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EDITED TRANSCRIPT

HNKG_p.DE - Q3 2026 Henkel AG & Co. KGaA Earnings Call

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PRESENTATION

Operator

Good morning, and welcome to the Henkel conference call. (Operator Instructions)

I would now like to turn the conference over to Leslie Iltgen, Head of Investor Relations. Please go ahead, madam.

Leslie Iltgen - *Henkel AG & Co. KGaA - Head of Investor Relations*

Thank you, and good morning, and a warm welcome to everyone joining Henkel's Q3 2026 results conference call today. I'm Leslie Iltgen, Head of Investor Relations at Henkel. Today, I'm joined by our CEO, Carsten Knobel; and our CFO, Marco Swoboda. Carsten will begin with an overview of the key developments in the third quarter. Marco will then follow with a more detailed review of the company's financial performance. As always, following the presentation, we will open up the lines and Carsten and Marco will be 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. Also, please be reminded that this presentation contains the usual disclaimer in regard to forward-looking statements within the meaning of relevant US legislation. It can also be accessed via our website at henkel.com. As always, the presentation and discussions are conducted subject to this disclaimer.

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

Carsten Knobel - *Henkel AG & Co. KGaA - Chief Executive Officer*

Thank you so much, Leslie. A warm welcome also from my side to everyone joining our conference call today. As always, we do appreciate your interest in our company, and we look forward to answering your questions. After walking you through the key developments in the third quarter, we will elaborate on Henkel's business performance and full year outlook in more detail.

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So let me move straight to the highlights of the third quarter. We delivered very strong organic sales growth of 6.5% at group level, reaching nominal sales of EUR5.7 billion. This reflects our strong growth momentum across both business units with a clear sequential acceleration in the third quarter. Adhesive Technologies achieved significant organic sales growth of 7.9%, while Consumer Brands recorded very strong organic sales growth of 4.8%. Importantly, we saw positive price and volume developments in both business units with volumes at Group level in positive territory for the fifth consecutive quarter.

At the same time, we continue to successfully execute on M&A, which is an integral part of our growth strategy. All five acquisitions announced this year have now been closed. With these transactions, we're strengthening both business units. In Adhesive Technologies, we are entering into two attractive adjacencies, specialty coatings for flexible materials and water-based specialty tapes.

In Consumer Brands, we are further strengthening our core category Hair, both in Consumer and Professional. Overall, we delivered a strong third quarter, reflecting the positive dynamics across our businesses with our recently updated outlook for fiscal 2026. We now expect higher organic sales growth and at the same time, we have refined our expectations for earnings development.

Overall, we reaffirm our commitment to sustainable, profitable growth. This year marks a very special milestone for Henkel as we celebrate our 150th anniversary under the motto “Future? Ready!”. Throughout our history, Henkel has continuously evolved while building on a strong entrepreneurial heritage. Today, we are building on this foundation as we shape the future of our company. Our purposeful growth agenda is in full swing.

We are consistently strengthening our winning portfolio and competitive edge while further developing our operating model and our collaborative culture. A key element is the active development of our portfolio. Our recent acquisitions add combined annual sales of around EUR2 billion by 2030, strengthening both business units and open up attractive additional growth opportunities going forward. Let me now turn to the organic sales growth development of our two business units. Both business units continued their strong top line growth trajectory in the third quarter.

In Adhesive Technologies, organic sales growth accelerated from 1.7% in the first quarter and 7.4% in the second quarter to 7.9% in the third quarter. The significant performance was broad-based with double-digit organic sales growth in our Electronics and Industrial businesses in the third quarter clearly standing out. Importantly, the strong performance in the third quarter was achieved without the benefit of a positive working day effect or forward buying, both of which had supported this quarter.

Consumer Brands also reached a clear acceleration, reaching organic sales growth of 4.8% in the third quarter and 2.8% year-to-date. Our top 10 brands, which account for around 60% of Consumer Brands sales achieved significant organic sales growth of more than 7% in the third quarter. It's important to note that also the remaining portfolio reported organic sales growth in positive territory.

Let us now take a closer look at the current market environment across Adhesive Technologies. In Automotive, market conditions remain challenging, although we have recently seen signs of stabilization. At the same time, electrification and evolving vehicle architectures continue to provide attractive structural growth opportunities.

In Electronics, demand remains strong, particularly in applications related to artificial intelligence, semiconductor packaging and consumer electronics. Industrial demand also remains positive supported by investments in data centers, aerospace and power infrastructure. Packaging markets remain competitive, increasingly shaped by sustainability and circularity requirements and at the same time, demand remains resilient despite continued pricing pressure.

In Consumer & Construction, weak newbuild activity is only partly offset by renovation and infrastructure demand, while consumer sentiment remains muted with divergingtrends across the regions. And finally, in General Manufacturing & Maintenance. Demand continues to benefit from infrastructure investments and a sustained focus in industrial maintenance. We also see attractive growth opportunities in areas such as medical, industrial automation and AI-driven high-tech segments.

