activities

### Composite leaf spring



- Leverage on lightweight industry mega trend

### Multi-functional Adhesives



- Build on strong customer partnerships
- Roll-out of technology platform

### Cytec integration



- Integration fully on track
- Optimized footprint

## Progress towards Henkel's financial targets 2016

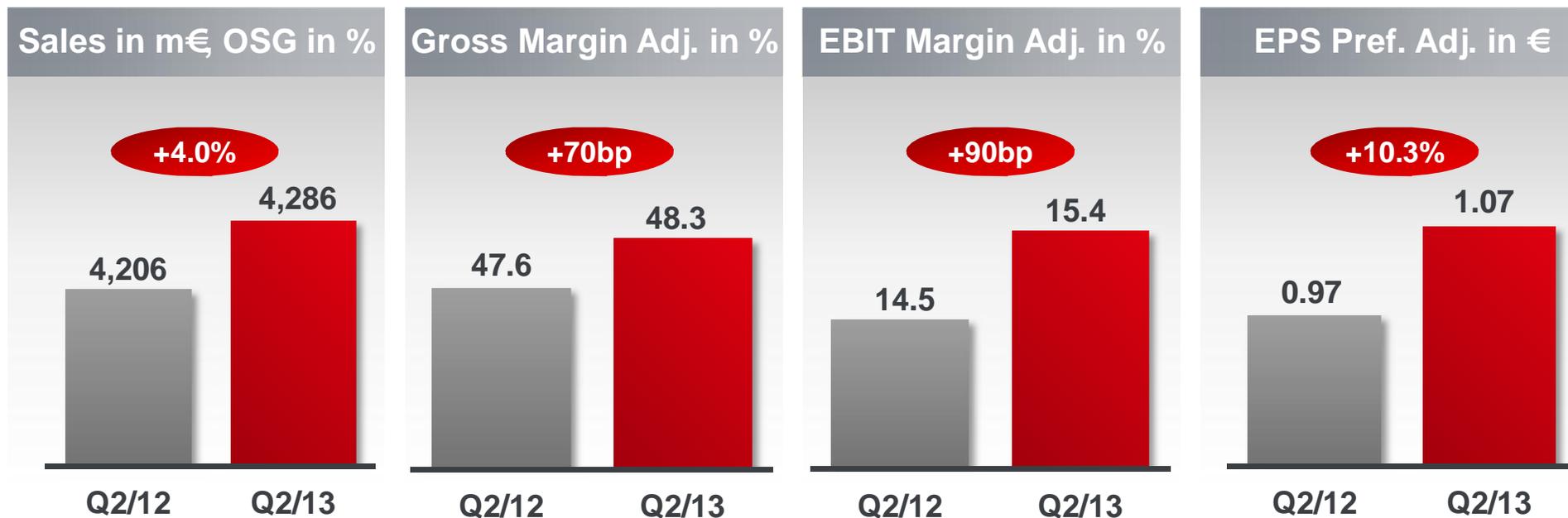


\* Organic sales growth

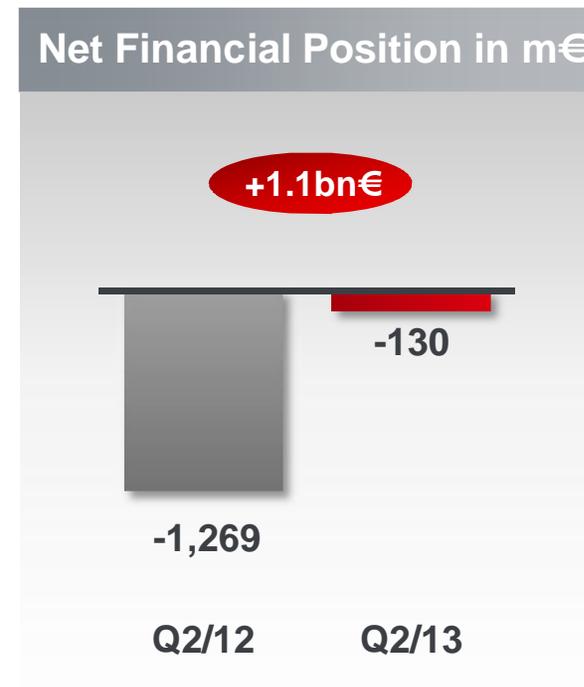
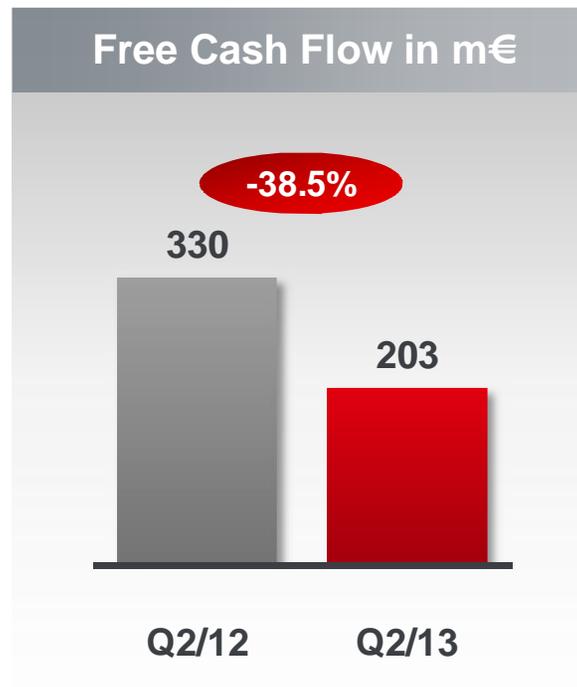
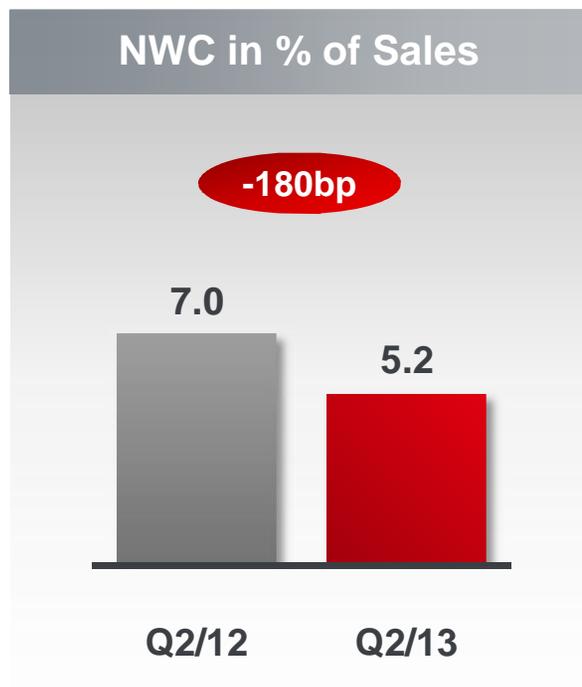
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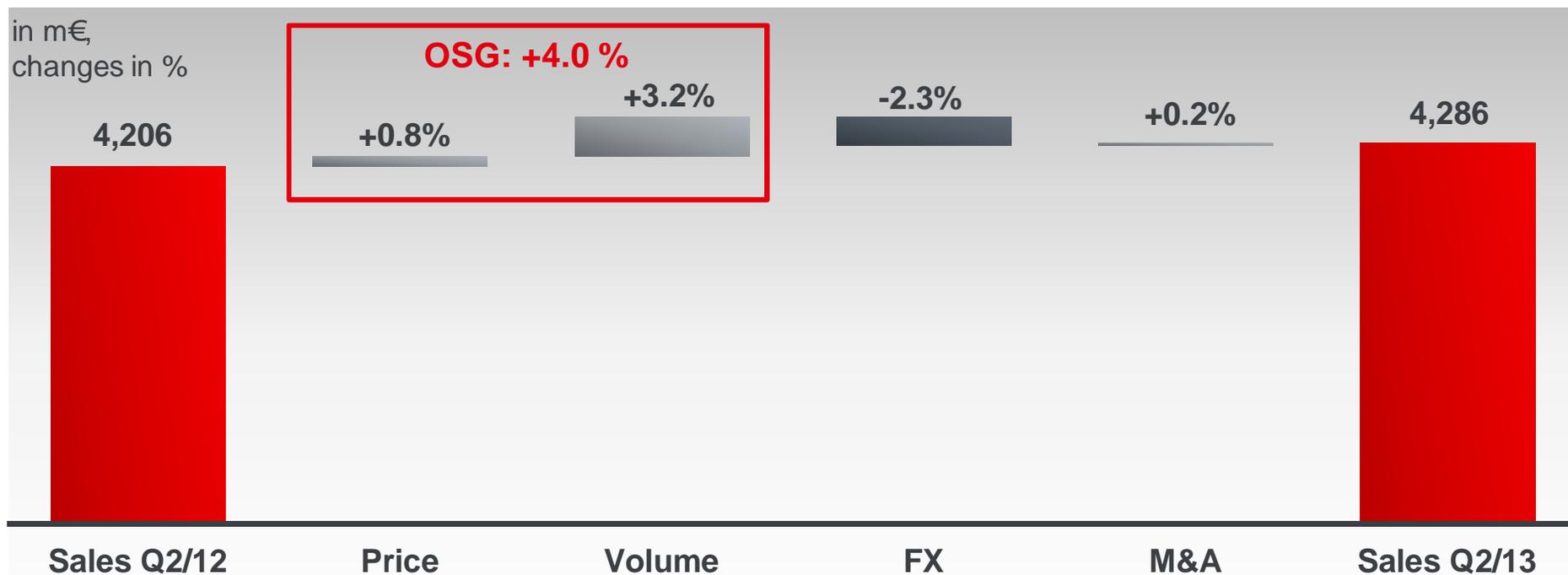
## Key financials Q2 2013 (1/2)



