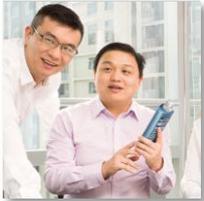


Henkel Q1 2016

Hans Van Bylen, CEO
Carsten Knobel, CFO

Düsseldorf, May 19, 2016



Welcome to Earnings Call Q1 2016

Introduction



- Joined Henkel in 1984
- Management positions with a broad geographical scope in different business units
- Since 2005, member of the Management Board, responsible for Beauty Care
- Since May 1, 2016 CEO of Henkel

Disclaimer

This information contains forward-looking statements which are based on current estimates and assumptions made by the corporate management of Henkel AG & Co. KGaA. 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 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 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 any forward-looking statements.

Agenda

1. Key developments Q1 2016

2. Financials Q1 2016

3. Summary & outlook FY 2016

Q1 2016 – Good performance in a challenging environment

OSG

+2.9%

Adj. EBIT margin

16.8%

Adj. EPS growth

+7.6%

OSG in EM

+6.3%

NWC in % of sales

5.4%

Net financial pos.

€ 452 m

Continued profitable growth

- Good performance driven by all business units
- Solid organic sales growth, volume-driven
- Strong organic sales growth in Emerging Markets, positive in Mature
- Very strong improvement in adjusted EBIT margin
- High single-digit adjusted EPS growth



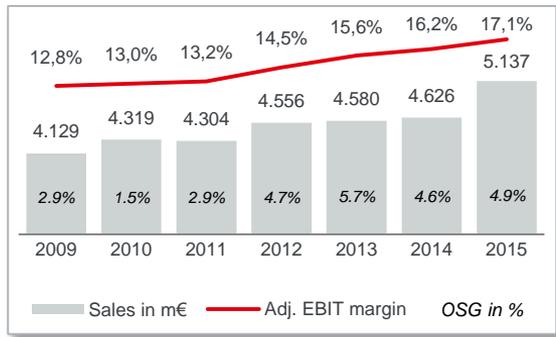
Challenging environment

- Geo-political instability and macro-economic volatility in some countries
- Global GDP growth on a moderate level
- FX headwinds in key currencies with exception of US Dollar
- Lower economic growth in China still impacting demand, organic growth in Adhesive Technologies China slightly negative



Laundry & Home Care

Fostering profitable growth



Sales

- Solid OSG
- Laundry as well as Home Care solid
- MM positive
- EM very strong

Return

- Adj. EBIT margin with excellent increase
- ROCE above level of previous year

Laundry & Home Care

Highlights Q1 2016



Leverage Spotless acquisition

Roll-out of Dylan in Germany and of Colour Catcher in Eastern Europe



Persil ProClean

Distribution expansion in the US, launch in Canada
Successful Super Bowl TV commercial

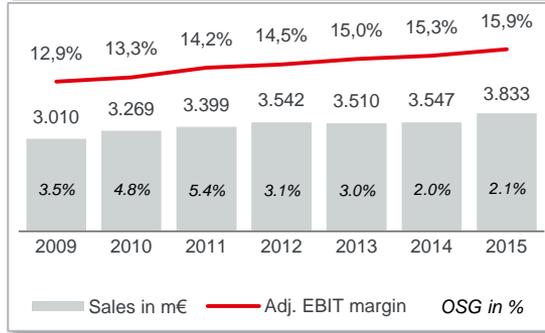


Persil #1 detergent Russia

Strong focus on liquids
Successful lavender launch

Beauty Care

Fostering profitable growth



Sales

- Solid OSG
- Retail and Hair Salon solid
- MM positive
- EM very strong

Return

- Adj. EBIT margin with very strong increase
- ROCE above level of previous year

Beauty Care

Highlights Q1 2016



Syoss Gloss Sensation

Powerful color innovation
Launch in Europe and MEA



Schwarzkopf NA

Awarded #1 Launch Beauty
USA 2015 by IRI

Distribution expansion in the
US, launch in Canada



Extra Care Purify Protect

Exceptional e-Commerce
success in China

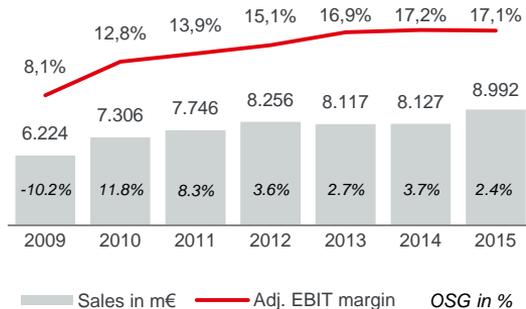
Adhesive Technologies

Fostering profitable growth

LOCTITE

TECHNOMELT

TEROSON



Sales

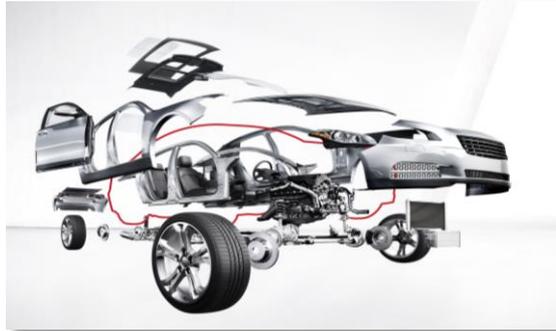
- Solid OSG
- Transport & Metal strong, Electronics slightly negative, all other business areas growing
- MM positive
- EM solid

