



Henkel

Bernstein 14th Annual Strategic Decisions Conference
London, September 27, 2017

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| Agenda

- 1. Strong foundation, consistent performance**
2. Compelling Ambition 2020+ and clear strategy going forward
3. Consistent Capital allocation supporting our ambition
4. Strong financial performance in H1 2017

Henkel: Three Areas of Competence

A Global Leader in Brands and Technologies

Industrial Business

Adhesive Technologies



Consumer Business

Beauty Care

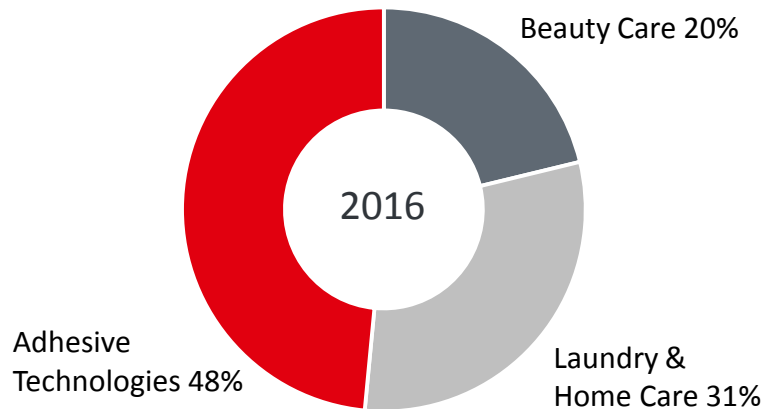


Laundry & Home Care

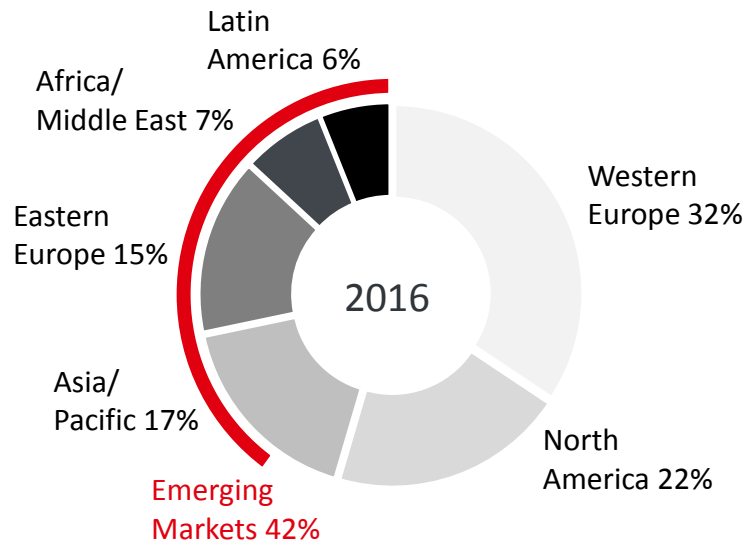


| Well-diversified Portfolio of Three Business Units

Sales by business unit ¹



Sales by region ¹



¹ Corporate Sales Not Included (accounts for 1% of sales)