## Key financials Q2 2013 (2/2)



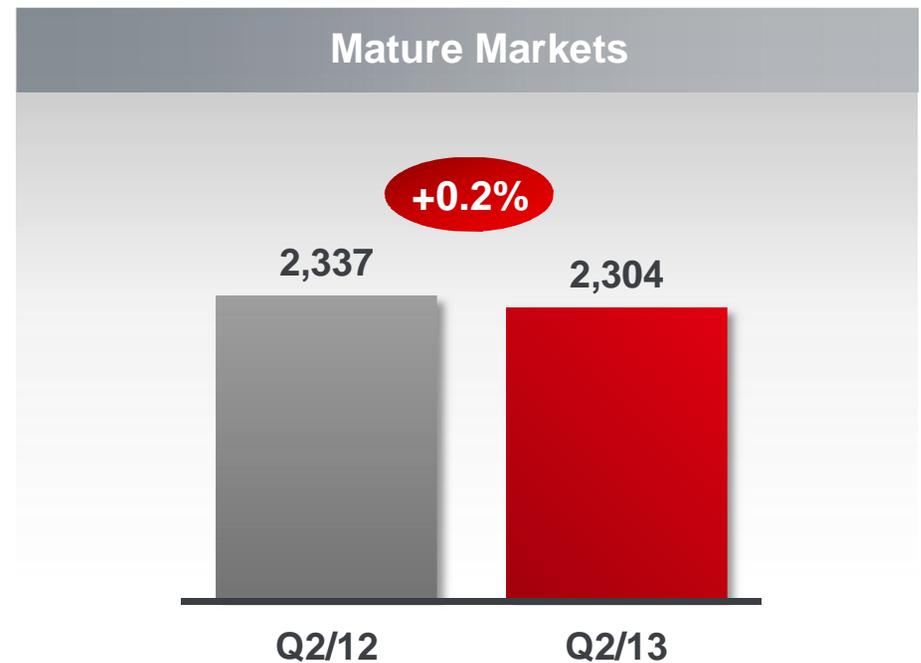
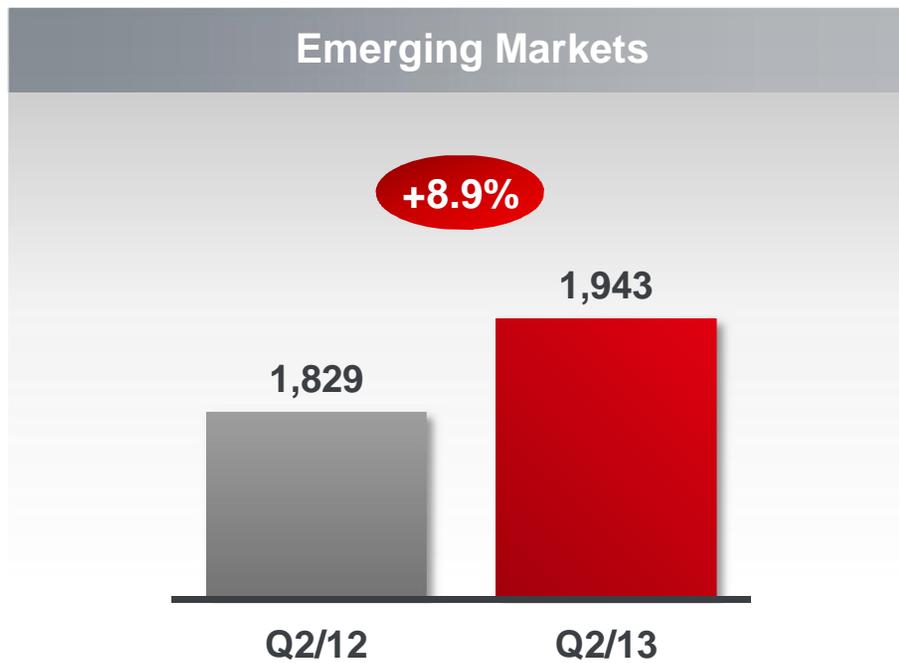
## Sales growth



- Negative FX impact: mainly Japanese Yen, US Dollar, Russian Ruble

## Sales growth by region

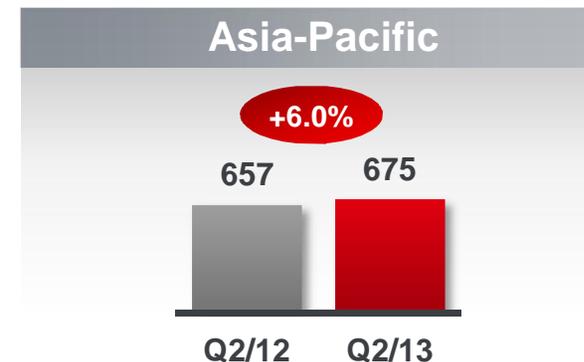
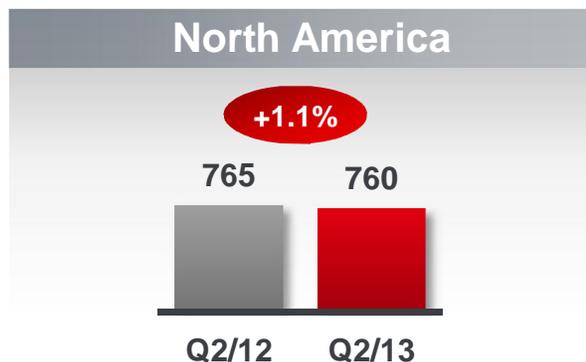
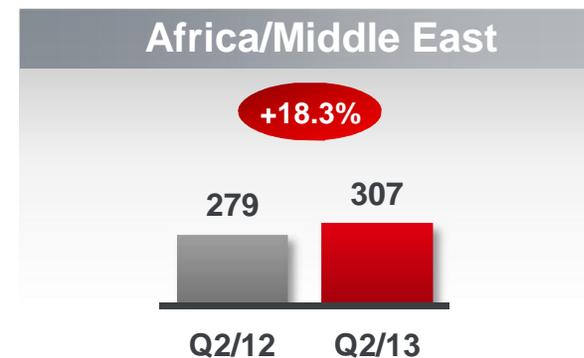
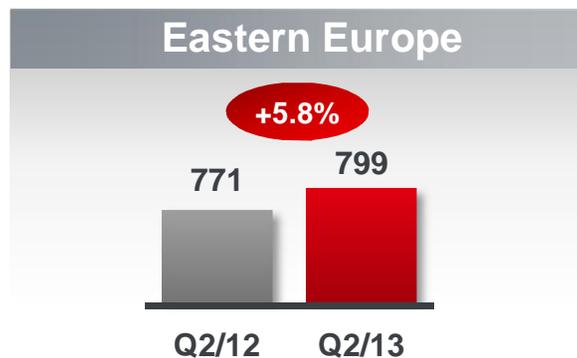
in m€, OSG in %