Return

- Adj. EBIT margin with excellent increase
- ROCE above level of previous year

Adhesive Technologies

Highlights Q1 2016



Automotive Industry

Market share gains with innovations for high-performance engineering

Food Packaging

Loctite & Technomelt with superior solutions for flexible packaging



Construction Industry

Very strong organic growth in Eastern Europe with energy saving applications

Agenda

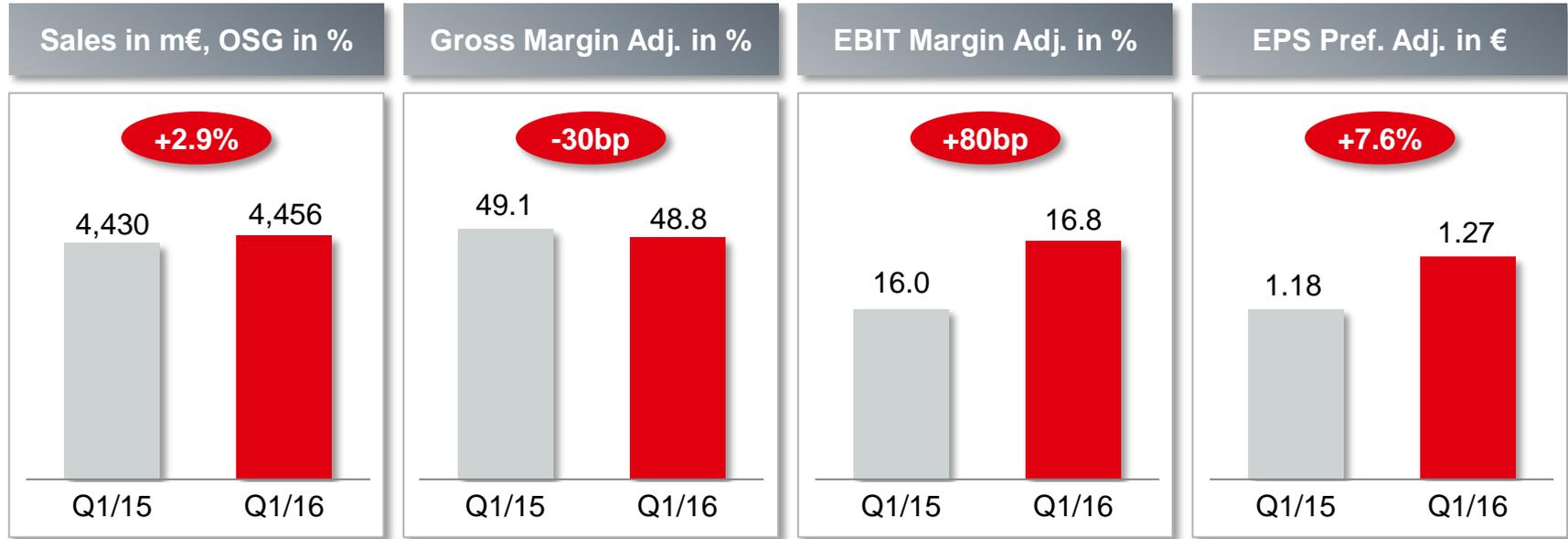
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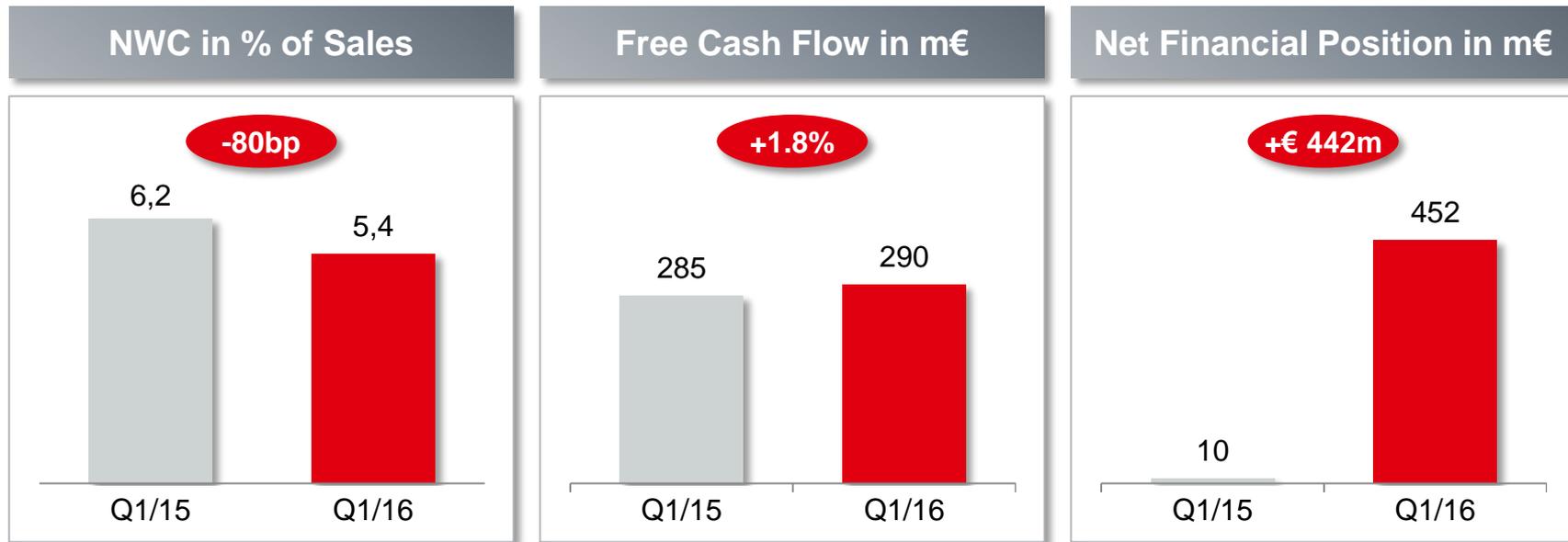
Continuous delivery of profitable growth

