Commented Slides / Earnings Conference Call Q3 2017
November 14, 2017

Participants – Henkel representatives
Hans Van Bylen; Henkel; CEO
Carsten Knobel; Henkel; CFO
& Investor Relations Team

Participants – Active in Q&A session
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Celine Pannuti; JP Morgan Chase&Co; Analyst
Christian Faitz; Kepler Cheuvreux; Analyst
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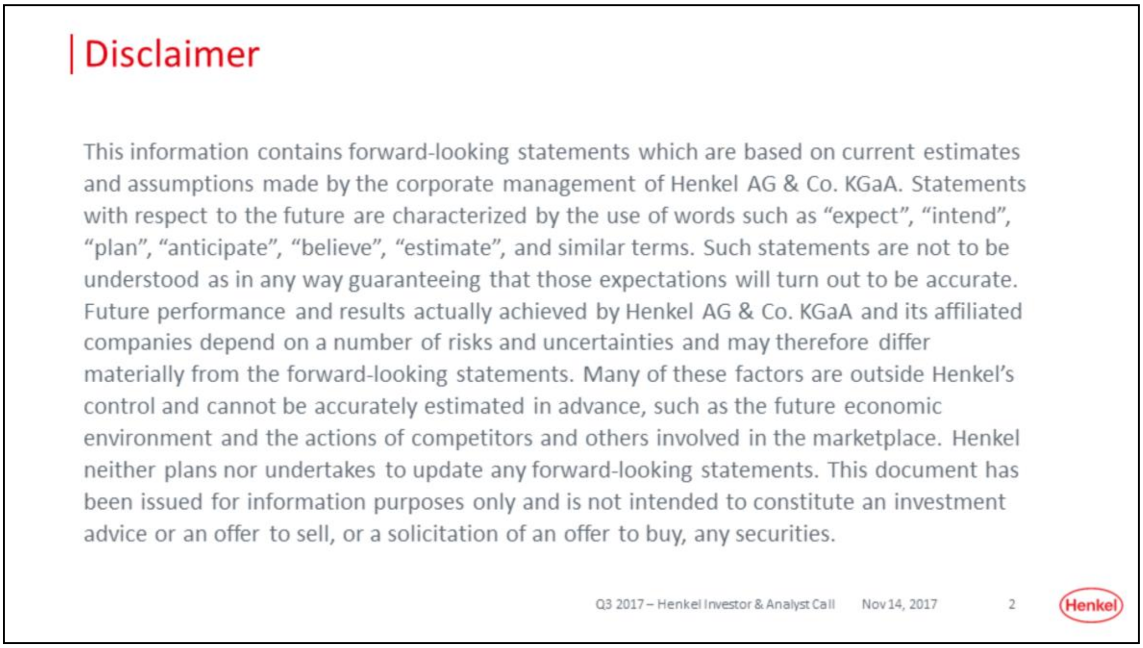


Hans Van Bylen, CEO:

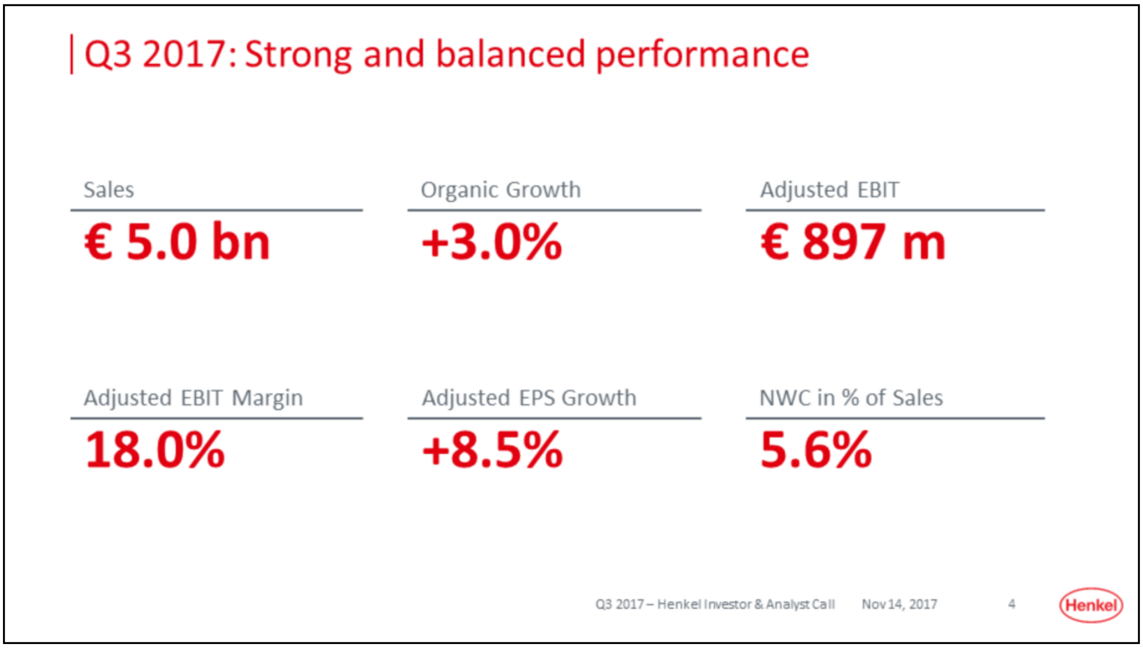
Dear investors and analysts,

Good morning from Dusseldorf and welcome to our earnings call for the third quarter in the fiscal year 2017.

Today, I am going to lead you firstly through our achievements in Q3 2017 and highlight the key developments. Carsten will then comment on the detailed financials and give you some highlights on our third quarter developments. After that, I will close my presentation with a brief summary and the guidance upgrade for fiscal year 2017. And finally, Carsten and I will take your questions.

I would like to begin by reminding everyone that the presentation, which contains the usual formal disclaimer to forward-looking statements within the meaning of relevant U.S. legislation, can be accessed via our website at henkel.com/ir. The presentation and discussion are conducted subject to the disclaimer. We will not read the disclaimer, but of course we take it as read into the records for the purpose of this conference call.

Let's start with the key developments in the third quarter.



Henkel delivered a strong and balanced performance in the third quarter.

In an increasingly challenging environment, we further improved sales and earnings.

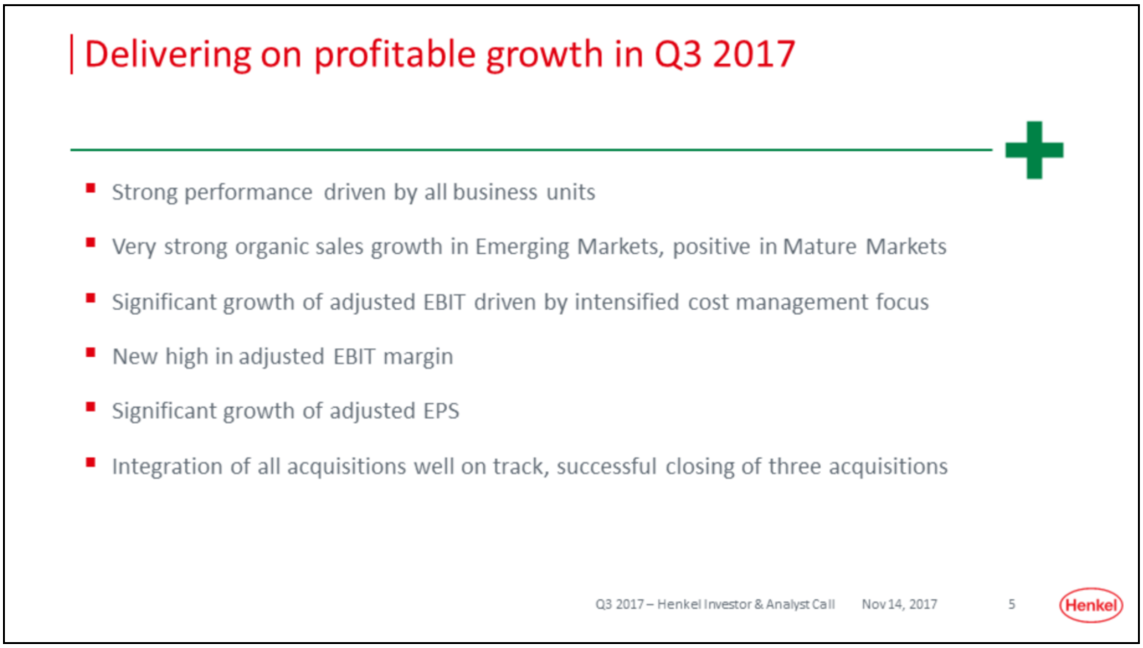
We delivered strong organic sales growth of 3.0% while nominal sales grew by 4.9% to around EUR 5 billion.

Adjusted operating profit grew significantly by 7.1% to EUR 897 million.

The adjusted EBIT margin increased by 40 basis points to a new high of 18.0%.

In Q3 we delivered an adjusted EPS growth of 8.5%.

Net working capital in percent of sales came in at 5.6%.



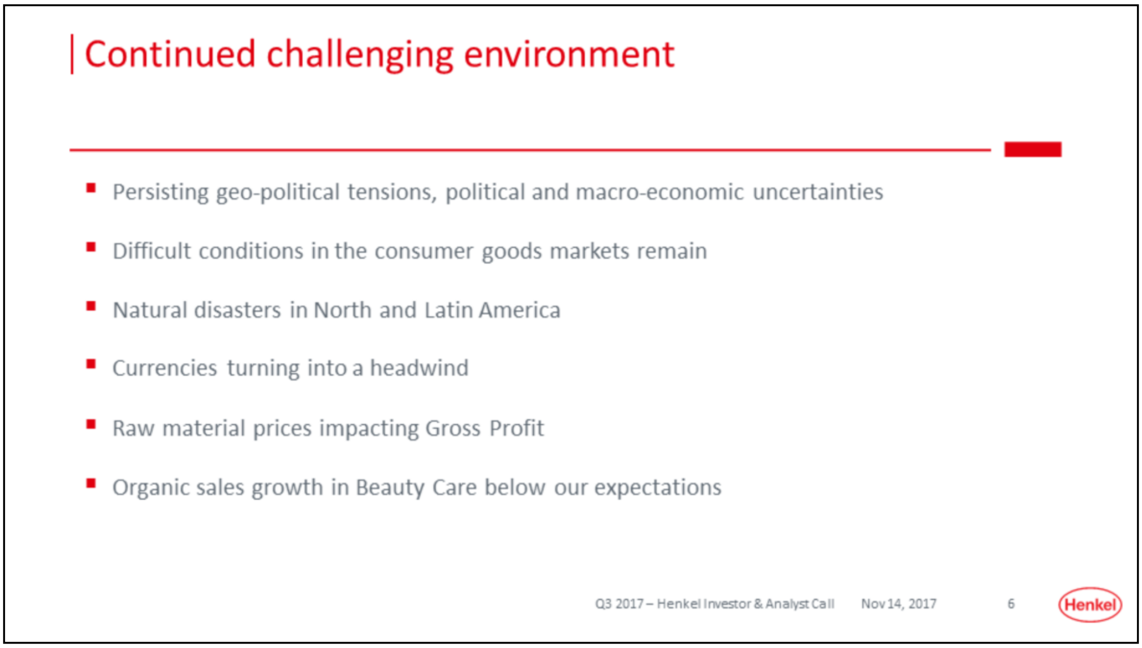
Our profitable growth in the quarter was driven by all 3 business units.

The emerging markets continued to achieve a very strong organic sales growth of 5.0%. Mature markets showed a positive organic growth of 1.5%.

We delivered a significant growth of the adjusted EBIT driven by our intensified cost management focus. With this, we again increased our adjusted EBIT margin to a new high.

We delivered a significant growth of our adjusted earnings per preferred share.

We are progressing very well with the integration of all our acquisitions and we successfully closed 3 acquisitions in the third quarter. Carsten will give you some more insight later on.



We delivered this strong set of results in a continued challenging and uncertain environment characterized by persisting geopolitical tensions and political and macroeconomic uncertainties in some countries.

