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Conference Call H1 2023 | 10 August 2023

Henkel Representatives:
Carsten Knobel, CEO
Marco Swoboda, CFO
Investor Relations Team

Leslie Iltgen, Head of IR:

Good morning everyone.
A warm welcome to Henkel's conference call on the results of the first half of 2023.

Here with me today are our CEO Carsten Knobel and our CFO Marco Swoboda.

As always, following the presentation, Carsten and Marco are happy to take your questions.

Before handing over to Carsten, please let me remind you that this call will be recorded and a replay will be made available on our investor relations website shortly after this call.

By asking a question during the Q&A session you agree to both the live broadcasting as well as the recording of your question including salutation to be published on our website.

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As always, the presentation and discussion are conducted subject to this disclaimer.

With this, it is my pleasure to hand over to our CEO Carsten Knobel.
Carsten, please go ahead.

Carsten Knobel, CEO:

Thanks, Leslie.

A warm welcome also from my side to everyone joining our call today.

After highlighting the key developments of the first half year, we will walk you through our business performance and outlook in more detail. And of course, we are looking forward to taking your questions.

So, let’s get started with the major topics and achievements in H1.

SUSTAINED GROWTH MOMENTUM WITH MARGIN EXPANSION

H1 2023

- **Very strong organic sales growth** driven by double-digit price increases in both Adhesive Technologies and Consumer Brands
- **Strong margin increase** supported by pricing, accelerated savings & continued portfolio optimization measures – while advancing level of investments to **thrive growth**
- Significant improvement in **free cash flow**
- **Guidance for 2023 increased** – stronger organic sales growth and adj. EBIT margin expectations driving adj. EPS growth of +5 to +20%

HENKEL GROUP	ADHESIVE TECHNOLOGIES	CONSUMER BRANDS
OSG 4.9%	OSG 4.7%	OSG 5.7%
ADJ. EBIT MARGIN 11.5%	ADJ. EBIT MARGIN 14.0%	ADJ. EBIT MARGIN 10.4%
ADJ. EPS GROWTH 14.4% AT CONSTANT FX		

In the first six months of this year, we clearly sustained Henkel's growth momentum. We achieved very strong organic sales growth of 4.9%, which was driven by both Adhesive Technologies and Consumer Brands. Both business units delivered double-digit price increases. Volumes were below the prior year. As you know, we had cautioned you about expectations for volume development in our consumer business, particularly on the back of trade negotiations and portfolio measures – which accounted for roughly 6% in Q2. In Adhesive Technologies, we saw a comparably good development vs. relevant markets. For the second half, we expect volume development to clearly improve – in both businesses.

When it comes to the bottom line, we have made good progress in restoring our profitability with focus and discipline – both in terms of gross profit as well as adjusted EBIT margin, which reached 11.5% on Group level, being up 80 bps. This significant increase was supported by strong pricing to further compensate for the still elevated input costs. But also by accelerated savings from the Consumer Brands merger and continued portfolio effects. This also resulted in adjusted EPS growth of more than 14% at constant exchange rates in the first half. At the same time, we are putting a strong emphasis on investing in growth, for example by stepping up marketing activities in the consumer space to further strengthen brand equity, and by fostering strong innovations in both business units.

On top, we also significantly improved our free cash flow. More on that from Marco later.

Against the background of the strong performance in the first half, we raised our full-year guidance today. We upgraded our expectations for our key KPIs – that means, stronger organic sales growth, a further increase in the adjusted EBIT margin, and adjusted EPS growth now expected at 5 to 20 percent.

All in all, a very strong set of results in the first half.

Looking at the macroeconomic environment, the global economy continues to grow, although at a lower pace compared to the previous year and with recessionary trends in some regions. After muted growth in H1, industrial production is expected to slightly improve in the second half, reaching 1.1% in the full year. We are also still facing globally high inflation rates and increased interest levels.

At the same time, we see the situation in global supply chains, logistics and commodity markets improving. Specifically, input costs are partly easing. For some raw materials, prices have come down. However, for some of the products we purchase – for instance, inorganics – , we still experience higher price levels compared to the first half of 2022. Also, there is an impact from wage inflation and still elevated energy costs.

Our end markets show diverging developments. Looking at Adhesive Technologies, we continue to see muted demand in areas like Construction and Packaging. The market environment in China remains challenging, also having an impact on the Electronics sector. In contrast, the Automotive market is showing double-digit growth – the Light Vehicle Production recorded a plus of more than 11% in the first half. Also Aerospace is growing strongly, as there is a significant order backlog in the industry.

The relevant consumer markets continue to be impacted by the overall inflationary environment. As a consequence, we still observe downtrading in key categories, which of course also has an impact on our business performance. We'll get to that in more detail in a couple of minutes.

But let us now turn to some major achievements in the first half.

The further integration of our consumer businesses is in full swing, and I will provide a brief update on where we stand in just a minute.

But we are not only shaping our Consumer Brands business. Also in Adhesive Technologies, we have been advancing our set-up.

At the same time, we are further strengthening our competitiveness in the markets to fuel growth. We are consistently investing in product innovations. And we have stepped up our marketing activities by a double-digit percentage rate in the Consumer Brands business, in order to drive brand equity – not least in light of a fast-evolving consumer environment and the market dynamics I just described. And we see that this strategy is paying off.
Just to give some examples: we were able to expand market shares globally in Hair Styling by 40 bps, even gaining 100 bps in our core market Europe. In North America, our market share in Fabric Cleaning increased by 50 bps.

In the current process of repositioning our brands globally flanked by strong innovations, we may still see some dips in market shares for some categories in certain regions. However, this is absolutely in line with our expectations and a deliberate choice we are making. For the second half, we will thus keep up with the strong level of investments.

In Adhesive Technologies, our e-mobility solutions again delivered strong double-digit growth rates.

We also further shaped our portfolio. We continued with our portfolio pruning measures in Consumer Brands. And in April, we successfully completed the exit from our business in Russia – with proceeds of more than 600 million euros.

With that, let me provide some more color on the progress with the Consumer Brands merger.

FURTHER SHAPING OUR CONSUMER BRANDS BUSINESS

Implementation well on track

- Ramping up **net savings** faster than anticipated
- Total of ~1,500 **positions reduced** by June 2023
- Further progress in **shaping the portfolio**:
  - Total of ~€0.5bn divested/discontinued
  - Portfolio enhanced through value-creating acquisitions
- **Accelerated focused marketing** activities to drive brand equity
- **Supply chain and operational excellence measures** initiated:
  - First countries implemented **1-1-1 approach** – one order, one shipment, one invoice
  - Consolidation of production footprint for Hair & Other Consumer Businesses in Europe

Reaching ~€500m[1] gross savings with re-investments in the business

driven by multiple levers:
Portfolio – SG&A – Supply Chain

Phase 1
Mostly implemented until end of 2023

- **~€250m[1] net savings**
- Impacting **~2,000** mainly white-collar **employees**
- **One-time** costs of **~€350m**
- Portfolio of **up to €1bn** sales under review

Phase 2
Mostly implemented until end of 2025

- At least **~€150m[1] net savings**
- Focusing on **Supply Chain** excellence
- **One-time** costs of **~€250m[2]**, related **CAPEX** for 2023 reflected in guidance

[1] on an annualized basis

We further moved ahead with the integration and are ramping up the net savings faster than anticipated. As a reminder, in total, we want to realize <u>at least</u> 400 million euros of net savings in full swing by 2026.

As we are optimizing the organizational structure, we – in the meantime – reduced a total of around 1,500 positions in the consumer business since beginning of last year which is equivalent to around three quarters of the targeted 2,000 positions we had announced.

We also made substantial progress in shaping our consumer portfolio – our focus is clearly on the two global categories Laundry & Home Care and Hair and we succeeded in either divesting or discontinuing businesses which didn't fit to the pursued portfolio strategy. Out of the 1 billion euros we announced being under review, we already executed on around 0.4 billion euros last year and with the further progress we made in the first half of this year, we now stand at a total of 0.5 billion euros. At the same time, we have been strengthening our portfolio through acquisitions: The integration of Shiseido's Hair Professional business in Asia-Pacific, which we acquired last year, is well on track and the business is performing in line with our expectations. And in the first half of 2023, we acquired the leading sustainable Laundry & Home Care brand Earthwise in New Zealand.

Having a more streamlined portfolio enables us to perform our marketing activities in a much more focused and efficient way. Also, as just mentioned, we clearly accelerated our marketing and advertisement activities to fuel growth momentum.

Beginning of the year, we also kicked off the second integration phase dedicated to supply chain and operational excellence. Also here, we have already achieved tangible progress: We announced that we would align our operations and processes along the principle of „one face to the customer". The corresponding 1-1-1 approach – meaning: one order, one shipment, one invoice – was now implemented in first countries just a few weeks ago. Furthermore, we consolidated our production footprint for Hair and Body Care products in Europe into two sites.

So – we are ahead of plan and delivering on our targets.

TOP BRAND PERSIL WITH DYNAMIC GROWTH MOMENTUM

Relaunch with unique enzyme technology rolled out across **30** *countries in H1 2023 – strong marketing campaign with increased media invest*

DOUBLE-DIGIT
organic sales growth of Persil in H1 2023

#2 *fabric cleaning brand in Europe*

Let me just share some highlights related to our successful brands and technologies.

In the first half, we relaunched our leading detergent brand Persil with a unique enzyme technology. The new „deep clean“ formula for clean laundry and a hygienic freshness for the washing machine was rolled out across 30 countries globally.

Supported by this relaunch and a strong corresponding marketing campaign, Persil continues to deliver double-digit organic sales growth – a strong performance of our premium Fabric Cleaning brand considering general downtrading trends worldwide.