| Portfolio of Strong and Leading Brands

LOCTITE


Schwarzkopf

Persil

TECHNO*MELT*



TEROSON

syoss

Purex

| Top Positions across all Business Units

Adhesive Technologies



Global leading positions

#1 globally

Beauty Care



Leading category / country positions

#3 Hair Coloration

#3 Hair Professional

Laundry & Home Care



#1 Europe

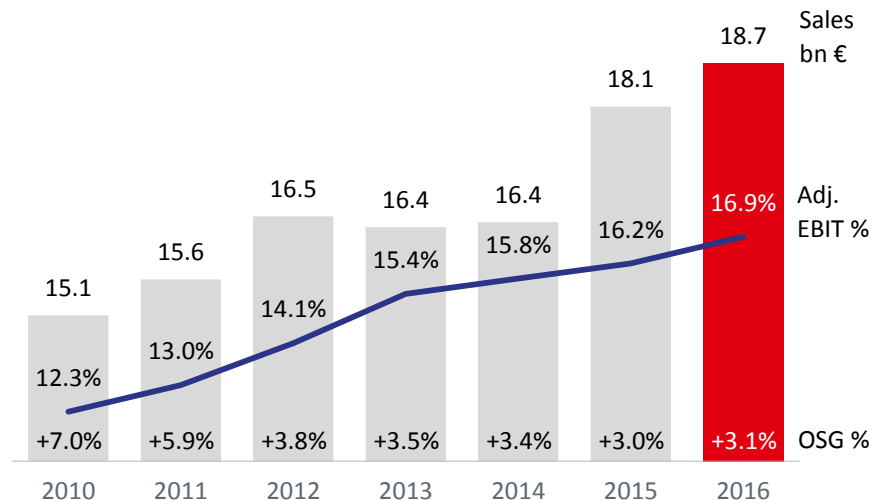
#2 North America/ MEA

| Strong and Consistent Performance

Profitable Growth path

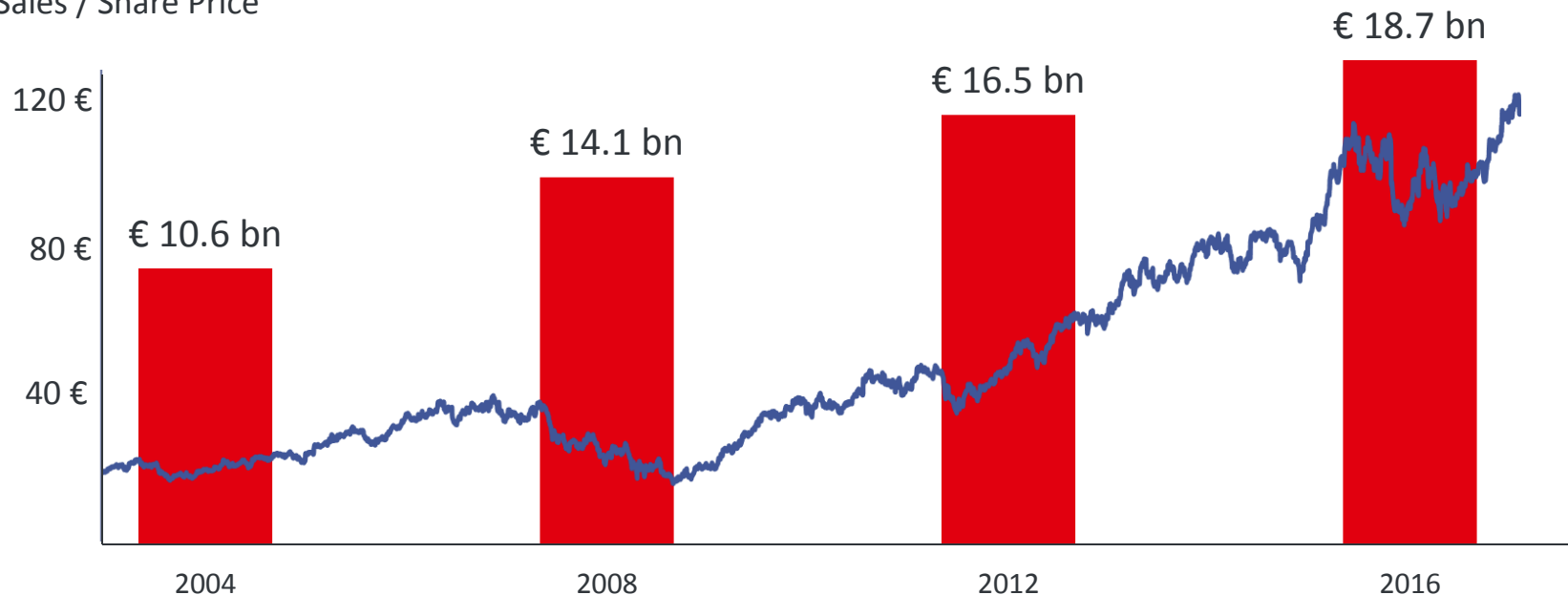
- € 19 bn sales, strong Organic Sales Growth outperforming Markets
- Significant adjusted EBIT Margin increase leading to € >3 bn Profit
- Consistently high adjusted EPS Growth, +11.3% CAGR 2010-2016

Sales & adj. EBIT margin development



| Strong and Consistent Performance

Sales / Share Price



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| In a Changing Market Environment...