Key financials – Q1 2016

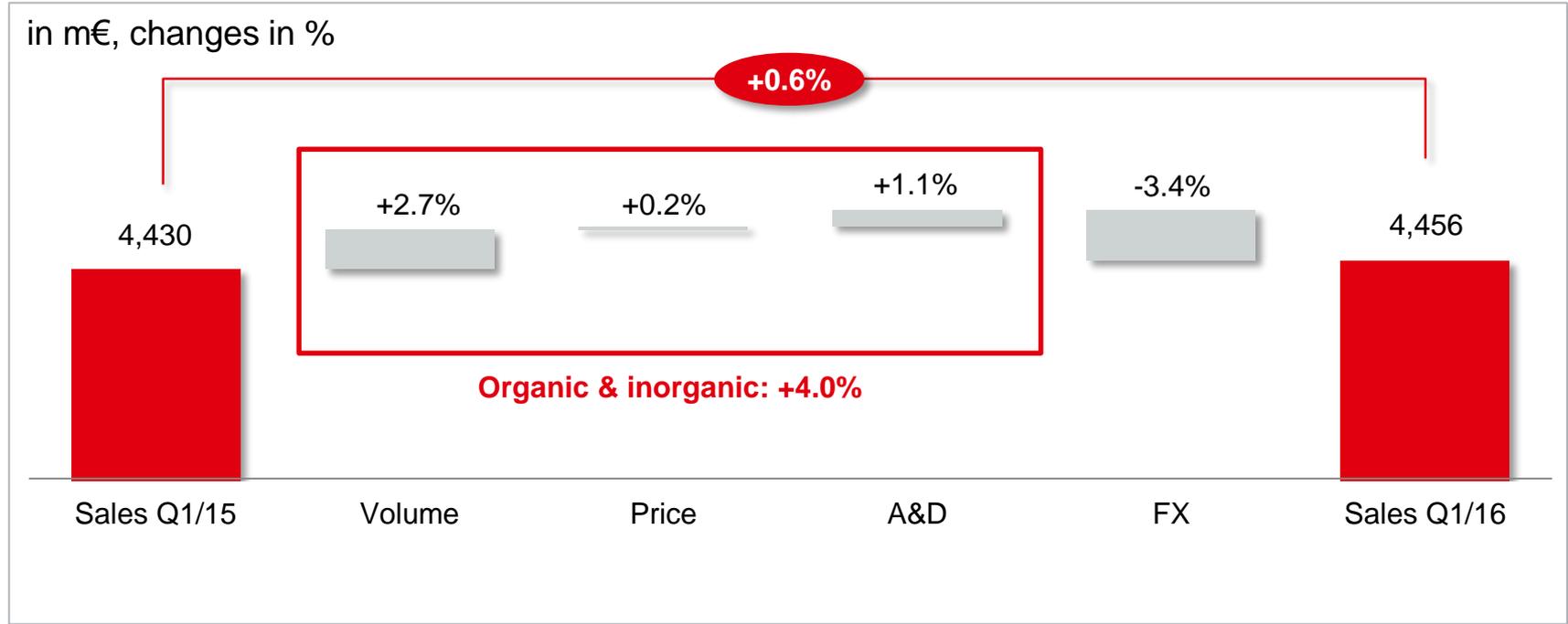


Strong cash generation

Key financials – Q1 2016

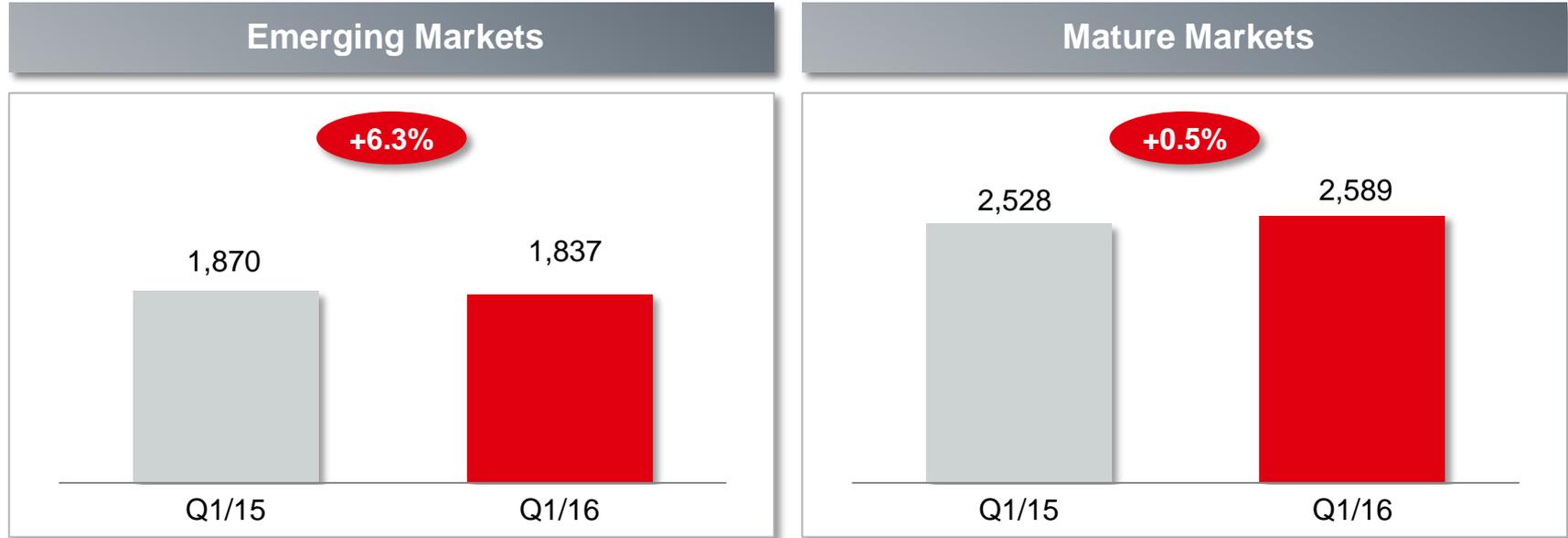


Solid organic & inorganic sales growth



Strong organic sales growth in Emerging Markets

in m€, OSG in %