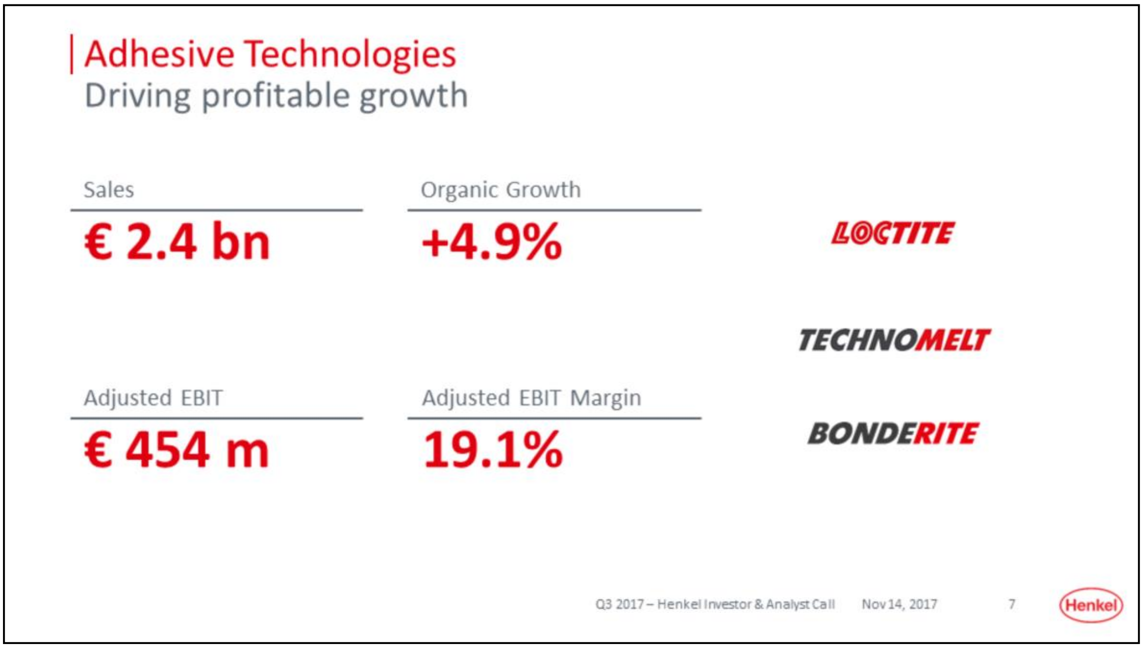
The consumer goods markets are facing persistently difficult conditions.

In September, natural disasters affected our operations in North and Latin America. It is very important for us that none of our employees was harmed. Furthermore, thanks to the extraordinary efforts of our local teams, we were able to manage the challenges and to limit impacts to a minimum.

As already observed towards the end of the second quarter, currencies turned into a headwind in the third quarter.

High raw material prices continued to impact our gross profit.

Looking at our business development, organic growth in the Beauty Care business was positive, however, still below our expectations.



Let me now give you some color on the performance of our business units starting with Adhesive Technologies.

The business unit posted EUR 2.4 billion in sales, a nominal increase of 4.5% and a strong organic sales growth of 4.9% with all businesses contributing.

The adjusted EBIT showed a very strong growth of 5.5% to EUR 454 million and the adjusted EBIT margin reached 19.1%, 20 basis points higher than the previous year quarter.

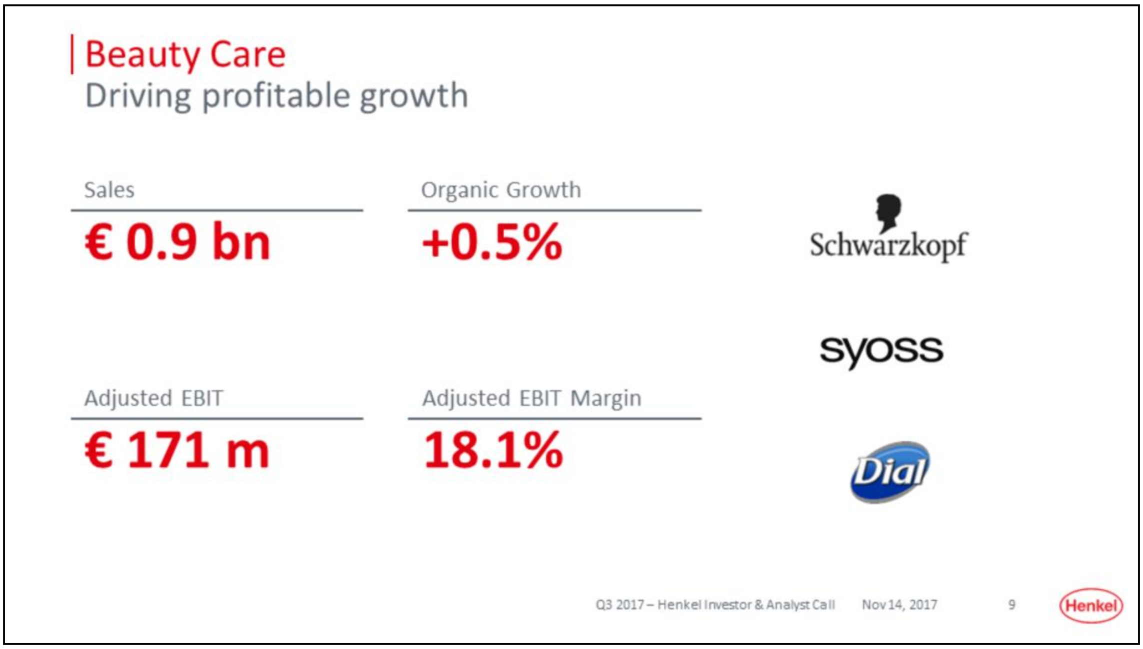
With this, Adhesive Technologies continues its strong growth momentum while increasing profitability.

Let me highlight some examples among the initiatives that contributed to the Q3 performance of Adhesive Technologies.

In the Sports and Fashion business, we achieved double-digit growth driven by our high impact solutions for multinational sports and lifestyle brands. Our brand portfolio of Loctite adhesives enable our customers to enhance the efficiency in manufacturing while increasing sustainability.

In the Construction Industry, we delivered double-digit growth in Eastern Europe. The successful launch of fiber forced tile adhesives under the Ceresit brand supported this development.

In the Industrial Assembly business, we achieved double-digit growth driven by strong new business development with customized solutions. Our innovative Loctite adhesive solutions for broadband cables responds to the increasing demand.



Let's now move on to Beauty Care.

In a challenging environment, Beauty Care delivered EUR 0.9 billion in sales. Organically sales came in positive at 0.5%. Nominally sales declined by minus 2.8% due to FX headwinds.

In the continued weak global mass beauty markets, the retail business showed a positive development thus improving slightly compared to Q2. The Professional business continued its successful development that contributed with a positive organic sales growth.

The adjusted EBIT grew by 0.5% to EUR 171 million and resulted in an adjusted EBIT margin of 18.1%.

In summary, a better quarter regarding topline, but with ongoing mixed performance. We will continue to further intensify our measures on all growth drivers at the same time we deliver a healthy profitability.

Let me give you some highlights on our initiatives in Beauty Care.

Our Beauty Care business in Africa/Middle East continued to deliver double-digit organic sales growth. Our acquired brands, Pert and Blendax, strongly contributed to this performance.

Our Hair Coloration business continued its growth path driven by successful innovations such as got2b Color that addresses millennials. With this, we gained market share in the coloration category across regions.

The Hair Salon business grew for the 10th consecutive quarter. Major driver of this performance was the ongoing momentum in North America.

We continued to strengthen our Beauty Care portfolio.

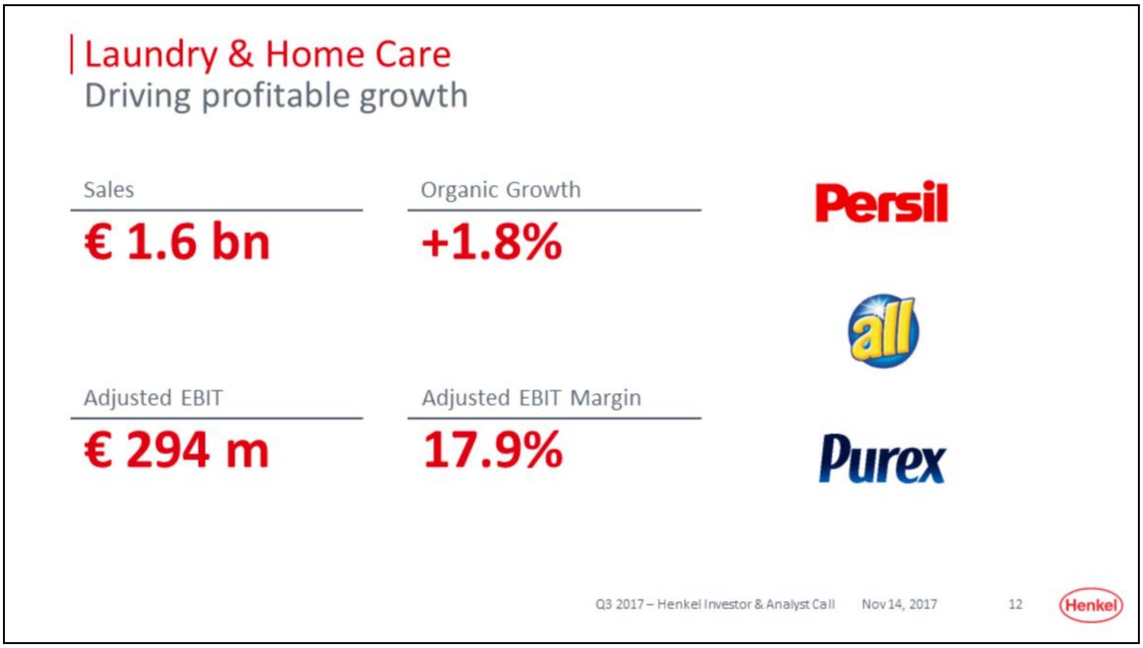
We have closed the acquisition of Nattura Laboratorios since September and we signed the acquisition of Zotos International at the end of October.

With these acquisitions, we add annually around EUR 300 million in sales and reinforce Henkel global #3 position in the hair professional market both in mature and emerging markets.

We significantly expand our business in the U.S., the single biggest hair professional market worldwide. Furthermore, Henkel advances to a leading position in the Mexican hair professional market.

Both acquisitions complement our portfolio with high quality businesses and have strong innovation capabilities.

We see defensive as well as offensive synergy potential.



Let's move to Laundry & Home Care.

In this business, we face a continued deceleration market environment also characterized by high promotional intensity and pricing pressure with some regions moving into negative territory.

The business unit achieved EUR 1.6 billion in sales growing nominally by 10.6% driven by our acquisitions. Organic sales growth reached 1.8% growth driven by both Laundry Care and Home Care.

The adjusted EBIT grew by 10.9% to EUR 294 million. The adjusted EBIT margin came in at 17.9% on the level of the prior year quarter.

Overall, we continue to deliver profitable growth through our existing business and acquisition.

Let me share with you the highlights of Laundry & Home Care for this quarter.

In North America, we continued our growth momentum and the successful integration of Sun. In September, we inaugurated our new consumer goods headquarter for North America in Stamford, Connecticut. Moreover, we further expanded our premium detergent Persil ProClean that significantly contributed to the very strong performance.

Our specialty detergent brand Perwoll achieved a strong performance across the regions delivering double-digit growth in Q3. This was driven by the introduction of innovative variants in more than 30 countries.