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One area I would like to highlight in more detail, and this is Electronics and Industrials, where AI is creating significant growth opportunities. In the third quarter, we achieved strong double-digit organic sales growth in data center and semiconductor packaging applications. Global data center capacity is expected to expand by approximately 25% in '26 compared to the prior year. This expansion is increasingly driven by AI and is fueling demand for advanced thermal management solutions. And at the same time, the need for faster, denser and more power-efficient AI chips is driving growth in semiconductor packaging. With our strong technology expertise and close customer relationships, we are well positioned to capture these growth opportunities. Moving now on to Stahl, an acquisition we have most recently closed. With this transaction, which represents annual sales of around EUR725 million, we are entering the attractive specialty coating market for flexible materials. This is a highly attractive adjacency for Adhesive Technologies, broadening our customer and value chain access while further strengthening our technology and innovation capabilities.

Stahl also brings attractive and resilient business characteristics with highly specified mission-critical solutions and long-standing customer relationships. And in addition, the combination further advances our sustainability leadership and offers clear potential to leverage our combined scale, including procurement benefits. Stahl broadens our exposure to attractive end markets and creates additional opportunities for cross-selling and innovation. Its portfolio spans packaging coatings, performance coatings and leather finishing, serving a broad range of attractive end markets.

Let me give you three examples on that. First, performance coatings enhance durability and water repellancy across diverse end markets. Second, leather finishing combines attractive aesthetics with durable performance for premium leather goods. And third, water-based and energy-cured packaged coatings provide protection and functionality for packaging applications. By combining Stahl’s specialty coatings expertise with Henkel's technologies and global customer access, we can drive joint innovation and create additional value for our customers.

Turning now to the market dynamics in Consumer Brands. In Laundry Care, market conditions continued to be characterized by muted consumer sentiment and elevated private label shares, particularly in Europe. And at the same time, we are seeing stronger dynamics in Fabric Care and Fabric Finishers, supported by premiumization as well as increasing consumer interest in fabric longevity and effective cleaning at lower temperatures.

In Home Care, overall market growth remains strong. Across categories, Hand Dish Washing was the major growth driver, while Toilet Care remained more muted due to inflationary pressure. Key market trends include superior cleaning and sustainability, but also smart dosing innovations. And Hair continued to show the strongest market growth across segments, particularly in Color and Styling. We see attractive opportunities for innovation and premiumization, driven by trends such as scalp health, hair longevity and repair as well as solutions tailored to different hair types.

And also, let's take a closer look at our Hair business. Henkel holds a distinctive position by combining a strong Professional business with a broad Consumer portfolio. On a pro forma basis, including the recently acquired businesses of OLAPLEX and Not Your Mother’s. Professional accounts for approximately 45% of our Hair sales, while Consumer represents around 55%. Our portfolio is also well-balanced across the key categories of Styling, Color and Care.

This broad footprint enables us to operate a differentiated Hair ecosystem across both professional and consumer channels. We can leverage our professional salon expertise to identify trends early, develop advanced technologies and translate professional knowledge into relevant everyday consumer routines. And at the same time, our strong brands and innovation capabilities allow us to create new value pools by expanding attractive categories and driving premiumization. Our unique footprint across Professional and Consumer is a powerful combination that clearly provides a strong platform for further profitable growth.

Let me now turn to Laundry Care, where we also continue to drive innovation and premiumization. And a good example is Perwoll, and the extension of its proven Renew technology from Fabric Care into the Fabric Finisher category. Perwoll has been a strong growth engine for our Laundry Care business, delivering at least high single-digit organic sales growth for five consecutive quarters and gaining more than 100 basis points of market share over the last 12 months.

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As the number one brand in Fabric Care, with a presence in 40 countries, Perwoll provides a strong platform for further growth. Building on this position, we launched the new Perwoll Renew Fabric Finisher in Germany, Turkey and Poland in the third quarter, with a broader regional rollout planned for 2027. The product brings Perwoll's Renew technology into a new category, offering seven benefits: color renew, color protect, freshness boost, soft care, fibre care, pilling removal and easy iron.

With this innovation, we are leveraging Perwoll's strong brand equity and proven technology to expand into an adjacent category and further drive the premiumization of our Laundry Care portfolio, where the premium share already stands at around 55%. Now turning to our recently updated full year outlook for fiscal 2026. On the back of the strong performance in the first nine months and our assumption for the remainder of the year, we have recently increased our topline guidance for fiscal 2026 from 1.5% to 3.5%, now to 3% to 4%.

Overall, the environment remains characterized by a high level of volatility, both from a geopolitical perspective and from a demand/ consumer behavior side. However, if current trends across our markets continue – and also considering the good start into Q4, with really good October results from a topline perspective – , we see a good chance of finishing the year within the upper half of the guidance range, and also not ruling out the upper end.

And at the same time, we have refined our expectations for earnings development and are now expecting an adjusted EBIT margin of around 15% on Group level and an increase of adjusted earnings per [preferred] share at constant currencies in the mid-single-digit percentage range. Overall, our updated outlook reaffirms our commitment to sustainable, profitable growth.

