News Release

March 11, 2026

Henkel presents the annual results for 2025: Dividend to be further increased

Henkel delivers organic growth in 2025 and increases profitability through innovation and more efficiency

- **Good business performance in fiscal 2025**
  - **Sales: 20.5 billion euros, organic growth of 0.9 percent**
  - **Operating profit (EBIT)*: 3.0 billion euros, slightly below prior year due to significantly negative foreign exchange effects**
  - **EBIT margin*: 14.8 percent, improvement of 50 basis points**
  - **Earnings per preferred share (EPS)*: 5.33 euros, +4.7 percent (at constant exchange rates)**
  - **Strong free cash flow of about 1.9 billion euros**
- **Dividend increase of 1.5 percent to 2.07 euros proposed per preferred share**
- **Implementation of Purposeful Growth Agenda further progressed**
  - **Merger of consumer businesses completed ahead of schedule**
  - **Recent acquisitions in both business units strengthen growth potential**
- **Outlook for fiscal 2026: Further top- and bottom-line growth expected**
  - **Organic sales growth: 1.0 to 3.0 percent**
  - **EBIT margin*: 14.5 to 16.0 percent**
  - **Earnings per preferred share (EPS)*: Increase in the low to high single-digit percentage range (at constant exchange rates)**

Düsseldorf – Henkel delivered an overall good performance in a challenging fiscal 2025, which was characterized by moderate global economic growth in a complex geopolitical environment. Group sales in fiscal 2025 amounted to around 20.5 billion euros and the adjusted EBIT margin increased by 50 basis points to 14.8 percent. Adjusted earnings per preferred share at constant exchange rates rose by 4.7 percent.

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

"Our business environment has been and continues to be marked by major challenges, including military conflicts, geopolitical tensions in many parts of the world, and far-reaching trade and tariffs conflicts. The resulting uncertainties weakened consumer sentiment and industrial demand. With the war in the Middle East that began at the end of February, the uncertainties have increased significantly once again," said Henkel CEO Carsten Knobel. "Despite the continuing difficult economic conditions, we successfully moved Henkel forward in 2025. We achieved or even exceeded key targets and continued to drive the transformation of our company. We increased our sales organically and significantly improved the profitability of our company. We want our shareholders to participate in the company's successful development. Therefore, we will propose a 1.5 percent dividend increase."

"We increased sales organically and further improved profitability in both business units, Adhesive Technologies and Consumer Brands, primarily through further innovations, continued cost-saving measures and efficiency improvements as well as stronger growth in high-margin areas. The margin increase in the Consumer Brands business unit was driven by the completed integration process, continued savings and the further valorization – i.e. the targeted improvement of the product portfolio. At the same time, we have continued to invest in the future of both divisions: in strengthening our brands, in innovation, sustainability, and digitalization. In addition, over the past three months we have agreed acquisitions in both business units with a combined sales volume of around €1.2 billion in order to strengthen our businesses and expand their growth potential. The results for 2025 clearly demonstrate that we are on the right path with our strategy for sustainable, purposeful growth, effectively positioning the company for the future. This is also reflected in our outlook for fiscal 2026, in which we expect further sales and earnings growth, even though the start to the year is likely to be somewhat softer. I would like to thank all employees for their outstanding performance. Thanks to their teamwork and extraordinary commitment, we have once again successfully navigated our company through a challenging environment," Carsten Knobel summarized.

Group sales and earnings performance in fiscal 2025

Henkel **Group sales** in fiscal 2025 totaled 20,495 million euros, down -5.1 percent year on year in nominal terms. Foreign exchange effects had a negative impact of -4.2 percent on sales. Adjusted for foreign exchange effects, sales declined by -0.8 percent. Acquisitions/divestments also had a negative impact on sales, down -1.7 percent, mainly due to the sale of the Retailer Brands business in North America in the Consumer Brands business unit. **Organic sales**

growth, i.e. adjusted for foreign exchange effects and acquisitions/divestments, was positive at 0.9 percent. This increase was mainly price-driven, while volume remained flat year over year. The **Adhesive Technologies** business unit generated good organic sales growth of 1.5 percent, driven in particular by the Mobility & Electronics business area. The **Consumer Brands** business unit posted positive organic sales growth of 0.3 percent, driven particularly by the Hair business area.

Adjusted operating profit (adjusted EBIT) was at 3,026 million euros and thus below the prior year level, primarily due to significantly negative foreign exchange effects (2024: 3,089 million euros).

In contrast, **adjusted return on sales (adjusted EBIT margin)** in the year under review was higher year on year at 14.8 percent (2024: 14.3 percent).