- Emerging Markets sales share at 41%, affected by FX headwind

Broad based growth across regions

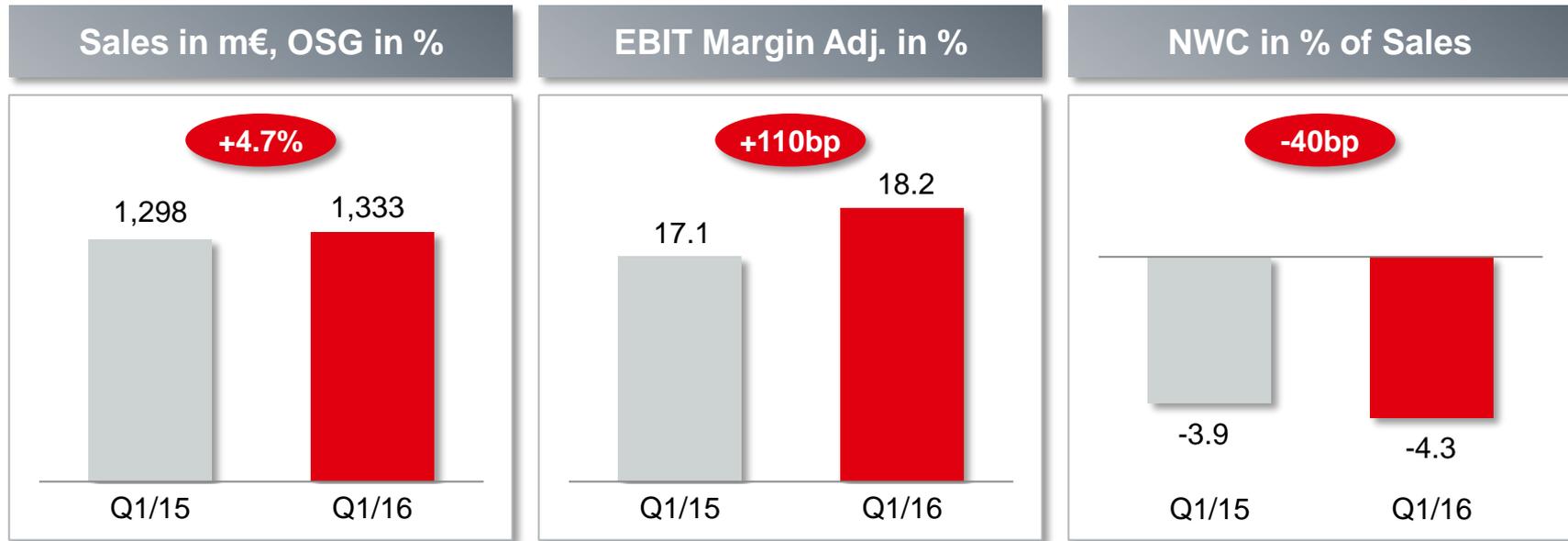
in m€, OSG in %



- Western Europe with uneven dynamics, North America with continued solid performance
- Russia and Mexico double-digit, China positive