And now it's a good point to hand over to Marco, who will lead you through the key financials in more detail. Marco?

Marco Swoboda - *Henkel AG & Co. KGaA - Executive Vice President - Finance, Purchasing, Global Business Solutions and Member of the Management Board*

Thanks, Carsten, and good morning to everybody on the call also from my side. So building on what Carsten already shared, let me provide some additional color on the Group sales performance in the third quarter for this year. Group sales amounted to EUR5.7 billion. This represents a clear double-digit increase of 11% compared to prior year.

And in organic terms, we delivered very strong sales growth of 6.5%. Pricing contributed 5.4%, while volumes showed a positive development of 1.1%. And the impact from acquisitions and divestments further accelerated in Q3, reaching a clearly positive effect of 4.4%. And considering the latest closing of the Stahl acquisition beginning of October, we do expect an even stronger contribution from our acquisitions to sales in Q4.

Turning to the drivers in the respective regions in more detail. Overall, all regions contributed to the very strong organic sales growth in the third quarter. Europe delivered good organic sales growth of 2.2%, representing a clear acceleration in the third quarter. In Adhesive Technologies, growth was primarily driven by double-digit growth in industrials and significant growth in Automotive, while Craftsmen, Construction and Professional remained below the prior-year level. In Consumer Brands, Laundry & Home Care returned to positive territory, while Hair delivered good growth in terms of organic sales. North America recorded strong organic sales growth of 3.4%. This was driven by very strong organic sales growth in Adhesive Technologies, supported by all respective business areas. Consumer Brands achieved positive organic sales growth driven by very strong growth in Hair, while Laundry & Home Care remains below the prior-year level.

Moving on to APAC, organic sales growth came in at 8.9%. Double-digit growth in Adhesive Technologies was again driven by primarily Electronics and Industrials. While Packaging & Consumer Goods also contributed significantly. Consumer Brands recorded slightly negative organic sales growth, with Hair growing positively, while Laundry & Home Care remained below the prior-year level.

EMEA delivered organic sales growth of 27.8%, including both positive pricing and volumes. The double-digit increase was supported by both business units, despite continued geopolitical volatility. Finally, Latin America recorded very strong organic sales growth of 4.4%, marking a clear acceleration in the third quarter, driven by both these units. In Adhesive Technologies, strong growth was primarily driven by Packaging & Consumer Goods. Consumer Brands delivered very strong growth, with both Laundry & Home Care and Hair contributing.

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Now to the global level again and to Adhesive Technologies. In the third quarter, we achieved sales of EUR3 billion, with organic sales growth reaching 7.9%. Overall, the significant sales growth of 7.9% in the third quarter was backed by all three business areas, with particularly strong double-digit organic sales growth in Electronics and Industrials. Pricing in Adhesive Technologies was strong at 7.2%, reflecting the pass-through of raw material cost headwinds. At the same time, volumes remained in positive territory, contributing with 0.7% to growth in the third quarter. It is worth noting that third quarter performance was neither supported by a positive working day effect nor by forward buying, unlike the second quarter. Mobility & Electronics achieved 12.1% organic sales growth despite already high comparables. The strong increase was driven by double-digit growth in both Electronics and Industrials. Automotive remained in clearly positive territory and showed a further sequential improvement in Q3. Packaging & Consumer Goods recorded significant growth of 9.8% in Q3, driven by significant contributions from both Packaging and Consumer Goods. Growth was driven by strong pricing. Finally, Craftsmen, Construction & Professional delivered good organic sales growth of 2.1%. Manufacturing & Maintenance recorded strong growth, while Consumer & Construction posted positive organic sales growth.

Turning to Consumer Brands. The business generated sales of EUR2.6 billion in the third quarter, with organic sales growth of 4.8%. This was driven by clearly positive contributions from both price and volume of 3.2% and 1.6%, respectively. This marked the fifth consecutive quarter of positive volume growth. And growth was driven by strong contributions from Laundry & Home Care as well as Hair, with Laundry Care showing a clear acceleration in Q3 versus Q2.

Now turning to the performance by business area. Laundry & Home Care recorded very strong organic sales growth of 6%. It is encouraging to see that Laundry Care reported very strong growth, driven by strong contributions from both Fabric Cleaning and Fabric Care. In Home Care, we saw double-digit organic sales growth, which was primarily driven by Hand Dishwashing. Hair achieved 4% organic sales growth, driven by strong contributions from both Consumer and Professional. Within our Consumer business, Care was the strongest contributor to growth. Growth was also positive across all regions, both in Consumer and Professional. Finally, organic sales growth in Other Consumer Businesses was below prior year, mainly due to Body Care in Europe, while North America reported good growth.