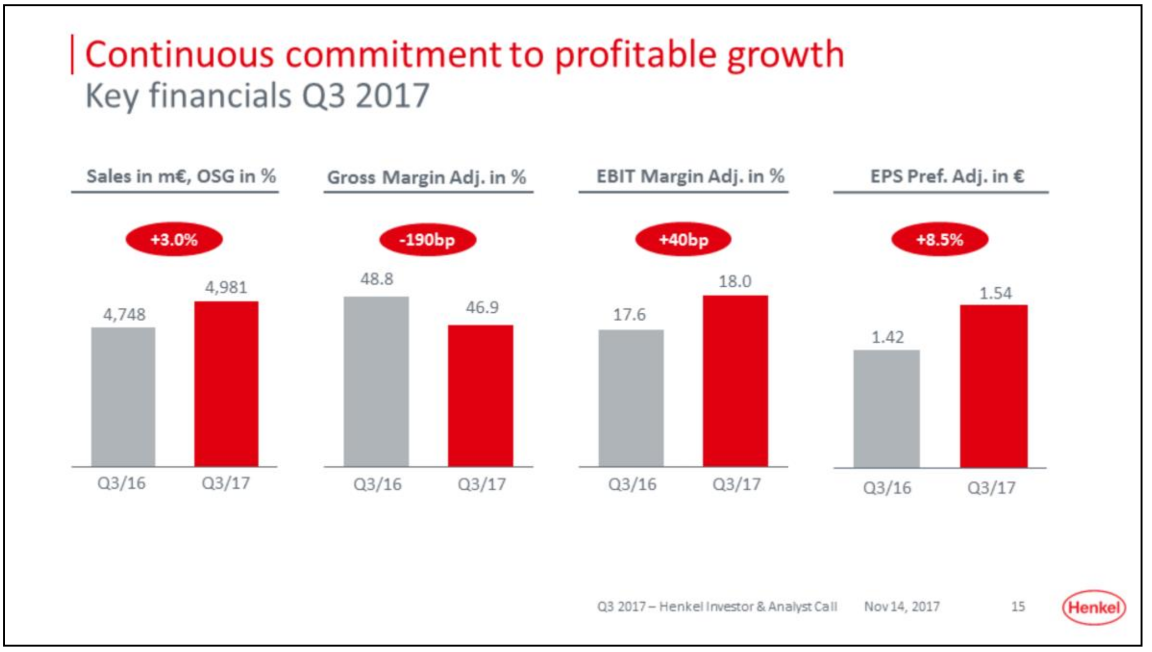
Germany delivered strong growth thanks to the launch of successful innovations such as Pril Duo Effect. The Home Care business contributed with a strong development across all categories to this result.

And with this, I now hand over to Carsten.

Carsten Knobel, CFO:

Thank you very much, Hans. Good morning and a warm welcome also from my side to everyone.

Let us now have a look at the financials for the third quarter in '17 in more detail.



Let's start with our key KPIs.

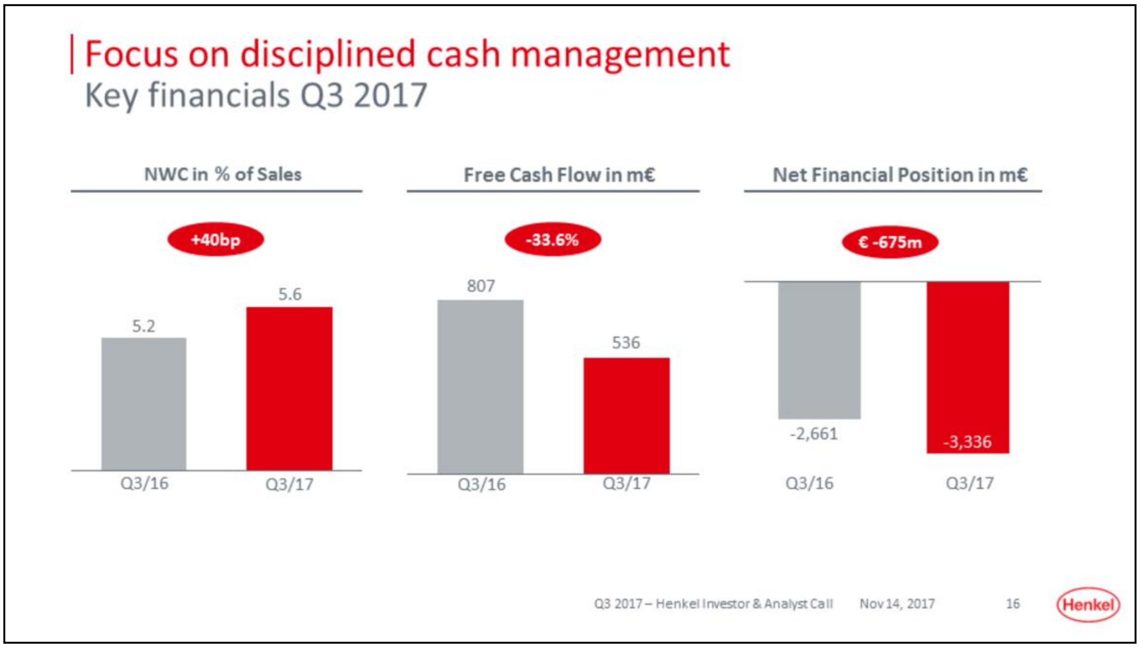
In the third quarter of 2017, our sales amounted to EUR 4,981 million. In nominal terms, this represents an increase of 4.9%. Organically we delivered a strong sales growth of 3.0%.

The adjusted gross margin reached 46.9% compared to the 48.8% in the prior year. Excluding the impact of acquisitions of roughly 100 basis points, our gross margin amounted to 47.9% and that is 90 basis points below the prior year. Direct material continued to impact the gross profit and I will give you more details later on.

Despite this, we continued to increase the adjusted EBIT margin to 18.0%. This is an increase of 40 basis points compared to the prior year quarter. Excluding the impact of acquisitions, profitability would have increased to even 18.6%. Also, here I will give you some more details regarding the drivers of these developments later on.

Finally, our adjusted EPS per preferred share increased by 8.5% now to a level of EUR 1.54.

With this result, we delivered again on our continued commitment to profitable growth.

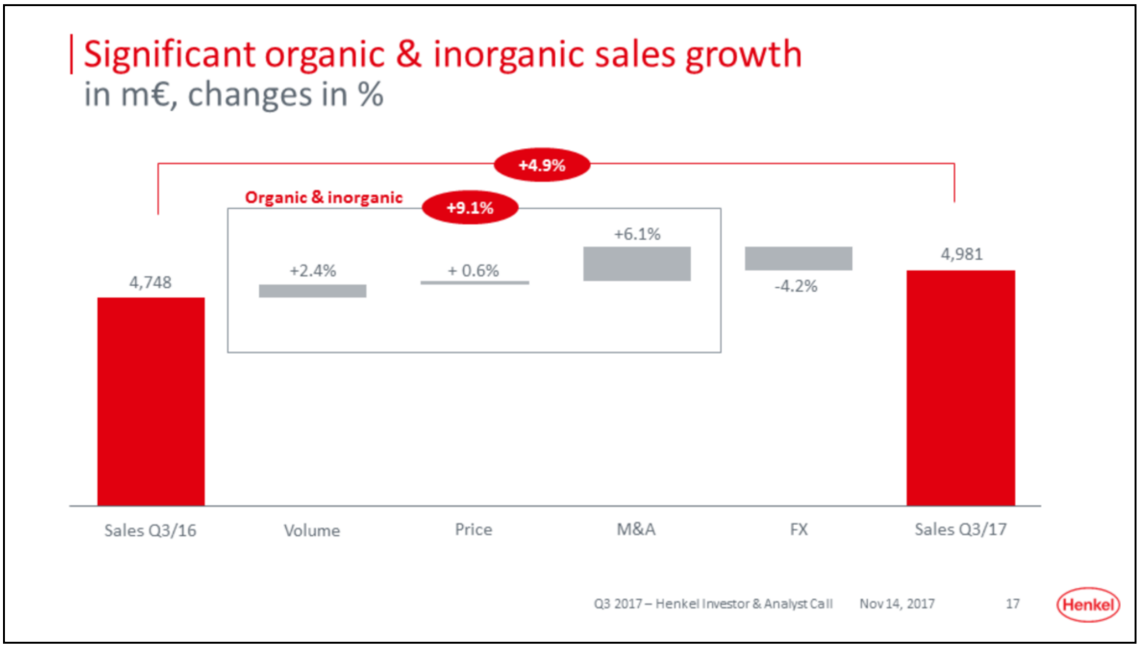


Moving on to our cash oriented KPIs. Here we continue to focus on the disciplined cash management.

The ratio of net working capital to sales increased to 5.6%. This is 40 basis points up to the prior year quarter. This was mainly driven by a higher net working capital in our Beauty Care division. Only a minor impact comes from acquisitions. That means we are doing a good job on the integration part of the recent acquisitions. As I pointed that out in the quarters before, that this is one of our focus topics related to cash management.

The free cash flow remained strong with EUR 536 million and decreased compared to the prior year mainly due to a higher CapEx investment and a lower operating cash flow.

Finally, the net financial position came in at minus EUR 3,336 million and also here I will provide you some more details on this development.



But first, taking a closer look at our sales development and here at the sales bridge at the group level.

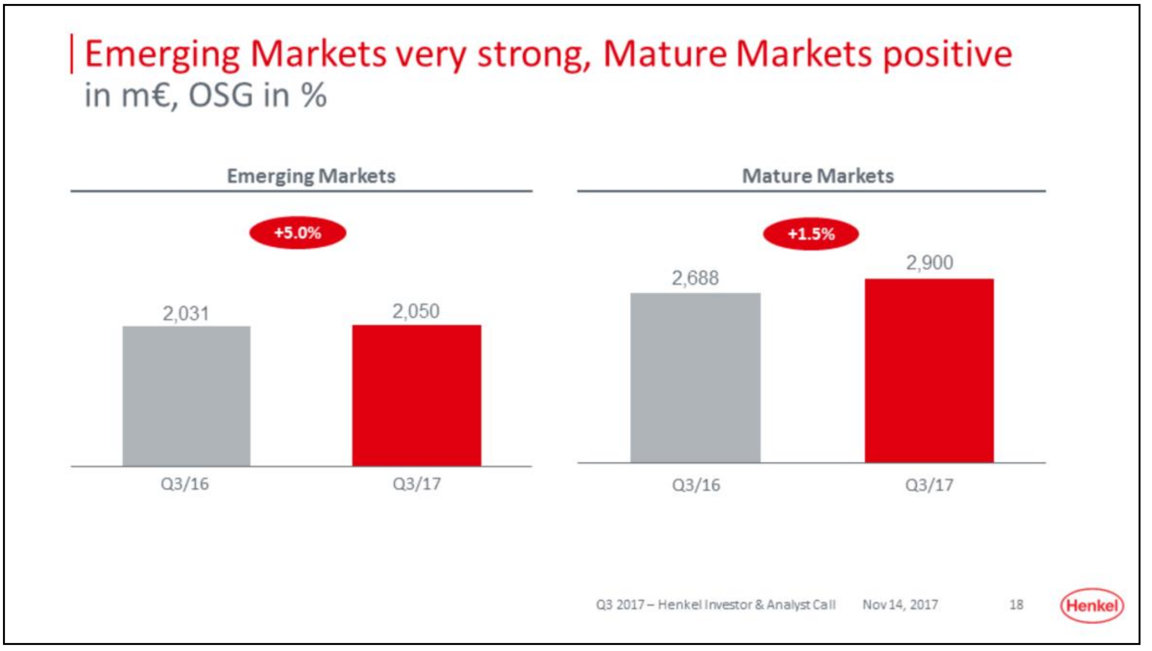
The organic plus the inorganic growth amounted to 9.1% and by that showing a significant increase.

Organically, as pointed out before, we delivered a strong growth of 3%. This was mainly volume driven by 240 basis points and price increases by 60 basis points.

The net effect of our acquisitions and divestments had a positive impact on sales of 6.1% with Sun here still being the majority component representing out of this 6.1%, 4.2%.

In Q3 currency turned into a headwind impacting sales by roughly EUR 200 million or minus 4.2%. The development was driven by the U.S. dollar, but we also observed FX headwinds in key emerging markets like the Egyptian pound, the Turkish lira or the Chinese yuan.

Summing up, we closed the quarter with EUR 4,981 million, by that a nominal increase of 4.9%.