- Emerging Markets very strong with a sales share of 45%

## Sales growth by region

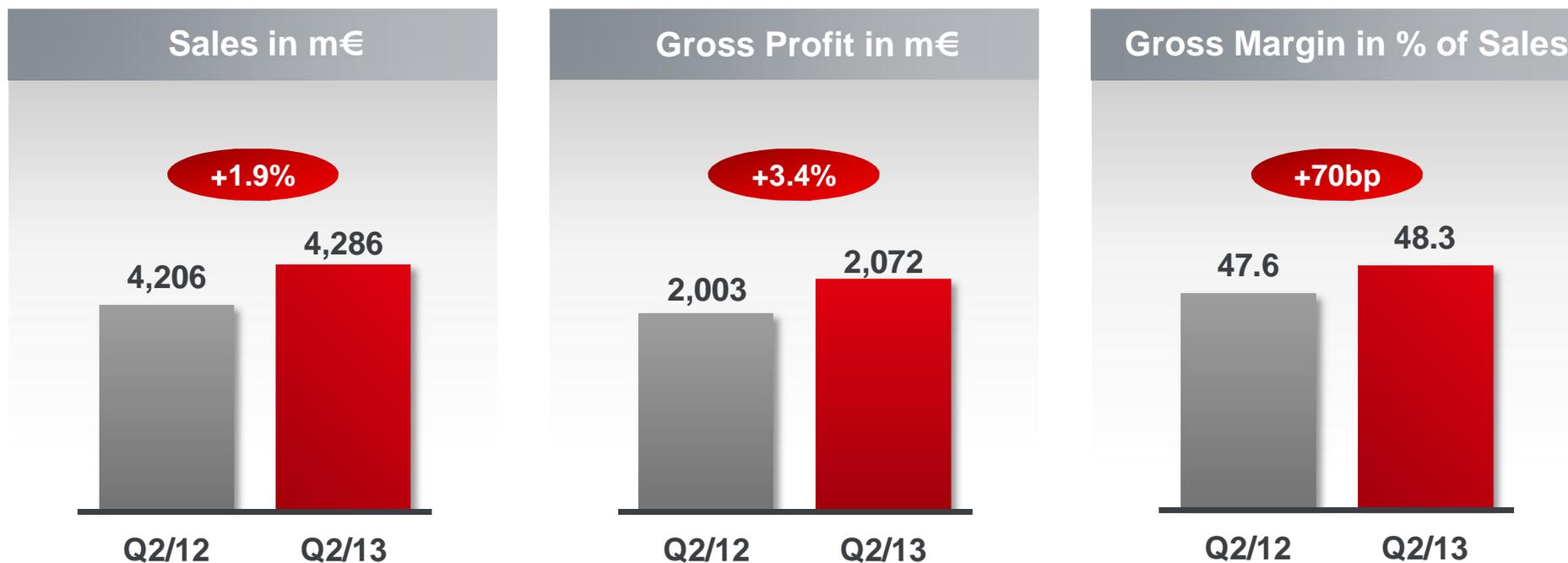
in m€, OSG in %



- Brazil, India, China with double digit growth, Russia strong
- Southern Europe and Japan with continued weakness

## Income statement adjusted

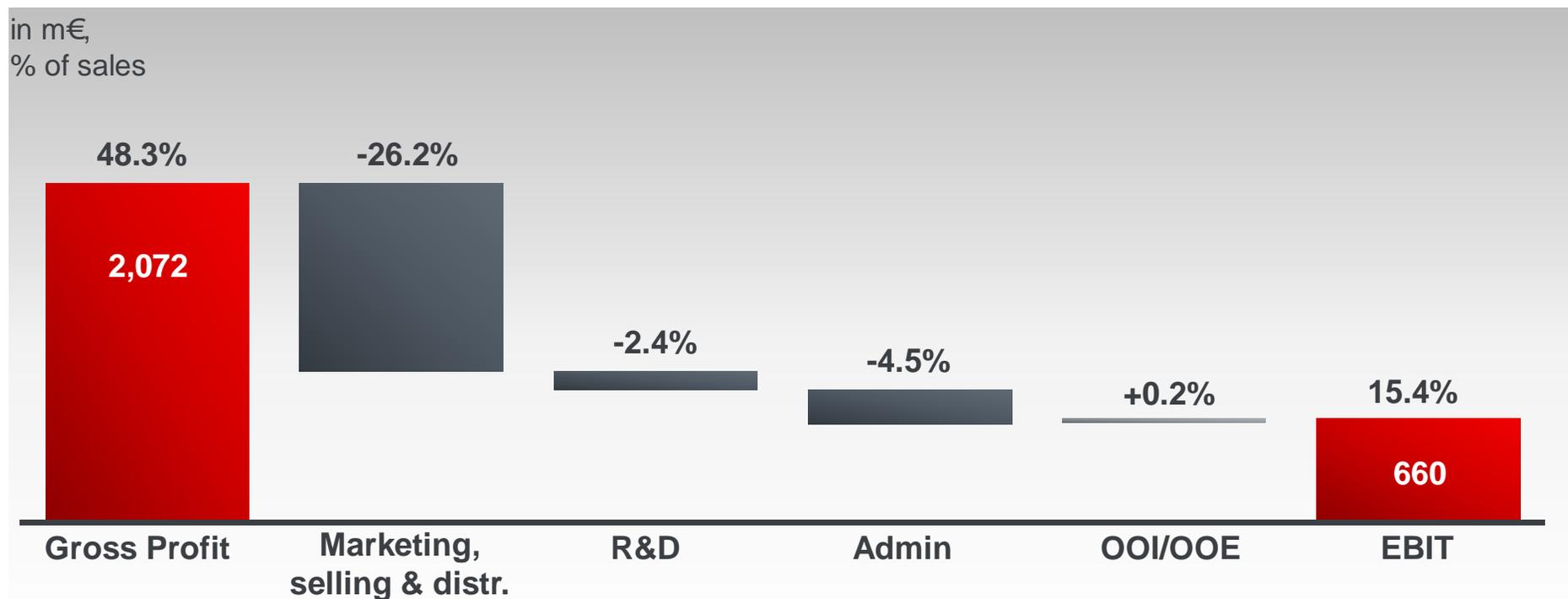
### Sales to gross profit



- Increase in gross margin, despite negative impact of <50bp from COGS
- Disciplined execution of countermeasures

