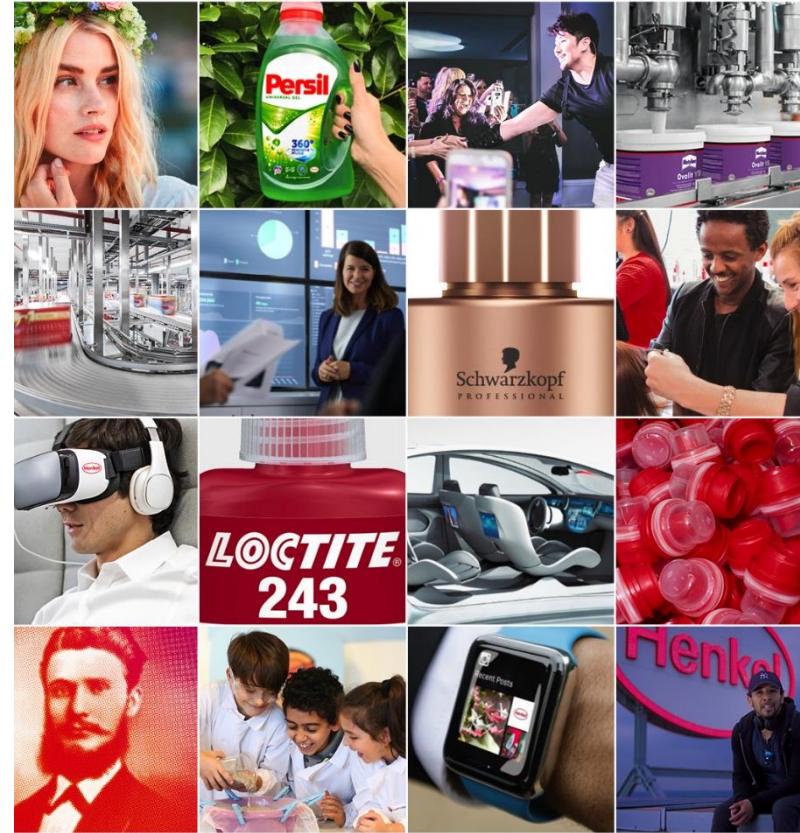


Henkel Q1 2018

Hans Van Bylen, Carsten Knobel
Düsseldorf, May 9, 2018



Disclaimer

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Agenda

1. Key Developments Q1 2018
2. Financials Q1 2018
3. Outlook FY 2018 & Summary

Operating in a heterogeneous environment

Q1 2018 key macroeconomic developments

Strong industrial production¹

Moderate global GDP growth,
IPX increasing by >3.5%

Currency devaluation

Significant weakness of major
currencies, e.g. US-Dollar -15%²

HPC markets mixed

Decelerating volume growth and
ongoing competitive/pricing pressure

Commodity inflation

Substantial feedstock price increases,
driven by crude oil and force majeures

¹ Source: IHS Markit Q1 2018

² Q1 2018 avg. USD / EUR y-o-y

Positive development in Q1 2018

<u>Sales</u>	<u>Organic Growth</u>	<u>Adjusted EBIT</u>	<u>Adjusted EBIT %</u>	<u>Adjusted EPS Growth</u>
€ 4.8 bn	+1.1%	€ 842 m	17.4%	+1.4%

- Positive organic sales growth driven by very strong performance of Adhesive Technologies
- Delivery difficulties in North American consumer goods businesses
- Significant headwinds from FX impacting top and bottom line
- Continuous improvement in Adjusted EBIT Margin supported by strong cost management focus
- Adjusted EPS above previous year

Consumer Goods – North America

- Q1 impacted by delivery difficulties resulting from change in the transportation and logistics processes and systems
- Causes have been identified, countermeasures defined and are being implemented
- Service levels already improved significantly
- On track to return to normal service levels in the course of the second quarter

Adhesive Technologies

Strong performance in Q1 2018 with all business areas contributing

Sales	Organic Growth	Adjusted EBIT	Adjusted EBIT Margin
€ 2.3 bn	+4.7%	€ 410 m	18.1%