STYLING RELAUNCH IS BOOSTING GOT2B GROWTH

Co-created relaunch rolled out in

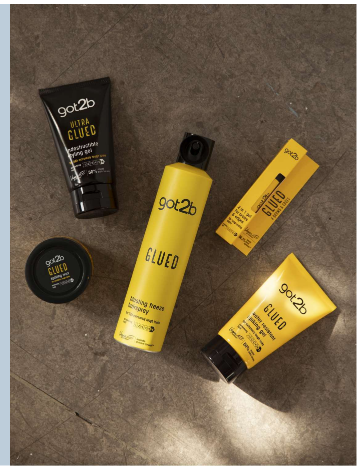
>30 *countries in H1 2023 – supported by dedicated digital campaign*

DOUBLE-DIGIT

organic sales growth of got2be in H1 2023

#3 *styling brand in Europe –*

#1 *position in gels, creams, waxes with market share gains of 260 bps*



Henkel

In our Hair business, Styling is one of our key categories. Here, we relaunched our GenZ & GenAlpha brand got2b in co-creation with its community. The relaunch comprised a modernized premium design, better-for-you formulas with strong performance and more sustainable packaging. The relaunched product range was rolled out across more than 30 countries in Europe, IMEA and Latin America in the first half of 2023. As with Persil, the relaunch was accompanied by a dedicated marketing campaign, that focused on the core digital channels like Youtube, Meta and TikTok, most relevant for a young target group.

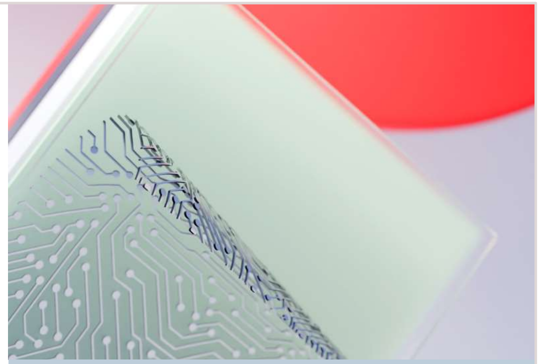
Our got2b brand delivered double-digit organic sales growth, and with this, supported the very strong performance of our Styling business in the first half.

Supported by the successful relaunch, got2b advanced to the number 3 Styling brand in Europe, being the top brand when it comes to gels, creams and waxes. In this segment, we significantly increased market shares by 260 basis points. A clear proof of the strength of our consumer brands.

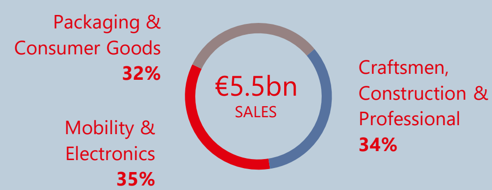
ADVANCING OUR ADHESIVE TECHNOLOGIES BUSINESS

Enhanced business and organizational set-up

- **New leadership team** in place
- Established new **optimized organizational structure** – further enhancing customer and market proximity along three business areas
- Continuously advancing **manufacturing footprint** – consolidation of manufacturing sites in Europe
- **Regional centralization of customer service activities** to drive customer excitement
- Further **evolving R&D capabilities** through a new global service hub in India



Sales split by business area H1 2023

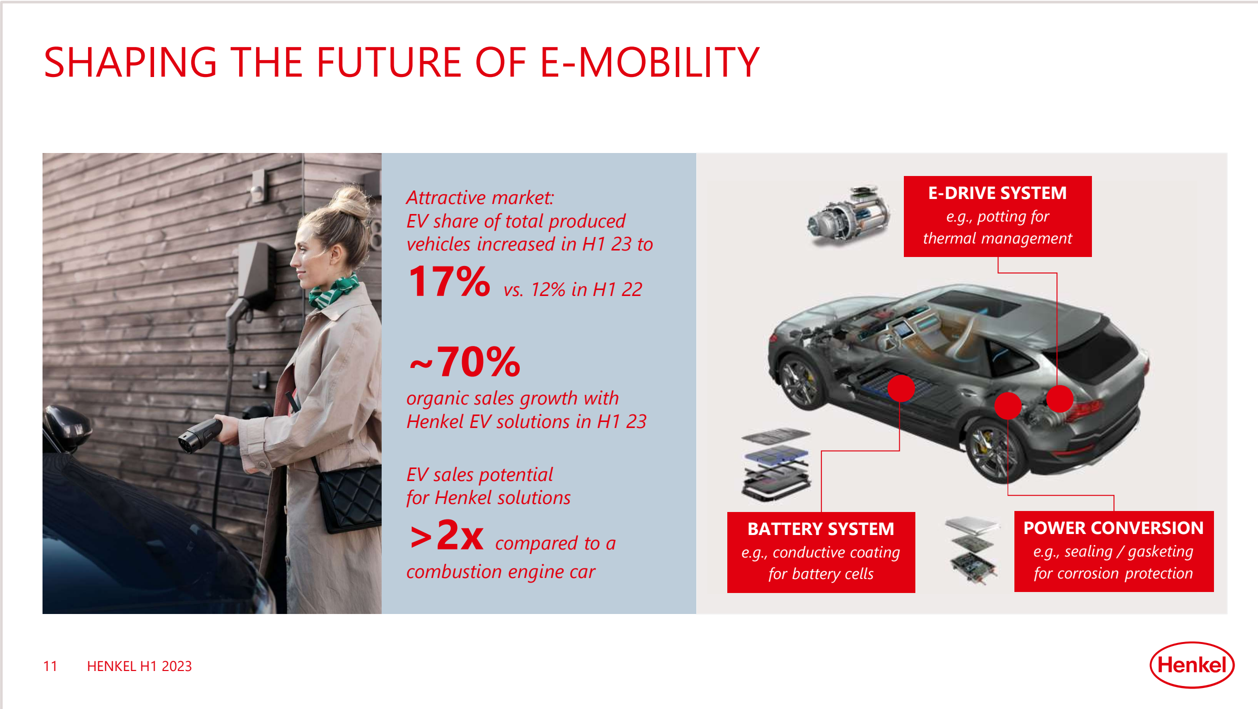


As just mentioned before, we have also advanced our Adhesive Technologies business in order to further leverage our globally leading market position.

Under the leadership of Mark Dorn, we have optimized the organizational set up to enhance customer and market proximity. The new structure along the three business areas Mobility & Electronics, Packaging & Consumer Goods, and Consumer, Craftsmen & Professional is already established and fully reflected in our reporting.

We also continuously advance our manufacturing footprint to ensure an even more efficient and resilient production set-up. For example, we will further consolidate our site network in Europe this year. At the same time, we are investing into our manufacturing footprint to always be where our customers need us. In June, we celebrated the groundbreaking of a new addition to our global production network in the Asia-Pacific region.

Beyond that, we are upgrading our customer-facing and R&D activities. We, for instance, foster the centralization of customer service activities in Europe, leveraging new tools to drive customer excitement. And our newly opened global hub for R&D services in India enables standardized services and the continuous development of our data asset, which are key to developing relevant high-impact innovations at speed.



And also in the first half year, our strong products and solutions fueled further growth – for example in Automotive, where 140 out of 150 cars being produced every minute contain at least one Henkel solution.

Specifically, our e-mobility business continues to benefit from the attractiveness of the global electric vehicle market throughout H1. The ongoing market transformation is also reflected in our outstanding performance with roughly 70% organic sales growth compared to the first half year 2022.

It is a highly attractive segment, offering us a two times higher sales potential per car for EV models compared to the traditional combustion engine vehicles.
By encompassing the complete electric vehicle engine architecture – from power conversion to e-drive and the battery system – , we are proactively developing solutions for key challenges in the automotive industry.

Our e-mobility portfolio contributes to providing a more convenient driving experience by enabling fast charging and increasing driving range, while supporting higher safety standards.

Another area I'd like to highlight is aviation.

The aerospace industry has come back strongly after the COVID downturn and is expected to accelerate its growth in the future, with an annual average of 2,000 airplanes estimated to be manufactured in the next 20 years.

To capitalize on this development, we are continuously investing in innovation, manufacturing footprint and global supply chain resilience. These efforts enabled our aerospace business to grow double-digit in the first half of the year, compared to the same period of the previous year.

The industry is going through a tremendous transformation, especially in sustainability, automation and lightweighting. We aim to support our aerospace customers in achieving their goals, for example with our carbon-neutral production plant in Montornes, Spain.

PROGRESSING TOWARDS CARBON-NEUTRAL OPERATIONS

10 *sites converted to carbon-neutral production in H1 2023*

-56% CO_2
emissions from our operations per ton of product (vs. 2010)

Montornes is one of 10 additional production sites, which we converted to carbon-neutrality in the first half year 2023 – another big step in our efforts in the area of sustainability.

In order to achieve carbon-neutrality in our production, we are using different levers: It is about increasing energy efficiency. For example, smart industry 4.0 solutions are helping to reduce electricity and thermal energy consumption.
And we are transitioning to renewable energy sources – for example, by on-site electricity generation via photovoltaic, by direct purchasing or virtual coverage.

These measures are consistently helping us to significantly reduce our CO2 emissions from our operations. By 2025, we want to reach a reduction of 65% versus the basis year 2010 – and to date, we have achieved already a minus of 56% per ton of product.
A strong achievement!

In the area of digitalization, we are leveraging our strategic partnerships with leading tech companies like Microsoft, SAP and Adobe to co-develop innovations and solutions to boost digitalization and make it a real value driver.

A strong example is RAQN, our megaplatform for digital business and e-commerce.
It enables us to drive hyper-personalized content and omni-channel experiences. Meanwhile, we ran over 3,000 campaigns for 40 brands via this platform.

For us, digital solutions are key enabler for unique consumer and customer experiences – and we are also exploring new opportunities presented by artificial intelligence.

For example, our Schwarzkopf SalonLab is using an AI-based technology, which enables real-time analysis of our consumers' hair in the hair salon to provide hyper-personalized digital experiences and products, that match their individual hair needs. Meanwhile, we have rolled out this unique B2B2C business model across 19 markets.