I would like to conclude this chapter with our recently updated outlook for fiscal 2026. Considering the strong business performance in the third quarter and our assumptions regarding the further development of the business, we recently updated our 2026 full year guidance. For the Group, we have increased our organic sales growth expectations to 3% to 4% for fiscal 2026. Overall, the environment remains characterized by a high level of volatility, both from a geopolitical perspective and from a demand /consumer behavior side. We have reflected the continued uncertainty appropriately in the updated guidance ranges. For Adhesive Technologies, we have increased the guidance for organic sales growth to 4.5% to 5.5%. And provided there is no reversal of forward buying in the remainder of the year and the positive growth momentum continues into the fourth quarter, particularly in Electronics and Industrials, plus we can benefit from new business wins and continued pricing execution, we see a good chance to finish the year within the upper half or even around the upper end of the guidance range.

For Consumer Brands, we have increased our organic sales growth expectations to 1.5% to 2.5%. Here, we expect growth to moderate sequentially in the fourth quarter, primarily reflecting high prior-year comparables. However, if current trends across markets continue, we see a good chance that organic sales growth remains in the positive territory in the fourth quarter, putting us on track to finish the year within the upper half of our organic sales growth guidance range.

Regarding the adjusted EBIT margin for the Group, we now expect around 15%, which is broadly in line with current consensus expectations of 14.8%. For Adhesive Technologies, we now expect around 16.5% and around 15% for Consumer Brands. For adjusted earnings per [preferred] share at constant exchange rates, we now expect growth in the mid-single-digit percentage range.

Taking into account that raw material prices haven't eased so far, we now expect an increase of around 10% versus the average of prior year. In line with prior communication, the impact from direct material prices will be more pronounced in our Adhesive Technologies business compared to Consumer Brands. At the same time, we are now expecting slightly higher restructuring expenses in the range of EUR200 million to EUR250 million.

And with that, back to you, Carsten.

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Carsten Knobel - *Henkel AG & Co. KGaA - Chief Executive Officer*

Thank you, Marco. So let me wrap up today's presentation. We delivered a very strong third quarter, with both business units continuing their very strong growth trajectory with a clear sequential acceleration in the third quarter. Growth was supported by positive price and volume developments in both business units, with volume development at Group level now in positive territory for five consecutive quarters.

At the same time, we successfully closed all five acquisitions announced this year. With these transactions, we are entering into two attractive adjacencies in Adhesive Technologies and further strengthen our core category Hair. Overall, our very strong third quarter performance reflects the continued positive momentum across our businesses and the progress we are making in executing our strategic priorities.

And with our recently updated outlook for fiscal 2026, we reaffirm our commitment to sustainable, profitable growth. And the good start into Q4 in both business units puts us well on track. Looking ahead to fiscal 2027, we are positive about the year and expect further growth on both the top- and the bottom-line. However, I would caution against simply extrapolating the implied Q4 or second half exit rates into 2027, either for the Group or for the individual business units.

We will provide our detailed financial 2027 guidance, as usual, with the release of our full year 2026 results in March. Until then, geopolitical and macroeconomic developments remain the key variables, particularly with regard to raw material prices and demand. And in addition, we expect our recently completed acquisitions to contribute positively to both sales and earnings in fiscal 2027.

And with that, I would like to thank you for your attention, and we are now happy to take your questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions)

Guillaume Delmas, UBS.

Guillaume Delmas - *UBS AG - Equity Analyst*

Good morning Carsten, Marco and Leslie. Actually, two questions for me, if I may. Hopefully, two quick ones. The first one is on Hair, because we've had a robust quarter again. But when looking at your three largest competitors in this category, it seems you're growing at a slightly slower pace than them. So my question is across your key regions and categories within Hair, I think in Styling, Color and Care, where are you gaining some market shares? And conversely, where do you think you may be losing a little bit? So that's my first question on Hair Care.

And then the second one is on Adhesives, because you're now guiding for around 16.5% adjusted operating margin for Adhesive Technologies. That seems to imply some margin contraction in the back half of the year. So if you could shed some light on the key moving parts here. I'm assuming it's mostly down to higher commodity costs. But also if you expect further erosion maybe in the first half of '27 when it comes to margins in Adhesives, or based on your current pricing, where oil price is, you're relatively confident that you'll be soon back into margin expansion mode in Adhesives.

Carsten Knobel - *Henkel AG & Co. KGaA - Chief Executive Officer*

So good morning Guillaume, and thanks for your two questions. Maybe starting with Hair. And in order to avoid misunderstandings, I think our Hair performance is really fantastic and is very strong. And I think we have a good balanced portfolio. I think I tried to convey that during the call ,when you look at a good portfolio between Professional and Retail. And I think in that context, we are more or less the only one

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besides, from my point of view, L'Oreal, where you can combine this strength and also the cascading capability. And second, I also explained that between Care, Styling and Color, that is a quite also well-balanced split. And in that context, I have to say I don't know exactly what kind of data you're referring, I don't see these data in that setup. What I can clearly point out is – because you were also asking about where are we gaining shares – , I think Styling and Color over the last – not only that quarter, but really over the long term –, showing that we are gaining market shares.

And Care was always the category where we had what you can call the weakest setup. And I think if you look on our strategy, where we have now acquired Not Your Mother's and OLAPLEX – that is exactly playing into that setup, which I also explained at the beginning or in the middle of the year, when we were announcing the acquisitions or better to say where we also closed the acquisition.