LOCTITE

TECHNOMELT

TEROSON

Adhesive Technologies

Highlights Q1 2018

■ Industrial Assembly

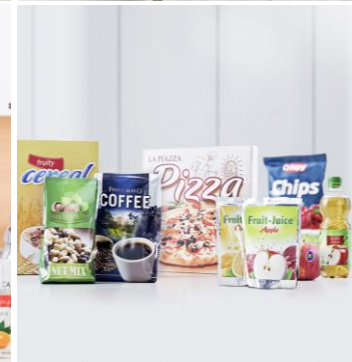
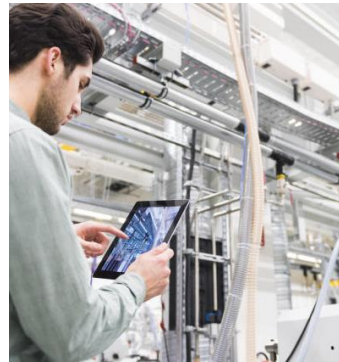
Double-digit growth with new assembly solutions for manufacturers of appliances and white goods

■ Infrastructure Electronics

Double-digit growth with solutions for energy generation and power management systems

■ Flexible Packaging

Significant growth with innovative food safety solutions enhancing sustainability for global customers



Beauty Care

Strong Hair Professional business, Retail impacted by delivery difficulties in NA

Sales	Organic Growth	Adjusted EBIT	Adjusted EBIT Margin
€ 1.0 bn	-4.3%	€ 161 m	16.7%



syoss

Beauty Care

Highlights Q1 2018

■ Eastern Europe

Strong development in Retail driven by growth across all categories

■ Coloration

Significant sales growth and market share expansion
Strong contribution from base portfolio and innovations

■ Hair Professional

Strong growth momentum in Q1 across all regions
fueled by Schwarzkopf Professional and acquisitions



Laundry & Home Care

Good underlying performance, negatively impacted by delivery difficulties in NA

Sales	Organic Growth	Adjusted EBIT	Adjusted EBIT Margin
€ 1.6 bn	-0.7%	€ 291 m	18.5%

Persil



Purex

Laundry & Home Care

Highlights Q1 2018

■ Germany

Strong development of brand portfolio, especially Persil with double-digit growth thanks to Liquid and Caps

■ Middle East / Africa

Double-digit growth driven by successful Persil relaunch and strong development of Pril