In Adhesive Technologies, we brought digital customer experience to the next level. We launched our new Loctite Equipment Shop in North America. On this centralized platform, customers can search, learn, talk to our experts, and purchase a range of products for industrial manufacturing and maintenance. The launch in North America is just the starting point – we will further expand the product offering and roll out the experience globally.

These are just a few highlights of how we have been stringently executing on our strategic priorities.

UPDATED OUTLOOK 2023

ORGANIC SALES GROWTH

2.5 to 4.5%

ADJUSTED EBIT MARGIN

11.0 to 12.5%

ADJUSTED EPS[1]

+5 to +20%

[1] Per preferred share, at constant exchange rates

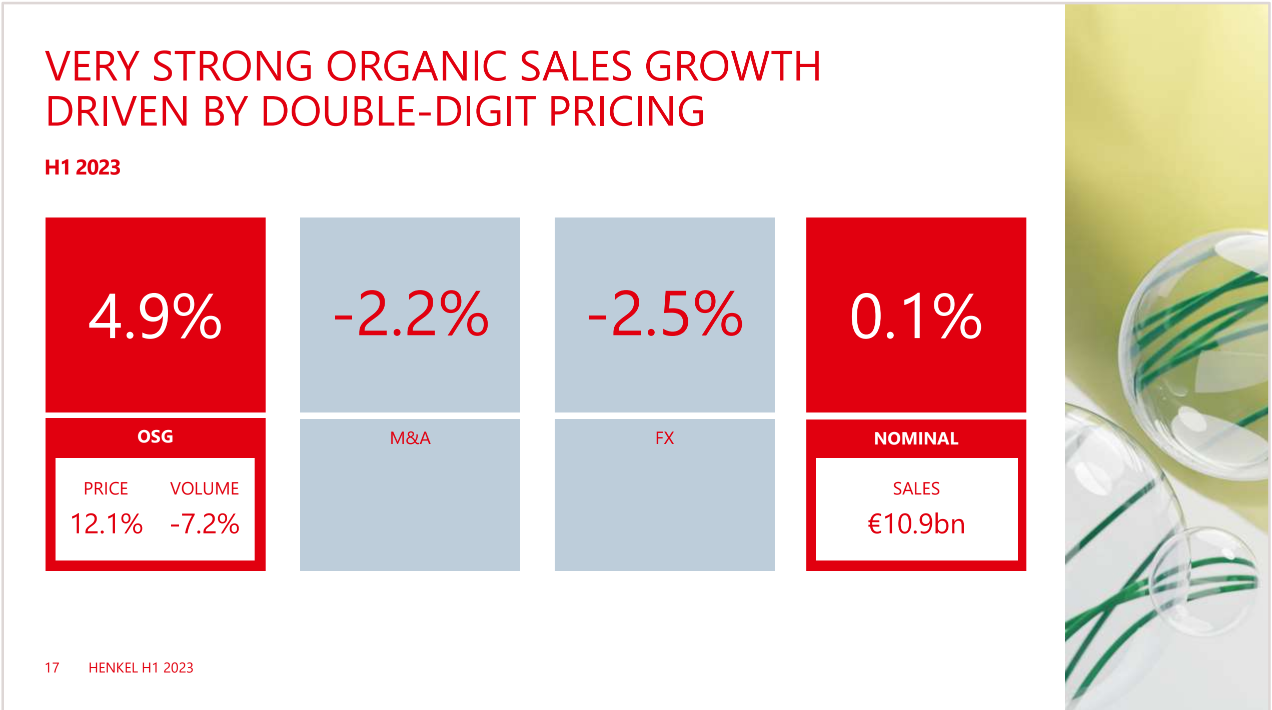
With that, let's take a look at our outlook for the full year, which we increased this morning – based on the strong top- and bottom-line performance in the first half.

While the overall macroeconomic environment remains challenging, we are confident to see continued growth momentum and stronger margins vs the prior year, reflecting the progress deriving from the measures we implemented as well as the strength of our portfolio and leading market positions globally.

We now expect organic sales growth of 2.5 to 4.5 percent and an adjusted EBIT margin of 11 to 12.5 percent on Group level. For Henkel's adjusted earnings per preferred share, we now expect an increase in the range of 5 to 20 percent.

This confidence is also backed by the really good start we saw entering into Q3.

With that, let me hand over to Marco for some more details on our financial performance.



Marco Swoboda, CFO:

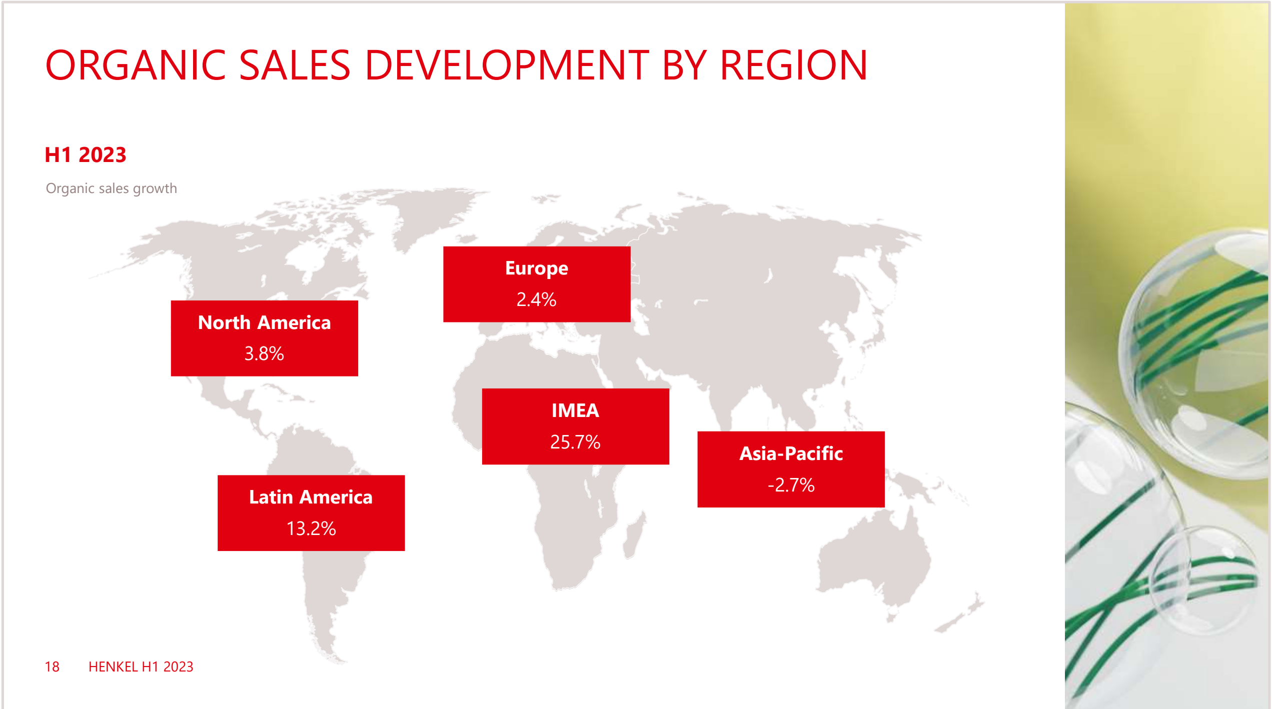
Thanks, Carsten – and good morning to everyone in the call also from my side.

Let me share some more color on Henkel's business development in the first half.

We delivered a very strong organic sales growth of 4.9%, driven by both business units. Pricing was clearly up by more than 12%, while volumes were below the prior year level. I will get to the drivers in just a minute.

Both M&A and FX had a negative effect on sales.

In nominal terms, sales showed a slight increase. As a result, Group sales in the first half again clearly surpassed the 10 billion mark, reaching 10.9 billion euros.

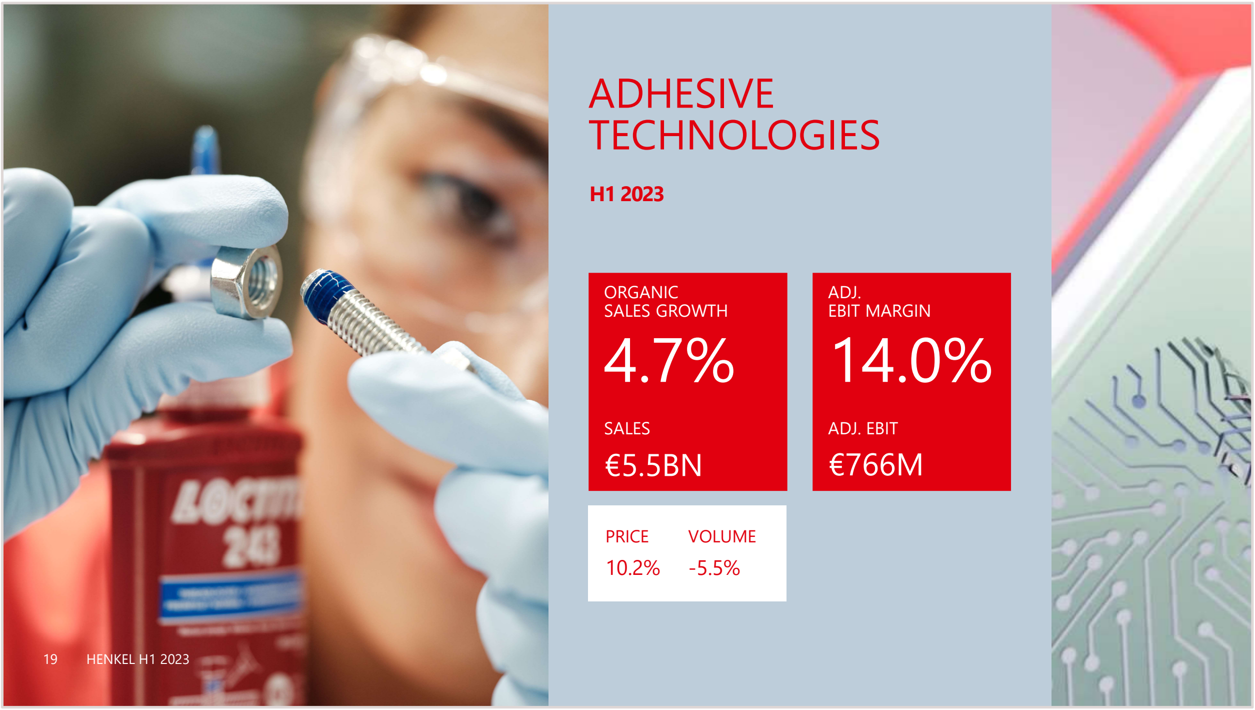


From a regional perspective, we recorded different dynamics.