So I think it is really a good machine, which is delivering. And we have strong innos in Hair, addressing the key trends such as gloss under Schwarzkopf or Taft with 'Good Hair'. So I think we are really strong in that. We have also launched a brand, which is STATEMENT, focused on the Men segment. So that is something where we definitely are very proud and where we are also very good in context of competition.

Moving to your second question, which was related to HAT [Henkel Adhesive Technologies]. And first of all, I think I was very clear – and Marco and myself were clear during our half year call, where we clearly explained that in the context of the big increase of the raw material costs. You may remember, we guided at the beginning of the year a low single-digit [increase]. We said mid of the year high single-digits, and we are now in a double-digit mode [~10% increase]. This is especially related – also when we had our half year call – to the oil price and that was more on the level of whatever '70s, '80s. Now it's back to the hundreds, okay, today, a little bit below the hundreds. And you know that we have the three to six months time lag until the topics are impacting the P&L. Therefore, half year one was from a margin perspective, significantly stronger or stronger. And the impact, what we are seeing is now a weaker margin in the second half compared to the first half.

And I also explained, together with Marco, that three-fourth of the impact of the material prices will hit the P&L of HAT in comparison to one quarter in HCB [Henkel Consumer Brands]. And the third point is that, besides all the topics which you have from a content perspective, you have the so-called mathematical effect – when you take all of that into account when you're calculating the effect. So therefore, I think nothing new in that setup. I think in that context, to be around 16.5% of margin is a strong sign also that we have brought pricing through the customers.

And in that context, I mentioned it also at the end, none of that what you see in the second half is something you should extrapolate for the start of 2027 – or for the year of 2027 – , I think that is clear. And for 2027, as I said, today, we have no communication on that. We will do that beginning of March, as always.

I hope Guillaume, that helps. Marco, anything to add? Marco says, no. Guillaume, all good?

Operator

Christian Faitz, Kepler Cheuvreux.

Christian Faitz - *Kepler Cheuvreux SA - Analyst*

I'll stick to my one question. On Adhesives, so you promoted your Adhesive position in data centers in the presentation you just gave. Can you give us any idea of the sales levels that you can attribute to data centers/AI? That would be rather helpful. And by the way, also congrats on the results.

Carsten Knobel - *Henkel AG & Co. KGaA - Chief Executive Officer*

Marco, you want to take that because it's a difficult question.

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Marco Swoboda - *Henkel AG & Co. KGaA - Executive Vice President - Finance, Purchasing, Global Business Solutions and Member of the Management Board*

So we see benefits actually in two of our SBUs, and that's what we elaborated on, that's on Electronics and also in the Industrials SBU. And the current exposure in data centers is still at a lower level, but gaining significantly traction. The market is rapidly expanding. And we do expect that we see a clear double-digit growth in the coming years, but I mean percentage-wise its on a lower level. But at the end of the day, it is also already clearly entering 3-digit levels of sales. So not EUR20 million, it is clearly this year more around EUR150 million, EUR180 million. That's what we do expect. And again, for the coming years, expecting double-digit growth -- and has already doubled since last year, maybe that's to add. So we see that growth algorithm already in 2026.

Carsten Knobel - *Henkel AG & Co. KGaA - Chief Executive Officer*

Maybe to add on Marco's point because we have not explicitly asked that -- but the Mobility & Electronics division showed in this quarter plus 12% but this is also a broad-based growth. That's not only related to data center or things like that. It is really broad-based. And therefore, for sure, data center also, as Marco explained, is a good growth driver, but it's really broad-based, and I think that's important also to mention. And also important because you have only asked on the content of the category, but it's also broad-based across the regions, maybe to finish on that question.

Christian Faitz - *Kepler Cheuvreux SA - Analyst*

Very helpful.

Carsten Knobel - *Henkel AG & Co. KGaA - Chief Executive Officer*

Sometimes that's the service we deliver.

Operator

Nicolas Ceron, Bank of America.

Nicolas Ceron - *Bofa Merrill Lynch Asset Holdings Inc - Analyst*

Just wanted to come back on the Consumer division, very strong performance in the quarter. Can you maybe help us understand the mix between volume and price for the subsegment for Laundry, Home Care and for Hair? And maybe you could help us understand as well if you think you'd be able to deliver positive volume in Q4 in that division, given the tougher comp that you have?

Carsten Knobel - *Henkel AG & Co. KGaA - Chief Executive Officer*

So maybe we start with a little bit more details on Laundry & Home Care. On your question of price and volume, so the organic growth for quarter three showed, as mentioned, I think also by Marco, a clear sequential improvement versus Q2, reaching in that context, the positive growth of 6% in Q3, driven by both price and volume despite the still challenging market dynamics, as I was referring to and also an intense competitive environment.

If you look at that, we benefited a little bit also from promotional phasing effects which were related to our 150 years anniversary in Europe and strong pricing execution, mainly in the IMEA region and the sequential acceleration also was driven by both, by Laundry Care and by

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Home and also a little bit supported by slightly more favorable versus the prior year comparables in Laundry & Home Care when you compare also to data in 2025.