■ Toilet Care

Continued momentum with double-digit growth thanks to successful innovations

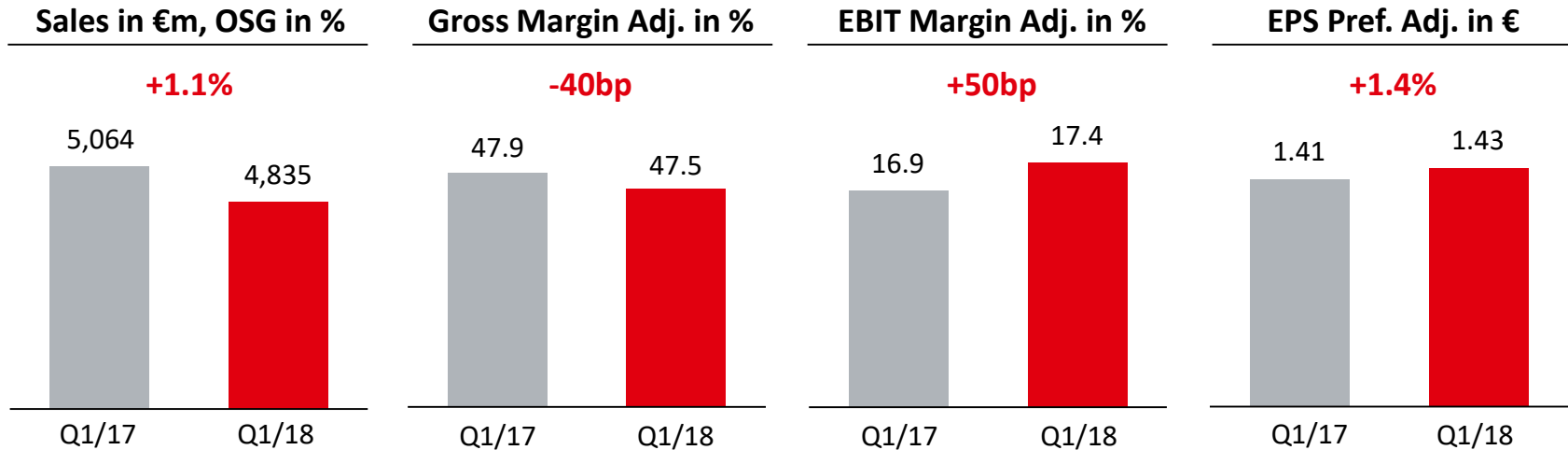


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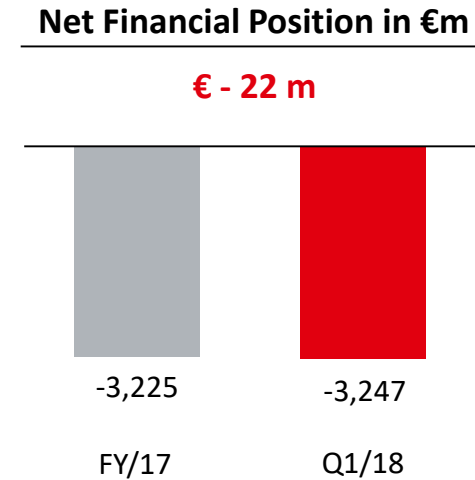
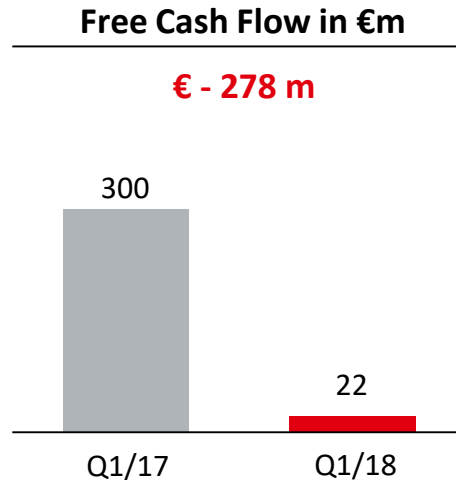
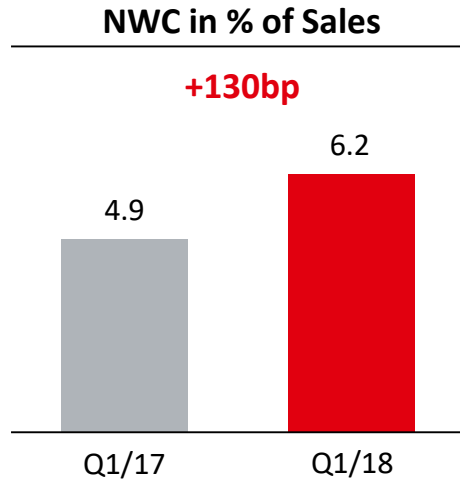
Committed to sustainable profitable growth