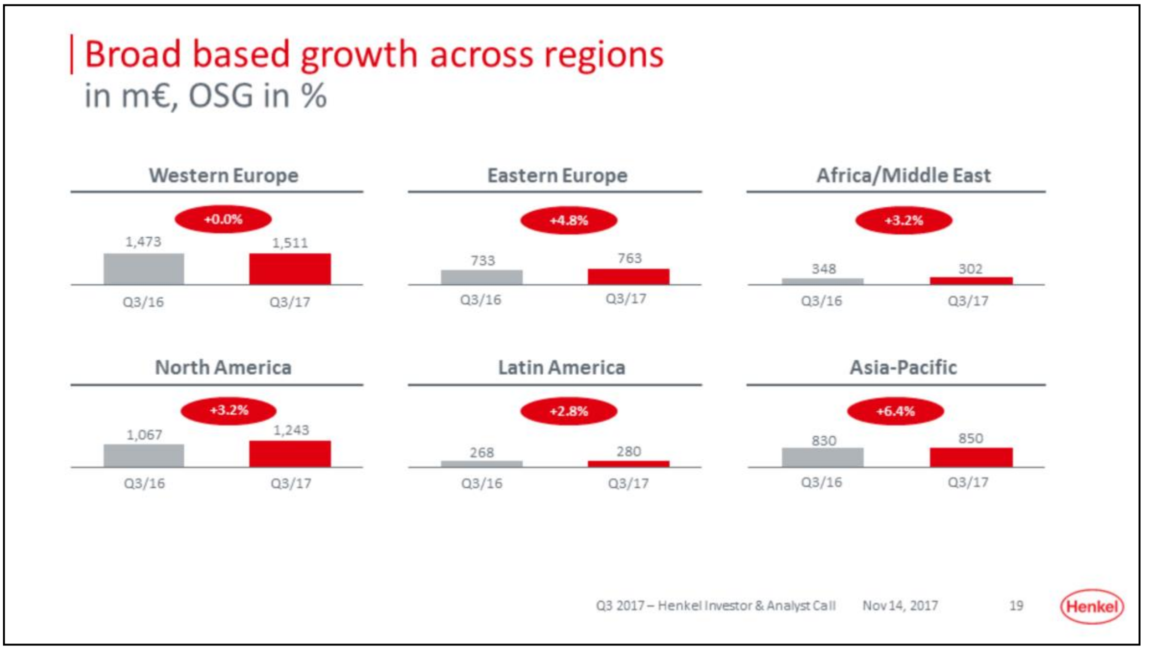


Looking at our regional development and starting with our emerging markets.

Emerging markets had a nominal growth of 0.9% to EUR 2,050 million. Organically this represents a strong sales growth of 5.0%.

Our sales development in the mature markets showed a nominal growth of 7.9% to EUR 2,900 million. The organic impact was positive at 1.5%.

On Group level, the strong organic net sales growth of 3% was broad based across the regions.



With that, let me give you some more details on the individual development of the regions.

Sales in Western Europe remained with 0.0% organically on prior year level. In Germany, we had a very good development and with this we could compensate for the development in some other countries, for example in France.

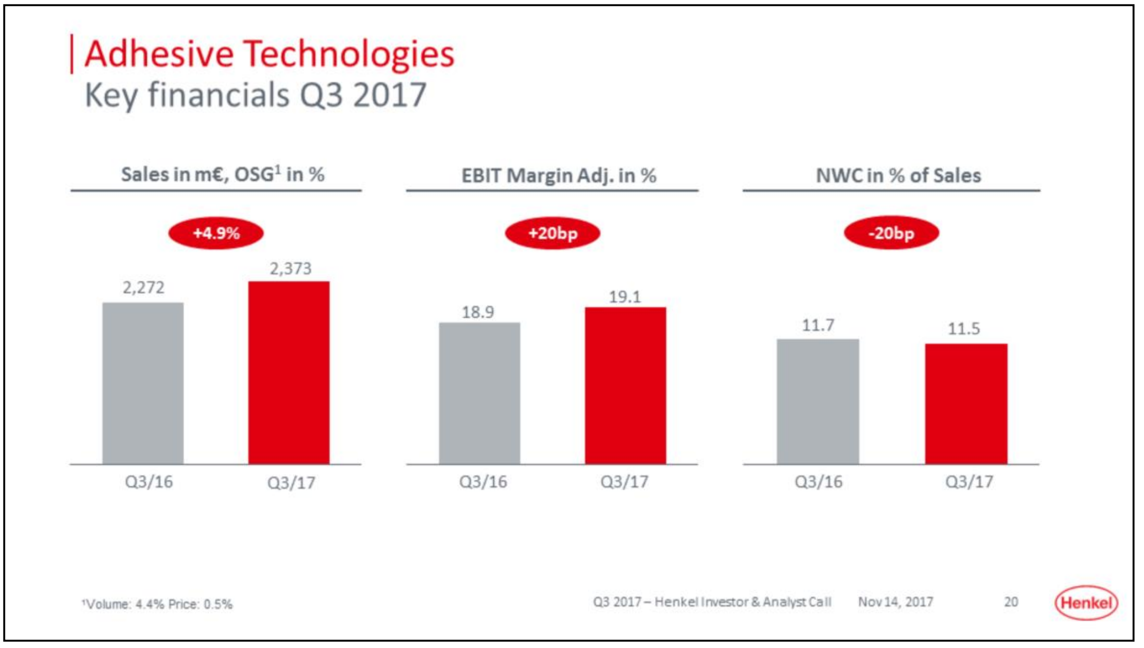
Eastern Europe recorded a very strong organic net sales growth with 4.8% here driven by a double-digit development in Turkey.

In Africa/Middle East, we posted a strong organic sales growth of 3.2% despite the ongoing difficult environment.

In North America, organic sales growth showed a strong increase of 3.2% driven by our consumer businesses.

Latin America recorded a good organic net sales growth of 2.8%.

And finally, Asia-Pacific showed a very strong increase of 6.4%; South Korea delivered double-digit growth, China with a very strong development.



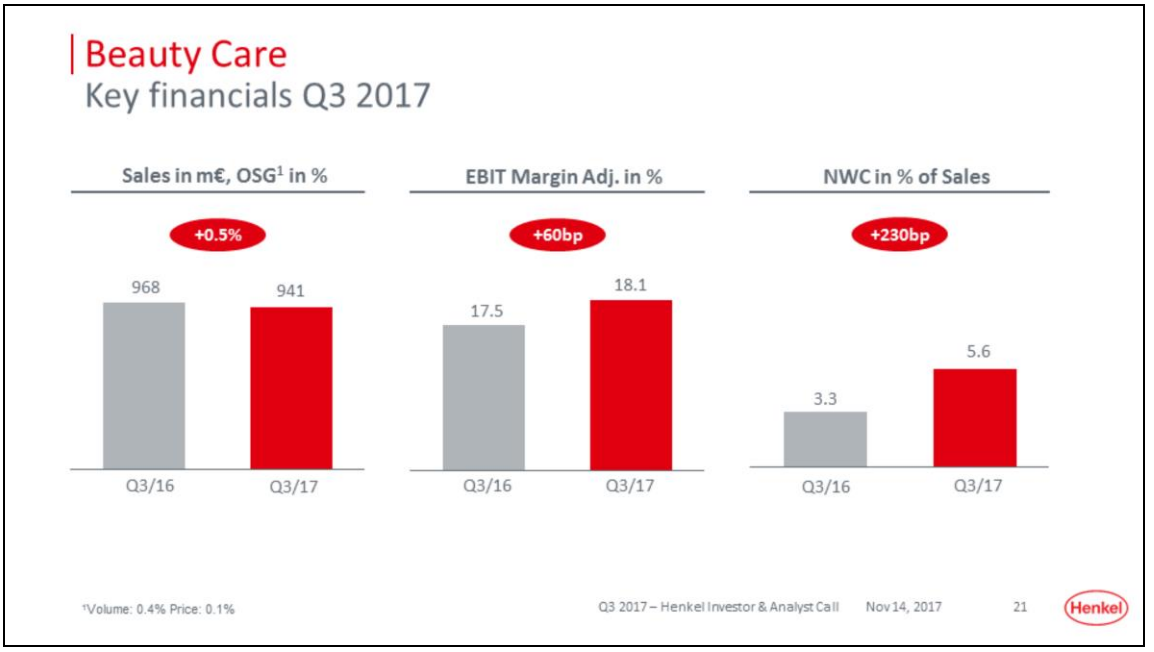
Now let me move to our development in the 3 business divisions starting with Adhesives Technologies. The business unit posted a very strong organic net sales growth in Q3 of 4.9% mainly driven by volume of 4.4%, but we had also a positive price effect of 50 basis points. You may remember when we talked in Q2 about the development, we clearly see here now after a slightly negative impact in Q1 and a flat development in Q2 that we execute the gradual implementation of price increases and that these become visible. Acquisitions contributed by 2.8% in the quarter and so that nominally we had an increase of 4.5%.

It is important to state that all business areas contributed to the very strong organic net sales development. The performance was driven by a double-digit increase in Electronics and a significant growth in General Industry. The areas of Transport and Metal and the Consumer and Craftsmen business delivered a very strong growth. The Packaging Adhesives part contributed with a strong growth.

Looking also here at the regional development. We recorded a significant organic net sales growth in the Emerging Markets. Eastern Europe, Asia excluding Japan and Latin America all contributed with significant organic growth rates. Africa/Middle East showed a good sales growth. Looking at the Mature Markets, the organic sales performance was positive. Western Europe recorded a very strong organic net sales growth and the mature markets of Asia-Pacific showed a strong increase. North America in the quarter was slightly negative for Adhesives.

Moving on to the profit. The adjusted EBIT margin progressed further to 19.1%, a good improvement of 20 basis points over the prior year and despite a slightly negative impact from the consolidation of Darex and Sonderhoff – the recent acquisitions we did in adhesives – which we will continue to see in Q4.

The net working capital ratio on sales also improved by 20 basis points to 11.5% for Q3.



Let's now move to our Beauty Care division.

Organic sales growth was positive at 0.5%, driven by volume with 40 basis points and price of 10 basis points. In addition to that, 0.7% of growth came from acquisitions. In nominal terms, we reached 2.8%. Our Retail business delivered a positive growth.

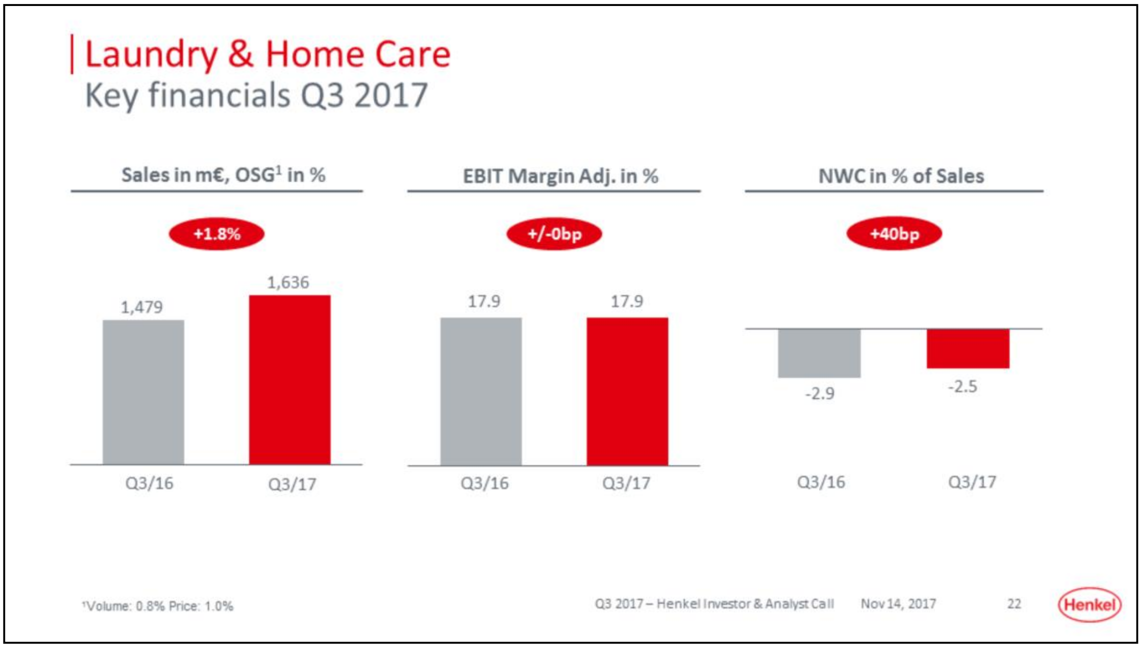
Our Hair Salon business also delivered a positive organic net sales growth now for the 10th consecutive quarter.

Emerging Markets posted a good growth driven by a double-digit increase in Middle East/Africa, Latin America came in very strong, growth in Eastern Europe was positive and in China we continued to be impacted by the channel shift from brick and mortar to the online business.

Looking also in Beauty Care to the Mature Markets, we posted a slightly negative organic growth. Western Europe was below the level of the prior year especially due to the decline in important markets and accelerating price and promotion pressure. North America recorded a good organic sales growth.