Our largest regions Europe and North America showed organic growth of 2.4 and 3.8%, respectively.

The Latin America and IMEA regions each recorded clear double-digit growth.

In contrast, sales in the Asia-Pacific region were below the prior year – particularly reflecting the continued challenging market environment in China.



Let us move on to the performance of our two business units, starting with Adhesive Technologies.

The business generated sales of 5.5 billion euros in the first half. In organic terms, we delivered very strong growth of 4.7%, with pricing contributing 10.2% and volumes down by -5.5%.

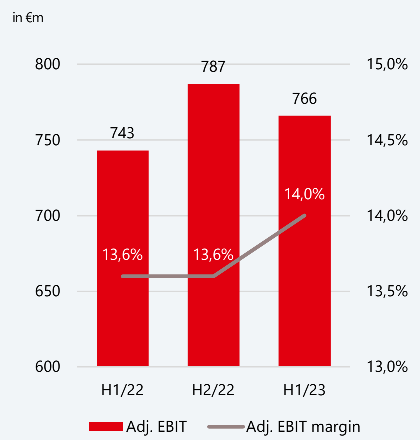
Absolute adjusted EBIT amounted to 766 million euros, resulting in an adjusted EBIT margin of 14%.

ADHESIVE TECHNOLOGIES

H1 2023 – Business Unit Performance

- **Very strong organic sales growth** with **double-digit pricing**
- **Volumes below prior year** – comparably resilient development given muted demand in relevant end markets and stock adjustments along the value chain
- **Margin improvement** by continued strong pricing to further compensate for still elevated input costs

Adj. EBIT and adj. EBIT margin development



As just shown on the prior slide, we saw very strong organic sales growth driven by double-digit pricing. And we will continue to implement further pricing in selective cases – particularly, as we are still facing high levels on the input cost side.

Volumes were below the prior year level – yet showing a comparably resilient development given the muted demand in electronics, construction and packaging, while automotive continued to perform exceptionally well. Also, we observed destocking along the value chain, which is expected to improve going forward. Overall, looking at the second half of the year, we expect the volume development to significantly improve versus H1.

Overall, we were able to clearly increase both the absolute adjusted EBIT and the adjusted EBIT margin, despite the overall challenging environment.

ADHESIVE TECHNOLOGIES

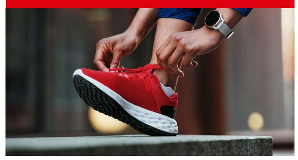
H1 2023 – Business Area Performance

MOBILITY & ELECTRONICS

SALES **€1,899m** OSG **10.9%**

Growth driven by Automotive and Industrials – Electronics in continued challenging market environment below prior year

PACKAGING & CONSUMER GOODS



SALES **€1,733m** OSG **-1.5%**

Stable development of Consumer Goods business, Packaging negative mainly due to high prior-year comparables

CRAFTSMEN, CONSTRUCTION & PROF.

SALES **€1,843m** OSG **4.9%**

Growth driven by all businesses with particular contribution from General Manufacturing; Construction with good growth despite weak demand

Let me now turn to the performance in the individual **business areas.**

We saw different dynamics in the three business areas within our adhesives business. Mobility & Electronics again was the main growth driver with a plus of 10.9%.
This increase was first and foremost driven by the Automotive and Industrial businesses. In contrast, the development of our Electronics business reflects the still difficult market environment, particularly in China.

Within the Packaging & Consumer Goods business, which showed a slight decline of minus 1.5% in H1, we saw a mixed development. While Consumer Goods showed a stable development, Packaging declined versus high prior-year comparables.

Craftsmen, Construction and Professional delivered growth of 4.9%, supported by all businesses with a stronger contribution deriving from General Manufacturing. Our Construction business recorded good growth, despite ongoing weak demand.

From a **regional perspective**, Europe and North America showed very strong growth; the IMEA and Latin America regions posted a double-digit plus. In contrast, and as outlined before, sales in Asia-Pacific were down year-on-year due to the still slower development in China.

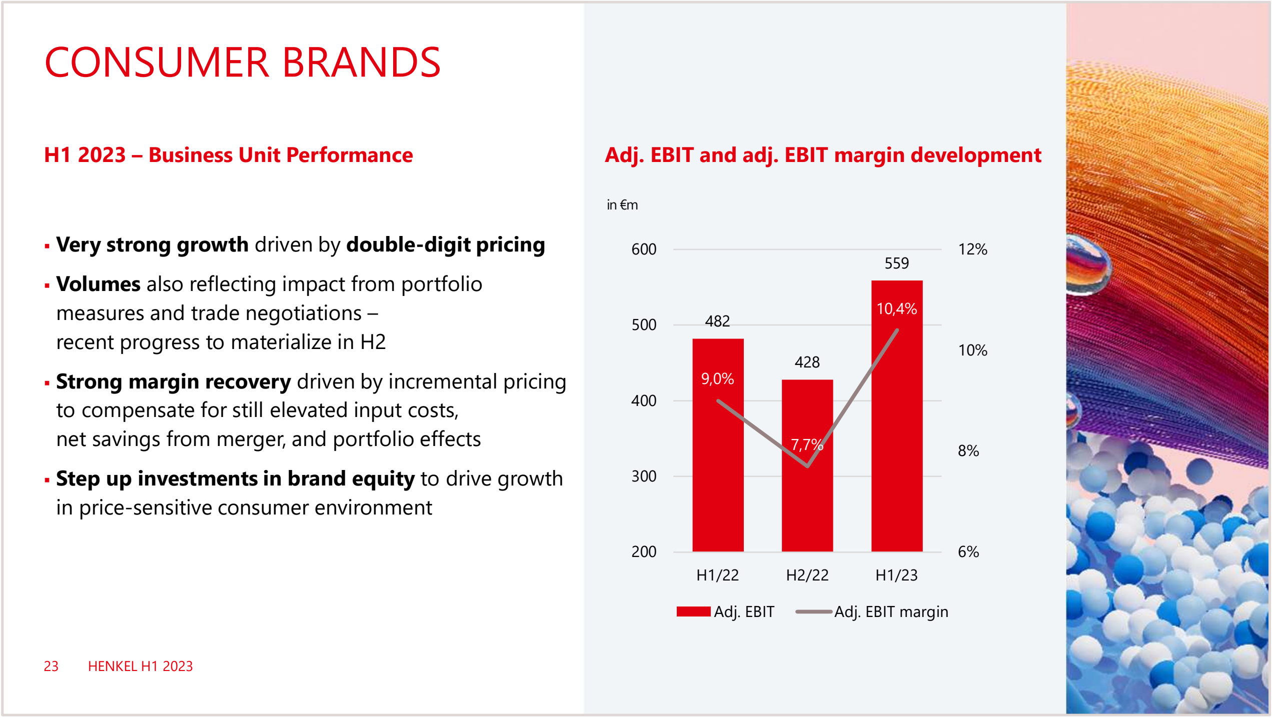
Overall, a very strong performance of our Adhesive Technologies business in comparison to our relevant markets – clearly reflecting the strength of our portfolio and outstanding market positions globally.

Let us move on to Consumer Brands.

The business generated organic sales growth of 5.7% which was to a large part driven by strong double-digit pricing of 14.1%.

Volumes decreased by 8.4% and I will elaborate on this in more detail in just a minute.

In regard to the adjusted EBIT and the adjusted EBIT margin, we saw a significant step up reflecting the progress we are making with the different measures we launched which are now clearly bearing fruit.



I already referred to the strong growth we saw in the Consumer Business which was first and foremost driven by strong double-digit pricing. It goes without saying that the latter continues to be necessary in order to compensate for the overall still high input costs and to gradually restore margins.

Volumes were down 8.4% in the first half and down by 10.9% in Q2 standalone.
Trade negotiations had a more pronounced impact on volumes vs. Q1, in the magnitude of roughly 3.5% in Q2. The vast majority of that is related to Europe. The good news is: we made good progress particularly towards the end of Q2 and were able to find agreements which should lead to a clear improvement of the volume development in the second half – more pronounced in Q4 vs Q3. In addition, the announced portfolio measures had a negative effect of around 2.5% on volumes in the second quarter.

Overall, we expect to see a sequential improvement in volume development in the second half.

When looking at the adjusted EBIT- and EBIT margin development, we saw a tangible step-up versus prior-year levels. This was driven by strong pricing, accelerated net savings from the merger as well as benefits from the ongoing portfolio optimization. Last but not least, Russia also had a positive impact in the first four months.

At the same time, we stepped up our marketing and advertisement activities by a double-digit percentage rate in order to strengthen brand equity and drive growth in an overall challenging and fast-evolving consumer environment. For the second half, we will keep up with the strong level of investments.

Now turning to the performance by **business area** – we continue to focus on our two global categories Laundry & Home Care and Hair.