Adjusted earnings per preferred share decreased slightly by -0.6 percent to 5.33 euros (2024: 5.36 euros). At constant exchange rates, adjusted earnings per preferred share increased by 4.7 percent.

Net working capital as a percentage of sales amounted to 3.8 percent, which represents an increase year on year (2024: 3.0 percent).

Free cash flow, at 1,850 million euros, came in below the previous year (2024: 2,362 million euros). This development was due to changes in net working capital and translation effects from exchange rate conversion.

Despite cash outflows for the dividend and the share buyback program, the **net financial position** was at 109 million euros, hence above the prior-year figure (December 31, 2024: -93 million euros).

The Management Board, Supervisory Board and Shareholders' Committee will propose to the Annual General Meeting on April 27, 2026, a **dividend** increase of 1.5 percent compared to the previous year, amounting to 2.07 euros per preferred share and 2.05 euros per ordinary share. The increase in dividend is possible thanks to the good financial performance in the past fiscal year and the strong financial base of the Henkel Group. The payout ratio remains unchanged at 37.9 percent and is thus within the target range of 30 to 40 percent.

Business unit performance in fiscal 2025

Sales in the **Adhesive Technologies** business unit totaled 10,667 million euros in the year under review, down -2.8 percent year on year in nominal terms. Foreign exchange effects reduced sales by -4.1 percent. Acquisitions/divestments had an impact of -0.1 percent. **Organically**, sales increased by 1.5 percent. This sales growth was particularly driven by a positive volume development in the second half of the year compared to the prior year, resulting from slightly improved demand in some key end markets. Prices also developed positively compared to the previous year. **Adjusted operating profit** was slightly lower year on year at 1,779 million euros. Gross margin remained unchanged from the previous year at a high level. **Adjusted return on sales** increased slightly year on year and reached 16.7 percent.

Sales in the **Consumer Brands** business unit totaled 9,677 million euros in the year under review, which was -7.5 percent below the prior year in nominal terms. Foreign exchange effects reduced sales by -4.4 percent. Acquisitions/divestments also had a negative impact on sales of -3.4 percent, mainly due to the divestment of the Retailer Brands business in North America in April 2025. **Organically**, sales increased by 0.3 percent. This increase in sales was driven by good price developments, while the volumes declined slightly. At 1,400 million euros, **adjusted operating profit** was almost at the prior year level. By contrast, the gross margin improved significantly. The **adjusted return on sales** reached 14.5 percent, representing a significant increase year on year.

Outlook 2026

Following moderate growth momentum over the past fiscal year, global economic output is expected to continue to grow at a subdued pace in 2026. Global economic development is expected to remain shaped by ongoing geopolitical uncertainties and an overall elevated price level. In this context, only a moderate increase in industrial demand and in consumer demand across business areas relevant to Henkel's consumer goods activities is anticipated**.**

The translation of sales in foreign currencies is expected to have a negative impact in the low single-digit percentage range. Prices for direct materials are expected to increase in the low single-digit percentage range versus the 2025 annual average.

Considering these assumptions, Henkel expects to generate **organic sales growth** of between 1.0 and 3.0 percent in fiscal 2026. Organic growth of between 1.0 and 3.0 percent is expected for the Adhesive Technologies business unit and between 0.5 and 2.5 percent for Consumer Brands. **Adjusted return on sales (adjusted EBIT margin)** is expected in the range of 14.5 to 16.0 percent. For Adhesive Technologies adjusted return on sales is expected to be between 16.5 and 18.0 percent and for Consumer Brands between 14.0 and 15.5 percent. For **adjusted**

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

Major progress in the transformation process

Over recent years, Henkel has fundamentally renewed itself across many areas and consistently pursued its strategic agenda for purposeful growth. A key factor in long-term success is the willingness to continuously evolve and to actively shape change.

Consumer Brands: Merger successfully completed

The merger of the consumer goods businesses into the **Consumer Brands** business unit, which was announced at the beginning of 2022, was completed at the end of fiscal year 2025. Overall, the originally targeted annual savings of 525 million euros were exceeded by the end of fiscal year 2025. This successfully completed the integration of the Consumer Brands business unit – one year earlier than originally planned.

At the same time, the Consumer Brands business unit was consistently focused on strong brands and businesses with high gross margins, as well as leading positions in markets and categories. This focus on high-growth and high-margin brands and businesses pays off: The top ten brands within Consumer Brands, which accounted for nearly 60 percent of the revenue in 2025, posted very strong organic growth, along with a positive increase in volume.