Profitability-wise, Beauty Care posted a very strong increase in the adjusted EBIT margin with an improvement of 60 basis points now to a level of 18.1%.

Net working capital came in 230 basis points above the prior year. As already indicated, the only division where we had a negative development on a like-for-like basis in terms of net working capital reaching a level of 5.6% of sales. The increase is driven by higher accounts receivables and inventories. The Nattura acquisition also had a negative impact in the quarter.



Let's move now to our Laundry & Home Care division.

The business unit delivered a positive organic net sales growth of 1.8% driven by both volume and price; volume had an impact of 80 basis points, price of 100 basis points. In addition, 14.6% of growth came from acquisitions. In nominal terms, we increased the quarter by 10.6%.

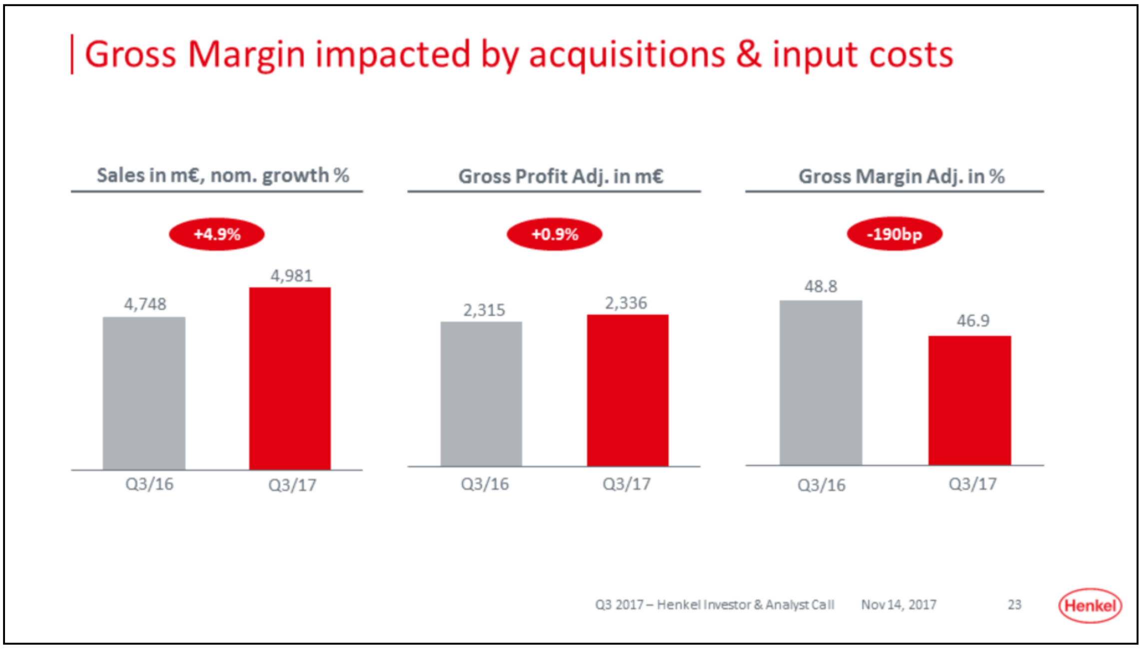
Both the Laundry Care as well as the Home Care business contributed with a positive increase.

Emerging Markets showed in the quarter a flat organic net sales development. In more detail, Eastern Europe with a good organic growth; Africa/Middle East with a positive organic growth; Asia showed a stable development and Latin America was negative in the quarter.

In the Mature Markets, we recorded a good organic net sales growth. The development was driven by North America and the Mature Markets of Asia while Western Europe remained below the prior year due to an ongoing highly competitive environment.

The Laundry & Home Care business reported an adjusted EBIT margin of 17.9% on the level of the prior year. Excluding Sun, the profitability would have increased to a level of 18.8%.

From a cash perspective, the net working capital ratio was again at a very low level of minus 2.5% and would be on prior year if we adjust for the acquisition impact. So, a continued strong performance related to net working capital.



With that, let me move back to the Henkel Group and in particular to our adjusted income statement.

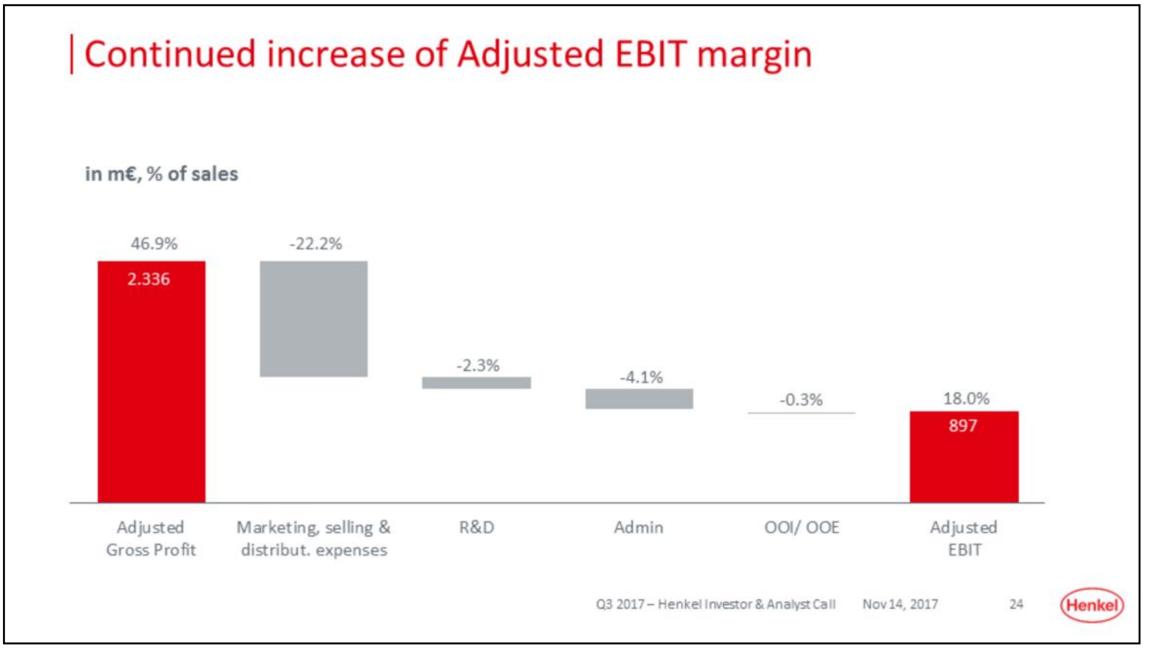
You are already aware that our nominal sales increased by 4.9% to EUR 4,981 million. Gross profit came in at EUR 2,336 million and by that being up 90 basis points compared to the prior year quarter. The adjusted gross margin was at 46.9% compared to the 48.8% in the prior year.

Acquisitions, as already indicated, account for 100 basis points of this decline. The Sun acquisition continues to be a driver, but we are progressing well with the integration reducing the impact quarter-in-quarter. Also the 3 acquisitions, which we recently closed, affect our gross margin. Here the integration started and we will make progress going forward. Also here we had certain one-time effects related to inventory step-up especially in the Darex and the Sonderhoff acquisition.

So excluding the acquisitions, the adjusted gross margin would have been at 47.9%. This is 90 basis points below the prior year.

This decline is driven by a continued headwind from higher direct material prices that impact in particular Adhesive Technologies and Laundry & Home Care. Additionally, and Hans pointed that out, we were confronted with several force majeures also related to the natural disasters, but were able to limit their impact thanks to the extraordinary efforts of our local teams. Nevertheless, they showed a certain impact on the gross margin.

Despite these headwinds, we were able to further increase our adjusted EBIT margin.



Let's come now to the bridge from the adjusted gross profit to the adjusted EBIT.

Starting with our marketing, selling and distribution expenses: They decreased by 3.7% now to a level of EUR 1,106 million. The decline in absolute terms was mainly driven by FX. In percent of sales, marketing selling and distribution expenses decreased by 200 basis points now to a level of 22.2%. This is amongst others attributable to the lower sales share related to the Sun products acquisition. Moreover, we realized efficiency gains in marketing, selling and distribution and I will give you here some more details in a minute. Lastly, we adapted our marketing spend to the current business environment while we continued to adequately invest in our brand.

Our absolute R&D expenses remained with EUR 113 million close to the level of the prior year quarter.

We were again able to reduce our administration expenses in percent of sales now to 4.1%. This is an improvement of 40 basis points below the level of the prior year.

Looking at the balance of our operating income and expenses, they remained at the low level with minus EUR 17 million and this was slightly below the prior year due to higher other operating charges.

Overall, our adjusted EBIT came in at EUR 897 million and the adjusted EBIT margin correspondingly continued to increase as already pointed out several times now to a level of 18.0%, being an all-time high for Henkel by an increase of 40 basis points.

Let me at this point give you some more details on our ongoing adjusted EBIT margin increase, which is a result of our intensified cost management focus and the disciplined execution of our fund growth initiatives which we presented to you November 2016 when we disclosed our strategic priorities. We started the implementation with full speed and we are fully on track on the realization of these benefits.

Let me give you an update on the most important prominent 4 initiatives:

Starting with value-creating resource allocation: It is all about optimizing the way in which we approach non-personal costs especially in the area of admin, marketing, selling and distribution. You see the effect already visible in the P&L as I just reported on that. We have defined a new cost structure and assigned each cost category to an owner from a relevant business field. We have identified more than 120 initiatives to increase the efficiency of our company.

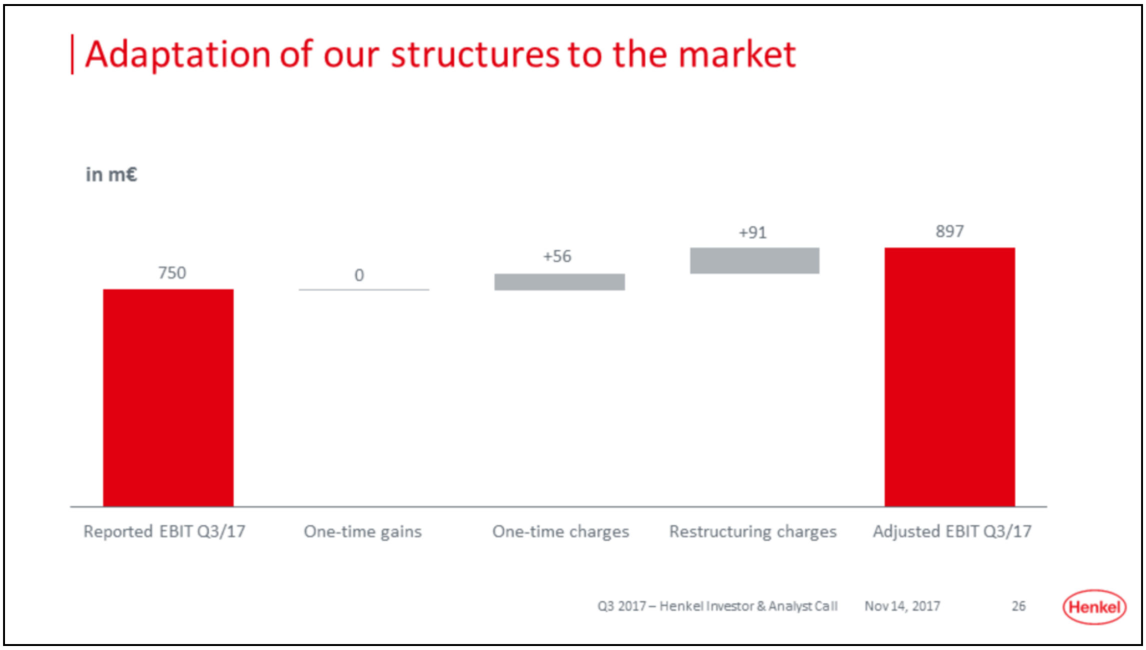
Second initiative, net revenue management. We are increasing the efficiency of our trade spend and leverage our price and promotion effectiveness. We have successfully implemented the net revenue management approach in North America for our Laundry & Home Care business.

The roll-out across all businesses in Europe and North America has already started and benefits will be visible in the P&L as of 2018.

Building the most efficient structures, the third initiative, here we opened a new fully automated high bay warehouse in one of our biggest laundry production sites here in Dusseldorf. Furthermore, we have already today implemented more than 100 robotic solutions and automation software applications in our shared service centers taking advantage here of the newest technological developments.