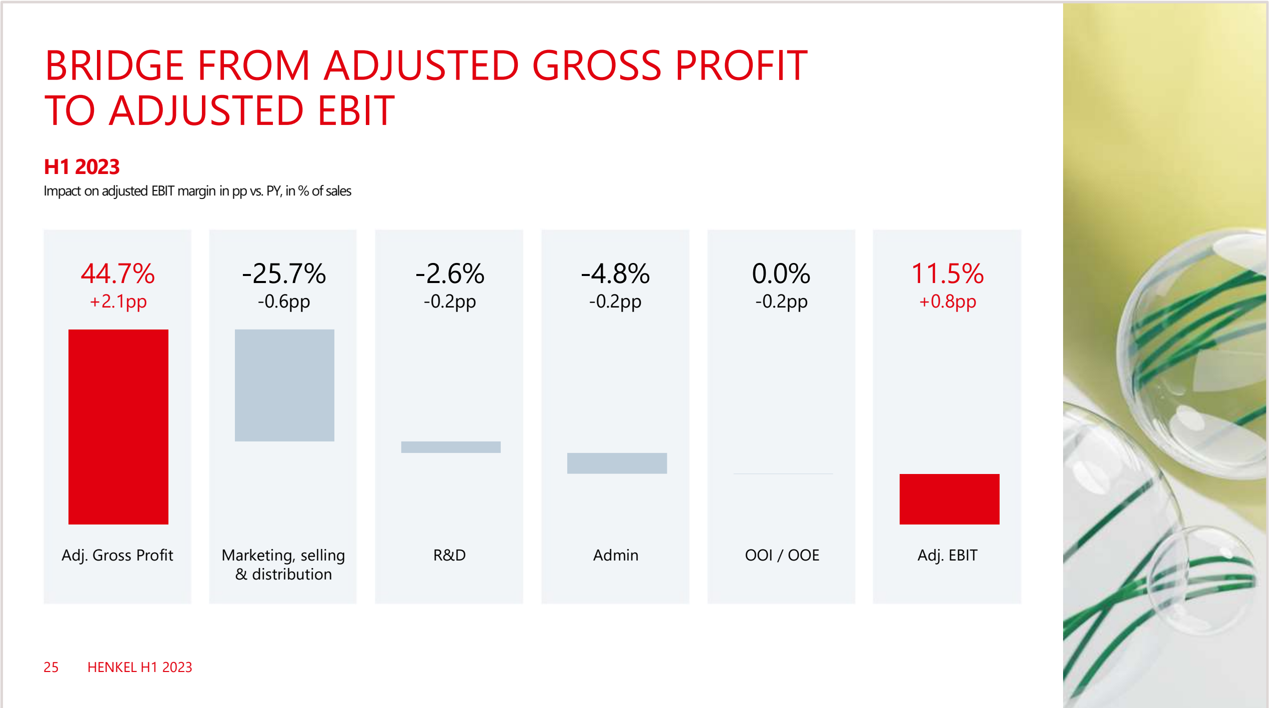
Laundry & Home Care delivered very strong organic sales growth of more than 5% - backed by a very strong increase in Laundry Care, which was driven by Fabric Care and Fabric Cleaning. Home Care recorded good growth. Here, the development was in particular driven by a double-digit increase in the Dishwashing category.

The Hair business area, which also comprises the Professional business, grew by almost 8%. Within the Hair business area, the consumer hair business clearly stood out with double-digit top-line growth, mainly driven by the Styling and Color categories.

The Other Consumer Businesses showed an overall flat development, with growth in North America clearly standing out.

From a **regional perspective**, all regions contributed to the organic sales growth – within Europe, Western Europe was muted by the already addressed retail negotiations which were still ongoing at the time. North America again showed organic sales growth – in the meantime the sixth consecutive quarter – with an above-average contribution from brands such as ’all and Purex – and even recent market share gains in our important Laundry business. We achieved double-digit growth in IMEA, significant growth in Latin America and very strong growth in the Asia-Pacific region.

Wrapping it up – Henkel delivered a very strong top- and bottomline performance in both Adhesive Technologies and Consumer Brands in the first half.



Turning to the Group level again, and with that to the components of the adjusted income statement.

We significantly recovered our adjusted gross profit, which had been impacted by the severe input cost headwinds over the last two years. Thanks to strong pricing to further compensate for the still elevated input costs and to portfolio optimization measures, we now reached a level of 44.7%.

While we generated savings in SG&A deriving from the Consumer Brands merger and benefitted from more favorable logistics costs, marketing, selling and distribution expenses increased both in absolute terms and as percentage of sales – particularly due to the significant step up in marketing spend in the Consumer Brands business in order to strengthen brand equity. As a result, at a level of 2.8 billion euros, marketing, selling and distribution expenses accounted for 25.7% of sales.

R&D and admin expenses were also higher, with their relative impact increasing slightly to 2.6 and 4.8% respectively.

Other operating income and expenses were below the prior year, and with that, had a rather neutral impact as a percentage of sales.

As a result, the adjusted EBIT margin showed a strong increase by 80 basispoints to 11.5%.

BRIDGE FROM REPORTED TO ADJUSTED EBIT

H1 2023
in €m

864	-3	+238	+155	1,254
REPORTED EBIT	ONE-TIME INCOME	ONE-TIME EXPENSES	RESTRUCTURING	ADJUSTED EBIT

- One-time expenses reflecting divestment of business in Russia
- Restructuring mainly related to further shaping Consumer Brands business

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Moving on to the bridge from reported to adjusted EBIT.

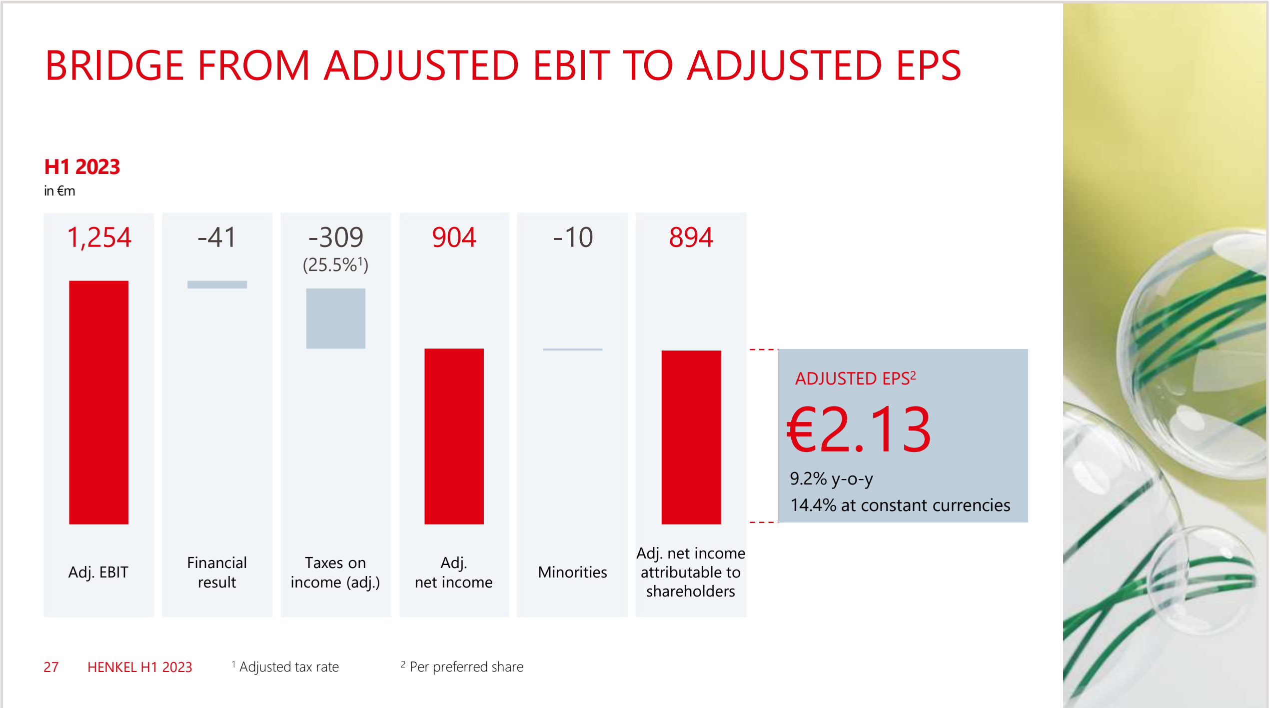
At around 860 million euros, the reported EBIT was up by more than 26% compared to the previous year level.

One-time income of around 3 million euros resulted from smaller divestments in the first half year.

One-time expenses of almost 240 million euros are mainly related to the divestment of the business in Russia, which we completed in April.

Restructuring charges amounted to 155 million euros, with the majority related to the merger of our consumer business as well as to the further optimization of our production and distribution structures in both business units.

As a result, adjusted EBIT came in at around 1.3 billion euros.



Taking a closer look at the bridge to the adjusted EPS.

The adjusted financial result amounted to minus 41 million euros, and thus on a similar level compared to the prior year.

The adjusted tax rate was at 25.5%.

Finally, adjusted net income after minorities came in at around 900 million euros.

This translates into adjusted earnings per preferred share of 2.13 euros. This represents a significant increase by around 9% year-over-year, or – at constant exchange rates – a strong plus of 14.4%.

DEVELOPMENT OF KEY CASH KPIs

H1 2023
in €m

NET WORKING CAPITAL 6.1%	Change y-o-y +80 bps	▪ Net working capital increase driven by volume and price effects, mainly in Adhesive Technologies
FREE CASH FLOW €749 m	Change y-o-y +€703 m	▪ Significantly improved free cash flow driven by increased operating cash flow
NET FINANCIAL POSITION €-1,311 m	Change vs. year-end -€44 m	▪ Stable net financial position mainly resulting from stronger operating cash flow offsetting payouts for dividend and share buyback

On to our key cash KPIs.