The importance of consolidating the consumer businesses becomes particularly clear when looking at the performance over the past three years – that is, since the new business unit was established. In fiscal year 2022, the combined adjusted return on sales of the related businesses stood at 8.3 percent. By the end of fiscal 2025, it had increased to 14.5 percent. This represents an improvement of 6.2 percentage points over three years – a period which also saw significantly increasing investments in brands and innovation capabilities within this business unit.

Consistent implementation of the strategic agenda

In a challenging macroeconomic and geopolitical environment, Henkel continued to consistently implement its strategic agenda in the past fiscal year and made important progress in all areas. The company further developed its business and brand portfolio, strengthened its competitive advantages in innovation, sustainability, and digitalization, optimized business processes, and reinforced its corporate culture.

As part of its **active portfolio management**, Henkel has further developed its portfolio by discontinuing or divesting activities and making acquisitions. With divesting its Retailer Brands

business in North America, which was successfully completed in spring 2025, Henkel has finalized the portfolio measures announced at the start of the merger of its formerly separate consumer businesses. Since the beginning of 2022, Henkel has thus sold or discontinued brands and activities with total sales of slightly more than 1 billion euros.

Expanding the portfolio through targeted **acquisitions** is also an integral part of Henkel's growth agenda. In 2025, Henkel signed an agreement to acquire ATP Adhesive Systems AG. The Swiss-based company is a leading provider of high-performance, water-based specialty tapes for a wide range of end markets, including automotive, electronics, medical, construction, and the graphics industry. ATP has a strong presence in North America and Europe and generated sales of around 270 million euros in fiscal 2025.

In February 2026, Henkel has agreed to acquire the Dutch-based Stahl Group. The company is a global player in high-performance specialty coatings for flexible materials, serving leading companies worldwide in automotive, fashion & lifestyle, and packaging markets. In fiscal year 2025, Stahl generated sales of approximately 725 million euros with a balanced regional footprint.

In addition, Henkel signed an agreement in early March to acquire "Not Your Mother's", one of the leading consumer hair care and styling brands in North America. This strengthens Henkel's position in the hair care business, one of the core categories in the Consumer Brands business unit. "Not Your Mother's" is a successful, fast-growing hair brand with a broad range of shampoos, conditioners, treatments, and styling products. In fiscal 2025, the brand generated sales of around 190 million euros with double-digit growth and high profitability.

The recent transactions, which are still subject to customary closing conditions and antitrust approvals, represent a **combined additional sales volume of around 1.2 billion euros** and **advance the growth potential** for the world-leading Adhesive Technologies business and the Consumer Brands business unit.

In 2025, Henkel launched numerous **innovations** onto the market, addressing important trends and creating value for customers and consumers. In the consumer goods market, innovation is a key success factor for differentiation. One example is the new Creme Supreme hair coloration from Schwarzkopf. Inspired by professional salon applications, Henkel has developed Creme Supreme, a new technology that strengthens and nourishes the hair structure through micro-bonding. These micro-bonds hold the hair fibers together more effectively and form a special protective layer around the hair. This results in significantly less hair breakage, one of the main concerns of consumers when dyeing their hair.

The “House of Hair” concept also plays an important role in developing innovations in the Hair category. Since March 2025, Henkel has consolidated main areas of its hair cosmetics business in Hamburg at one site in Germany: research and development, testing salons, marketing, and the Academy of Hair. Here, more than 300 experts work hand-in-hand to develop innovative products. In addition to Hamburg, there are four other locations in Los Angeles, Tokyo, Shanghai, and Guadalajara. Each site plays an important role in the customer-oriented development of hair cosmetics products that specifically address regionally varying customer needs.

Innovation is also a central success factor for the Adhesive Technologies business unit. Henkel therefore continues to invest consistently to position itself successfully in the competitive environment. A key focus is the expansion of its network of state-of-the-art research and innovation centers. Such “Inspiration Centers” have been operating for some time in Düsseldorf, Mumbai in India, and New Jersey in the USA. In 2025, Henkel opened another Inspiration Center in Shanghai for the Asia-Pacific region, with an investment of 60 million euros. More than 500 researchers and developers work in this center alongside customers from a wide range of industries.

One of Henkel’s **sustainability** priorities continues to be the reduction of emissions along the value chain. By 2045, the company aims to reduce its absolute Scope 1, 2 and 3 greenhouse gas emissions by 90 percent (compared to the base year 2021) and thereby achieve net-zero. Across all three scope categories, Henkel made progress last year and has already reduced its emissions by 29 percent since the base year 2021. Henkel has also achieved improvements in the area of sustainable supply chains. The share of palm-based ingredients that are responsibly sourced and certified has now reached 98 percent. The company has further improved its performance in internationally recognized sustainability ratings. Among other achievements, Henkel received an A rating in the Climate category of the 2025 CDP assessment for the first time. Henkel also further improved its performance in the latest EcoVadis assessment and was once again awarded Gold.