Key Financials Q1 2018



Focus on disciplined cash management

Key Financials Q1 2018



Delivery difficulties in North America

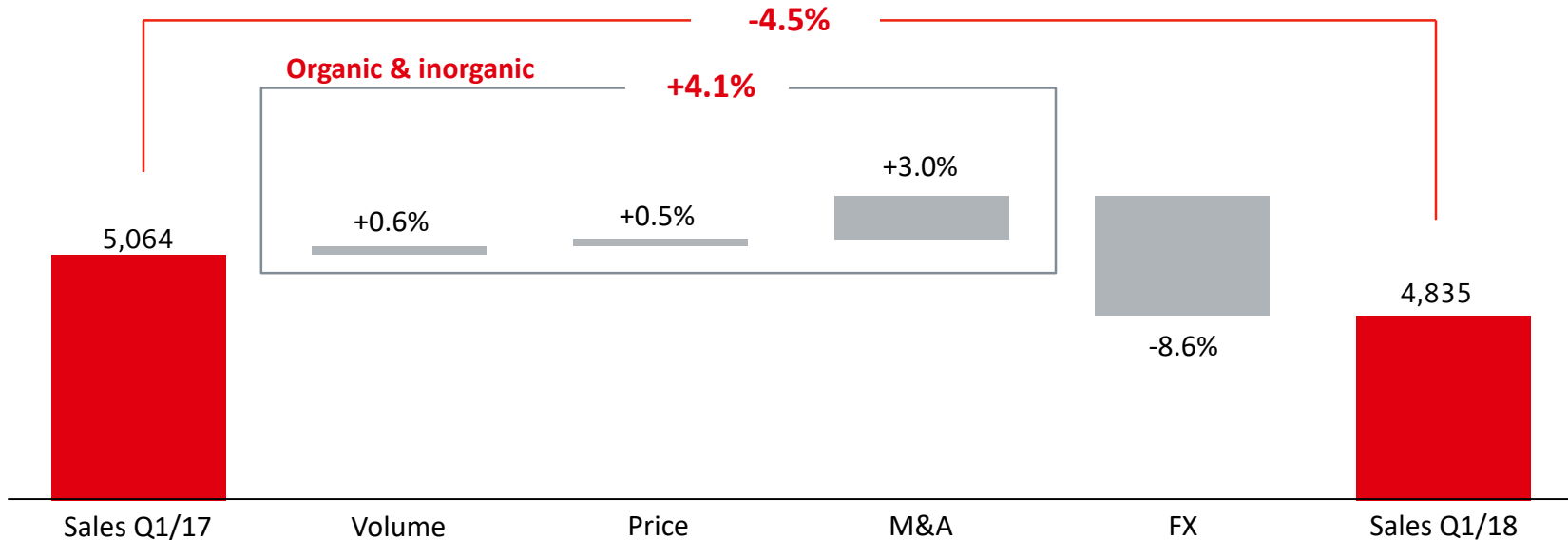
Impact on Q1 2018 results

Henkel Group Results	Q1 2018 actuals	Q1 2018 w/o delivery difficulties
Organic Growth	+1.1%	>2.5%
NWC in % of Sales	6.2%	~ 5%

**Excluding the effects from the delivery difficulties organic growth in Q1 was in line with full year outlook
Henkel has introduced countermeasures to partially offset effects by year-end 2018**