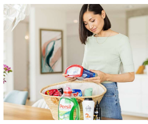
Net working capital as a percentage of sales increased by 80 basis points to a level of 6.1%. This development was driven by volume and price effects – with a more pronounced impact in the Adhesive Technologies business. We are further working on optimizing net working capital levels and thus expect an improvement in the second half of the year.

We significantly improved our free cash flow to around 750 million euros in H1, reflecting the strong increase in the operating cash flow with lower payouts for working capital compared to the previous year. And we also assume that this development will continue – which would reflect usual seasonal patterns.

Our net debt amounted to around minus 1.3 billion euros. Here, the stronger operating cash flow and the proceeds from Russia offset the payouts for dividend and share buyback.

Overall, a very solid financial picture – a good foundation while cruising through a quickly evolving macroeconomic environment and further investing in measures to accelerate growth.

UPDATED OUTLOOK 2023

		ORGANIC SALES GROWTH	ADJUSTED EBIT MARGIN	ADJUSTED EPS[1]
	GROUP	**2.5** to **4.5%** *previously: 1.0 to 3.0%*	**11.0** to **12.5%** *previously: 10.0 to 12.0%*	**+5** to **+20%** *previously: -10 to +10%*
	ADHESIVE TECHNOLOGIES	2.0 to 4.0% *previously: 1.0 to 3.0%*	13.5 to 15.0% *previously: 13.0 to 15.0%*	
	CONSUMER BRANDS	3.0 to 5.0% *previously: 1.0 to 3.0%*	9.5 to 11.0% *previously: 7.5 to 9.5%*	

[1] Per preferred share, at constant exchange rates

Based on our strong performance in the first half year and our confidence for the remainder of the year, we significantly increased our guidance for 2023 today – for both top and bottomline.

We now expect organic sales growth of 2.5 to 4.5% on Group level, up from our previous expectation of 1 to 3%. For Adhesive Technologies, we increased our outlook to 2 to 4% and for Consumer Brands to 3 to 5%.

When it comes to earnings, we anticipate further contributions from the successful execution of our strategic and operational initiatives – while the headwinds from input costs are expected to ease in H2. For the full year, we now expect gross direct material costs to show a low single-digit percentage increase compared to the 2022 average – whilst before, we had anticipated a low to mid-single digit percentage rate. However, please keep in mind that direct material price development is only partly driven by feedstock prices, while inflationary trends along the value chain – such as still elevated energy costs, wage inflation and logistic costs – as well as a certain time lag resulting from contracts also need to be considered.

We also raised our guidance for the adjusted EBIT margin, now expecting an even stronger step up versus the prior year. For the Group, we now guide for 11 to 12.5%, compared to our previous expectation of 10 to 12%. Also here, we anticipate a stronger development in both business units: For Adhesive Technologies, we now expect the adjusted EBIT margin to be between 13.5 and 15% and for Consumer Brands between 9.5 and 11%.

With regard to FX, we now anticipate a mid single-digit negative impact on sales from currencies.

For the development of our adjusted EPS at constant exchange rates, we now expect an increase in the range of 5 to 20% – also here, significantly up versus our previous expectation.

So, overall we are confident to further generate strong growth and to deliver a clear improvement in earnings compared to the prior year.

And with that, back to you, Carsten.

Carsten Knobel, CEO:

Thank you, Marco.

KEY TAKE-AWAYS

VERY STRONG AND ***BROAD-BASED ORGANIC SALES GROWTH***

STRONG BOTTOM LINE DEVELOPMENT *REFLECTING SUCCESSFUL EXECUTION OF STRATEGIC PRIORITIES AND OPERATIONAL INITIATIVES*

ADVANCING LEVEL OF INVESTMENTS TO ***THRIVE GROWTH*** *IN QUICKLY EVOLVING MACRO ENVIRONMENT*

LOOKING AHEAD WITH CONFIDENCE – ***FY 2023 GUIDANCE RAISED*** *FOR TOP- AND BOTTOM-LINE*

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Let me summarize today’s key take-aways.

We sustained Henkel’s growth momentum with very strong organic topline performance, which was backed by double-digit pricing in both Adhesive Technologies and Consumer Brands.

We were able to significantly recover our profitability in the first half year. That clearly shows that our measures are bearing fruit.

At the same time, we continued to invest in growth, also by stepping up marketing activities in price-sensitive consumer markets – supporting the improved sequential volume development which we expect for H2.

And while managing our business in a fast-evolving environment, which remains to be challenging, we are successfully executing on our strategic priorities including the Consumer Brands merger – with clear proof that we are ahead of plan.

Last but not least, backed by the strong top- and bottomline performance in H1 and our expectations for the second half, we are confident with regard to the full year and raised our full year guidance accordingly – also backed by the really good start we saw entering into Q3.

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

Question: To start with, a very quick point of clarification. When you talk about improved volumes in H2, do you simply mean better than H1? Or would you be willing to say we should expect positive volume growth development in the second half of the year?

And then my two questions. So, first is on the shape of your income statement in the second half because, if I (technical difficulty) had to H2, I mean, that's already nearly 300 basis points of gross margin improvement. And surely, as you indicated, you're going to have a more favorable commodity cost environment, so even more gross margin improvement, I would say, than the 300 basis points.

So, my question is, is your intention to let most of that benefit flow through to the EBIT line and clearly aim for the top end of your EBIT margin range? Or would you be looking like most of your peers to step up very significantly your SG&A investments? And second question is -- yes.

Carsten Knobel, CEO: Sorry. You have been -- we could not hear you in the first 10 seconds on the second question. Can you, therefore, please repeat the second one? Because otherwise we couldn't hear you. Yes.

Question: Apologies for that. My apologies. So, my question was about your second half income statement, the shape of it. Given that your gross margin should be up very significantly, simply extrapolating the first half levels, that's already 300 basis points of gross margin improvement. And then against that you've got an even more favorable input cost environment. So, wondering what you're going to do with that gross margin tailwind in the second half?

And finally, my second question very quickly on Adhesives. Carsten, at the time of the Q1 trading update, you sounded quite confident about both a pickup in China, in Electronics in the second half of the year and also about your ability to add on to the significant pricing actions taken in the last 18 months.

Just wondering if you have more visibility on these two key future developments, and whether your level of conviction is unchanged or maybe has been strengthened?

Carsten Knobel, CEO: I would say, I start with the first question which was related to the volume development. As, I would say, clearly indicated for today, we see for both businesses a significant improvement in half year two in comparison to the development of the volume in half year one and also Q4 stronger than Q3.

That's – so, therefore, improvement at this point of time, because there is still a lot of insecurity in markets, in trade negotiations, in portfolio measures and things like that. So therefore, significant improvement in half year two versus half year one. That's the first overall statement to be made, and again, for both businesses in that part.

Maybe also to put it in perspective, even within half year one, within Adhesive Technologies, the volume development was also better than what we have seen in comparison to the market. And in HCB, you know that we have not only the pure volume development, but we have extraordinary measures, especially the portfolio measures – Marco, I would say, gave quite a detailed view on that, what the impact was, and on top the trade negotiations. That's to your first part related to the volume. I hope that helps.

When it comes — and I jump now first to the Adhesives question, with the terms of confidence in the Q1 call related to China and also to the Electronics business. We never really anticipated a quick rebound of China in half year one. The negative development in APAC here in that part is mainly driven by the ongoing slow market dynamics in China and the development impacted all business areas.

If you look at the latest IPX releases, for the Chinese economy that was reduced to 4.4% from a former 5.5% number. And this development reflects the muted sentiment, which we currently see in the Chinese market. And according to IHS, the expected improvement for H2 will materialize mainly in Q4. So, in particular, because you also talked about the Electronics business, our Electronics business was globally affected by a lower customer demand visible in lower smartphone shipments in half year one and also a weak semiconductor markets for consumer electronics and data storage.

And as a result, the organic sales of Electronic business showed a negative development in H1. We expect this development to improve in the second half and also here mainly, or more in Q4, also against the weaker comparables what we're having. So, even if China should remain softer, the strong performance in the other parts of the business, mainly Automotive in this year, would at least compensate - and. we have seen that in H1 – overcompensate. And that you can see from today's [organic sales growth] guidance increase, from the 1% to 3% in Adhesives now to the 2% to 4%, that we remain very confident in regard to the overall business performance in H2 for Adhesive Technologies, and therefore, also in the full year range for 2023.

I hope that puts a little bit perspective. Yes, in Q1, you're right. I was partly a little bit more positive based on macroeconomic data, which in the course of the last couple of months have not realized what was forecasted at that point of time. But I believe that based on our really global setup and our really broad range of Adhesive Technologies solutions in the different markets in which we are serving, as I mentioned, we could overcompensate in half year one, and the same is well at for half year two.

Maybe we have an upside on that if, as expected today, the Electronics business is coming back a little bit better in the second half. And you know that we have customized solutions. And by that, we are less vulnerable to regard to pricing in that setup.

So, I talked quite long on that, but I think it's important. Marco, do you want to take the second question?

Marco Swoboda, CFO: You talked about the shape of the income statement, i.e., second half versus first half. And at the end of the day, we have raised our guidance [for adjusted EBIT] now up to 11% to 12.5% for the full year. We achieved 11.5% in the first half of the year. And if you look at the midpoint of the new full year guidance range, that is 11.8%. So, that shows already we baked into the new guidance, of course, a stronger second half than the first half when it comes to the EBIT margin.

And we also said that we already stepped up our marketing investments in H1, and that is supposed to continue into H2. We also did certain selective SG&A investments in Adhesive Technologies to also strengthen growth and innovations and that is also expected to continue in H2. And despite that, we are confident that indeed the margin will go up in the second half versus first half, so that at the end we finish the year within the new guidance range.

Carsten Knobel, CEO: Maybe, Marco, if I can add. You also heard me talking about a good start into the Q3, and that is for both lines, the top-line and the bottom-line.