Laundry Care, as such, showed a very strong growth. Home Care recorded double-digit growth. And while within Laundry, maybe even specific more on that, all categories contributed to the growth with Fabric Care and Laundry Additives showing here the strongest growth trajectory. And I mentioned it during the examples, Perwoll is definitely one of the top brands here, which stands out with a double-digit growth rate for sure, also supported by the recent innovation launches, which I also mentioned during the call, and we have the double-digit organic growth in Home Care, which is mainly driven by continued momentum in Dishwashing and also our very strong brand of Pril also supported by pricing measures. That's on the Laundry & Home Care side.

If you look to Hair, I mentioned it before, it continued its very strong growth dynamics also in Q3, supported by both by Professional and by Consumer and also with clear positive volumes. We have the Consumer business posted a strong growth in Q3 with Hair Care showing the strongest contribution, referring now also to my comments I made by the question of Guillaume. That is the point where we, I think, need to increase the speed and also performance on that. We had a double-digit OSG in Q3 in Care. Color with a strong growth in OSG in quarter three and Hair Styling strong growth really also across all regions in terms of Europe, LATAM, APAC and the Professional business reported a very strong growth in the quarter.

I think that is something to note. And we had a strong pricing overall in IMEA. But also please note that we also saw positive volumes, and I think that is important, that we have this balanced split between price and volume, not only in Adhesives, not only in Consumer but also if you look into the different regions in which we are operating. I hope that helps, Nicolas.

Nicolas Ceron - *Bofa Merrill Lynch Asset Holdings Inc - Analyst*

And what about Q4 positive volume?

Carsten Knobel - *Henkel AG & Co. KGaA - Chief Executive Officer*

Not giving trading comments on a quarter in that context. I think one is clear. We have a good momentum, as you have seen in quarter three, or the acceleration of the remainder of the whole year and Q4 will be definitely in a positive territory in OSG. We are not making statements now on volume and pricing in detail because we also need to say something at the beginning of the year, better to say in March about quarter four and not only now today.

Marco Swoboda - *Henkel AG & Co. KGaA - Executive Vice President - Finance, Purchasing, Global Business Solutions and Member of the Management Board*

Strong comparable in Q4. I think there is an important point because that doesn't mean we expect now really slowing down of the business, but the prior year comparables have a big impact on the phasing of OSG.

Carsten Knobel - *Henkel AG & Co. KGaA - Chief Executive Officer*

Thank you Marco. All good Nicolas now?

Operator

Warren Ackerman, Barclays.

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Warren Ackerman - *Barclays Services Corp - Equity Analyst*

I have one on Mobility & Electronics, and one clarification. So on Mobility & Electronics, could you help us understand the volume versus price contribution to growth? And how was the pricing growth in the segment compared to the other two? And just a quick clarification, you mentioned good chance of delivering growth in the upper half for Adhesives, is it fair to assume that the midpoint of the guidance currently assumes some reversal to happen in Q4?

Carsten Knobel - *Henkel AG & Co. KGaA - Chief Executive Officer*

So maybe starting first with the second question with the guidance part. I think nothing to add on what Mark split in detail. So for the OSG guidance what we said we see the upper half or even at the end of the guidance range. And I think with that, I think we wanted to be clear where we are. And that was, for sure, also impacted by the statement what I made before in terms of that we had a good start from a top line perspective in the quarter four in October. So I hope that helps, if not, I think you can ask again.

And to your other question related to the Mobility & Electronics business, as mentioned, we delivered a double-digit growth supported by stronger customer demand and project realization. The double-digit growth in Electronics was driven by both consumer devices and semiconductor packaging. Industrials delivered a double-digit growth in Q3, supported by the continued strong momentum from different segments. Data telecom is one, aerospace is a second. And we had also a good positive demand from key industrial end markets.

And also, as mentioned before, by the data centers. On your specific part of price/volume, you can really say, if I look into the details that it is almost balanced between price and volume in the whole segment. So I hope that helps on in the questions you had.

Operator

Celine Pannuti, JPMorgan.

Celine Pannuti - *JPMorgan Chase & Co. - Analyst*

So my first question is on pricing. I understand and you share it to as well that it's a volatile environment. And you also mentioned that not to extrapolate H2 momentum into next year. So my question is -- do you expect pricing to fade fast if effectively we start to see already now quite reversal or, let's say, a weakening of the oil price, you mentioned $90. Yeah, and whether will you have had the chance to raise prices at all in the Consumer segment in developed markets? Because I believe that some of the pricing you've put in Consumer was probably more driven by emerging markets, my first question.

And then my second question is on Laundry. You mentioned competitive dynamics in the US and Europe. Europe, you mentioned you were positive. Can you talk about market situation and your market share and like-wise, the same question for Laundry Care in the US.

Carsten Knobel - *Henkel AG & Co. KGaA - Chief Executive Officer*

Marco, do you want to take the first one?