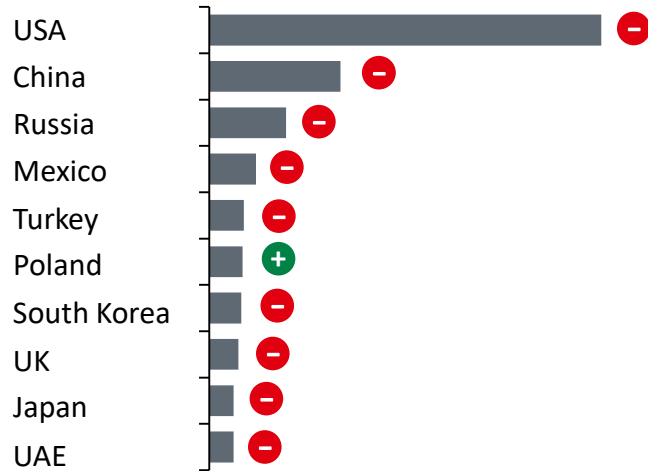
Strong topline impacted by currencies

Sales in €m, changes in %



Softer US Dollar and EM currencies

Top 10 non-€ countries¹ and FX-development

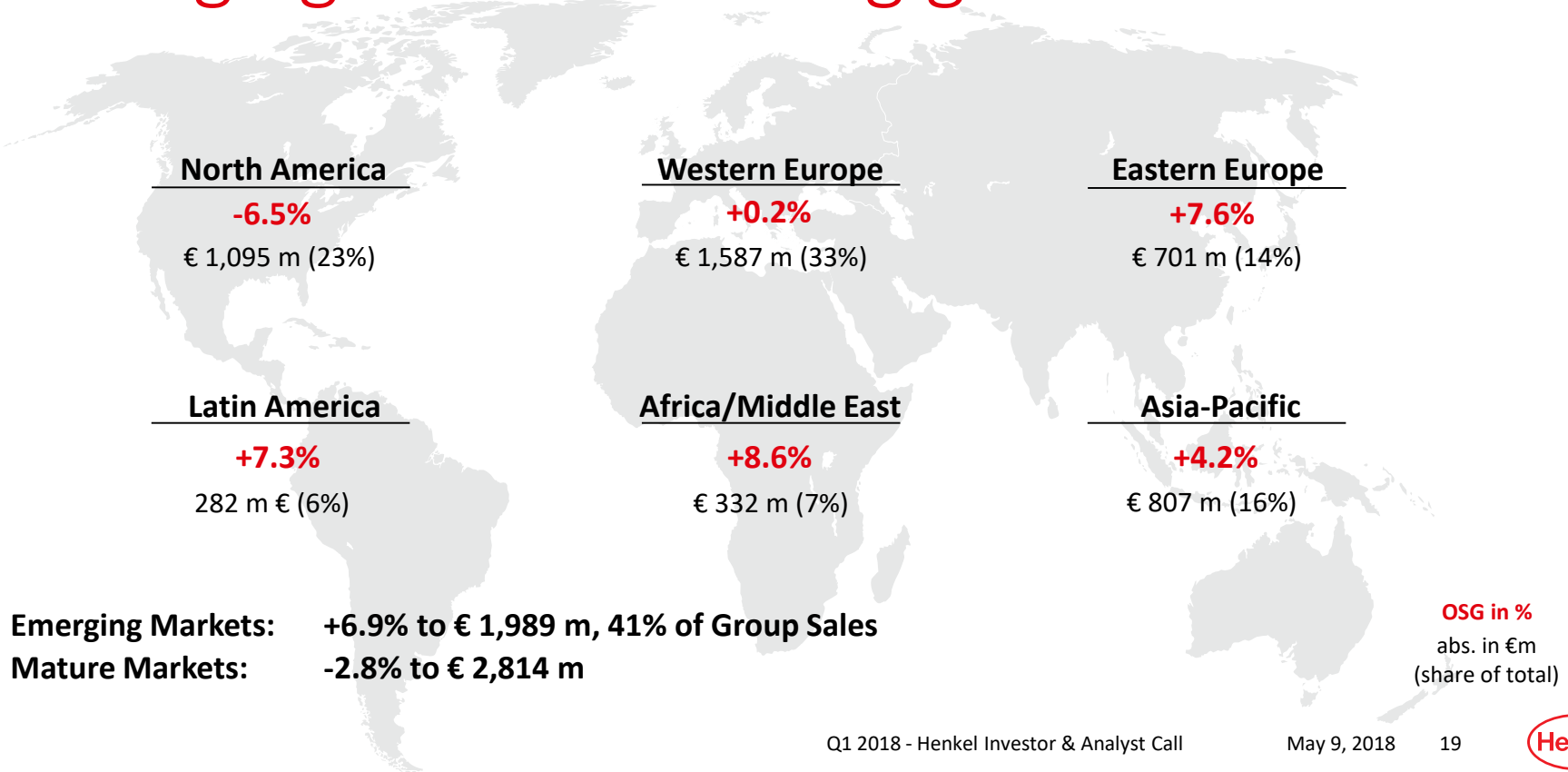


Quarterly Development of USD vs. EUR



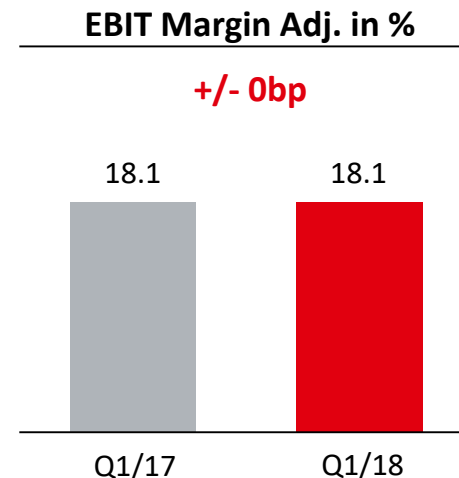
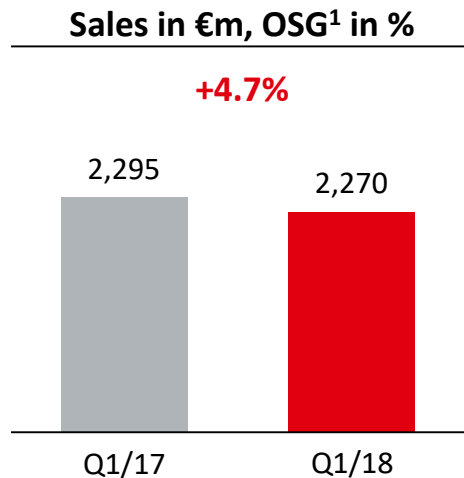
¹ Full year 2017 group revenue exposure in EUR terms

Emerging Markets driving growth



Adhesive Technologies

Key Financials Q1 2018



Very strong growth driven by all business areas

Continued implementation of price increases and strict cost management offset direct material headwinds