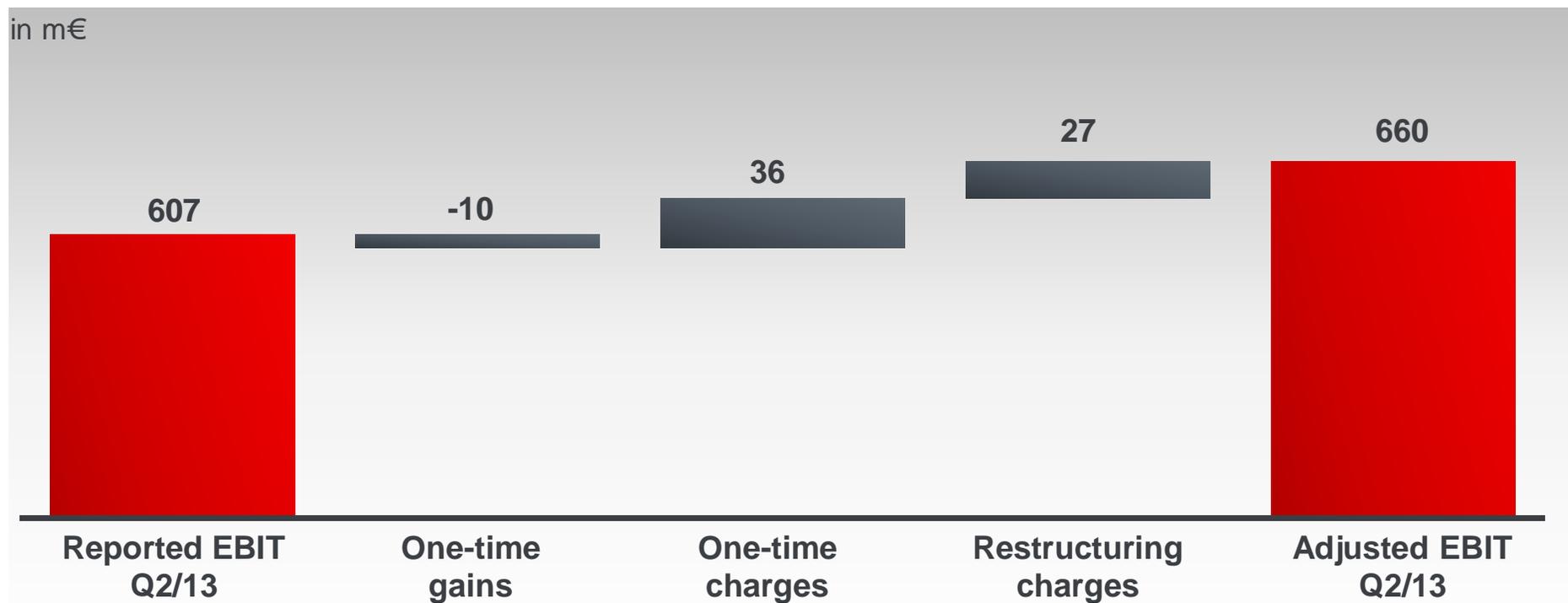
## Income statement adjusted

### Gross profit to EBIT

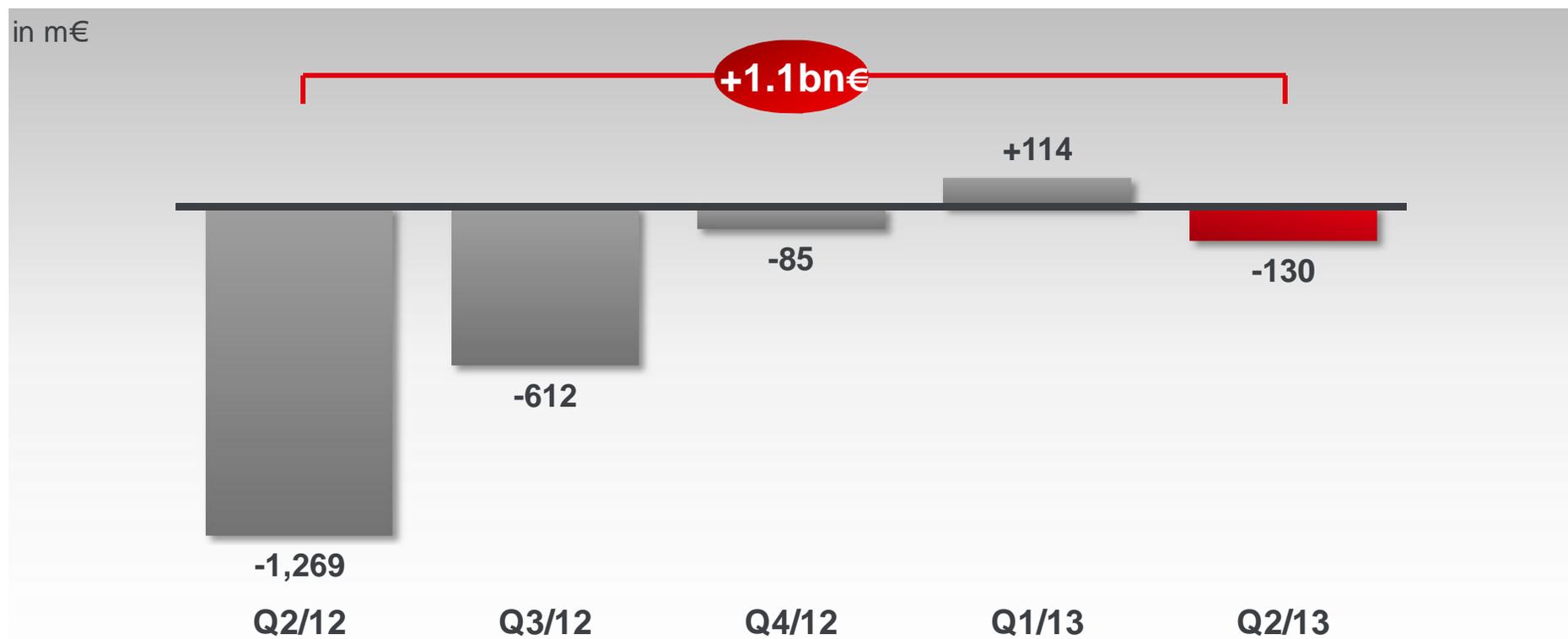


- Marketing investments flat, selling & distribution expenses slightly increased
- Higher admin expenses due to investments in regional hubs in Emerging Markets

## Reported to Adjusted EBIT



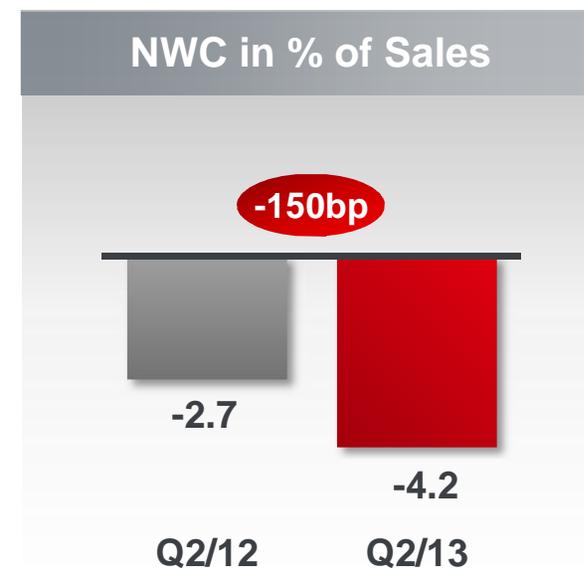
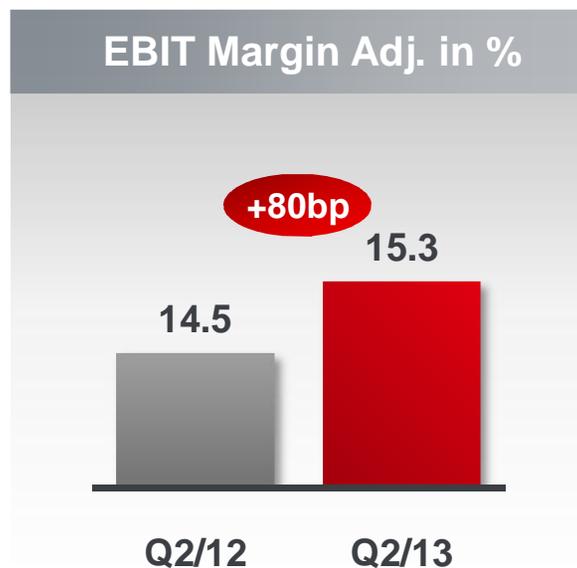
## Development of net financial position



