

Quarterly statement Q1 2024

January–March

Very good start to fiscal 2024

Henkel delivers strong organic sales growth in the first quarter

- **Group sales: around 5.3 billion euros, organic growth of 3.0 percent**
- **Organic sales increase driven by both business units:**
 - Adhesive Technologies: positive organic sales growth of 1.3 percent
 - Consumer Brands: very strong organic sales growth of 5.2 percent
- **Acquisitions of Seal for Life Industries and Vidal Sassoon in China closed earlier than anticipated**
- **Further progress in implementing strategic growth agenda**
- **Outlook for fiscal 2024 significantly raised on May 3:**
 - Organic sales growth: 2.5 to 4.5 percent (previously: 2.0 to 4.0 percent)
 - Adjusted return on sales: 13.0 to 14.0 percent (previously: 12.0 to 13.5 percent)
 - Adjusted earnings per preferred share (EPS): Increase in the range of +15.0 to +25.0 percent at constant exchange rates (previously: +5.0 to +20.0 percent)

Düsseldorf, May 8, 2024 – In the **first quarter of 2024**, Henkel achieved **Group sales** of around 5.3 billion euros and generated strong organic sales growth of 3.0 percent. The increase was driven by a positive price development in both business units. Volume development at Group level, which is still being impacted by the portfolio measures in the Consumer Brands business unit, showed a further sequential improvement compared to the fourth quarter of 2023. In nominal terms, sales were down -5.2 percent compared to the prior-year quarter – predominantly due to the sale of the business activities in Russia and to negative foreign exchange effects.

“We had a very good start to the year. In addition, we were able to close the acquisitions of Seal for Life Industries and Vidal Sassoon in China faster than anticipated and will thus further strengthen our businesses,” said Carsten Knobel, CEO of Henkel. “In light of these developments, we significantly raised our **sales and earnings outlook** for 2024 last week. This demonstrates: We have a clear strategy which we are executing on stringently. We deliver on what we have promised. And we are on the right track for further profitable growth.”

The positive organic sales increase of the **Adhesive Technologies** business unit in the first quarter was primarily driven by strong organic sales growth in the Mobility & Electronics business area. Very strong organic sales growth in the **Consumer Brands** business unit was fueled by all business areas, with a particular contribution coming from the Hair business.

Sales performance by business unit

in million euros	Sales		+/-	Organic
	Q1/2023	Q1/2024		
Henkel Group	5,609	5,317	-5.2%	3.0%
Adhesive Technologies	2,791	2,677	-4.1%	1.3%
Consumer Brands	2,772	2,605	-6.0%	5.2%

Group sales performance

Group sales in the **first quarter of 2024** totaled 5,317 million euros , a **nominal** decrease of -5.2 percent compared to the prior-year quarter (5,609 million euros). **Organically** (i.e. adjusted for foreign exchange and acquisitions/divestments), sales increased by 3.0 percent. The strong organic sales growth at Group level was driven by pricing. Acquisitions/divestments reduced sales by -4.3 percent. Foreign exchange effects had a further negative impact of -3.9 percent on sales development.

Group sales performance

in million euros	Q1/2023	Q1/2024
Sales	5,609	5,317
Change versus previous year	6.4%	-5.2%
Foreign exchange	0.9%	-3.9%
Adjusted for foreign exchange	5.5%	-1.3%
Acquisitions/divestments	-1.1%	-4.3%
Organic	6.6%	3.0%
Of which price	12.0%	3.4%
Of which volume	-5.4%	-0.4%

Organic sales growth in the **Europe** region amounted to 2.5 percent in the first quarter. In the **IMEA** region, sales increased organically by 26.9 percent. The **North America** region posted a negative organic sales development of -3.0 percent. In **Latin America**, sales were organically -2.7 percent below the prior-year quarter. The **Asia-Pacific** region achieved organic sales growth of 3.5 percent.

Sales performance by region¹

in million euros	Europe	IMEA	North America	Latin America	Asia-Pacific	Corporate	Henkel Group
Sales January–March 2024	2,023	575	1,478	421	784	35	5,317
Sales January–March 2023	2,201	563	1,584	411	805	46	5,609
Change versus prior-year quarter	-8.1%	2.1%	-6.6%	2.5%	-2.5%	–	-5.2%
Organic	2.5%	26.9%	-3.0%	-2.7%	3.5%	–	3.0%
Proportion of Group sales 2024	38%	11%	28%	8%	15%	1%	100%
Proportion of Group sales 2023	39%	10%	28%	7%	14%	1%	100%

¹ By location of company.

