

News Release

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Henkel expects further profitable growth in fiscal 2025

Henkel with sales growth acceleration in the first half of the year and good margin and earnings increase

- **Group sales in the first half of the year organically at prior-year level: 10.4 billion euros (organic -0.1 percent; Q2: +0.9 percent)**
- **Operating profit (EBIT)* increases to 1,614 million euros (+0.2 percent)**
- **EBIT margin* improves to 15.5 percent (+60 basis points)**
- **Earnings per preferred share (EPS)* rises to 2.81 euros, +5.0 percent at constant exchange rates**
- **Implementation of Purposeful Growth Agenda further progressed**
 - Clear focus on global megatrends strengthens competitiveness and resilience of Adhesive Technologies in a challenging market environment
 - Significant volume improvement in Consumer Brands – Top 10 brands deliver good organic sales growth
- **Outlook for fiscal 2025 updated:**
 - Organic sales growth: 1.0 to 2.0 percent (previously: 1.5 to 3.5 percent)
 - Adjusted return on sales: 14.5 to 15.5 percent (previously: 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 (unchanged)

Düsseldorf – Following a soft start to the year, Henkel recorded an acceleration in organic sales growth during the first half of 2025, driven by the performance in the second quarter. At the same time, profitability increased strongly. "The improvement in organic sales growth was driven by both business units, with the sequential increase in volume development in Consumer Brands particularly standing out. Along with a positive price development, this led to positive

LOCTITE

TECHNOMELT

BONDERITE

Persil

Schwarzkopf

all

* Adjusted for one-time expenses and income, and for restructuring expenses.

organic sales growth in the second quarter. The Adhesive Technologies business unit achieved positive organic sales growth in the first six months, driven by a balanced development in price and volume," said Henkel CEO Carsten Knobel.

"In addition, we strongly increased our EBIT margin in the first half of the year. This growth was mainly driven by very strong gross margins in both business units and a favorable business mix. We also achieved further efficiency gains and are well on track to reach or even exceed the savings targeted in Consumer Brands. At the same time, we continued to invest in our brands and technologies to strengthen our future growth potential," emphasized Carsten Knobel.

Outlook for fiscal 2025 updated

Based on the business performance achieved in the first half of 2025 and assumptions for the remainder of the year, Henkel updated its outlook for fiscal 2025.

"We expect further profitable growth for fiscal 2025 and anticipate stronger sales growth in the second half of the year. The updated outlook considers, on the one hand, the impact of the challenging macroeconomic environment on the organic sales development of our two business units. On the other hand, the raised expectation for profitability reflects the positive development of our gross margin, the benefits of portfolio optimizations, and efficiency improvements within the company. The updated outlook also continues to take into account the currently foreseeable effects of the global tariff agreements at this point in time and broadly correlates with current market expectations for Henkel's business development over the course of the year," said Carsten Knobel, explaining the outlook.

For the current fiscal year, Henkel now expects organic sales growth of between 1.0 and 2.0 percent (previously: 1.5 to 3.5 percent). For the Adhesive Technologies business unit, organic sales growth in the range of 2.0 to 3.0 percent is now expected (previously: 2.0 to 4.0 percent). For Consumer Brands, an organic sales increase of 0.5 to 1.5 percent is now anticipated (previously: 1.0 to 3.0 percent). At the same time, the expectation for the **adjusted return on sales** (adjusted EBIT margin) is raised to a range between 14.5 and 15.5 percent (previously: 14.0 to 15.5 percent). For Adhesive Technologies, adjusted return on sales is now anticipated to be between 16.5 and 17.5 percent (previously: 16.0 and 17.5 percent), and for Consumer Brands, between 14.0 and 15.0 percent (previously: 13.5 and 15.0 percent). **Adjusted earnings per preferred share** (EPS) at constant exchange rates are still expected to increase in the low to high single-digit percentage range.

Sales and earnings development in the first half of fiscal 2025

Henkel achieved **Group sales** of 10,402 million euros in the first half of 2025, equivalent to a nominal development of -3.8 percent (Q2: 5,160 million euros, -6.1 percent). Foreign exchange effects reduced sales by -2.8 percent (Q2: -4.1 percent). Acquisitions and divestments reduced sales by -0.9 percent (Q2: -2.9 percent). While the divestment of the retailer brands business in North America in April 2025 had a negative impact, acquisitions made last year in both business units – Seal for Life and Vidal Sassoon – contributed positively. In **organic** terms (i.e. adjusted for foreign exchange and acquisitions/divestments), sales were on a par with the previous year at -0.1 percent (Q2: +0.9 percent). This development was driven by a positive price development in both business units. Volume development at Group level declined slightly in the first half of the year. This was mainly due to the challenging geopolitical and macroeconomic environment, which affected both industrial demand and consumer sentiment – particularly in the first quarter in North America.