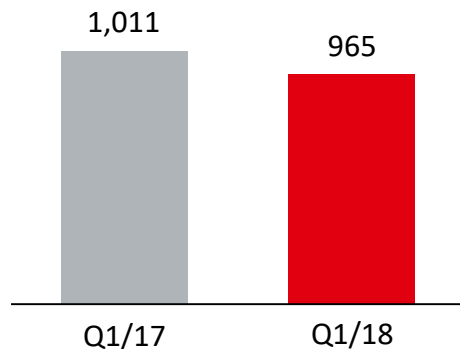
¹ Volume: 3.6% Price: 1.1%

Beauty Care

Key Financials Q1 2018

Sales in €m, OSG¹ in %

-4.3%



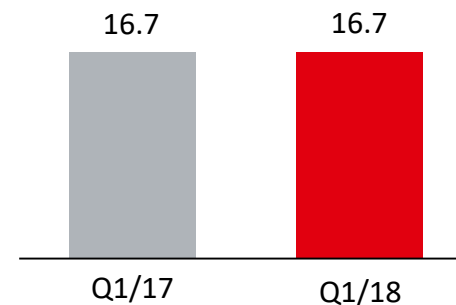
Regional Performance

Mature Markets: negative, due to North America, Western Europe mixed

Emerging Markets: very strong, mainly driven by Eastern Europe

EBIT Margin Adj. in %

+/- 0bp



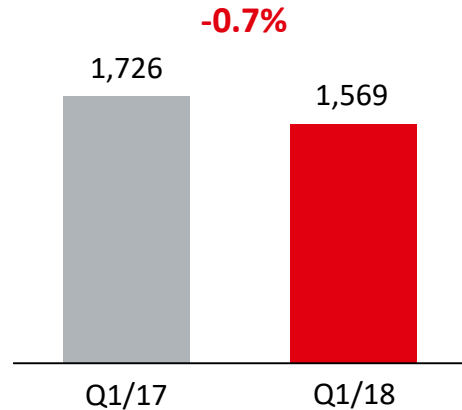
Hair Professional with strong growth, Retail negative
Continued good profitability level despite challenges