And lastly, the fourth initiative I would like to present and disclose today is the ongoing development in our ONE! Global Supply Chain. Here we focus on further capturing cross business synergies. The initiative targets not only the cost of goods sold, but also the distribution costs. We have successfully implemented the concept in Europe thereby realizing already in '17 significant benefits and we are currently preparing the roll-out to North America beginning of 2018.

These initiatives will support further investments in our growth and the continuous improvement of our adjusted EBIT margin.

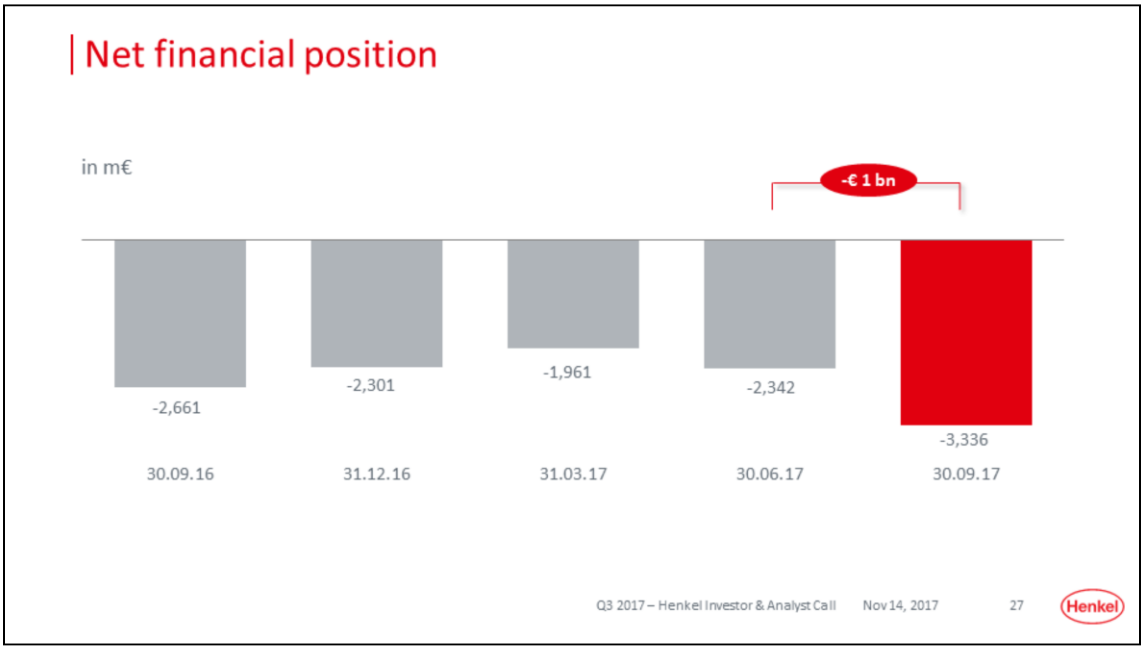


Let me come back to our P&L and let me now show you the bridge from the reported to the adjusted EBIT.

Our reported EBIT came in at EUR 750 million.

We incurred EUR 56 million in one-time charges which are related to our ONE! Global Supply Chain project, which I just alluded to, the integration and acquisition costs as well as the discontinuation of a product line in our General Industry portfolio within Adhesives Technologies.

Moving to restructuring charges, they accounted for EUR 91 million and mostly related to the adaptation of our structures to the market. We increased our restructuring in the third quarter as we are taking the necessary steps to adapt to the market conditions. For the full year, we confirm our restructuring guidance of EUR 200 million to EUR 250 million.



Last part, our net financial position in Q3 2017 came in at EUR 3,336 billion. Comparing that to the end of the second quarter of last year, this is a reduction of EUR 1 billion.

We continued our strong free cash flow generation in the third quarter with EUR 536 million, but also paid for our acquisitions resulting in a cash out of around EUR 1.4 billion.

And you have just seen that we announced another acquisition. On October 26, we have signed an agreement within the Beauty Care division to acquire Zotos International.

This acquisition follows a number of compelling and high quality ones we closed through 2016 and 2017 across all our business units strengthening our leading position in the emerging and the Mature Markets.

Let me highlight 3 comments on that.

- First of all, we are well on track with the integration of all acquisitions and we see synergies ramping up.
- Second, we are able to realize those synergies by leveraging our existing infrastructure, for example our shared services and our ONE! Global Supply Chain.
- And third, our balance sheet is healthy and acquisitions therefore remain an integral part of Henkel's strategy going forward.

Before handing back to Hans, I would like to take also a moment and update you on our expectations for our CapEx spend for the full year. In the first 9 months, we spent EUR 471 million on CapEx mainly for the expansion of our production capacity, our supply chain optimization and investing in our IT infrastructure.
For the full year, we expect to spend EUR 650 million to EUR 750 million compared to our previous expectation of EUR 750 million to EUR 850 million. We lowered this amount as we have reprioritized the timings of our investment.

With this, I would like to hand back to Hans.

Hans Van Bylen:

Thank you very much, Carsten. Let me now summarize before we look at our guidance for the full year and then move on to the Q&A.

Q3 2017: Strong performance

- Topline driven by strong organic sales growth and acquisitions
- Emerging Markets as well as Mature Markets contributing to organic and inorganic growth
- Significant growth of adjusted EBIT driven by intensified cost management focus
- New high in adjusted EBIT margin
- Significant growth of Adjusted EPS
- Integration of all acquisitions well on track, successful closing of three acquisitions

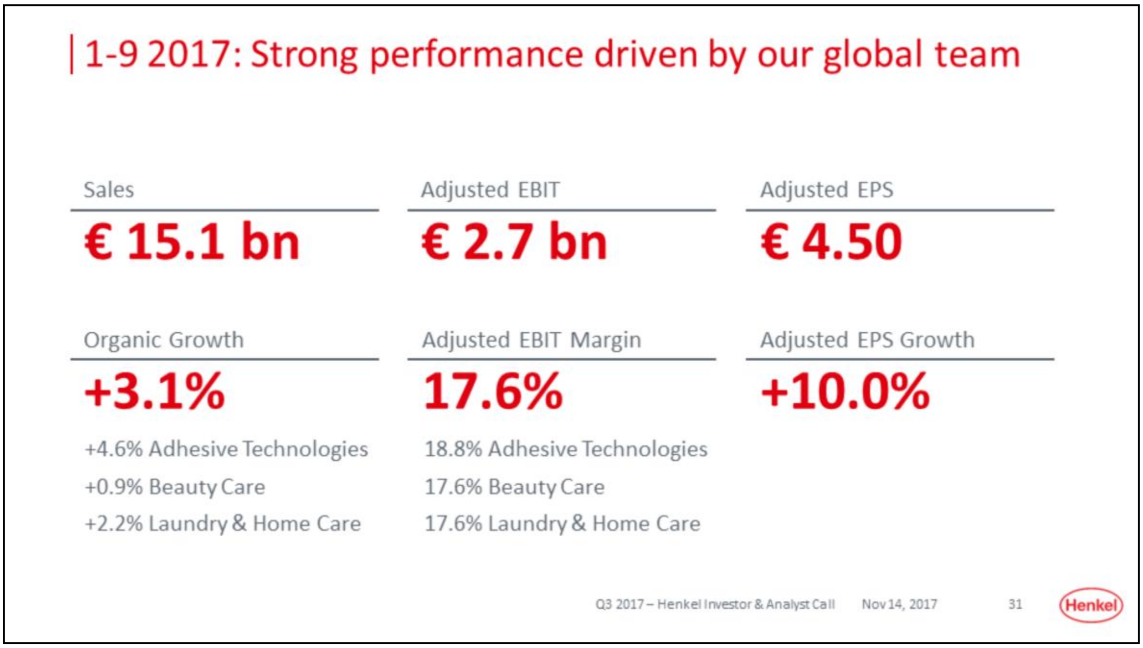
In a challenging environment, we delivered a strong performance in Q3 2017.

Our topline was driven by strong organic growth and acquisitions, both the Emerging Markets as well as the Mature Markets contributed.

The adjusted EBIT grew significantly driven by our intensified cost management focus. The adjusted EBIT margin reached again a new high.

Adjusted earnings per preferred share continued to grow significantly.

We are well on track with the integration of all our acquisitions and we successfully closed 3 acquisitions in the third quarter.



Before moving to the guidance, let me also summarize our strong performance in the first 9 months that's driven by our global team.

For the first time, we exceeded EUR 15 billion in the first 9 months increasing sales by 9.3% to EUR 15.1 billion. Acquisitions contributed 7.2% to growth while FX was negative with minus 0.1%.

We achieved a strong organic topline increase of 3.1% driven by growth across all regions and all business units. We delivered a very strong organic growth of 4.6% in Adhesive Technologies, Beauty Care grew by 0.9% and Laundry & Home Care contributed with a good organic growth of 2.2%.

We generated close to EUR 2.7 billion of adjusted EBIT delivering an increase of 10.5% versus prior year. All businesses units contributed to this result.

Our adjusted EBIT margin reached 17.6%. The improvement was driven by strong increase of Adhesive Technologies to 18.8% and the strong growth of Beauty Care to 17.6%. Due to the impact of acquisitions, Laundry & Home Care came in below the prior year and delivered 17.6%.

So, summing up. With our strong performance in the first 9 months, we grew adjusted EPS by 10% and achieved EUR 4.50.

Looking at the full-year 2017, we expect that the environment will continue to be challenging.

Geopolitical tensions and political and macroeconomic uncertainties will continue.

In the consumer goods market, difficult conditions will persist.

FX headwinds will have an increasingly negative impact.

Raw material prices will remain on a continuously high level.

In this very challenging environment, we continue to focus on our top priorities.

- We further drive growth with strong innovations, leading brands and intensified customer focus.
- We increase the agility of our organization by constantly adapting structures to the markets.
- We fund our growth with a continuous and rigorous cost focus.

Guidance FY 2017 – updated

	FY 2017 – previously	FY 2017 – updated
Organic Sales Growth	2 - 4% All Business Units within this range	Henkel: 2 - 4% Adhesive Technologies: 4 - 5% Beauty Care: 0 - 1% Laundry & Home Care: ~2%
Adjusted EBIT Margin	Improvement to a level above 17.0%	Improvement to a level above 17.0%
Adjusted EPS Growth	7 - 9%	~ 9%

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Let us now come to our guidance.

We are fully committed to continue our successful development and implement our strategic priorities.

- We confirm our expectation to generate organic sales growth of 2% to 4% on group level.
- We update expectations for our business units. We expect now 4% to 5% organic sales growth for Adhesive Technologies, 0% to 1% for Beauty Care and around 2% for Laundry & Home Care.
- We confirm our expectation for an improvement of the adjusted EBIT margin to a level above 17%.
- And finally, despite the negative FX headwinds, we upgrade our expectation for the adjusted earnings per preferred share and anticipate now to grow around 9%.

I would like to come to the close and the upcoming events.

The full-year earnings conference call will be on February 22, 2018 followed by our AGM for 2017 on April 9, 2018.

Please also note that our Investor and Analyst Day for Laundry & Home Care will take place on May 29, 2018.

Let us now open the Q&A [see next page].

Q&A Session (p.1/7)

Christian Faitz, Kepler Cheuvreux: First of all, on your CapEx guidance. You basically are looking at a delta to a certain range of EUR 100 million or so for the next 4 to 6 weeks whenever you can spend some CapEx this year. Does this mean whatever you don't spend this year within this delta, you're going to book next year and could you give us the guidance for next year already in terms of CapEx? Second question, in Adhesives you talk about slightly lower sales in NAFTA so North America. Is the statement adjusted for FX and if so, what are the weaker customer industries in NAFTA within Adhesives? Thank you.

Carsten Knobel, CFO: Regarding CapEx as I said, we have spent in the first 9 months EUR 471 million on CapEx, content wise, spending on the expansion of our production capacity, supply chain optimization and infrastructure. That does not mean we are updating the guidance today, but it doesn't mean that this is only a pure impact on the next 4 to 6 weeks. That's something which we have seen over the last 9 months. But as I said before, it's only related to timing not to content. That means for sure that we will catch up in the next year and we also don't change anything on what we have given to you in November '16 for the cycle 2017-2020, spending roughly EUR 3 billion. Therefore, it's pure timing and you have to understand that I don't give you today a guidance on the 2018 number.