Globalization

Multipolar and increasingly
interdependent market
environment

Digitalization

Accelerating digitalization with
exponential evolution of
technologies

VUCA

Markets with high level of
volatility, uncertainty,
complexity & ambiguity

Sustainability

Increasing awareness about
resource scarcity and social
responsibility

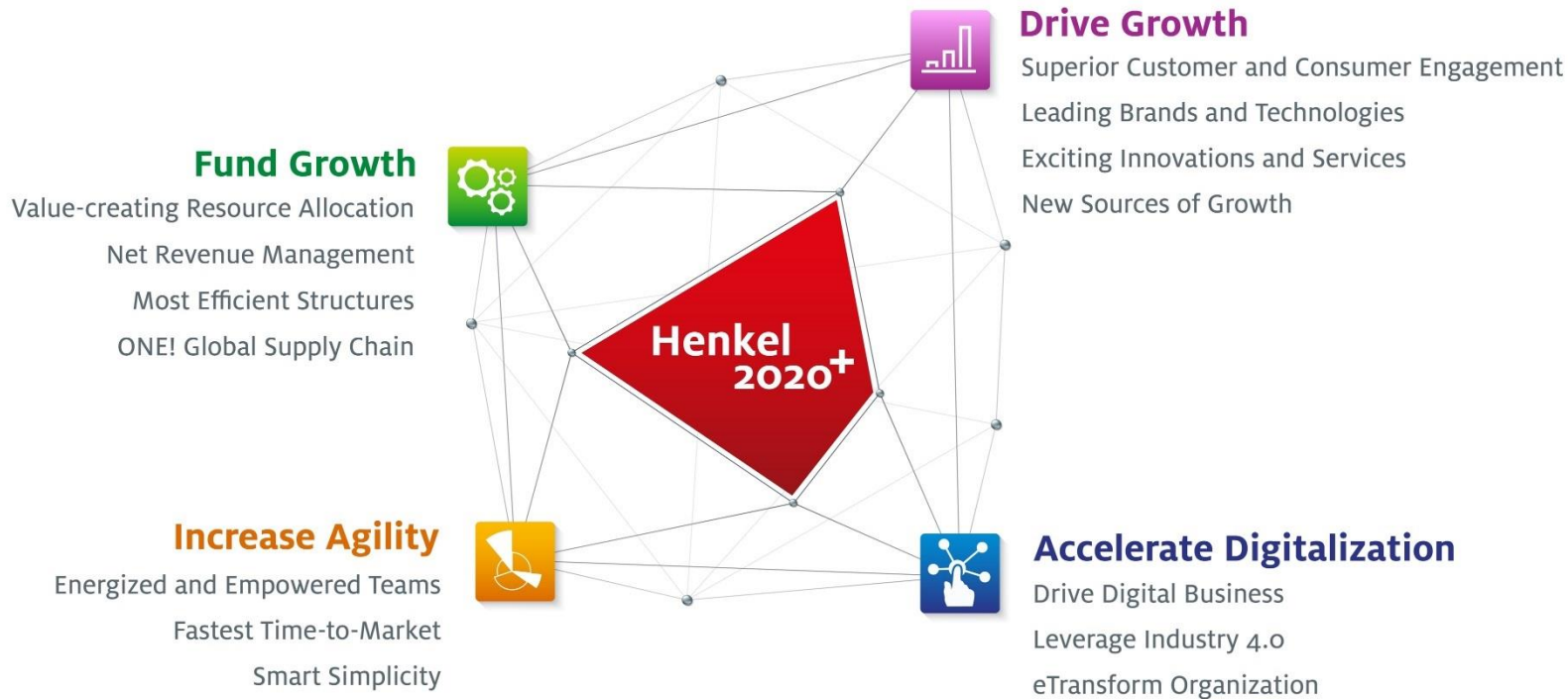
| ... we pursue a Compelling Ambition

- Generate profitable growth and attractive returns
- Become more customer-focused, innovative and agile
- Lead digital transformation in all business activities
- Promote sustainability across the entire value chain
- Advance our portfolio with value-adding acquisitions
- Clear and exciting growth strategy going forward

| Financial Ambition 2020

Organic Sales Growth	2 – 4% (Average 2017 – 2020)
Adjusted EPS Growth	7 – 9% (CAGR 2016 – 2020, per preferred share)
Adjusted EBIT Margin	Continued improvement in adjusted EBIT margin
Free Cash Flow	Continued focus on free cash flow expansion

| Henkel 2020+ Strategic Priorities



| Henkel 2020⁺

- Successful internal and external communication
- Focus on right priorities, full transparency of individual contribution
- Strong dynamic in execution to deliver attractive returns
- Numerous initiatives in concrete implementation