- 425m€ dividend payment in April

# Laundry & Home Care

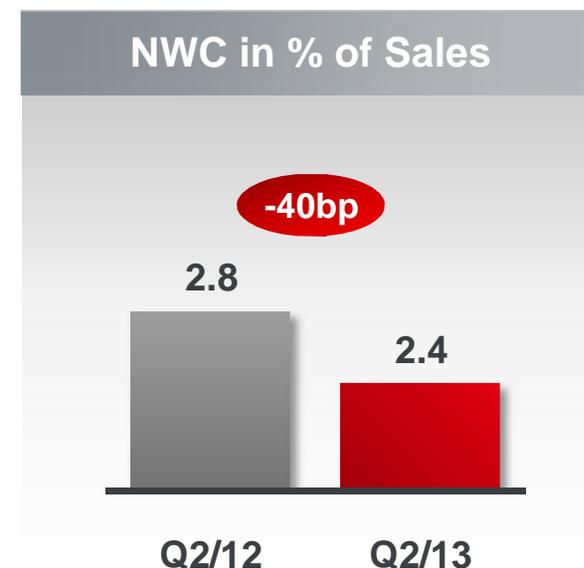
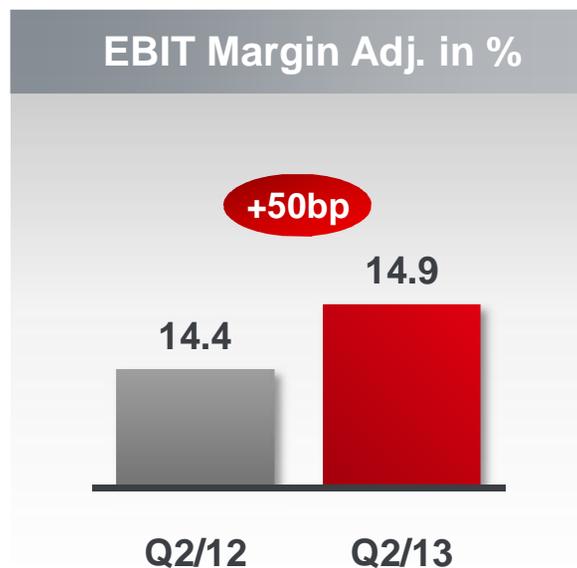
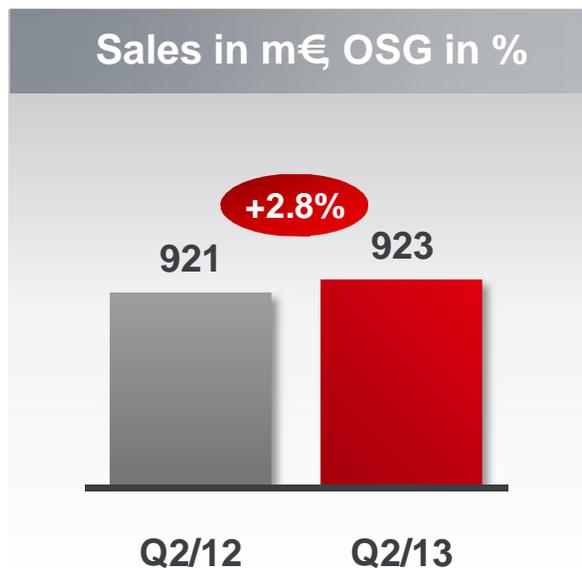
## Key figures



- OSG driven by 1.5% in price and 4.3% in volume
- Very strong EBIT margin increase due to efficiency gains; strict cost discipline

## Beauty Care

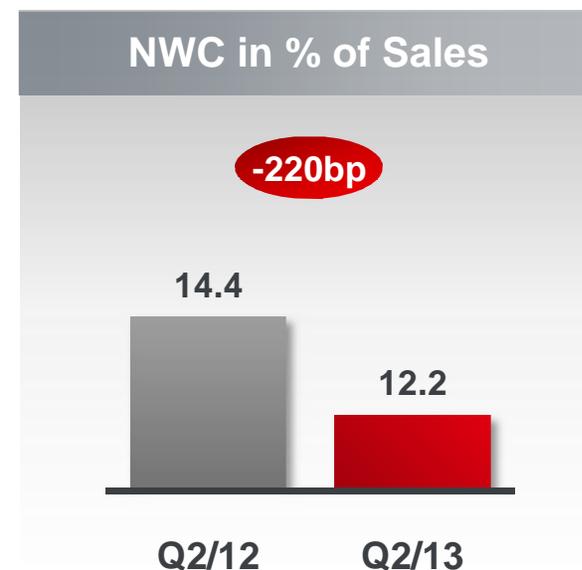
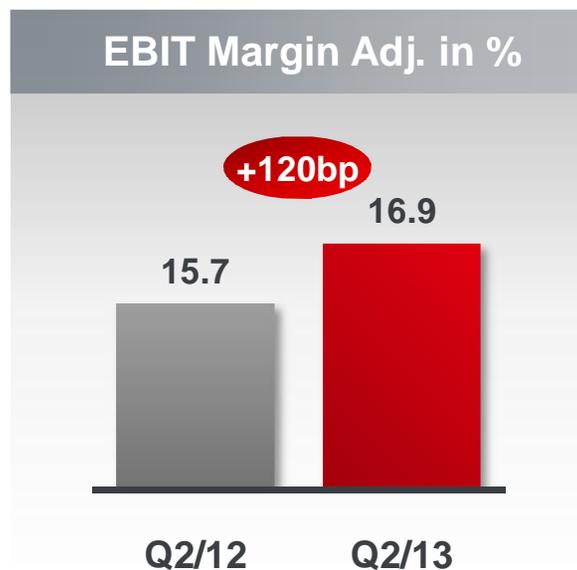
### Key figures



- OSG driven by 0.5% in price and 2.3% in volume
- Strong EBIT Margin increase due to improved gross margin; strict cost discipline

# Adhesive Technologies

## Key figures



- OSG driven by 0.5% in price and 3.1% in volume
- Excellent EBIT margin increase due to improved gross margin; strict cost discipline

# Agenda

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## Summary Q2 2013

- Overall solid OSG driven by all businesses
- All regions growing, Emerging Markets with very strong OSG
- Adj. EBIT margin very strong, growth driven by all businesses
- Adj. EPS (pref.) growth above 10%



Strong quarter in continued challenging market environment

## Outlook 2013

- Global economic environment remains difficult
- Strong innovation pipeline to foster profitable growth path despite tougher competitive environment
- FX headwinds persisting

 Confirmed guidance for FY 2013 despite headwinds

## Guidance FY 2013

	Guidance FY 2013
<b>Organic sales growth</b> <ul style="list-style-type: none"><li>- Laundry &amp; Home Care</li><li>- Beauty Care</li><li>- Adhesive Technologies</li></ul>	<b>3 - 5%</b>  Each division 3 - 5%
<b>Adjusted EBIT margin</b> <ul style="list-style-type: none"><li>- Laundry &amp; Home Care</li><li>- Beauty Care</li><li>- Adhesive Technologies</li></ul>	<b>~ 14.5%</b>  All divisions contributing
<b>Adjusted EPS growth</b>	<b>~ 10%</b>