The **Adhesive Technologies** business unit achieved positive organic sales growth of 1.2 percent in the first half year of 2025, primarily driven by the Mobility & Electronics business area (Q2: +1.3 percent). The **Consumer Brands** business unit recorded a decline in organic sales of -1.6 percent (Q2: +0.4 percent). While the Hair business area achieved positive organic sales growth, both the Laundry & Home Care and the Other Consumer Businesses business areas recorded a decline in organic sales growth.

The **Europe** and **North America** regions recorded a decline in organic sales of -1.9 percent (Q2: -1.8 percent) and -3.4 percent (Q2: -1.2 percent) respectively, mainly due to the difficult geopolitical and macroeconomic environment. In the **IMEA** region, in contrast, Henkel generated significant organic sales growth of 9.1 percent (Q2: +13.9 percent). The **Latin America** region achieved positive organic sales growth of 0.4 percent (Q2: -0.6 percent). The **Asia-Pacific** region achieved strong organic sales growth of 3.4 percent (Q2: +3.1 percent).

Adjusted operating profit (adjusted EBIT) slightly increased from 1,610 million euros in the first half of 2024 to 1,614 million euros.

Adjusted return on sales (adjusted EBIT margin) of the Henkel Group registered an increase of 60 basis points from 14.9 percent to 15.5 percent.

Earnings per preferred share increased to 2.66 euros (previous year: 2.46 euros). Adjusted earnings per preferred share grew by 1.1 percent to 2.81 euros compared to 2.78 euros in the prior-year period. At constant exchange rates, adjusted earnings per preferred share increased by 5.0 percent.

The ratio of **net working capital** to sales in the second quarter increased by 0.8 percentage points compared to the prior-year period, from 5.2 percent to 6.0 percent.

Free cash flow in the amount of 485 million euros was lower than in the first half of 2024 (772 million euros), due – among other things – to higher net working capital and higher payments for investments in property, plant, and equipment and intangible assets.

At June 30, 2025, the **net financial position** amounted to -494 million euros (December 31, 2024: -93 million euros).

Development of the business units in the first half of 2025

Sales in the Adhesive Technologies business unit increased **organically** by 1.2 percent in the first half of 2025 (Q2: 1.3 percent). This increase was driven by a balanced positive price and volume development. In nominal terms, sales reached 5,416 million euros, which is slightly below the prior-year period at -1.1 percent (Q2: 2,701 million euros).

The positive organic sales growth of the Adhesive Technologies business unit in the first half of the year was driven in particular by the **Mobility & Electronics** business area which achieved a good organic sales increase of 2.8 percent (Q2: +2.5 percent). This growth was driven by the double-digit organic sales growth in the Electronics business and by the very strong organic sales growth in the Industrial business. In contrast, the Automotive business declined due to the challenging market environment. The **Packaging & Consumer Goods** business area recorded stable organic sales growth (Q2: +0.4 percent). While the Packaging business posted a slight decline in organic sales, this was offset by a positive increase in organic sales in the Consumer Goods business. The **Craftsmen, Construction & Professional** business area achieved organic sales growth of 0.6 percent (Q2: +0.8 percent). This growth was driven in particular by a good organic sales increase in the Construction business. The Consumer & Craftsmen and General Manufacturing & Maintenance businesses recorded a stable development versus the prior year period.

Adjusted operating profit was slightly below the previous year's level at 931 million euros. However, **adjusted return on sales** (adjusted EBIT margin) increased to 17.2 percent compared to 17.0 percent in the prior-year period. This was mainly due to a favorable business mix.

Organic sales growth in the **Consumer Brands** business unit was -1.6 percent compared to the prior-year period (Q2: +0.4 percent). In nominal terms, **sales** reached 4,907 million euros (Q2: 2,422 million euros), a decrease of -6.8 percent versus the prior-year period. The business unit recorded a good price development compared to the first half of 2024. By contrast,

volumes declined, mainly due to a challenging consumer environment in key markets such as North America and Europe.

In the first half of the year, the **Laundry & Home Care** business area posted a decrease in organic sales of -2.6 percent (Q2: -0.9 percent). The Home Care business generated positive organic sales growth, driven mainly by very strong organic sales growth in the Dishwashing category. In contrast, the Laundry Care business recorded a decline in organic sales. The **Hair** business area achieved positive organic sales growth of 0.9 percent in the first six months of the year (Q2: +3.2 percent). The Consumer business achieved good organic sales growth, mainly driven by the very strong development of the Hair Colorants category and the good development of the Hair Styling category. The Professional business recorded a slight decline in organic sales due to the challenging consumer environment, particularly in the North America region. The **Other Consumer Businesses** business area recorded a decline in organic sales of -4.2 percent in the first half of the year (Q2: -1.7 percent), primarily driven by the negative development in the Body Care business in the North America and Europe regions.