Sales performance Adhesive Technologies

The Adhesive Technologies business unit achieved **sales** of 2,677 million euros in the **first quarter of 2024**, representing a **nominal** decrease of -4.1 percent compared to the prior-year quarter (2,791 million euros). **Organically** (i.e. adjusted for foreign exchange and acquisitions/divestments), sales increased by 1.3 percent compared to the first quarter of 2023. Both price and volume showed a positive development. Foreign exchange effects reduced sales by -3.8 percent. Acquisitions/divestments had a further negative effect of -1.7 percent.

Sales performance Adhesive Technologies

in million euros	Q1/2023	Q1/2024
Sales	2,791	2,677
Proportion of Group sales	50%	50%
Change versus previous year	6.1%	-4.1%
Foreign exchange	1.1%	-3.8%
Adjusted for foreign exchange	5.0%	-0.4%
Acquisitions/divestments	-1.8%	-1.7%
Organic	6.8%	1.3%
Of which price	11.4%	1.0%
Of which volume	-4.6%	0.3%

The positive organic sales development of the Adhesive Technologies business unit in the first quarter was primarily fueled by the **Mobility & Electronics** business area, which achieved a strong increase of 3.7 percent. This growth was driven by the Automotive and Electronics businesses. The Industrial business showed a positive development. In a continuously challenging market environment, the **Packaging & Consumer Goods** business area recorded an overall flat organic sales development of -0.2 percent, which was supported by a positive volume development. The Packaging business achieved positive growth, benefiting from first signs of improvement in demand. The Consumer Goods business recorded a slight

decline compared to a very strong prior-year quarter. Organic sales growth in the **Craftsmen, Construction & Professional** business area was at 0.3 percent versus the prior-year quarter. This was particularly supported by the Construction business which achieved good growth. The General Manufacturing & Maintenance business showed an overall negative performance, which was primarily due to the currently challenging market environment.

Sales performance by business area

in million euros	Sales		+/-	Organic
	Q1/2023	Q1/2024		
Adhesive Technologies	2,791	2,677	-4.1%	1.3%
Mobility & Electronics	960	946	-1.5%	3.7%
Packaging & Consumer Goods	883	838	-5.1%	-0.2%
Craftsmen, Construction & Professional	949	893	-5.9%	0.3%

From a regional perspective, the organic sales performance of the Adhesive Technologies business unit was mixed. In **Europe**, sales overall were organically below the prior-year quarter, even though the Craftsmen, Construction & Professional business area achieved positive organic growth. While **North America** recorded a positive organic sales increase in the Mobility & Electronics business area, overall sales performance in the region was below that of the prior-year quarter. The **IMEA** region achieved double-digit organic sales increase, with all business areas contributing with double-digit growth rates. **Latin America** posted a negative organic sales development in all business areas. By contrast, sales growth in the **Asia-Pacific** region was very strong – mainly driven by a significantly positive development in China, which was supported by first signs of a stabilizing market environment following the challenging conditions encountered in the prior year.

Sales performance Consumer Brands

In the Consumer Brands business unit, sales in the **first quarter of 2024** totaled 2,605 million euros, a **nominal** decrease of -6.0 percent versus the prior-year quarter. **Organically** (i.e. adjusted for foreign exchange and acquisitions/divestments), sales increased by 5.2 percent. Pricing in the business unit remained very strong compared to the first quarter of 2023. Volumes declined slightly, particularly due to the impacts of the ongoing portfolio measures. Foreign exchange effects had a negative impact of -4.0 percent on sales. Acquisitions/divestments reduced sales by a further -7.2 percent.

Sales performance Consumer Brands

in million euros	Q1/2023	Q1/2024
Sales	2,772	2,605
Proportion of Group sales	49%	49%
Change versus previous year	7.3%	-6.0%
Foreign exchange	0.8%	-4.0%
Adjusted for foreign exchange	6.5%	-2.0%
Acquisitions/divestments	-0.5%	-7.2%
Organic	7.0%	5.2%
Of which price	12.7%	6.2%
Of which volume	-5.7%	-1.0%

In the first quarter, the **Laundry & Home Care** business area generated very strong organic sales growth of 4.6 percent. The Laundry business posted strong growth, mainly driven by a double-digit increase in the Fabric Care category. The Home Care business achieved significant organic sales growth, which was particularly fueled by a double-digit sales increase in the Toilet Care category and very strong growth in the Dishwashing category.

The **Hair** business area achieved very strong organic sales growth of 6.9 percent. Growth in the Consumer business was significant, driven in particular by the Hair Styling category. The Professional business achieved very strong organic sales growth.