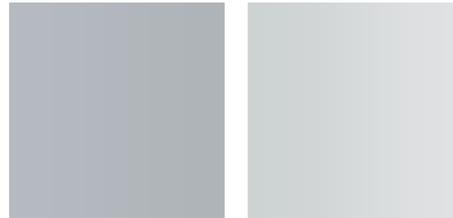
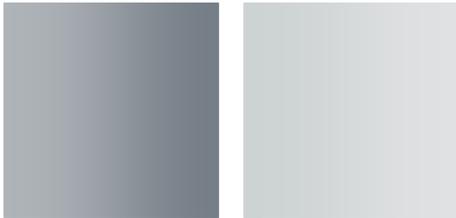
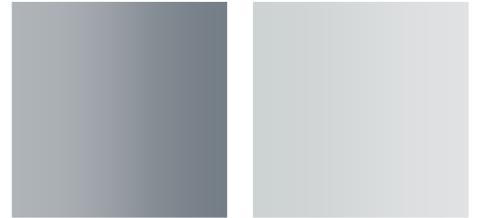
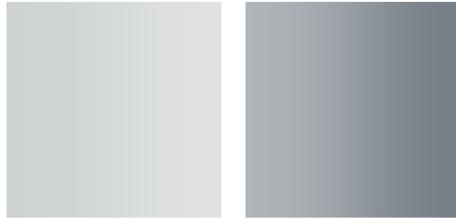


We will continue to adapt our structures to the market

## Upcoming events

- November 12, 2013  
Q3 2013 Financials
- February 20, 2014  
FY 2013 Financials

Thank You!

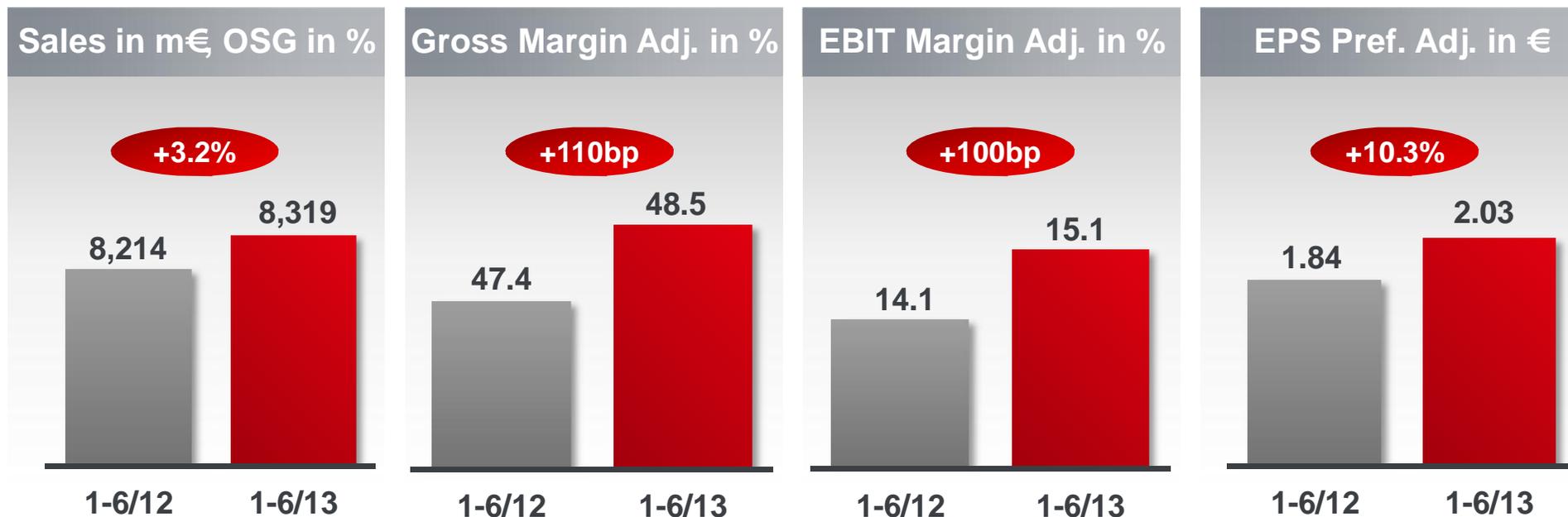


## Additional Information

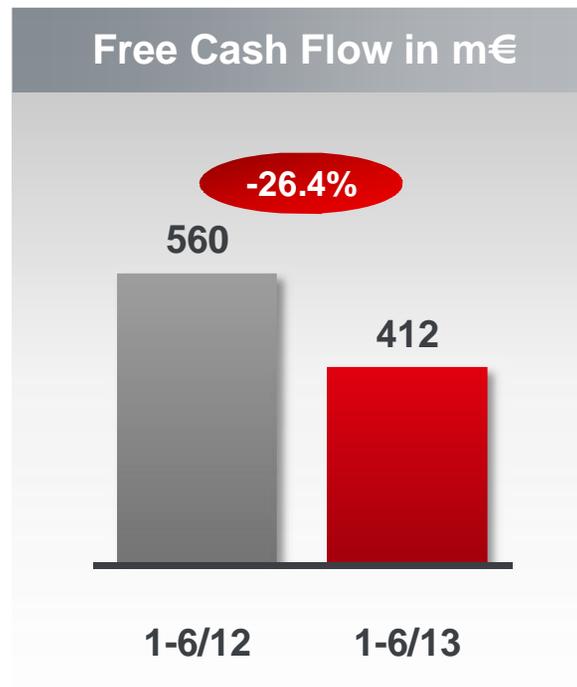
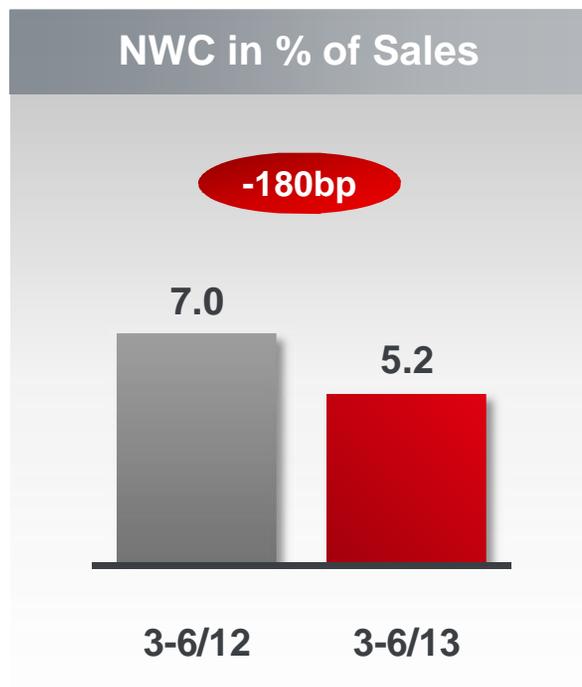
## Further FY 2013 Guidance for selected KPIs (unchanged)

	Guidance FY 2013
Price increase total direct materials	moderate
Restructuring charges	~125 m€
CAPEX on PPE	~500 m€