Laundry & Home Care

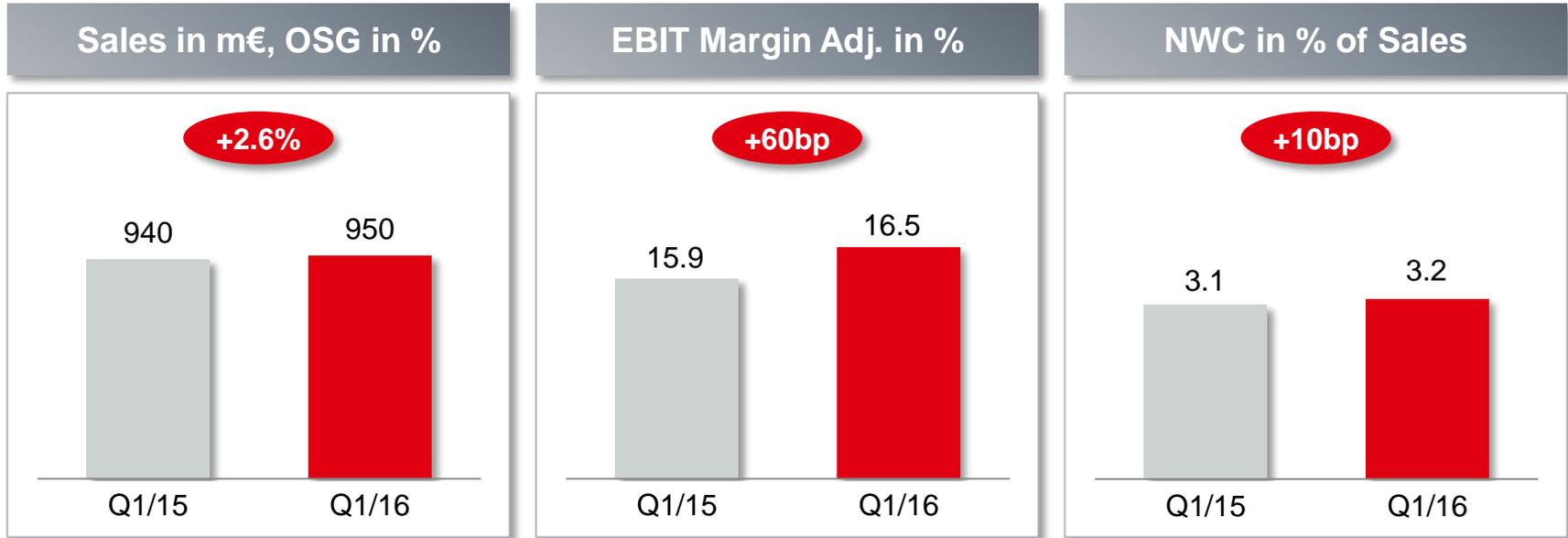
Delivering profitable growth



- OSG split into 5.2% in volume and -0.5% in price

Beauty Care

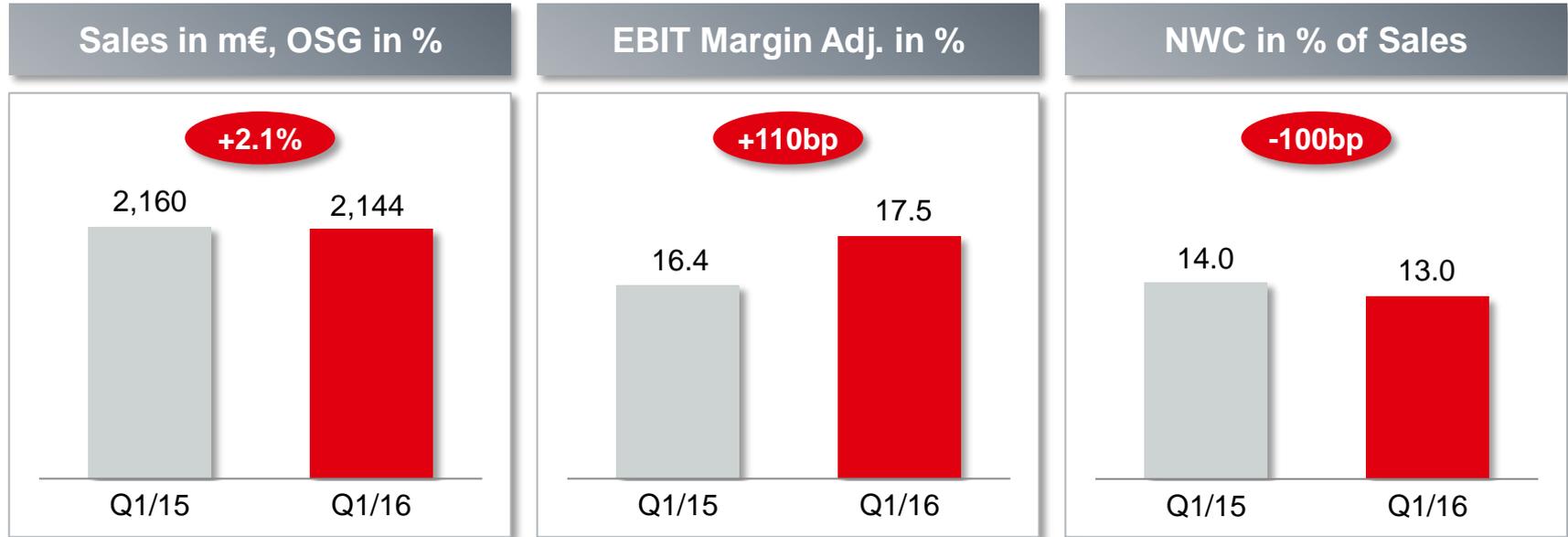
Delivering profitable growth



- OSG driven by 2.5% in volume and 0.1% in price