Drive Growth



Customer & Consumer

Digital Connect2Consumer program

Customer roadmaps with top 100 industrial customers



Brands & Technologies

Schwarzkopf expansion in North America

Persil Offensive with international innovations



Innovation & Services

High-performance innovations for connectivity and eMobility

First Hair Professional influencer brand #myidentity



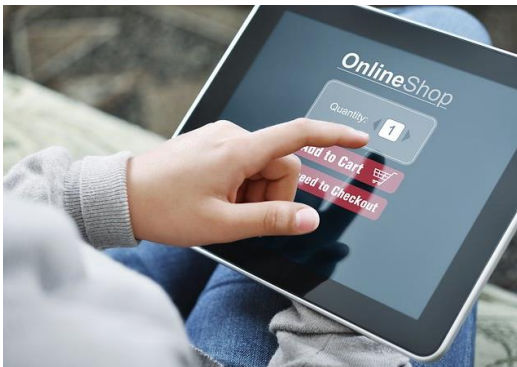
New Sources of Growth

Digital & technological Venture Capital investments

Three acquisitions closed in 2017



| Accelerate Digitalization



Drive Digital Business

Expansion of digital driven sales across all business units

Global launch of eCommerce platform in industrial business



Leverage Industry 4.0

Real-time production analytics based on >500 Mio. data points per day

Implementation of smart factory concept in industrial and consumer operations



eTransform Organization

Digital upskill of organization and resource shift from offline to online

New Chief Digital Officer with cross-business responsibility on board



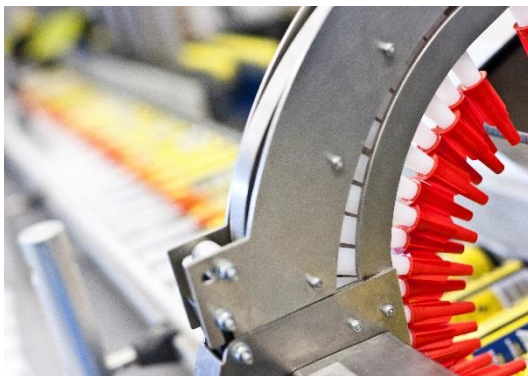
| Increase Agility



Energized & Empowered Teams

„Henkel 2020+ Talks“- powerful global dialogs between leaders/employees

Empowered cross-divisional teams executing strategic projects



Fastest Time-to-Market

Simplified handling of investment projects in industrial business

Shortening time-to-market of consumer goods innovations



Smart Simplicity

Streamlined global planning, forecasting and reporting processes

Accelerated recruiting process with more efficient and simplified hiring



Fund Growth



Resource Allocation

Build-up of cost category ownership structure

More than 120 initiatives, first benefits as of 2017



Net Revenue Management

Laundry & Home Care North America completed

Henkel roll-out in Europe and in North America started



Most Efficient Structures

Opening of fully automated warehouse in Düsseldorf

100+ robotics and automation software solutions running



ONE!Global Supply Chain

Successful implementation in EU30 countries completed

Go-Live in North America beginning of 2018

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| Consistent Capital Allocation supporting our Ambition

Strong Sources of Cash

Excellent
Free Cash Flow
Generation

Significant
Balance Sheet
Optionality

Consistent Capital Allocation

Investments
Acquisitions
Dividends

| Consistent Capital Allocation: Investments

- Increase CapEx to € ~3 bn until 2020
- Significant investments to support growth initiatives, innovation, infrastructure and IT
- Step up investments in digitalization
- Venture Capital Fund of up to € 150m



| Consistent Capital Allocation: Acquisitions

- Integral part of our strategy
- Strengthen our portfolio both in core and adjacencies
- Disciplined approach in acquisitions
- Commitment to single-A rating