Question: Just a couple of questions from me. The first on consumer. Would you say the majority of price increases are now complete? Or do you envision further increases in the coming quarters? And on trade negotiations, I just want to clarify, Marco, what you said in your opening remarks. I missed a part of it, I apologize. But are those largely done at this point?

And on the portfolio optimization, I think you're through EUR 500 million of the EUR 1 billion target. Do you have a time frame for the remainder of that? Should we expect that over the rest of this year? And you also mentioned some downtrading in some categories. Can you elaborate a bit on that? Where are you seeing it across categories, geographies over the quarter, et cetera?

And then my second question on Adhesives. Can you clarify what the impact of stock adjustments were over the quarter and where you see inventory levels now heading into the second half of the year?

Carsten Knobel, CEO: So, a couple of points from your side. So, starting with consumer and pricing. Yes, I think we will keep up with further pricing measures really in that part in a balanced way in selected areas as we still have to restore margins. In comparison to the pre-crisis periods, we are 1/3 away when it comes to our absolute profit and also away from our margins. So, we do it in a balanced way going forward.

So therefore, it's not over, but for sure, the significant parts of the pricing activities we have done, which is also reflected in the double-digit pricing, we have seen in first half year for both businesses.

Topic of trade negotiations. You said, Marco, but I continue here. Yes, Marco said, the majority of that is done. That means we have find agreements, which has also a positive impact then in the second half. Marco was more pronounced, more impact on Q4 than on Q3.

To the topic of the downtrading - yes, downtrading is something for sure what we experience. And if you look at our portfolio, that's more pronounced in our Laundry & Home Care categories. That's not a short-term topic, that’s what we observe since, I would say, even decades, that private label is more pronounced in the Laundry & Home Care categories and that consumers, especially in crisis, trading down to that. So, it's a usual pattern in these days. But you also will see that competition is also affected quite significantly on that.

And from a regional perspective, also out of history, it's more pronounced in Europe than in other regions. And you know that we have a quite significant share in our Laundry & Home Care business in Europe. That's that. And I think there are two questions left. The one is portfolio. Marco, I think you take that, the EUR 500 million out of the EUR 1 billion, which we announced and the stock adjustments of Adhesives?

Marco Swoboda, CFO: So, on the portfolio optimization, we said we put EUR 1 billion of sales under review, and we haven't attached a certain time-line because it’s these days hard to say when certain also divestments, if we decide to discontinue business, can materialize. We want to optimize value also for the shareholders. So we need to find the right timing.

So, we haven't attached a time-line to it. We are now at EUR 0.5 billion of the EUR 1 billion we decided to discontinue and divest. And the other EUR 0.5 billion is under review where we see how business is developing, whether we can turn around the businesses to come to the state and shape of performance that we need going forward, or we decide to divest. But please understand we cannot give now a time-line to that.

And on the stock adjustments in Adhesives for the first half. Of course, it's a difficult guesswork, because at the end of the day, that happens at our diverse customer base. To give you an order of magnitude, so, the order of magnitude what we would see, impact it had on volumes in the first half is roughly -- it can be minus 1%, maybe up to minus 2%. But that's the order of magnitude that we would guess on that one. And going forward, what we understand that level of stock adjustments should definitely slow down, and we should see an improvement in H2 versus H1.

Question: I'll have two questions. Any improvement in Construction in sight in the Adhesives business? Or will that rather be a 2024 topic? And then the second question is on your Professional business within Hair. Can you elucidate a bit more of the performance in Professional in H1? And how you see that evolving in H2?

Carsten Knobel, CEO: Yes. Starting with the Professional business. I think you have heard Marco saying that we have a really good development in Hair overall in the quarter, so a double-digit growth, which was driven by the retail business per se, regarding the segments, Styling, Color and Care. And therefore, that was very pronounced.

You also heard me saying increasing market shares on that. The Professional business had a really good half year one in that sense from a top line perspective, also from a bottom-line perspective. On the other side, you know that in these days in which we are in – inflationary environment, all of that – , that's for sure impacting also consumers in terms of partly changing their behavior in terms of frequency and also the services they're using.

And in that context, I think we have really seen a good half year one. And we are also expecting on that part, not a different development in H2. That means confident also in that sense. So therefore, really good development in first half year, and no significant change foreseen for second half.

The first question was related to the Construction. The Construction business recorded a good growth driven in that sense by a strong price effect. Volumes were affected by the ongoing weaker markets and also partly customer destocking. However, we have to take into account that the weak prior year was impacted for sure, also negatively by the war in Ukraine.

And therefore, overall, you have seen that we have raised the guidance in Adhesives on a top-line perspective from 1% to 3% to 2% to 4%. And that is related more or less to all segments. The only segment where we still have some question marks is what we talked before, the situation of Electronics, where we still need to see in that context. Yes, I would say that's the situation on that.

Question: Firstly, I just wondered if we could talk about volume development. Might it be reasonable to suppose positive volumes in Consumer in Q4, given how easy the comps get? Just wondered if you could kind of specifically comment on whether that was something you felt confident about?

And secondly, I wondered if we could talk a little bit about kind of reinvestment, how much do you expect marketing spend to go up by in the second half? You said it was up double-digit in the first half. And is that going into digital or sort of traditional broadcast media? How do you think about allocating that? And what are you looking for in ROI terms?

And then if I can just ask a very quick housekeeping question. You've got a call option on buying back the Russia business. Are you able to give any details as to how the price of that would be determined? If that was something you wanted to do down the road?

Carsten Knobel, CEO: I take the first two ones, the volume question, and the marketing spend. Marco, I think you want to take the Russia one. So, volume, I hope you understand that we are not guiding, neither on quarters nor on the specific KPIs on volume or price. I think we were very clear. Yes, we have seen weaker volumes in H1. I think we explained it quite well – in Adhesives not in comparison to the markets, I think we were better in volume than the average of the market. In HCB, because of our impact of trade negotiations and portfolio, that's something different.

And I stay with what we said before, we have a strong confidence that the half year two will be for both businesses significantly better in terms of volume versus H1. What that exactly leads at the end to the year –if already positive or not, I would say '–I cannot and I don't want to comment because the situation is still quite volatile on that.

Related to your second question of marketing spend, yes, we had a significant increase, a double-digit increase of spend in marketing activities for sure, pronounced in the HCB sector for half year one. And I think Marco was also quite clear on that, and myself, that we will continue with that strong investment support. For sure, more focused than in the past. And I think that's important based on our portfolio measures. We are on a transformational way.

And I think that takes some time. It takes also a decision to adjust the portfolio in the right way. But with that -- so higher spending and more focused. I think the consequence you have already seen in H1, because if you look at the Laundry & Home Care and the Hair businesses, where we see that, as the global categories going forward, that this is also already in the first half year paying off and paying into the right direction, and we will continue to do that also in the second half – despite the fact that you also have seen that we have increased our margin [guidance] for Henkel, especially also for the consumer business now to a level of 9.5% to 11%. So, all of that is taken into account. I hope that helps. And with that, regarding the Russia question to Marco.

Marco Swoboda, CFO: So on the Russia call option, broadly speaking, I would say that would be a fair market value for which we would repurchase. But a fair market value, assuming a clear normalization of the geopolitical environment and hence, also reduction of the currently high-risk premium.

Question: Maybe a follow-up. My first question is a follow-up on the previous question. I'm trying to understand your guidance for the Consumer division, because even at the top end of the range, I'm a bit -- trying to understand the second half implied?

Basically, we've seen an acceleration in pricing in Q2 versus Q1. And even though the base of comparison is harder in H2, that will leave you with a lot of pricing benefits in the second half. And then when you talk about volume recovery or at least an acceleration. So, could you explain the moving parts behind your new guide for Consumer and what it implies for the second half?

My second question is on market share development. So, if I think about U.S. and Europe in Consumer, it would imply that you are slightly positive in North America and negative in Europe, which implies market share losses versus all your peers that have reported. How do you plan to fix that?

And I'm also thinking about your cost being deflationary in the second half of the year. Would you look to use as well higher promotional levels in order to get back some of this volume in those quite competitive market?

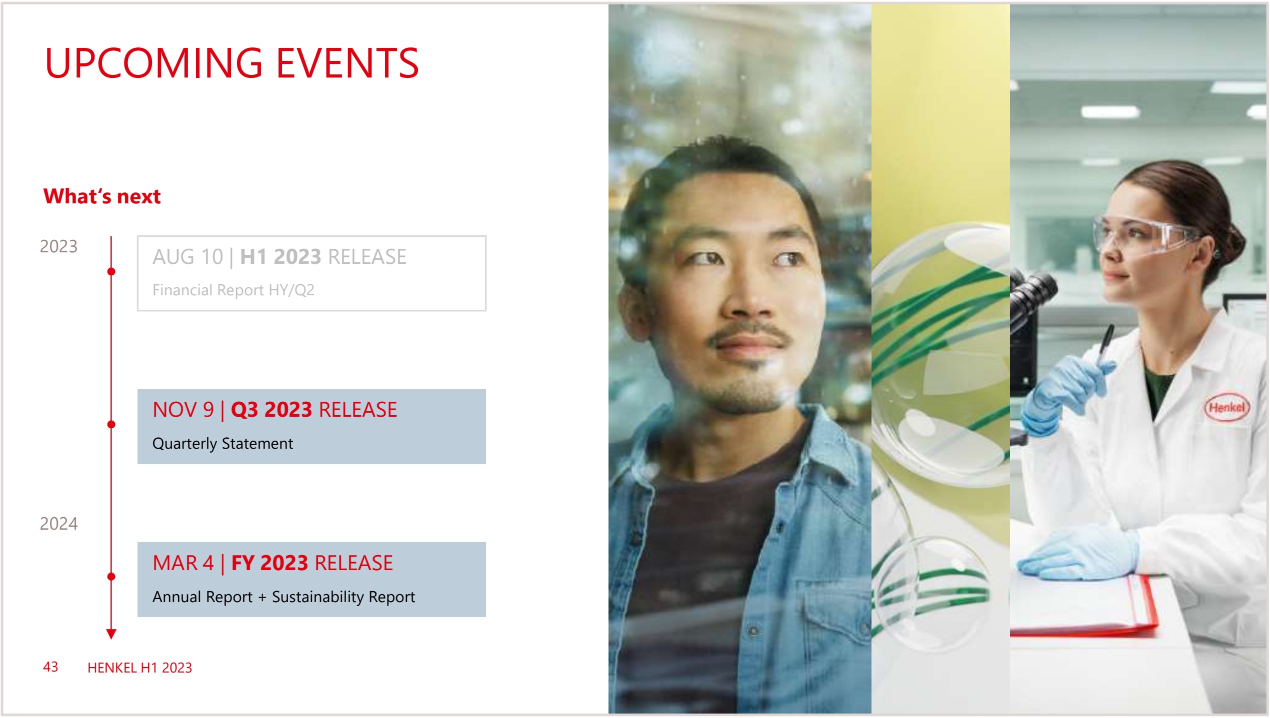
Carsten Knobel, CEO: So, starting with your question on the guidance. So first of all, yes, we have lifted the guidance to 9.5% to 11%. HCB will keep up with pricing. We expect volume development to improve. We expect benefits from net savings out of the merger to again contribute. We also said that we are ahead of plan on that.