Hans Van Bylen, CEO: Then I will take your questions on development in North America on Adhesive Technologies. We talk about organic sales growth, which means also without currency effects, and what we did see in general is that we had 2 segments with some weakness, which was automotive and packaging.

Alain-Sebastian Oberhuber, MainFirst: I have two questions. First is regarding the Beauty Care business, when do you think that we could see an acceleration? And the second question is regarding France, I assume it's about 8% of the business. What was the reason mainly in France, in which sectors and when do you think that will improve again?

Hans Van Bylen, CEO: Let me take your question on Beauty Care. So in general what we do see, I mean we report this quarter quite late so we saw all the peers coming in. We do see that in mass beauty, in general, growth is decreasing. We also do see that some markets, especially if we talk about hair markets in Europe for example, turn to have a negative development. Concerning our performance, we see a mixed performance in shares. For example, we have fantastic shares in Color and Styling; in Hair Care we have some challenges. So in general, I mean what we do expect going forward is that concerning the Retail markets, they will stay soft for a while. On the other hand, we did see that in our Hair Professional business we continue to have strong performance. As we said, now 10 quarters in a row where we see strengthening of our performance. So in this environment, I think we still expect some further challenges. This being said, I mean the answer to the challenges for sure is intensified innovation and on that the team is working very hard. Concerning France, Carsten?

Q&A Session (p.2/7)

Carsten Knobel, CFO: So Alain, first of all, our sales share of France is not the 8% you have mentioned; it's roughly half of that, roughly 4%. Nevertheless, your question is valid. We have to differentiate. While in the Adhesive sector we have seen a good growth in the quarter, our Consumer Businesses were negative. We have seen and we see a declining market in the HPC sector. We see on top quite intense ongoing customer consolidation. For sure we're taking corresponding measures especially when it comes to innovation and customer specific topics. But more at this point of time I cannot disclose, but I hope that clarifies.

Celine Pannuti, JP Morgan: My first question is on Laundry. I wanted to understand why the pricing has had such an upturn in the quarter being negative in the previous quarters and positive in this quarter. Especially with your comments about pricing pressure, I was quite surprised of this performance. So, if you could shed light on this? And my second question is on the balance between cost savings and topline. So with several savings initiatives like net revenue management and ZBB, how do you ensure that you make the right choice let's say to continue to feed the topline? And could you as well tell us the sustainability of that SG&A compression, I mean how much more to go, please? Thank you.

Carsten Knobel, CFO: Pricing, it has been positive in Q3, yes, as you said after several quarters of negative price developments we have seen. Drivers are here clear, innovations and selective price increases. You know that in the area of FMCG, we consider innovations as part of the pricing impact. And for sure we expect that pricing will continue to be under pressure, but especially based on innovations we could upgrade that and by that you have seen the positive impact in Q3.

Celine Pannuti, JP Morgan: Which innovation was that? Was it the ProClean?

Carsten Knobel, CFO: That’s not only one. For sure the ProClean is 1 innovation especially playing in the U.S., but there are several ones. Hans highlighted some of them in the quarter before -- in the presentation before, but it's not only 1 innovation. For example also Perwoll, 2-in-1 and the upgrade also on our Vernel Supreme. These are innovations which play into that setup.

Hans Van Bylen, CEO: Then coming to your question, Celine, on the balance between cost saving and also supporting topline. As you know, I mean it is for us top priority to have this balance and also the results show that we manage. So, in a way that we have a quite strong number of cost initiatives and we are extremely focused on those. And as you can see for example also in the business of Adhesive Technologies where I mean marketing budget or the pure marketing budget is extremely limited in this business model. We see that despite some real pressure on gross margin, we manage to further expand EBIT margin clearly a sign that our cost measures are getting effect.

Q&A Session (p.3/7)

This being said, of course we see it in all businesses how much we invest back in business and how much we bring to bottom line is a balance which we continuously look at. And of course we monitor also our performance permanently versus peers and in also looking at our market share development and we think we found quite a good balance here.

Celine Pannuti, JP Morgan: And could you say how much savings there is further to go for from all of these initiatives?

Carsten Knobel, CFO: Celine, I think that's your question of sustainability of the improvements of SG&A. That was the reason why I also was putting during the presentation more focus on that because for sure we anticipated these kind of question because 200 basis point improvement in SG&A or in marketing, selling and distribution is a quite significant number. But that's reflecting what I presented with the initiatives which we are undergoing be it in terms of the value-creating resource allocation, but also the most efficient structures in the area of shared services. These are the things which you are used to from us now a couple of years that we are implementing these kind of things and by that getting improvement. And the last part is for sure I've also talked about that, we have over the last 1.5 years significantly integrated acquisitions. And you know that from all the acquisitions we are doing we always expect, and Hans has also alluded to that by the recent ones which we closed, offensive and also significantly defensive synergies. And the outcome and the benefits of that are constantly coming into the P&L and that is definitely sustainable because what we are doing is sustainable be it in M&A, but also be it in the execution of our programs when they are related to efficiencies. And we have proven that over the last I would say 10 years that this is an ongoing strength of our organization.

Hermine de Bentzmann, Raymond James: The first one is on the Laundry division. Can you be a bit more precise on the deceleration of this division? Maybe can you precise the underlying market growth of the Laundry market and do you think we can come back to past year growth levels of above 4% in the future? My second question is just to come back on marketing and selling ratio. How can we see this ratio as a percentage of sales resulting in Q4 and in following year? I understand you're making lots of cost saving here and you say it's sustainable so I was wondering if we can expect this ratio to decrease year after year and where do you expect to stand? Thank you very much.

Hans Van Bylen, CEO: Let me answer your question on the Laundry division. So what we do see indeed I mean also if we look at our peer development is that in general, we see softer growth and it's linked to several reasons. What we do see is some markets, take the Western European market, we purely look at market statistics so not our numbers, but market statistics. We see that the markets, take for example, in total West Europe has turned to negative as a market. We see that our market shares are doing well. I mean we have some all-time highs even in some countries. So, market share is quite healthy. So, here we see a first effect clearly out of market development.

Q&A Session (p.4/7)

Another component, which is more concentrated on us, is that you also saw the total Henkel numbers in Middle East/Africa at the moment, we see that due to some real geopolitical crisis - I mean take Egypt - our Emerging Market position in Laundry & Home Care is strongly based on a strong position in Middle East/Africa and there we really see some market challenges. And as you know, also total Henkel we used to have some double-digit growth there and you saw now also the numbers we published on the growth in the Middle East region, this growth went down significantly. So, those two components are in fact the explanation of the development which we see today.

Carsten Knobel, CFO: Coming to your question of marketing, selling and distribution expenses; I think I could repeat what I have just answered to the question of Celine. In terms of sustainability: This is definitely sustainable and for sure you can expect that this will continue also going forward. But I hope you also understand that I will not give you a guidance on that how this will develop quarter-by-quarter. But maybe again to re-emphasize what I said during the presentation what are the reasons behind this 200 basis points. For sure there are several reasons. There are also some technical ones because we have also a lower sales share related to the Sun Products acquisition and the second part and which is the major part is for sure the efficiency gains which we reached and this is in the base business. This is related to the programs in terms of shared services, in terms of value creating resource allocation, ONE!GSC and for sure also M&A effects in terms of realizing synergies. And lastly, what I also said for sure we also adapt our marketing spend to the business environment. But nevertheless as I said, we have a very concentrated brand portfolio and we are adequately investing behind these brands. I hope that clarifies.

Hermine de Bentzmann, Raymond James: Okay, Just a question on your guidance of tax rate in full year?

Carsten Knobel, CFO: I think since I'm CFO, we have never had a guidance on tax. You know that we always have told you that we are operating on an effective tax rate of roughly 25%. If you follow that during the last years and also this year, that's exactly where we are with plus/minus something, but not significantly and there is nothing to be expected that this will change.

James Targett, Berenberg: Firstly on input costs and pricing, you mentioned -- I mean your guidance for input costs remain the same, but you did talk about increasingly competitive market. So, I'm just wondering has your confidence and your ability to pass on these costs through pricing changed at all since the first half? And then secondly on the Beauty business, you've had -- there's a change in the divisional leadership there. I wonder if that's going to have any impact on strategy maybe particularly in the Retail business going forward? Thank you.

Q&A Session (p.5/7)

Carsten Knobel, CFO: I take the first one related to your input cost question. In Q3 we saw positive pricing for the group after the flat development in first half. If you may recall what I told you in Q1 and in Q2, I think we are exactly on delivering on that what we think and what we thought in the first half year and the best example is our Adhesive Technologies business. We have seen a negative price impact in Q1, we have seen a flat development in Q2 and we see now a positive impact of pricing of 50 basis point and that's exactly in line what we expect in terms of passing on. And therefore, no surprise from our side and for sure that's an important initiative. We continue to bring prices also through to our customers and that's also what you should expect going forward. In HPC we expect that the strong price pressure and the high promotional intensity that this will continue, but I hope that gives you more confidence or gives you the answer that here what we expected also in the first half year is the same what we believe is today the case.

Hans Van Bylen, CEO: James, concerning the new head of Beauty Care. This new head is Jens-Martin Schwärzler. He has a very broad global experience and also a high understanding of the Beauty Care business. I mean his focus for sure will be first of all in Professional where we have a fantastic momentum to keep and in the Retail for sure, I mean to continue working hard on generating profitable growth here also clearly with a focus on growth acceleration and looking how we can intensify even our innovation program.

Iain Simpson, Societe Generale: Firstly in Laundry, now Emerging Markets were flat for you so guessing your growth came from developed markets. With Western Europe being down, that sounds like the U.S. must have grown very strongly. So I just wondered if you could talk me through which brands were doing the work in the U.S. and also whether in Western Europe there was any sign of input cost inflation resulting in an easier pricing environment. And then secondly in Adhesives, I think that's your strongest growth in over 5 years and looks pretty broad based. You've talked about taking gradual pricing in that division now, does that mean we should expect a further improvement in adhesives pricing in the coming quarters? Thank you.

Hans Van Bylen, CEO: Concerning Laundry, indeed I mean as I indicated so our growth out of Emerging Markets has clearly slowed down, it's flat and this is clearly due mainly to the situation in Middle East and growth then is coming from Mature Markets. And yes, U.S. had a very strong quarter and what is driving U.S. strongly in the quarter is in fact the further expansion of Persil. Persil now got I mean complete national distribution and also market wise is doing excellent. So, extremely strong growth strongly supported by this Persil ProClean development. I think part of your question was also on pricing environment. Europe, there we do not see at the moment that is easing down, I mean this is staying quite challenging.

Q&A Session (p.6/7)

Carsten Knobel, CFO: And Iain, related to your question on Adhesives. I think I have also pointed that out shortly before how the situation turned from a negative flat and now a positive pricing impact and I'm very confident that Jan-Dirk Auris continues to execute also that going forward. The exact number I cannot tell you, even I will not tell you, but you can expect that this is on high priority within the Adhesives business and we will execute on further price increases, the implementation and this I can tell you is ongoing and is on track. And therefore, as I said before, we are executing exactly that we have said. First half year, it takes some time to bring the price increases into the P&L and the second half is in terms of executing that, Q3 started with that and you should also expect that this continues in Q4.

Guillaume Delmas, Bank of America Merrill Lynch: The first one is on Adhesives volume growth. In the first 9 months, you've achieved 4.4%. We have to go back to 2010 to see such a strong volume growth performance. So, my question is could you shed more light on the drivers behind this strong volume growth; what is down to good category growth, what is down to your outperformance and how sustainable you think that is particular as you're going to annualize the pickup in growth in China and also as you're getting more pricing? The second question is on Beauty Care and the Beauty Care paradox because for pretty much a second consecutive quarter, we're seeing the best operating margin development across your 3 divisions in Beauty, but at the same time we've got the weakest organic sales growth. So in a challenging environment where usually we see a level of competition increasing, you've got P&L flexibility in that division. Why not reinvesting more given the strong savings you seem to be generating in that division? Thank you.