Adhesive Technologies

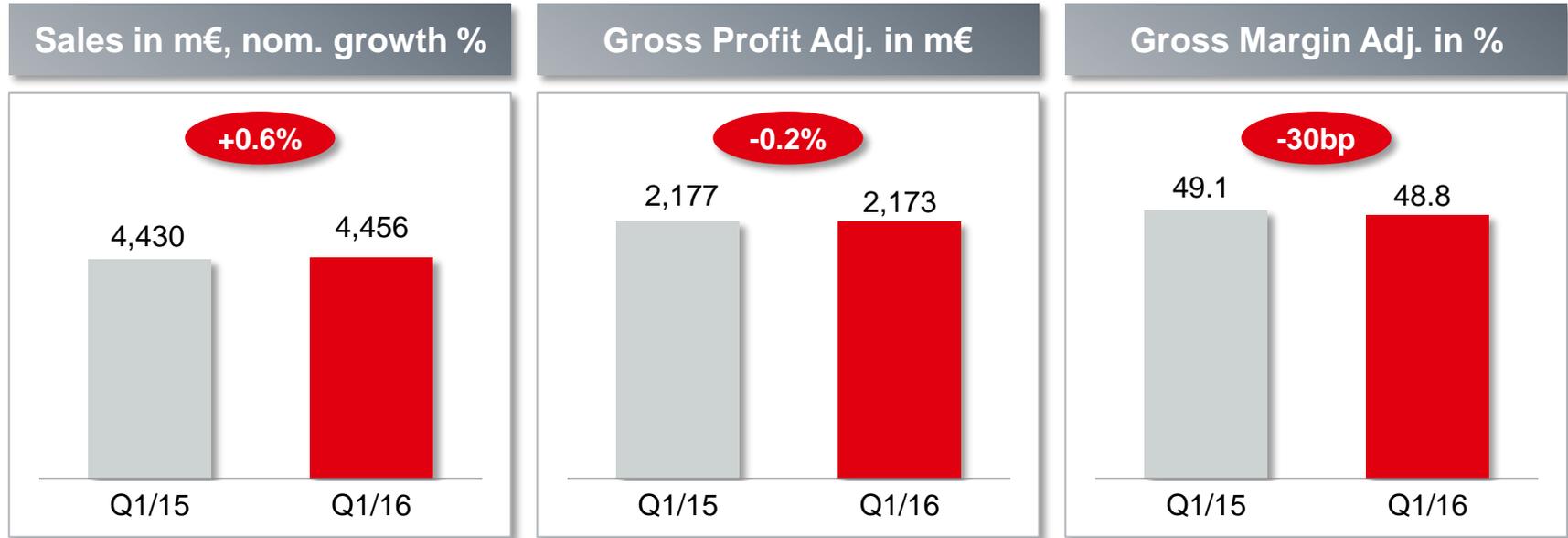
Delivering profitable growth



- OSG driven by 1.4% in volume and 0.7% in price

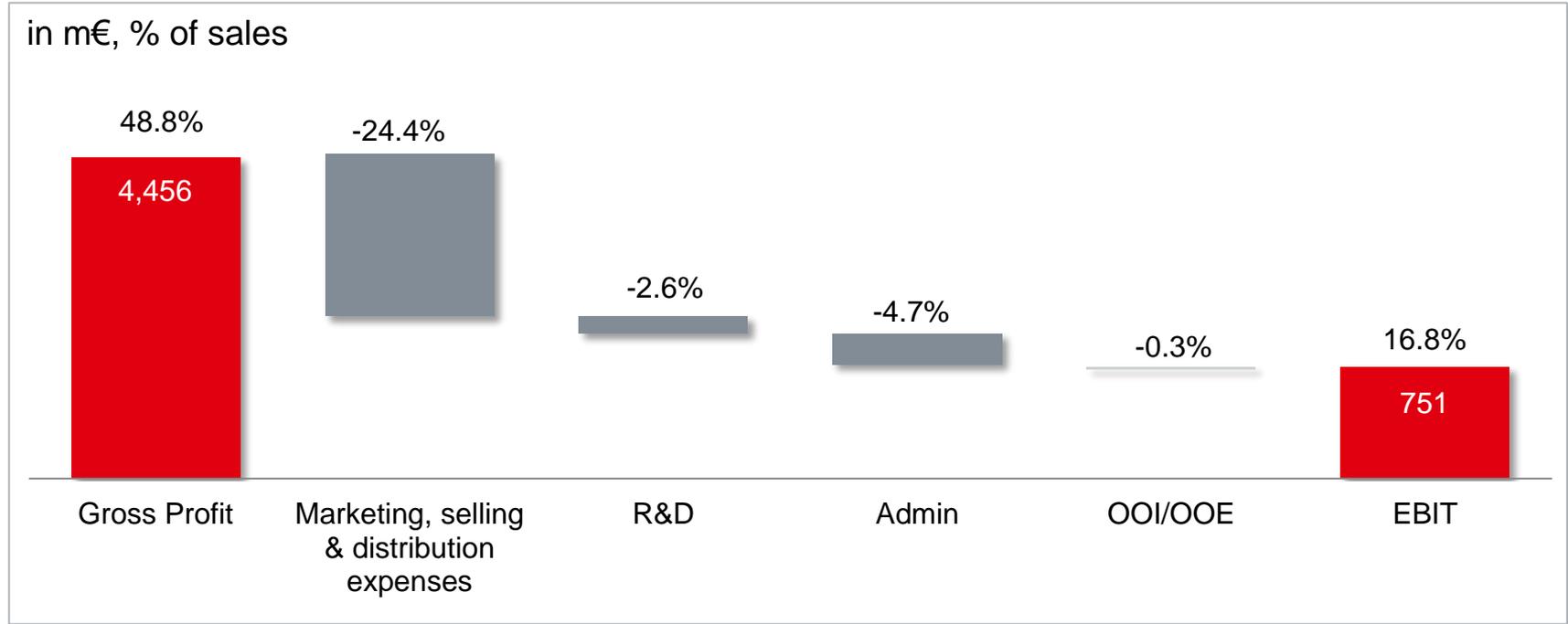
Gross margin impacted by FX headwinds despite input cost relief