Marco Swoboda - *Henkel AG & Co. KGaA - Executive Vice President - Finance, Purchasing, Global Business Solutions and Member of the Management Board*

Yeah. Celine, on your pricing in the Consumer area, would it fade fast on the back of crude prices. I don't see that as the of the end of day --

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Celine Pannuti - *JPMorgan Chase & Co. - Analyst*

The pricing question was both for both divisions because I presume you have already priced quite fast in Adhesives.

Marco Swoboda - *Henkel AG & Co. KGaA - Executive Vice President - Finance, Purchasing, Global Business Solutions and Member of the Management Board*

Good. Then maybe starting first on Consumer. So here, I don't see that relationship really. Indeed, the raises in the developed markets were very limited in Consumer. Also, here that it doesn't give a rise now to reducing prices due to the raw material situation. Now on Adhesive Technologies, practically, yet there is not really relief.

And yes, we see now since a few days that crude is moving more towards the $90, but volatility is high, so we need to observe that. And I think Carsten mentioned earlier, of course, we have a time lag between when really feedstock prices such as crude begin to change until that really arrives in our P&L and that typically can range three, four in certain areas, even up to six months.

So that's why the raw material situation that will, of course, change if at all in next year and we need to see where we stand when we make up our guidance. So in that sense, I don't expect yet pricing in Adhesives to fade till end of the year. We need that pricing in order to also sustain margins.

Carsten Knobel - *Henkel AG & Co. KGaA - Chief Executive Officer*

Good. And Celine, to your second question, when it comes to Laundry and North America in Consumer. So maybe starting, if you look at the consumer sentiment, I think, as I mentioned, it remains muted in key markets. And I think that is both in the US and Europe. Sentiment levels are currently below those we have seen in 2025 despite a modest improvement in the recent months.

Also the Michigan consumer index in the US has recently gone up a little bit. So that's one. Competitive pressure and muted sentiment can continue to be the most pronounced, also especially in the Laundry Care market. We also continue to see elevated private label shares with further increases in Laundry & Home in Europe, recently.

So therefore, I think the situation is not an easy one in that market. The overall inflationary environment is likely to impact also the consumer behavior going forward. And that is, I think, what I would like to say on that. We have a differentiated and broad-based brand and product portfolio, where we cover also different price points. I mentioned our top 10 brands, which account for 60% of our sales. That is a good combination, not only of Hair, but also of Laundry brands. And I told you the growth in quarter three was plus 7%. And I think that is quite outstanding in these days.

And to your question of North America. In North America, we remained in positive territory in Q3 in terms of what we could see also supported by both driven also by a very strong development in Hair and Laundry & Home Care remained in that part negative in Q3 and Other Consumer, which is in the US quite important, based also on our brand Dial, continued the good growth momentum in Q3.

What I would like to add is on the question on 2027, what Marco was alluding to. I can only repeat what I said before, and that is very clear, and I repeat it. When we look to 2027, we are positive about a year, and we expect also to further grow on both the bottom and the top line performance, and I would caution against simply extrapolating the implied Q4 or the second half exit rates into '27 either for the group or the individual business units. And as always, as you know, we will give you the details in March when we disclose the guidance for the full year of 2027.

I hope that helps, Celine.

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Celine Pannuti - *JPMorgan Chase & Co. - Analyst*

Can I just squeeze in a follow-up. Is it possible to have the like-for-like growth year-to-date of your acquisitions?

Carsten Knobel - *Henkel AG & Co. KGaA - Chief Executive Officer*

I couldn't understand that. Sorry, Celine.

Celine Pannuti - *JPMorgan Chase & Co. - Analyst*

Yeah. Is it possible to have the organic growth performance of your acquisition in the M&A that you did?

Carsten Knobel - *Henkel AG & Co. KGaA - Chief Executive Officer*

Yeah. What is with the M&A. The M&A, what we did is for one year, not counting in organic net sales growth as the financial standards are and from one year after that, they are counting into OSG. And I was also clear on that we're expecting positive support from the acquisitions also, be it on Adhesives and on Consumer on the acquisitions. And I think we already gave these details.

Celine Pannuti - *JPMorgan Chase & Co. - Analyst*

I wanted to understand how they are tracking on an organic basis year-to-date.

Carsten Knobel - *Henkel AG & Co. KGaA - Chief Executive Officer*

But Celine, we are not disclosing anything like that in detail.

Operator

David Hayes, Jefferies.

David Hayes - *Jefferies LLC - Analyst*

I've got seven questions now. I'm just joking. Just one. So I just ask you to come back to this again on the 2027 comment, just to kind of clarify maybe the context in terms of this obviously to top- and bottom-line growth, you mentioned, Carsten. But then just to clarify that the fourth quarter of consensus is looking for that 2.5-ish. So are we saying that we shouldn't extrapolate whether it should be higher or lower than 2.5%?

Or is it a second half comment, I guess, again, consensus is about 4.5%. And then within that, Adhesives is running at 6% in the second half, around 6%, and Consumer around 2%. And then within that, I guess, volumes are kind of flat. So I'm just trying to understand the commentary about not extrapolating whether we're talking the fourth quarter or the second half or the volumes and the pricing dynamics? Any more details on the context?