Consistent Capital Allocation: Acquisitions

Integration of Sun Products Corporation well on track

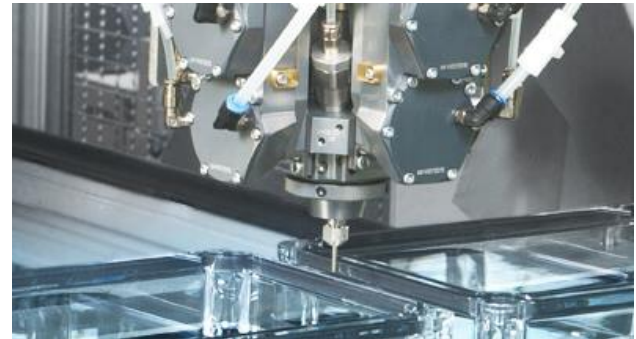
- Henkel's 2nd largest acquisition
- Advancing to the No. 2 in the US laundry market
- Attractive portfolio of well-established & successful brands
- Integration of business fully on track
- Inauguration of new admin site beginning of September 2017



| Consistent Capital Allocation: Acquisitions

Darex Packaging Technologies & Sonderhoff Group

- Acquisitions further strengthen leading position of Adhesive Technologies
- Complementary technologies in highly attractive metal packaging and sealing markets
- Customer-specific high-impact solutions with expertise-driven sales and services
- Fostering Henkel's position as partner of choice



| Consistent Capital Allocation: Acquisitions

Nattura Laboratorios

- Acquisition reinforces Henkel's global # 3 position in the hair professional market
- Strengthens Henkel's Hair Professional business in the US and Mexico
- Portfolio of complementary, leading brands in Henkel's core category Hair Professional
- Platform for further growth in the attractive market of Latin America

PRAVANA™

 **TEC ITALY®**
HAIR DIMENSION

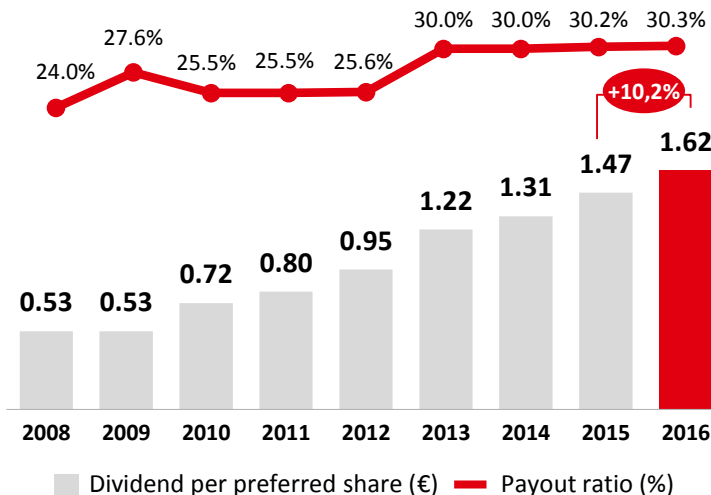


| Consistent Capital Allocation: Dividends

Dividend Policy

- Established dividend policy
- Consistent growth of dividend payment
- Based on strong earnings profile

Dividend & Payout Ratio



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| 1-6 2017: Strong Performance in a Challenging Environment