Income statement adjusted

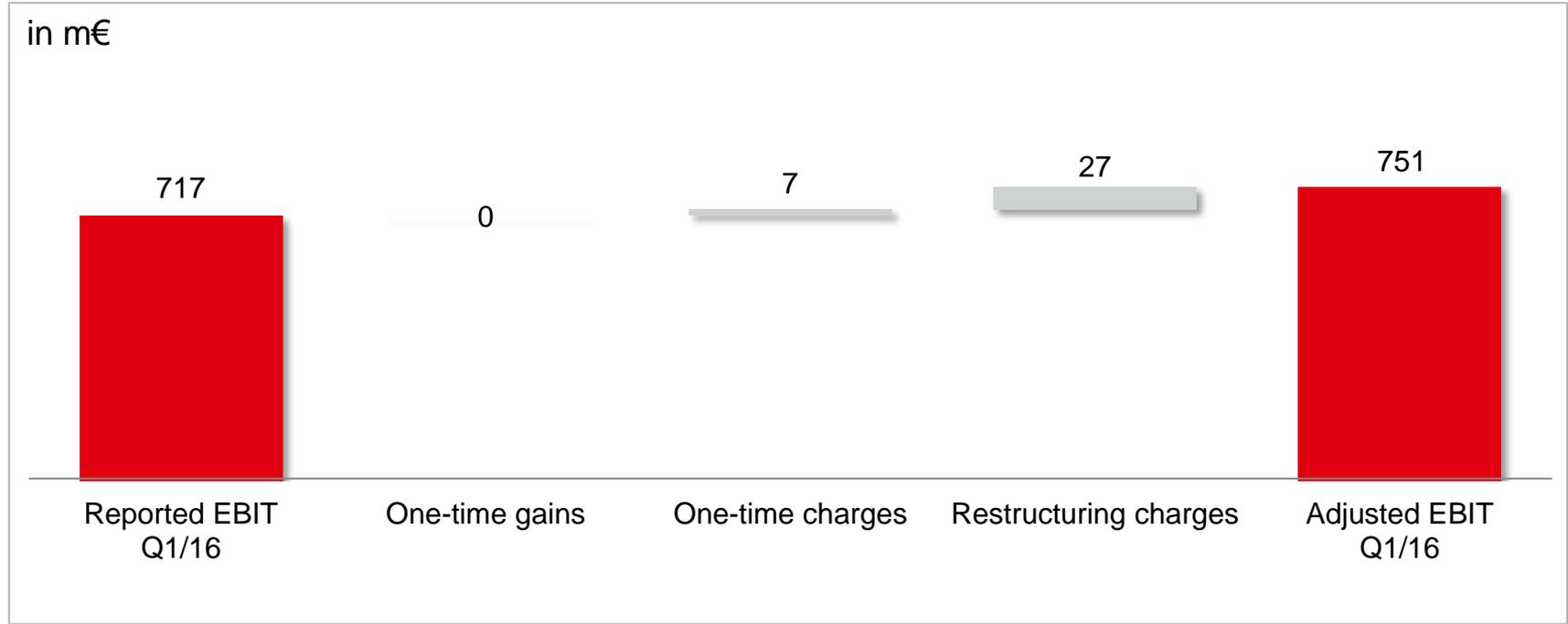


- Transactional FX impacts mainly from Mexico, Turkey and Russia

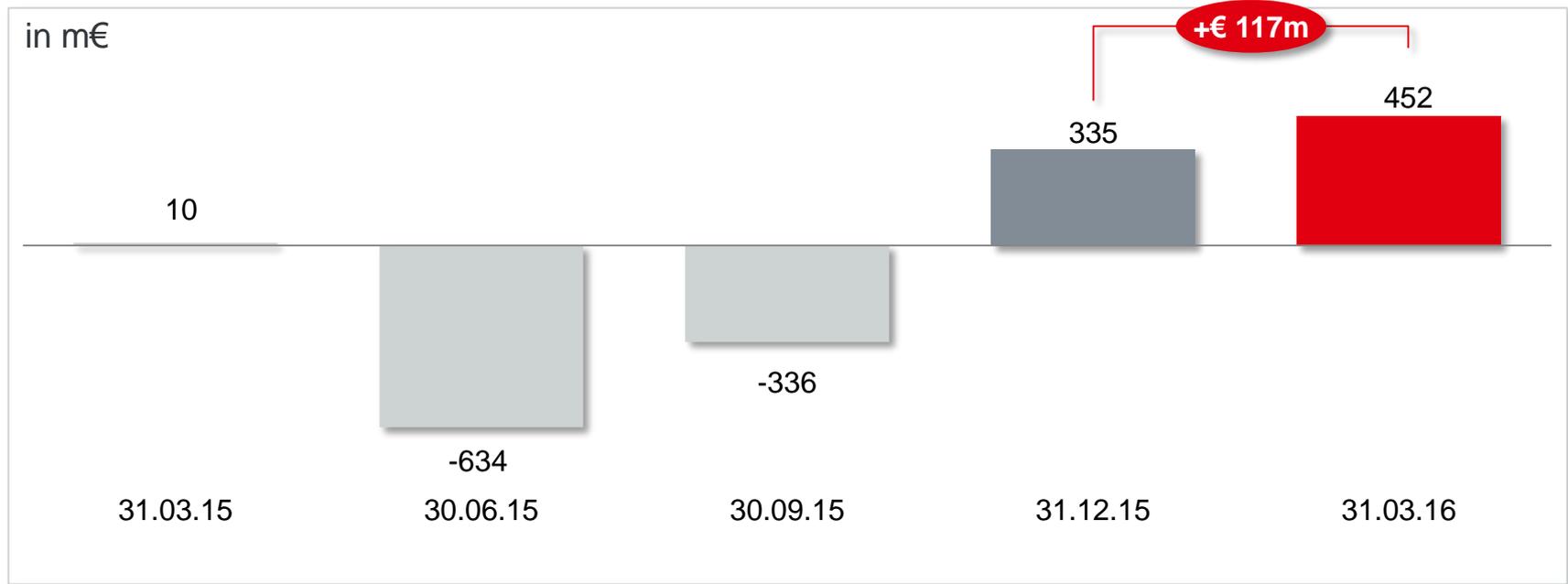
Very strong increase of adj. EBIT margin



Continuous adaptation of our structures to the market



Strong improvement of net financial position



Agenda

1. Key developments Q1 2016

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Q1 2016: Good performance in a challenging environment

- Good start into 2016 driven by all business units
- Both Emerging & Mature Markets contributing to organic sales growth
- Very strong increase in adjusted EBIT margin
- High single-digit adjusted EPS growth

Ongoing challenging environment in 2016

- Persisting geo-political instability and macro-economic volatility
- Moderate global GDP growth
- High volatility of some key currencies and of crude oil prices

- Focused and balanced investments to foster organic and inorganic growth