Hans Van Bylen, CEO: Let me perhaps start with the question on Beauty. So what you call the paradox is indeed what I would say is our profitable growth model, and in that way we work both on – and are quite strongly focused on firm improvement of efficiencies translating to cost savings and indeed reinvesting into the businesses. If we look at the P&L structure of Beauty Care within the challenge of the topline, I mean it's a very healthy one. In a way that our gross margins are well secured, we have costs well under control and it also now is more a matter of where do we further invest because we see some fields where we do win market share. As I said, the mass beauty market is at the moment in some weakness. But be sure that looking forward, we firmly look at this balance and we always take care that it is not only 1 focused investment. Our commitment on combining both is a priority and within this, we make permanent balances.

Carsten Knobel, CFO: On to your Adhesives question. You're absolutely right that with the volume of more than 4%, that is definitely a very strong performance and we have not seen that so often over the last couple of years. I think it's a combination of several factors, one is for sure – and you have taken the 2 important ones – for sure the categories in which we are in and the markets are developing quite nicely at this point of time.

Q&A Session (p.7/7)

You can see that also on certain indices like IPX, which is showing a quite good growth momentum and we don't see a change on this. But on the other side and we think that's always our intention and that's also something what Hans said before; profitable growth, outperforming market. And the second component is for sure that we are outperforming the markets where we are in and the good thing and that's also where we are very proud on it that within Adhesives, all steering units are contributing to that. For sure with the majority impact, as I mentioned before during the presentation, with Electronics with a double-digit development and also General Industry with a very strong improvement. But as I said, it's related to all and it's a combination of category growth, but definitely outperformance and by that winning market share across the divisions, across the business unit and across the regions. Hope that helps.

Hans Van Bylen, CEO: Thanks for your question and interest.

So In closing now, dear investors and analysts, let me summarize.

We are happy to report a strong performance for Q3 as well as for the first 9 months and based on this, we have confirmed our expectations for the organic sales growth and upgraded our earnings guidance for the full-year 2017.

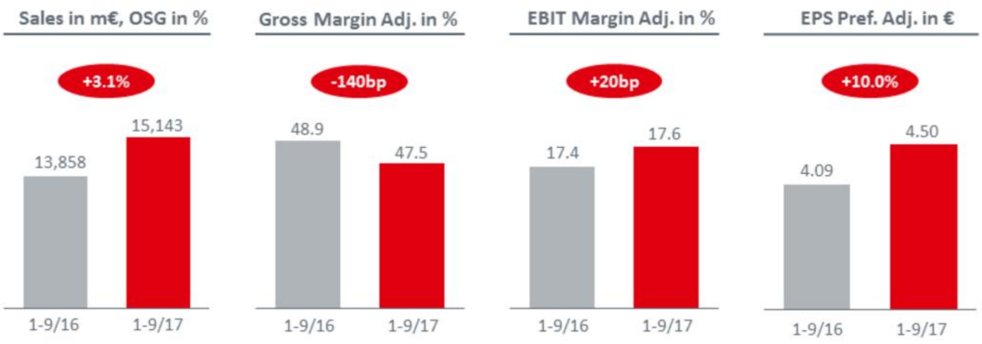
I look forward together with Carsten to our full-year earnings call on February 22, 2018.

Thanks again for listening and goodbye.

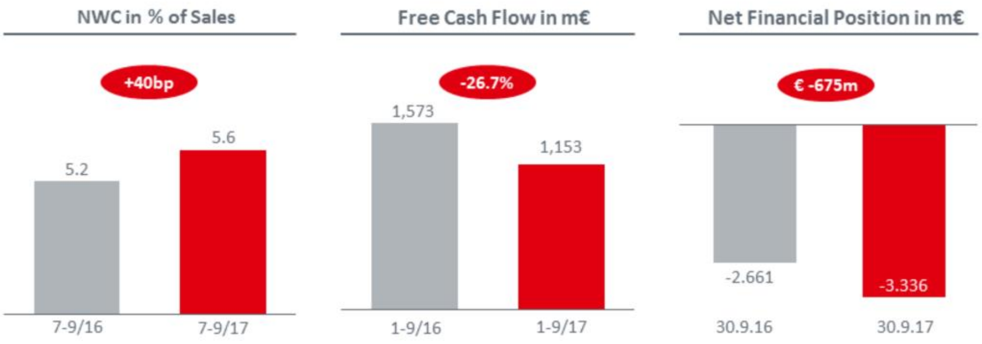
FY 2017: Additional input for selected KPIs – updated

	FY 2017 – previously	FY 2017 – updated
Prices for Total Direct Materials	Moderate increase vs. the level of the prior year	Moderate increase vs. the level of the prior year
Restructuring Charges	€ 200 - 250m	€ 200 - 250m
CapEx	€ 750 - 850m	€ 650 - 750m

Continuous commitment to profitable growth
Key financials – 1-9 2017

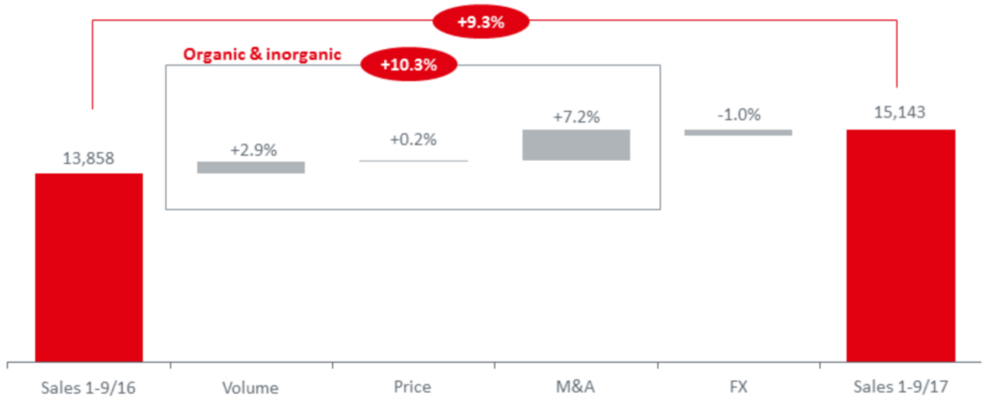


Focus on disciplined cash management
Key financials – 1-9 2017



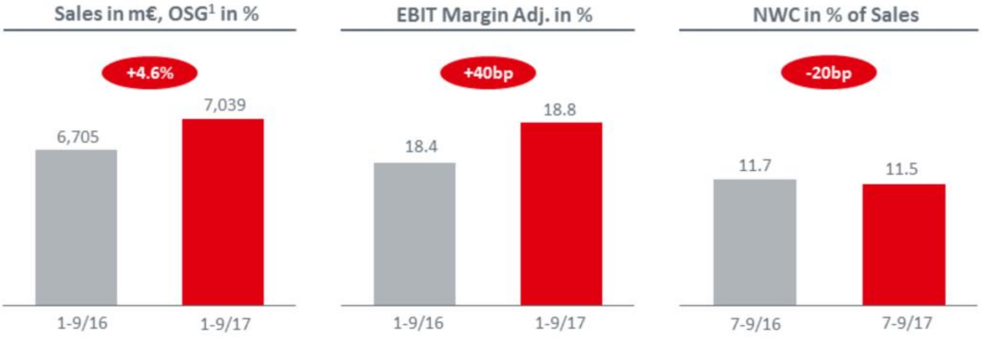
Double-digit organic & inorganic sales growth

in m€, changes in %



All regions growing
in m€, OSG in %

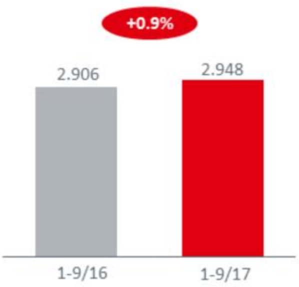
Adhesive Technologies
Key financials 1-9 2017



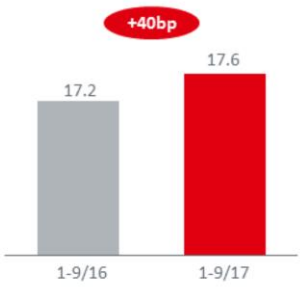
[1]Volume: 4.4% Price: 0.2%

Beauty Care
Key financials 1-9 2017

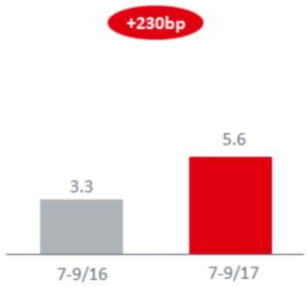
Sales in m€, OSG[1] in %



EBIT Margin Adj. in %

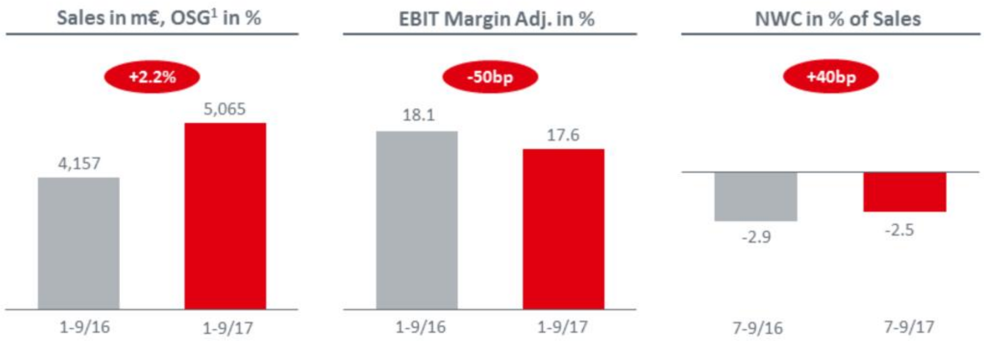


NWC in % of Sales



[1]Volume: 0.2% Price: 0.7%

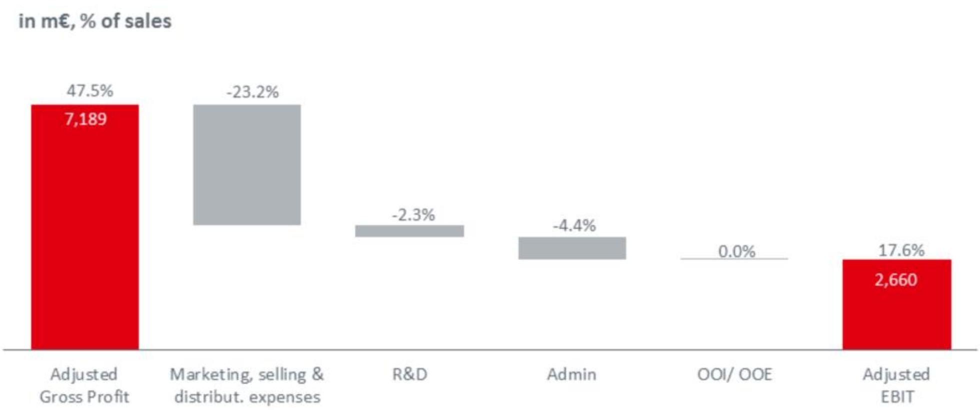
Laundry & Home Care
Key financials 1-9 2017



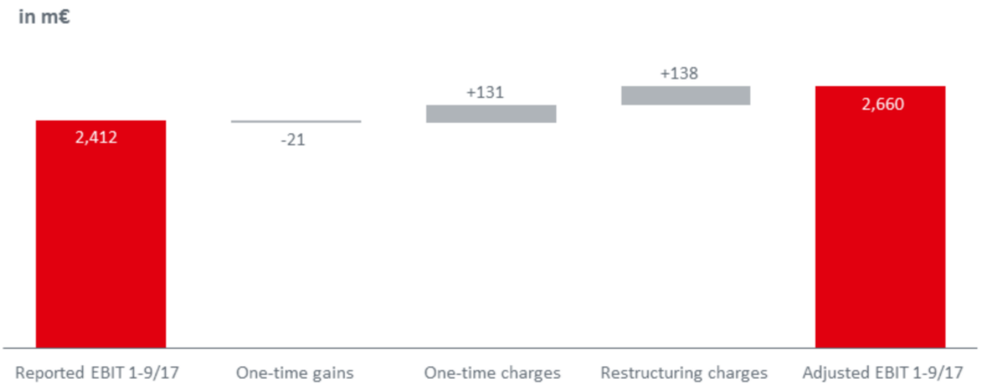
[1]Volume: 2.2% Price: 0.0%

Henkel

Continued increase of Adjusted EBIT margin



Adaptation of our structures to the market



Thank you!