At 748 million euros, **adjusted operating profit** was slightly below the level of the prior-year period. **Adjusted return on sales** (adjusted EBIT margin) increased significantly to 15.3 percent compared to 14.3 percent in the prior-year period. This development was mainly driven by the ongoing valorization of the portfolio and the savings achieved through the optimization of the supply chain.

Implementation of Purposeful Growth Agenda further progressed

In the first half of 2025, Henkel continued to successfully implement the strategic priorities of its purposeful growth agenda and made good progress.

In its **Adhesive Technologies** business, Henkel's clear focus on the global megatrends of mobility, connectivity, digitalization, urbanization, and sustainability is helping to strengthen its competitiveness and resilience in a challenging market environment. In the area of sustainability, for example, Henkel supports its customers across various industries in achieving their sustainability goals through effective, environmentally efficient solutions. In the **Consumer Brands** business unit Henkel has further focused its portfolio. The top 10 brands now account for around 60 percent of sales. In the second quarter, these top 10 brands recorded organic sales growth of more than 3 percent, driven by a balanced positive price and volume development.

To further strengthen its **competitiveness**, Henkel focuses on strong **innovations** in attractive business areas. These again contributed to growth in both business units in the first half of

2025. In the **Adhesive Technologies** business, Henkel is achieving high single-digit growth in the metal packaging business by focusing clearly on sustainable and customer-centric innovations, thus outperforming the market. One example from this segment is the first-to-market low-temperature and low-foam can cleaner. This innovation enables efficient and sustainable beverage can manufacturing through significant energy savings and up to 25 percent less water consumption. Henkel has tripled the size of its business in this area over the past three years. In the **Consumer Brands** business unit, the ongoing roll-out of the new brand Creme Supreme in additional markets contributed to the significant growth of the Consumer Coloration category in the second quarter. Creme Supreme is the first caring hair coloration with innovative bonding technology. It strengthens the hair structure through micro-connections and holds the hair fibers together better. It also forms a protective layer that envelops the hair, preventing breakage.

"After a slow start to the 2025 fiscal year, we managed to achieve a significant improvement in sales in the second quarter – particularly with regard to our consumer business. At the same time, we have continued to strongly increase profitability in both business units," said Carsten Knobel. "It clearly shows that Henkel's transformation is already successful. We will continue to drive this change in order to be even better positioned and more competitive in the long term. We are transforming Henkel for a successful future, and with a clear strategy, we are on the right track for further profitable growth."

About Henkel

With its brands, innovations and technologies, Henkel holds leading market positions worldwide in the industrial and consumer businesses. The business unit Adhesive Technologies is the global leader in the market for adhesives, sealants and functional coatings. With Consumer Brands, the company holds leading positions especially in laundry & home care and hair in many markets and categories around the world. The company's three strongest brands are Loctite, Persil and Schwarzkopf. In fiscal 2024, Henkel reported sales of more than 21.6 billion euros and 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 about 47,000 people worldwide – united by a strong corporate culture, shared values and a common purpose: "Pioneers at heart for the good of generations." More information at 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 the 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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Key figures Q2 2025 and 1-6 2025



| in million euros | Sales | | EBIT | EBIT margin |
|--|---------------------|---------------------|---------------|-------------|
| | Q2 | 1-6 | 1-6 | 1-6 |
| Adhesive Technologies | | | | |
| 2025 | 2,701 | 5,416 | 901 | 16.6% |
| 2024 | 2,798 | 5,475 | 874 | 16.0% |
| organic growth | 1.3% | 1.2% | - | - |
| 2025 adjusted ¹⁾ | - | - | 931 | 17.2% |
| 2024 adjusted ¹⁾ | - | - | 933 | 17.0% |
| Consumer Brands | | | | |
| 2025 | 2,422 | 4,907 | 725 | 14.8% |
| 2024 | 2,662 | 5,266 | 674 | 12.8% |
| organic growth | 0.4% | -1.6% | - | - |
| 2025 adjusted ¹⁾ | - | - | 748 | 15.3% |
| 2024 adjusted ¹⁾ | - | - | 753 | 14.3% |
| Henkel | | | | |
| 2025 | 5,160 | 10,402 | 1,541 | 14.8% |
| 2024 | 5,496 | 10,813 | 1,470 | 13.6% |
| organic growth | 0.9% | -0.1% | - | - |
| 2025 adjusted ¹⁾ | - | - | 1,614 | 15.5% |
| 2024 adjusted ¹⁾ | - | - | 1,610 | 14.9% |
| | | | | |
| | 1-6 2024 | 1-6 2025 | Change | |
| Earnings per preferred share in euros | 2.46 | 2.66 | 8.1% | |
| Adjusted ¹⁾ earnings per preferred share in euros | 2.78 | 2.81 | 1.1% | |
| at constant exchange rates | | | 5.0% | |

All individual figures have been commercially rounded. Addition may result in deviations from the totals indicated.

¹⁾ Adjusted for one-time expenses and income, and for restructuring expenses.