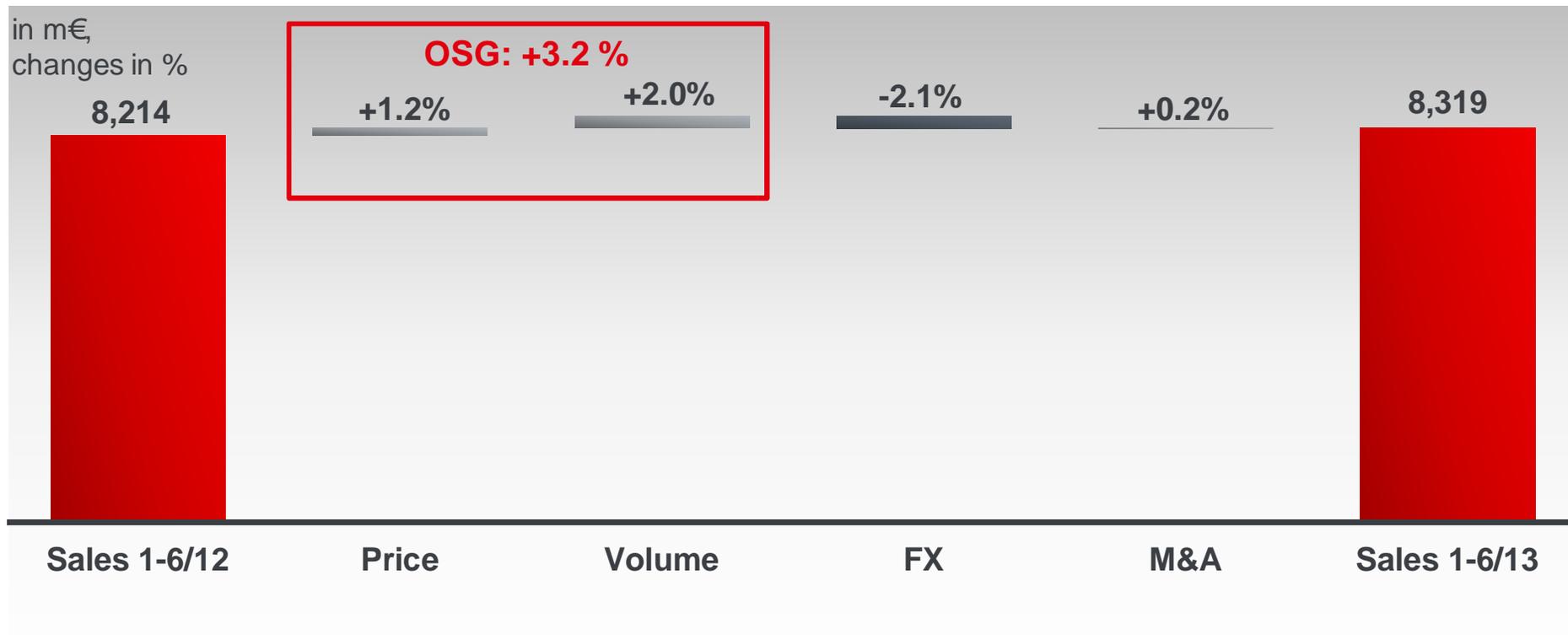
## Key financials YTD 1-6 2013 (1/2)



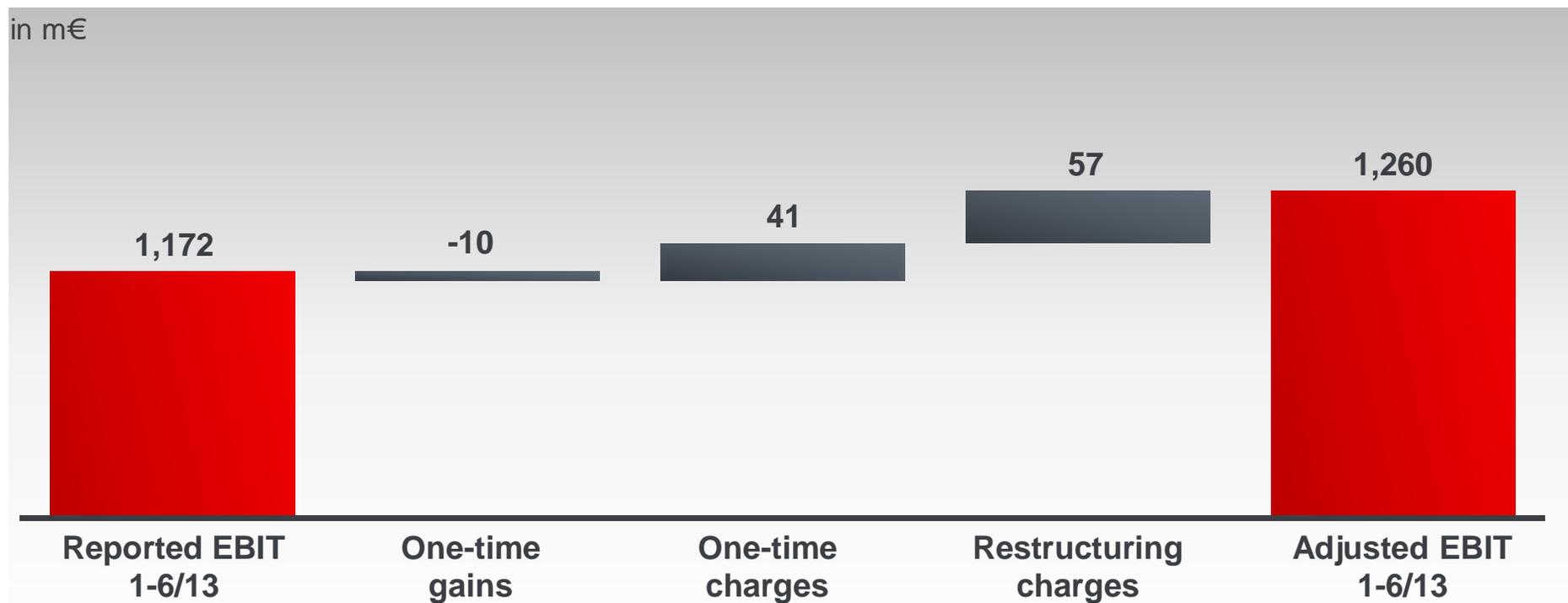
## Key financials YTD 1-6 2013 (2/2)



## Sales growth – Henkel

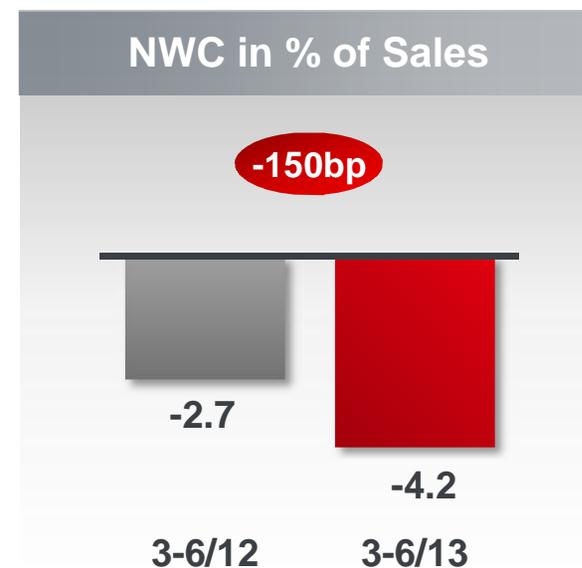
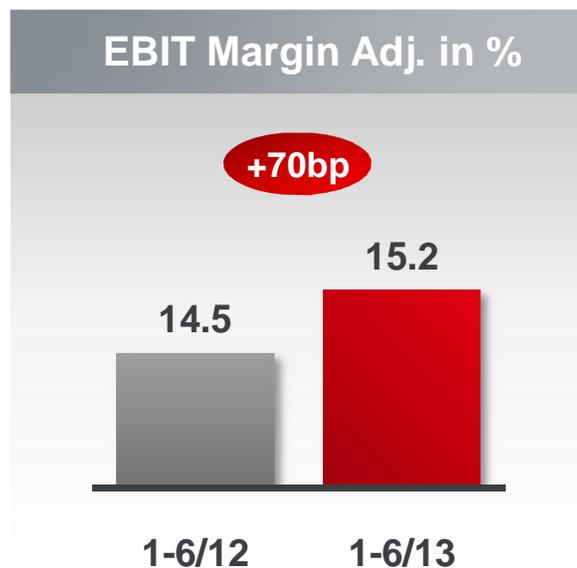
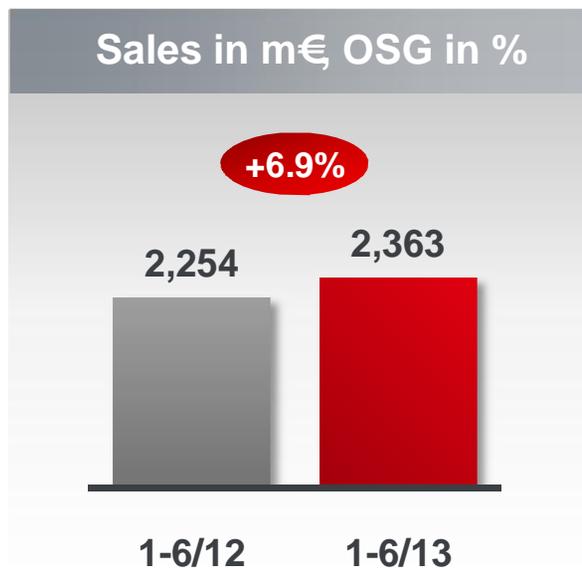