¹ Volume: -3.6% Price: -0.7%

Laundry & Home Care

Key Financials Q1 2018

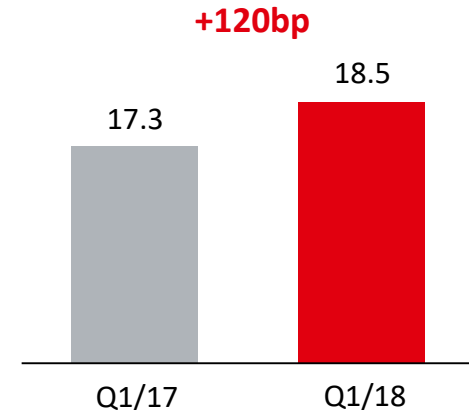
Sales in €m, OSG¹ in %



Regional Performance



EBIT Margin Adj. in %



Laundry Care negative, Home Care with good organic growth

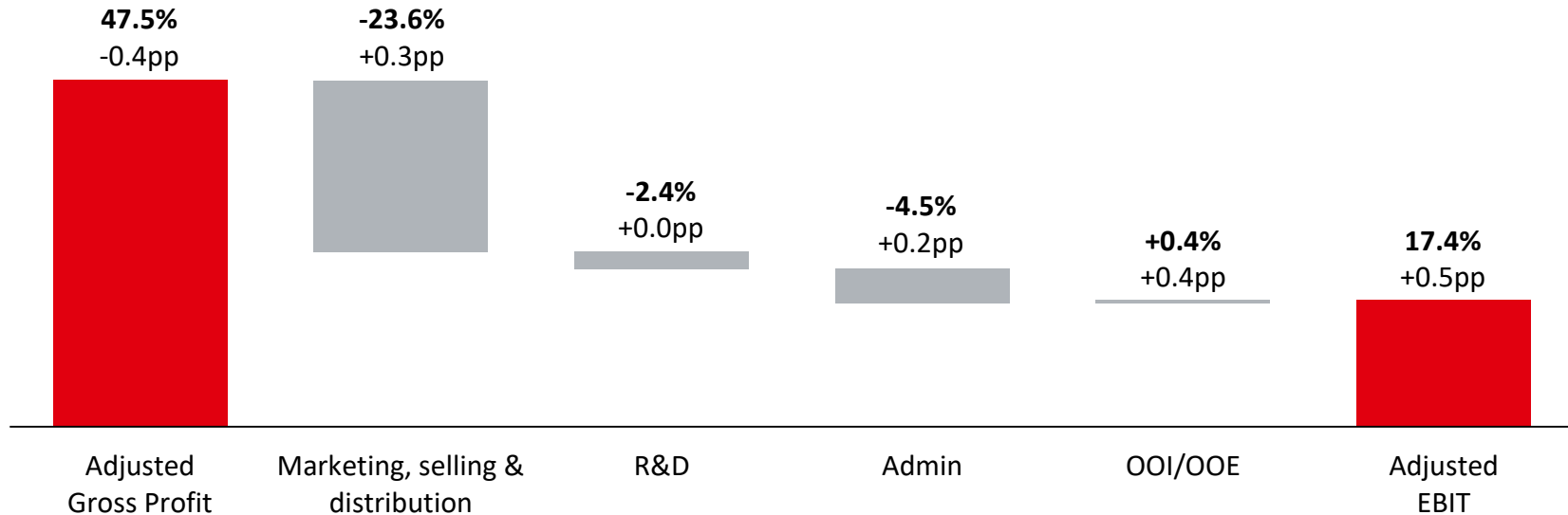
Excellent increase in profitability driven by continued realization of Sun synergies and Fund Growth initiatives