The **Other Consumer Businesses** posted a strong organic sales increase of 3.4 percent.

Sales performance by business area

in million euros	Sales		+/-	Organic
	Q1/2023	Q1/2024		
Consumer Brands	2,772	2,605	-6.0%	5.2%
Laundry & Home Care	1,789	1,661	-7.2%	4.6%
Hair	811	781	-3.6%	6.9%
Other Consumer Businesses	171	163	-4.8%	3.4%

From a regional perspective, the Consumer Brands business unit recorded a mixed development in the period under review. The **Europe** region achieved a very strong organic sales increase in the first quarter, driven by both the Hair and the Laundry & Home Care business areas. The **North America** region recorded a negative organic sales development, mainly due to the portfolio measures implemented in the Laundry & Home Care business area. The **IMEA** region achieved double-digit organic sales growth across all business areas. The positive organic sales increase in **Latin America** was driven by the Hair business area, with both the Consumer and the Professional businesses contributing to growth. Sales growth was flat in the **Asia-Pacific** region, supported by the Laundry & Home Care business area.

Net assets and financial position of the Group

No substantial changes to the net assets and financial position of the Group occurred in the period under review compared to the situation as at December 31, 2023.

Outlook for the Henkel Group

The guidance for fiscal 2024, which was published on March 4, 2024, was raised as of May 3.

For the current year, Henkel now expects **organic sales growth** of 2.5 to 4.5 percent (previously: 2.0 to 4.0 percent). For Adhesive Technologies, organic sales growth is still expected in the range of 2.0 to 4.0 percent. For Consumer Brands, the company now anticipates an organic sales increase of 3.0 to 5.0 percent (previously: 2.0 to 4.0 percent).

Adjusted return on sales (adjusted EBIT margin) at Group level is now expected to be in the range of 13.0 to 14.0 percent (previously: 12.0 to 13.5 percent). For Adhesive Technologies, adjusted return on sales is now anticipated to be between 16.0 and 17.0 percent (previously: 15.0 to 16.5 percent) and for Consumer Brands in the range of 12.0 to 13.0 percent (previously: 11.0 to 12.5 percent).

For **adjusted earnings per preferred share (EPS)**, Henkel now expects an increase in the range of +15.0 to +25.0 percent at constant exchange rates (previously: +5.0 to +20.0 percent).

Henkel has also updated the following expectations:

- Acquisitions/Divestments: neutral impact on nominal sales growth (previously: negative impact in the low single-digit percentage range)
- Translation of sales in foreign currencies: negative impact in the low to mid-single-digit percentage range (previously: negative impact in the mid-single-digit percentage range)

The following expectations for 2024 have remained unchanged:

- Prices for direct materials: flat development¹
- Restructuring expenses of 250 to 300 million euros
- Cash outflows from investments in property, plant and equipment and intangible assets of between 650 and 750 million euros

¹ Compared to the previous year's average.

About Henkel

With its brands, innovations and technologies, Henkel holds leading market positions worldwide in the industrial and consumer businesses. Henkel's Adhesive Technologies business unit leads the global market for adhesives, sealants and functional coatings. The Consumer Brands business unit occupies a leading position in numerous markets and categories around the globe, particularly in the Laundry & Home Care and Hair business areas. Henkel's three biggest brands are Loctite, Persil and Schwarzkopf. In fiscal 2023, Henkel reported sales of more than 21.5 billion euros and adjusted operating profit of around 2.6 billion euros. Henkel's preferred shares are listed in the German stock index DAX. Sustainability has a long tradition at Henkel, and the company has a clear sustainability strategy with specific targets. Henkel was founded in 1876 and today employs a diverse team of around 48,000 people worldwide – united by a strong corporate culture, shared values and a common purpose: "Pioneers at heart for the good of generations." For further details, please see www.henkel.com.

This document contains statements referring to future business development, financial performance and other events or developments of future relevance for Henkel that may constitute forward-looking statements. Statements with respect to the future are characterized by the use of words such as expect, intend, plan, anticipate, believe, estimate, and similar terms. Such statements are based on current estimates and assumptions made by the corporate management of Henkel AG & Co. KGaA. These statements are not to be understood as in any way guaranteeing that those expectations will turn out to be accurate. Future performance and results actually achieved by Henkel AG & Co. KGaA and its affiliated companies depend on a number of risks and uncertainties and may therefore differ materially (both positively and negatively) from forward-looking statements. Many of these factors are outside Henkel's control and cannot be accurately estimated in advance, such as the future economic environment and the actions of competitors and others involved in the marketplace. Henkel neither plans nor undertakes to update forward-looking statements.

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