- Strong innovation pipeline in all business units
- Cost focus and continuous adaptation of our structures to the market

Continued focus on 2016 strategy execution

Guidance FY 2016 – confirmed

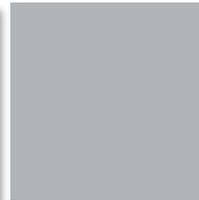
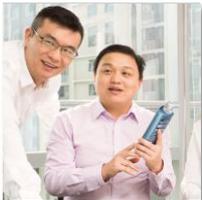
	Guidance FY 2016
Organic Sales Growth	2 - 4% All Business Units within this range
EM Sales Share	Slight increase
Adjusted EBIT Margin	~16.5% All Business Units on or above PY level
Adjusted EPS Growth	8 - 11%

> Committed to achieve 10% adj. EPS CAGR in 2013-2016 strategy cycle

Upcoming events

- June 6-7th, 2016 Investor & Analyst Day Adhesive Technologies
- August 11th, 2016 Q2 2016 Earnings Release
- November 8th, 2016 Q3 2016 Earnings Release
- November 17th, 2016 Henkel Strategic Priorities & Targets

Thank you



Additional Guidance FY 2016 for selected KPIs

	Guidance 2016
Prices for Total Direct Materials	Approx. at the level of the prior year
Restructuring Charges	€ 150 – 200m
CapEx	€ 650 – 700m