

Quarterly statement Q1 2025

January–March

Further progress in implementing strategic growth agenda

Henkel with sales development in line with expectations while profitability remaining strong

- **Group sales: around 5.2 billion euros; organic development -1.0 percent**
- **Adhesive Technologies: positive organic sales growth of 1.1 percent with positive volume development despite challenging environment**
- **Consumer Brands: organic sales development of -3.5 percent; volumes impacted by subdued consumer demand and supply chain challenges**
- **Sale of Retailer Brands business in North America closed – strategic portfolio optimization program in Consumer Brands concluded**
- **Outlook for fiscal 2025 unchanged despite increased volatility in market environment:**
 - Organic sales growth: 1.5 to 3.5 percent
 - Adjusted return on sales: 14.0 to 15.5 percent
 - Adjusted earnings per preferred share (EPS): increase in the low to high single-digit percentage range (at constant exchange rates)

Düsseldorf, May 8, 2025 – Henkel posted consolidated sales of around 5.2 billion euros in the first quarter of 2025, compared to around 5.3 billion euros in the same quarter last year. Organic sales were down -1.0 percent compared to the prior-year quarter. The development was mainly due to the challenging geopolitical and macroeconomic environment, which has significantly increased since the start of the year. This affected both industrial demand and consumer sentiment – particularly in North America. Nevertheless, sales in Adhesive Technologies increased organically supported by a balanced price and volume mix. As expected, sales were below the prior year in Consumer Brands, also due to strong comparables and challenges in the supply chain.

"As stated back in March when we released our full year 2024 figures, sales in the new fiscal year got off to a rather muted start. At the same time, we have continued to achieve strong gross and EBIT margins, plus we have kept working consistently and successfully on implementing our strategic growth agenda. We finished divesting the Retailer Brands business

in North America earlier than expected, thus successfully completing the portfolio optimization program in our Consumer Brands business unit that we announced at the start of 2022. This means we can now focus all our attention on growing our branded consumer goods business with innovations featuring technologies that offer relevant added value to consumers,” said Henkel CEO Carsten Knobel.

“Volatility and uncertainty in the global markets have significantly increased since the start of the year. The targets set for the current fiscal year remain unchanged and we continue to expect further organic sales growth and a progressive improvement in earnings in 2025. We continue to expect a stronger second half of the year, with contributions also coming from our innovations, which we will introduce into the market backed by continued investments in our brands. At the same time, we expect strong gross and EBIT margins. The development we’ve seen in the first three months of the current fiscal year shows that we’re on the right track in this regard. This demonstrates that we have a clear and consistently implemented strategy and that we are delivering on our promises.”

Sales development by business unit

in million euros	Sales		+/-	Organic
	Q1/2024	Q1/2025		
Henkel Group	5,317	5,242	-1.4%	-1.0%
Adhesive Technologies	2,677	2,715	1.4%	1.1%
Consumer Brands	2,605	2,484	-4.6%	-3.5%

The positive organic sales performance in the **Adhesive Technologies** business unit in the first quarter was driven primarily by strong growth in the Mobility & Electronics business area. The decline in organic sales in the **Consumer Brands** business unit was in particular due to subdued consumer sentiment, customer destocking and supply chain challenges.

Group sales performance

Group sales in the **first quarter of 2025** totaled 5,242 million euros; a **nominal** decrease of -1.4 percent compared to the prior-year quarter (5,317 million euros). **Organically** (i.e. adjusted for foreign exchange and acquisitions/divestments), sales decreased by -1.0 percent. This development was expected and reflects the current challenging geopolitical and macro-economic environment, which affects both industrial demand and consumer sentiment – particularly in North America. While organic sales performance at Group level was supported by a positive price component, volumes were below the level of the previous year. Acquisitions/divestments accounted for a 1.1 percent increase in sales. Conversely, foreign exchange effects had a negative impact on sales performance amounting to -1.4 percent.