Sales

€ 10.2 bn

Adj. EBIT

€ 1.8 bn

Adj. EPS

€ 2.96

Organic Growth

+3.1%

+4.4% Adhesive Technologies
+1.1% Beauty Care
+2.5% Laundry & Home Care

Adj. EBIT margin

17.4%

18.6% Adhesive Technologies
17.4% Beauty Care
17.4% Laundry & Home Care

Adj. EPS growth

+10.9%

| Delivering on Profitable Growth in H1 2017

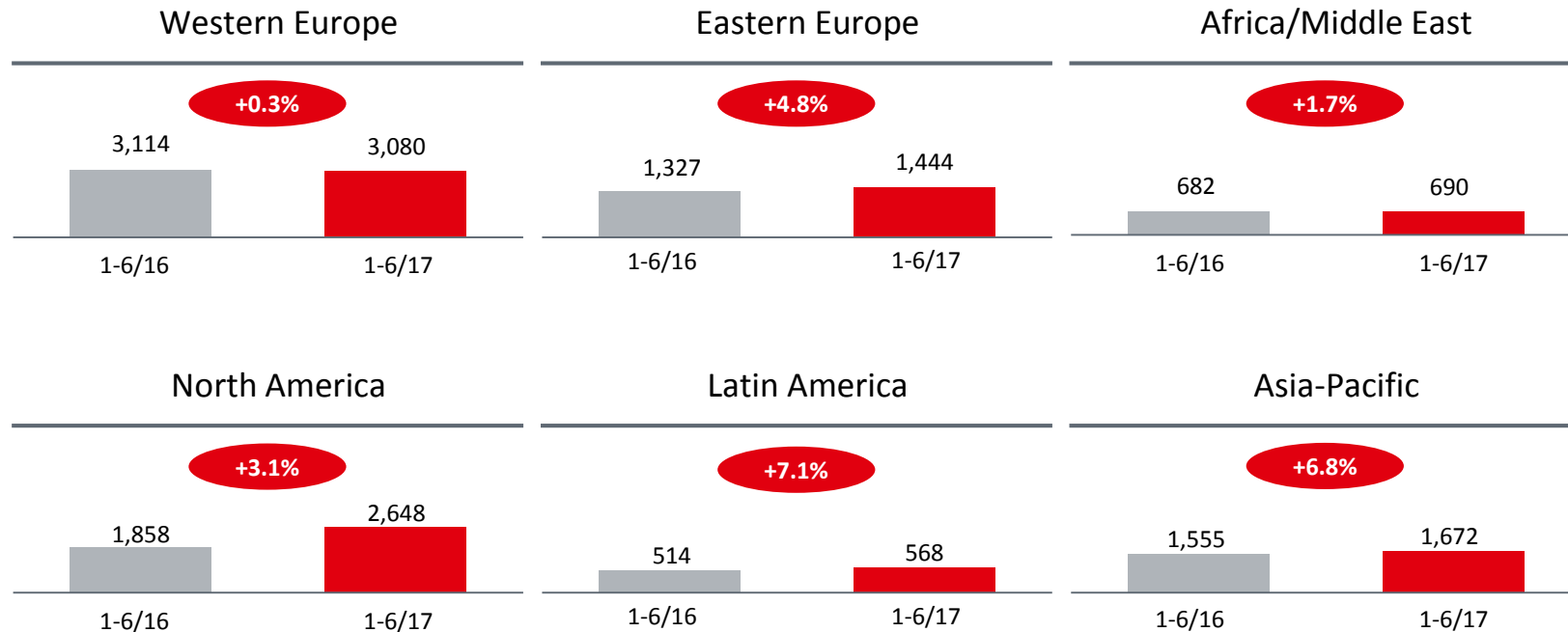


- Strong performance with several all-time highs
- Very strong organic sales growth in Emerging Markets, positive in Mature Markets
- All-time high of adjusted EBIT
- Further increase in adjusted EBIT margin
- Double-digit growth of adjusted EPS
- Sun integration well on track

| Continued Challenging Environment

- Persisting geo-political tensions, political and macro-economic uncertainties
- Global GDP growth on a moderate level
- Increasingly difficult conditions in the consumer goods markets
- Very heterogeneous and volatile FX landscape
- Raw material prices on the rise
- Organic sales growth in Beauty Care Retail below expectations

| All Regions Growing in m€, OSG in %



| Continued Challenging Environment in 2017

- Moderate GDP growth, geo-political tensions, political and macro-economic uncertainties
- Difficult conditions in the consumer goods markets persist
- Very heterogeneous and volatile FX landscape

- Further drive growth with strong innovations, leading brands and intensified customer focus
- Increase the agility of our organization by constantly adapting structures to the market
- Fund growth with continued and rigorous cost focus

| Guidance FY 2017

FY 2017

Organic Sales Growth

2 – 4%
All Business Units within this range

Adjusted EBIT Margin

Improvement to a level
above 17.0%

Adjusted EPS Growth

7 – 9%

| Key Points

- Strong foundation based on a well-balanced portfolio
- Excellent and consistent financial performance
- Compelling ambition to deliver attractive returns
- Consistent capital allocation supporting our ambition
- A clear and exciting growth strategy going forward

Thank you!