Carsten Knobel - *Henkel AG & Co. KGaA - Chief Executive Officer*

So David, it would be better if you have your seven questions because the one you're just having, I think, we should concentrate on what we are. We are in the quarter three call, and we are not in the details of 2027. I think Marco and myself really provided also, I think, a good

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view into 2027. We don't want to irritate or confuse anybody. Therefore, we have said that the exit rates which you maybe calculate based on the guidance, what we just gave that this is not irritating and making wrong conclusions.

That's the reason why we are saying we are expecting a 2027 year with top-line and bottom-line improvement and performance. And I hope we all understand that we will give the guidance for 2027 in March 2027, as always. And that is valid. The statement is valid -- and I said that - not only for Henkel, but also for the business units. And I hope that clarifies. We don't want to confuse we want to clarify and not make the things more complicated. I hope that helps, David.

Operator

Tom Sykes, Deutsche Bank.

Tom Sykes - *Deutsche Bank AG - Research Analyst*

Just to go back on the point on Adhesives and sorry, I know you don't give the quarterly commentary, but you did say pricing would continue. And if we take the top end of your guidance, it would imply, I think, modestly negative growth from that commentary. So just whether that is valid or not and whether you could confirm how much of the 2% volume growth you've seen in the nine months, you'd attribute to pre-buying at all? And then just on IMEA, what do you see as the sustainability of that growth? And what's driving that? Is it Turkey or what is driving that, please?

Carsten Knobel - *Henkel AG & Co. KGaA - Chief Executive Officer*

Well, Tom. So the question of pricing in the context of Henkel Adhesive Technologies, I think it is what we always have been doing that we're trying to be fast now in terms of adapting to the changes in the market. I think that was one of the learnings we had from the past. And I think we are executing related on that, which means we have seen a good pricing in the whole year, and that's something which will continue. If also the rest of the market will change in a way of that will be continued with the raw materials prices increasing.

To your volume question, the 2% in terms of prebuying which we also alluded to in quarter two. If you see the growth we have seen in Q3, which Marco was referring to. The one thing is not impacted by prebuying, but also not impacted by working days, even slightly the opposite.

So that is what we see. How pricing level will evolve into full year 2027, I really need to ask you for your patience. We will give a detailed guidance in March, not today because the things are so changing so rapidly in the midyear results or half year results when we were on the call, we had oil prices, as I said, in the dimension of '70s, '80s and a couple of weeks after that, they rose to 100, 110. So the things are changing so fast and with such a volatility that from today until March, that's quite a long time, and that's where we are.

And we also provided that there is no reversal of forward buying and the positive growth momentum, particularly in Electronics and Industrials continues also in Q4 and plus on top, we can benefit also from new business wins and to continue pricing execution. And therefore, I mentioned it, we see a good chance to finish the year within the upper half or even around the upper ending of the guidance.

Your calculations, I couldn't really understand. So therefore, maybe the team should follow up on that question afterwards. And I also mentioned that we had a good start from a top line perspective in both businesses in quarter four which made also the statement that we see to go into the upper half of the guidance range which we disclosed.

Hope that helps, Tom.

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Tom Sykes - *Deutsche Bank AG - Research Analyst*

Yeah, absolutely. And maybe just on IMEA, and there's obviously quite strong growth there and the sustainable or that would be great, please.

Carsten Knobel - *Henkel AG & Co. KGaA - Chief Executive Officer*

Good. Tom, then Marco, maybe will take that the IMEA question.

Marco Swoboda - *Henkel AG & Co. KGaA - Executive Vice President - Finance, Purchasing, Global Business Solutions and Member of the Management Board*

Tom, I'm glad to take that. So IMEA, we saw growth basically in both business units. That is important, and we saw growth both in terms of pricing but also in volumes. So also volume-wise, clearly, we see that. And in particular, on the Adhesive Technology side, where we saw some sort of catch-up also from Q2, that was impacted by the geopolitics in particular in Q2, that has now improved and also then catch-up arriving in Q3, particularly for Adhesive Technologies. And on the Consumer side, we implemented also pricing, in particular, in our Home Care business, and that also supported the organic sales growth in Q3 in IMEA.

Operator

Ladies and gentlemen, that was the last question. I would now like to turn the conference back over to Mr. Knobel for his closing remarks.

Carsten Knobel - *Henkel AG & Co. KGaA - Chief Executive Officer*

Thank you so much, and thank you for your questions. And with that, let me close today's call with reminding you of the upcoming financial reporting dates. We have talked quite a lot about that. We are looking forward to connecting with you again in March when we will publish our full year 2026 results. Thank you again for joining us today.

Have a great day. Take care and goodbye in the name of Marco, Leslie and myself. Thank you. Bye-bye.

Marco Swoboda - *Henkel AG & Co. KGaA - Executive Vice President - Finance, Purchasing, Global Business Solutions and Member of the Management Board*

Bye-bye.

Operator

Ladies and gentlemen, the conference is now over. Thank you for choosing chorus call, and thank you for participating in the conference. You may now disconnect your lines. Goodbye.

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