## Reported to Adjusted EBIT



# Laundry & Home Care

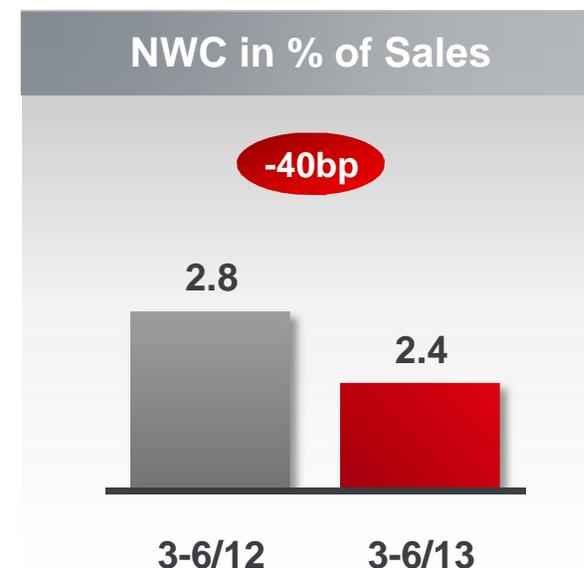
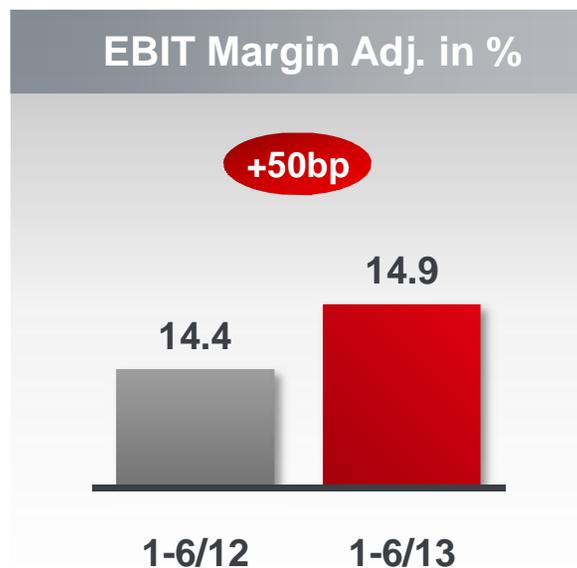
## Key figures



- OSG driven by 2.0% in price and 4.9% in volume

## Beauty Care

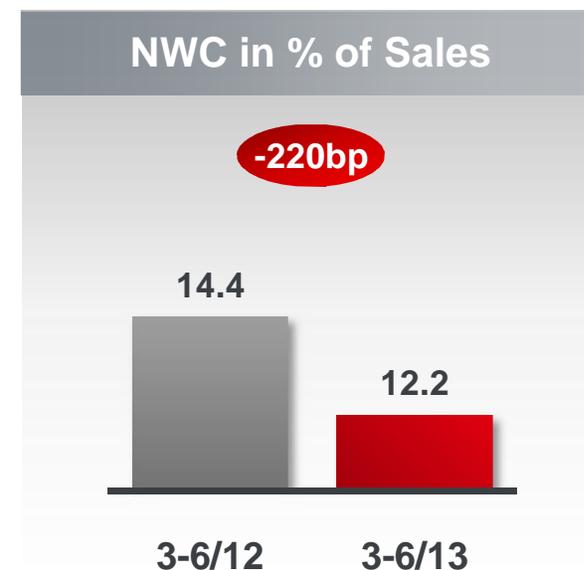
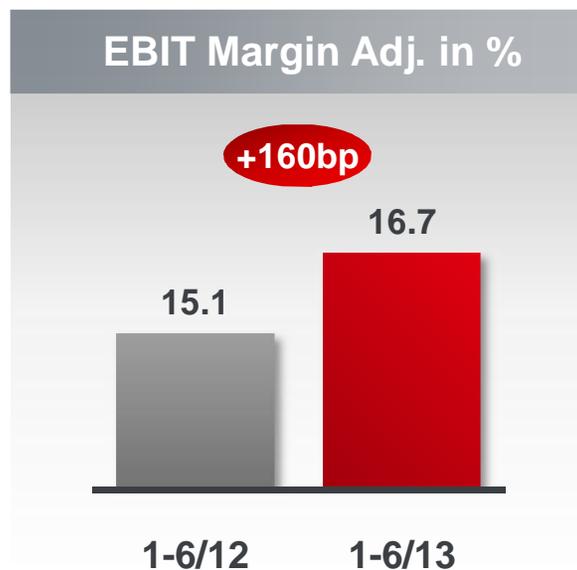
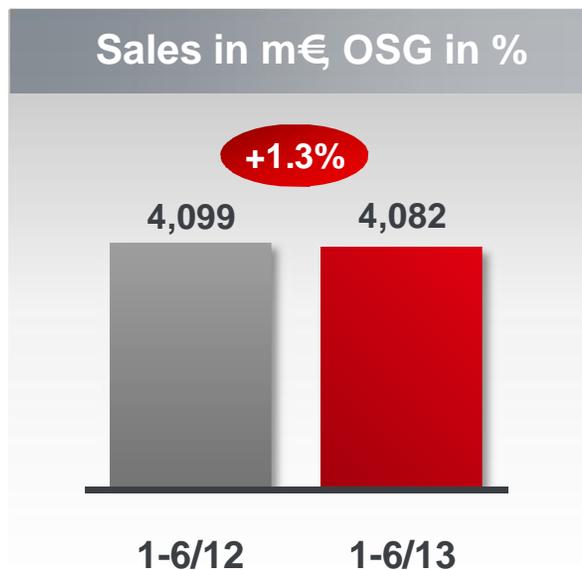
### Key figures



- OSG driven by 0.7% in price and 2.7% in volume

# Adhesive Technologies

## Key figures



- OSG driven by 0.9% in price and 0.4% in volume

## Reporting changes

As of Q1 2013 onwards

### IAS 19 revised:

- Retrospective application of amendments to IAS 19 'Employee benefits'
- New regulation replaces 'expected return on plan assets' (EROPA) with an identical actuarial rate for both, pension obligations and plan assets

### Net working capital definition:

- Adaptation of net working capital definition
- Enhanced transparency on customer and supplier figures
- Definition now also including other customer and supplier related payables and receivables
- Previous year figures calculated on a comparable basis