Group sales performance

in million euros	Q1/2024	Q1/2025
Sales	5,317	5,242
Change versus previous year	-5.2%	-1.4%
Foreign exchange	-3.9%	-1.4%
Adjusted for foreign exchange	-1.3%	0.0%
Acquisitions/divestments	-4.3%	1.1%
Organic	3.0%	-1.0%
Of which price	3.4%	1.4%
Of which volume	-0.4%	-2.4%

Organic sales growth in the **Europe** region amounted to -2.0 percent in the first quarter. In the **IMEA** region, sales increased organically by 4.6 percent. Organic sales performance was negative in **North America** at -5.6 percent. In **Latin America**, organic sales growth was 1.5 percent above that of the prior-year quarter. The **Asia-Pacific** region achieved organic sales growth of 3.6 percent.

Sales performance by region¹

in million euros	Europe	IMEA	North America	Latin America	Asia-Pacific	Corporate	Henkel Group
Sales January–March 2025	1,989	562	1,429	375	844	43	5,242
Sales January–March 2024	2,023	575	1,478	421	784	35	5,317
Change versus prior-year quarter	-1.7%	-2.3%	-3.4%	-10.8%	7.6%	–	-1.4%
Organic	-2.0%	4.6%	-5.6%	1.5%	3.6%	–	-1.0%
Proportion of Group sales 2025	38%	11%	27%	7%	16%	1%	100%
Proportion of Group sales 2024	38%	11%	28%	8%	15%	1%	100%

¹ By location of company.

Adhesive Technologies sales performance

The Adhesive Technologies business unit generated **sales** of 2,715 million euros in the **first quarter of 2025**, representing a **nominal** increase of 1.4 percent compared to the prior-year quarter (2,677 million euros). **Organically** (i.e. adjusted for foreign exchange and acquisitions/divestments), sales increased by 1.1 percent compared to the first quarter of 2024. Both price and volume showed positive development. Foreign exchange effects reduced sales by -1.0 percent. Acquisitions/divestments had a positive impact of 1.3 percent.

Sales performance Adhesive Technologies

in million euros	Q1/2024	Q1/2025
Sales	2,677	2,715
Proportion of Group sales	50%	52%
Change versus previous year	-4.1%	1.4%
Foreign exchange	-3.8%	-1.0%
Adjusted for foreign exchange	-0.4%	2.4%
Acquisitions/divestments	-1.7%	1.3%
Organic	1.3%	1.1%
Of which price	1.0%	0.6%
Of which volume	0.3%	0.5%

The positive organic sales performance of the Adhesive Technologies business unit in the first quarter was driven primarily by the **Mobility & Electronics** business area, which achieved strong organic sales growth of 3.1 percent. This growth was driven by the Electronics and Industrials businesses, while the Automotive business declined due to the challenging market environment. At -0.4 percent, organic sales development in the **Packaging & Consumer Goods** business area was slightly negative overall. The Packaging business exhibited stable development, supported by a further recovery in demand. The Consumer Goods business posted a slight decline compared to the same quarter last year. Organic sales growth in the **Craftsmen, Construction & Professional** business area rose by 0.4 percent over the same quarter of the previous year. Growth was driven in particular by the Consumers & Craftsmen and Construction businesses, which both generated good growth.

Sales development by business area

in million euros	Sales		+/-	Organic
	Q1/2024	Q1/2025		
Adhesive Technologies	2,677	2,715	1.4%	1.1%
Mobility & Electronics	946	966	2.1%	3.1%
Packaging & Consumer Goods	838	804	-4.1%	-0.4%
Craftsmen, Construction & Professional	893	945	5.9%	0.4%

From a regional perspective, the performance of the Adhesive Technologies business unit was mixed overall. In **Europe**, sales were organically below those in the prior-year quarter, mainly due to the Craftsmen, Construction & Professional business area. In a market environment that was generally challenging, the first quarter saw the **North America** region record declining sales, due primarily to developments in the Mobility & Electronics and Packaging & Consumer Goods business areas. The **IMEA** region posted very strong organic sales growth, driven in particular by a double-digit organic sales increase in the Craftsmen, Construction & Professional business area. The **Latin America** region likewise recorded very strong growth, which was driven primarily by a double-digit sales increase in the Mobility & Electronics business area. The Packaging & Consumer Goods and the Craftsmen, Construction & Professional businesses also contributed to this development, with both reporting very strong growth. The **Asia-Pacific** region recorded significant growth, due in particular to a double-digit increase in sales in the Electronics business in China.