And in other words, as I said it in the context earlier, we will continue with our investments. When you say you compare half year one and half year two, there is one big element, which is in half year one, which is not in half year two, which is the impact of Russia. The first four months where we had business and based on the situation, what we already explained in the financial call for the full year 2022 – we have seen a similar impact in terms of being accretive in margin than in the 2022. That means for HCB, because you were on that specifically, roughly 100 basis points is the impact in the first half year on margin in comparison to prior year. That means we had around 10.5% where you have roughly 100 basis points on that.

If you then see the remainder with the second half of the year, we see a strong performance in the second half of the year. If you take that out as a like-for-like where the other points I just mentioned in pricing, volume development, less cost, expected benefits from the merger will support on that.

And I think that's a little bit related to that – when you had your last question, cost deflationary environment, what about the promotional activities. I think we are executing promotions in an adequate way. However, the longer-term return is usually not promising when you take too much of promotion, which is why we pursue the strategy to predominantly and consistently invest in advertising and in marketing to strengthen the brand equity and to push further growth for the midterm or the long term.

And I would say the last question was related to market share development. If we look to the U.S., I think we are continuing to be positive on what is happening step by step in terms of market shares slightly improving, especially also on our top brands of all and Purex in that context, Persil, that we are moving forward on that step-by-step, also with the new management.



And yes, market shares in Europe are impacted by trade negotiations. We were able to find the agreements, as I mentioned it before, to the end of Q2, which will have a positive impact on the second half, more predominantly in Q4 than Q3. I think that's, I would say, the balance. And therefore, we are confident that with the finalization of the trade negotiations, which had an impact in first half year also on market shares, not only on us, also on competition and letting private label gain. We are good positioned to balance that out.

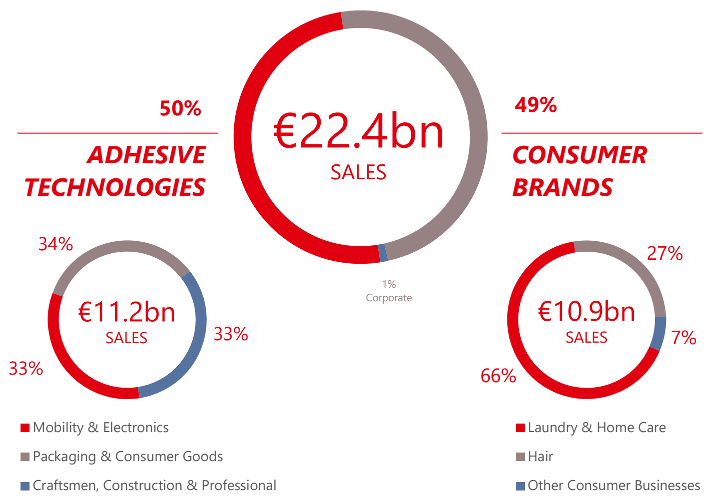
And I mentioned it before, we have two additional topics. One, the portfolio measures, which are impacting also in the first half year. The market share is a little bit by stopping certain categories. But I also said we had a good start, a very good start, especially in HCB in Q3, and that makes us confident that we are on the right track in terms of the merger, but also executing on operational business. I hope that helps.

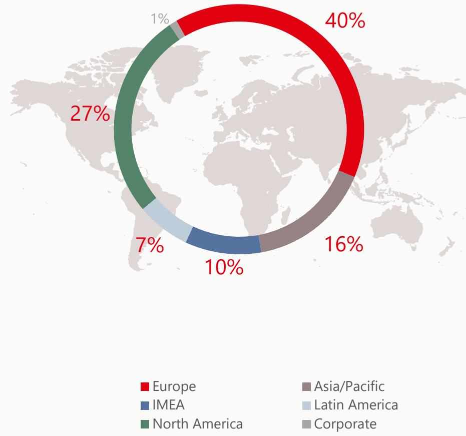
Thank you so much. Thank you for your questions. So, let me close with reminding you of the upcoming financial reporting dates. We are looking forward to connecting with you again in November when we will comment on the business performance in the third quarter. And with this, I would like to thank you for joining the call today. Have a good day. Take care, and goodbye from all of us. Bye-bye.

THANK YOU.

BALANCED AND DIVERSIFIED PORTFOLIO

FY 2022[1]





[1]based on new reporting structure as of Q1 2023

SALES BY BUSINESS UNIT AND BUSINESS AREA Q1 2022 – Q2 2023

	Q1 2022		Q2 2022		Q3 2022		Q4 2022		Q1 2023			Q2 2023		
€m	Sales	OSG	Sales	OSG	Sales	OSG	Sales	OSG	Sales	YoY	OSG	Sales	YoY	OSG
HENKEL GROUP	**5,271**	**7.1%**	**5,642**	**10.9%**	**5,976**	**11.3%**	**5,509**	**6.0%**	**5.609**	**6.4%**	**6.6%**	**5,316**	**-5.8%**	**3.2%**
ADHESIVE TECHNOLOGIES	**2,631**	**10.7%**	**2,836**	**13.7%**	**2,995**	**16.8%**	**2,780**	**11.5%**	**2.791**	**6.1%**	**6.8%**	**2,683**	**-5.4%**	**2.7%**
Mobility & Electronics	851	3.0%	907	12.4%	1,009	21.3%	961	14.6%	959	12.6%	12.6%	940	3.7%	9.2%
Packaging & Consumer Goods	893	19.6%	962	20.6%	993	21.8%	923	11.1%	884	-1.0%	1.0%	848	-11.8%	-3.7%
Craftsmen, Construction & Professional	887	10.2%	968	8.3%	994	7.5%	896	8.6%	948	6.9%	7.0%	895	-7.5%	2.9%
CONSUMER BRANDS	**2,584**	**2.7%**	**2,752**	**7.2%**	**2,916**	**5.0%**	**2,676**	**0.5%**	**2.772**	**7.3%**	**7.0%**	**2,593**	**-5.7%**	**4.5%**
Laundry & Home Care	1,692	4.9%	1,802	10.1%	1,902	7.3%	1,756	2.9%	1.789	5.8%	6.3%	1,664	-7.7%	4.4%
Hair	711	6.4%	744	7.4%	799	5.9%	727	-3.1%	811	14.7%	9.9%	757	1.7%	6.1%
Other Consumer Businesses	181	-21.7%	206	-12.9%	214	-13.5%	193	-6.3%	171	-7.4%	1.6%	173	-15.8%	-1.4%

Note: Pro forma values for Adhesive Technologies business areas against the background of the announced optimization of the organizational structure, and for prior-year figures for Consumer Brands incl. breakdown by business area

SALES, ADJ. EBIT AND ADJ. EBIT MARGIN BY BUSINESS UNIT H1 2023

	Sales				Adj. EBIT		Adj. EBIT margin	
€m	H1 2022	**H1 2023**	YoY	OSG	H1 2022	**H1 2023**	H1 2022	**H1 2023**
HENKEL GROUP	10,913	**10,926**	0,1%	**4,9%**	1,166	**1,254**	10.7%	**11.5%**
ADHESIVE TECHNOLOGIES	5,467	**5,475**	0,1%	**4,7%**	743	**766**	13.6%	**14.0%**
Mobility & Electronics	1,758	1,899	8,0%	10,9%				
Packaging & Consumer Goods	1,855	1,733	-6,6%	-1,5%				
Craftsmen, Construction & Professional	1,854	1,843	-0,6%	4,9%				
CONSUMER BRANDS	5,336	**5,365**	**0.6%**	**5.7%**	482	**559**	9,0%	**10.4%**
Laundry & Home Care	3,494	3,453	-1.2%	5.3%				
Hair	1,455	1,568	7.8%	7.9%				
Other Consumer Businesses	387	344	-11.0%	0.0%				

Note: Pro forma values for Adhesive Technologies business areas against the background of the announced optimization of the organizational structure, and for prior-year figures for Consumer Brands incl. breakdown by business area

UPDATED OUTLOOK 2023
ADDITIONAL INPUT FOR SELECTED KPIS

CURRENCY IMPACT ON SALES	Mid single-digit % negative[1] *Previously: low single-digit % negative[1]*
M&A IMPACT ON SALES	Mid single-digit % negative[2]
PRICES FOR DIRECT MATERIALS	Low single-digit % increase[1] *Previously: low-to-mid single-digit % increase*
RESTRUCTURING CHARGES	€ 300 – 350m
CAPEX	€ 650 – 750m

[1] Versus the prior year average [2] Including effect from exiting Russia

Henkel

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