Henkel has also made further progress in **digitalization**. In 2025, the rapid advances in the field of artificial intelligence (AI) were the dominant topic. Artificial intelligence will have a significant influence on how the company will operate in the future. Henkel implements AI technologies in many practical applications across both its industrial and consumer goods businesses. In 2025, Henkel launched its first generative, AI-supported TV commercial in Germany, thereby bringing Persil's iconic White Lady into a new era. AI is also used in the automation of processes in the adhesives development laboratories. In battery manufacturing,

Henkel uses AI-supported simulation and innovative debonding solutions to help its customers reduce development times and costs as well as optimize performance.

As part of its long-term growth strategy, Henkel is constantly aligning its business units with the requirements of dynamic markets and changing customer expectations in order to achieve long-term success with **future-ready operating models**. In March 2025, Henkel announced that it would evaluate the possibility of establishing separate legal entities in Germany and selected countries for its two business units Adhesive Technologies (HAT) and Consumer Brands (HCB). This step is also linked to the preparations for the SAP S/4HANA migration. The Management Board has thoroughly discussed and agreed the proposal with the relevant supervisory bodies. Accordingly, the intended first step will be to establish separate legal entities for the two existing business units in Germany. With this move, Henkel aims to make its processes and structures more agile, and to better support the future needs of its businesses and the growth agenda of the Henkel Group. The strategic and operational management of the Group and its business units will remain unchanged. The proposal will be submitted to the 2026 Annual General Meeting for resolution by the shareholders.

At Henkel, a strong **corporate culture** builds the foundation of the agenda for purposeful growth. It is characterized by trust-based collaboration across business units, national borders, and teams, as well as by empowering its employees to take responsibility and actively shape outcomes. Such a culture must be continuously fostered. To gain insights into how the employees perceive this, Henkel has been conducting so-called pulse checks for several years now – once a month with 5,000 randomly selected employees. These anonymous surveys provide valuable insights into topics such as collaboration, accountability, innovation, diversity, and alignment with Henkel's long-term strategy. The results from 2025 show that Henkel has made significant progress in these areas. This confirms that the diverse initiatives and measures implemented over recent years have an impact and that the corporate culture has been continuously strengthened.

Henkel celebrates 150 years of successful history

"2025 was a successful year in which we once again mastered major challenges while making significant progress. We met our financial targets to a large extent. We consistently implemented our agenda for purposeful growth across all strategic dimensions and successfully completed the integration of our consumer goods businesses. We are on the right track, and the transformation of our company shows tangible results," Carsten Knobel summarized.

„We now look ahead to an exciting year 2026, in which we celebrate our 150th anniversary. We are, of course, proud of our heritage – but for us, this is no reason to stand still. Rather, it is a source of motivation for the road ahead. We are ready for the future. Then as now, we will be drawing on our pioneering spirit to develop forward-looking products and solutions for the generations to come. This is entirely in line with our purpose: Pioneers at heart for the good of generations," Carsten Knobel continues.

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 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 2025, Henkel reported sales of about 20.5 billion euros and adjusted operating profit of around 3.0 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

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Key figures Q4 2025 and 1-12 2025

in million euros	Sales Q4	Sales 1-12	EBIT 1-12	EBIT margin 1-12
Adhesive Technologies				
2025	2,543	10,667	1,680	15.8%
2024	2,695	10,970	1,715	15.6%
organic growth	0.9%	1.5%	-	-
2025 adjusted [1)]	-	-	1,779	16.7%
2024 adjusted [1)]	-	-	1,817	16.6%
Consumer Brands				
2025	2,368	9,677	1,311	13.6%
2024	2,547	10,467	1,276	12.2%
organic growth	4.1%	0.3%	-	-
2025 adjusted [1)]	-	-	1,400	14.5%
2024 adjusted [1)]	-	-	1,419	13.6%
Henkel				
2025	4,945	20,495	2,816	13.7%
2024	5,281	21,586	2,831	13.1%
organic growth	2.3%	0.9%	-	-
2025 adjusted [1)]	-	-	3,026	14.8%
2024 adjusted [1)]	-	-	3,089	14.3%

	1-12 2024	1-12 2025	Change
Earnings per preferred share in euros	4.80	4.92	2.5%
Adjusted[1)] earnings per preferred share in euros	5.36	5.33	-0.6%
at constant exchange rates			4.7%

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.

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