Consumer Brands sales performance

In the Consumer Brands business unit, **sales** in the **first quarter of 2025** totaled 2,484 million euros, a **nominal** decrease of -4.6 percent versus the prior-year quarter. **Organically** (i.e. adjusted for foreign exchange and acquisitions/divestments), sales decreased by -3.5 percent. The business unit posted good price development compared to the first quarter of 2024, while volumes declined as expected, mainly due to subdued consumer sentiment and retail customer destocking – especially in North America – compounded by challenges in the supply chain. Foreign exchange effects had a negative impact of -2.0 percent on sales, while acquisitions/divestments had a positive influence of 0.8 percent on sales.

Sales performance Consumer Brands

in million euros	Q1/2024	Q1/2025
Sales	2,605	2,484
Proportion of Group sales	49%	47%
Change versus previous year	-6.0%	-4.6%
Foreign exchange	-4.0%	-2.0%
Adjusted for foreign exchange	-2.0%	-2.7%
Acquisitions/divestments	-7.2%	0.8%
Organic	5.2%	-3.5%
Of which price	6.2%	2.0%
Of which volume	-1.0%	-5.5%

In the first quarter, the **Laundry & Home Care** business area posted a negative organic sales development of -4.1 percent. The Laundry Care business recorded negative growth caused predominantly by a decline in the Fabric Cleaning category, while the Fabric Care category posted very strong growth. The Home Care business area, by contrast, generated a good organic increase in sales, driven mainly by significant sales growth in the Dishwashing category.

The **Hair** business area saw organic sales decline by -1.6 percent. The Consumer business showed positive growth, which was driven in particular by the Hair Colorants and Hair Styling categories. Overall, the development of the Professional business was below that of the prior year, which was mainly due to a decline in sales as a result of the challenging consumer environment in the North America region.

The **Other Consumer Businesses** area recorded a decline in organic sales of -6.8 percent as a result primarily of negative development in the Body Care business in the North America and Europe regions.

Sales development by business area

in million euros	Sales		+/-	Organic
	Q1/2024	Q1/2025		
Consumer Brands	2,605	2,484	-4.6%	-3.5%
Laundry & Home Care	1,661	1,550	-6.7%	-4.1%
Hair	781	792	1.4%	-1.6%
Other Consumer Businesses	163	142	-12.6%	-6.8%

From a regional perspective, sales development in all regions – with the exception of IMEA – was below the previous year's level. The **IMEA** region posted a good organic sales increase overall, driven by significant organic sales growth in the Hair business area and good development in the Laundry & Home Care business area. **Europe**, on the other hand, experienced a decline due to developments in the Laundry & Home Care business area, while the Hair business area showed good growth. Sales growth in the **North America** and **Asia-Pacific** regions was below the previous year's level across all business areas. The performance of the **Latin America** region as a whole was below that of the prior year due to developments in the Laundry & Home Care business area. The Hair business area, by contrast, posted very strong organic sales development.

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, 2024.

Outlook for the Henkel Group

For the current year, Henkel continues to expect **organic sales growth** of between 1.5 and 3.5 percent. For the Adhesive Technologies business unit, organic sales growth in the range of 2.0 to 4.0 percent is expected. For Consumer Brands, we anticipate an organic sales increase of 1.0 to 3.0 percent.

Adjusted return on sales (adjusted EBIT margin) is still expected to be in the range of 14.0 to 15.5 percent. Adjusted return on sales is anticipated to be between 16.0 and 17.5 percent for Adhesive Technologies and between 13.5 and 15.0 percent for Consumer Brands.

Adjusted earnings per preferred share (EPS) at constant exchange rates are still expected to increase in the low to high single-digit percentage range.

Furthermore, we continue to have the following expectations for 2025:

- Acquisitions/divestments: negative effect in the low single-digit percentage range on nominal sales growth
- Translation of sales in foreign currencies: neutral to negative impact in the low single-digit percentage range.
- Prices of direct materials: low to mid-single-digit percentage increase compared to the previous year's average
- Restructuring expenses of 200 to 250 million euros
- Cash outflows from investments in property, plant and equipment and intangible assets of between 650 and 750 million euros

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 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 2024, Henkel posted sales of around 21.6 billion euros and an adjusted operating profit of around 3.1 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 47,000 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, go to www.henkel.com.

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