¹ Volume: -1.1% Price: 0.4%

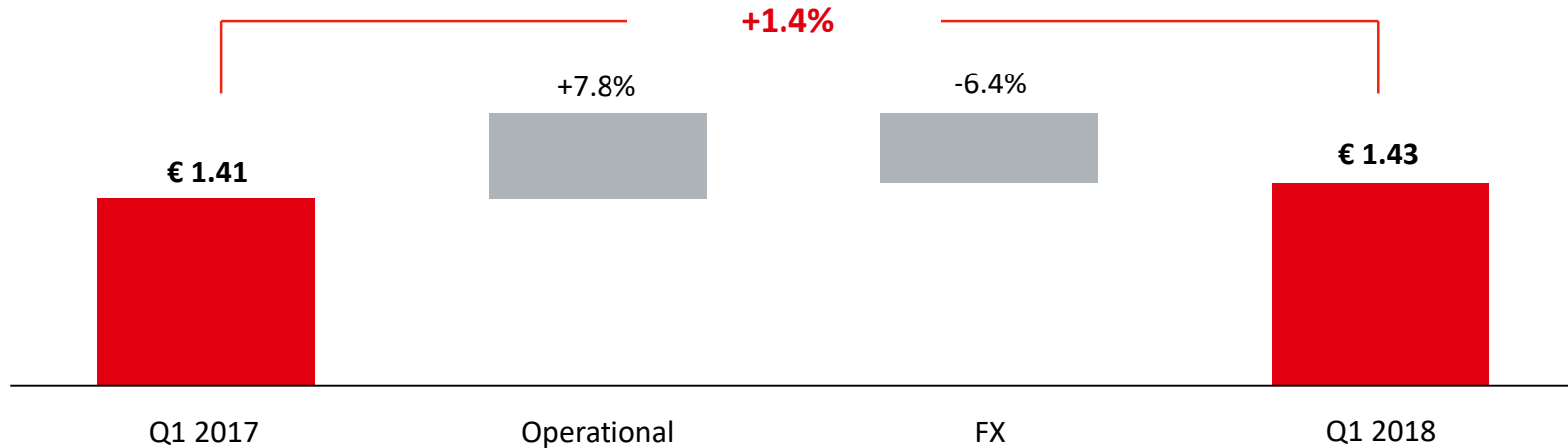
Adjusted Gross Profit to Adjusted EBIT

in % of sales

Impact on Adjusted EBIT Margin in pp vs. PY



Strong FX-adjusted EPS growth

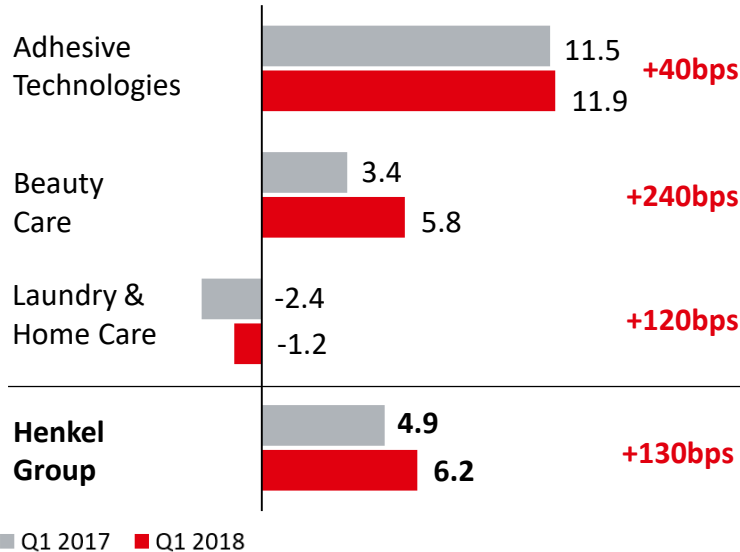


Strong FX-headwinds in the first quarter even above Q4 2017 impact

Excluding FX, continued strong EPS performance despite delivery difficulties in North America

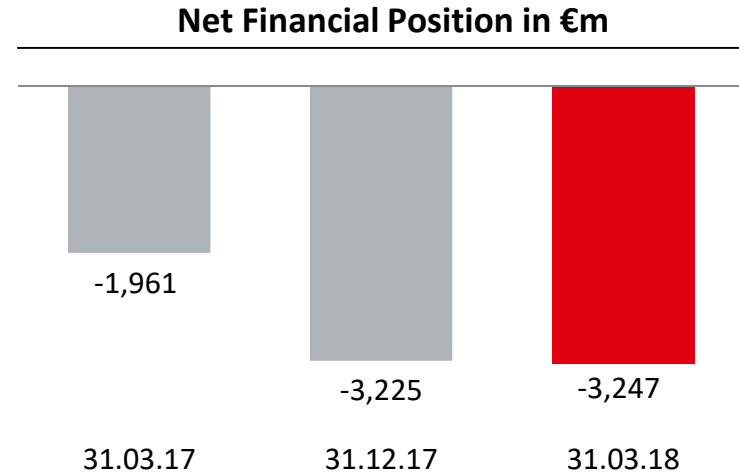
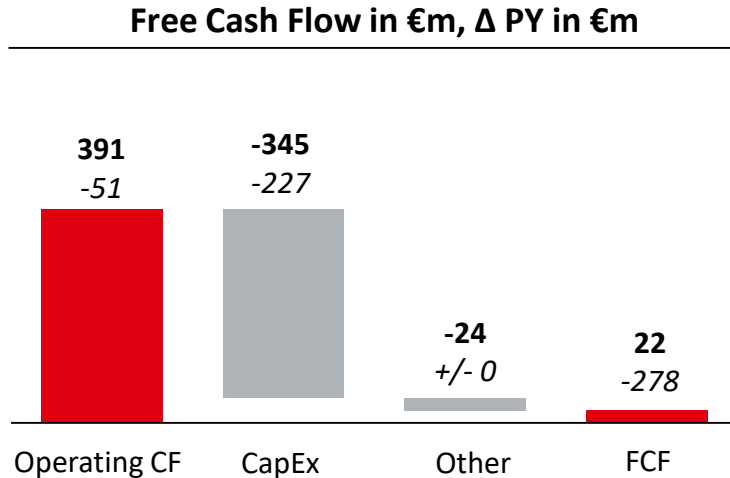
Net Working Capital above prior year

in %



- Adjusted for acquisition effects Net Working Capital of Adhesive Technologies close to prior-year level
- Increase in Beauty Care due to delivery difficulties in North America and acquisitions
- Laundry & Home Care negatively affected by delivery difficulties in North America

Higher CapEx affecting Free Cash Flow



FCF impacted by NWC development and higher CapEx due to a technology acquisition
Net Financial Position remains stable, continuously strong balance sheet

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Guidance 2018

	FY 2018 – previously	FY 2018 – updated¹
Organic Sales Growth	2 - 4% All Business Units within this range	Henkel: 2 - 4% Adhesive Technologies: 2 - 4% Beauty Care: 0 - 2% Laundry & Home Care: 2 - 4%
Adjusted EBIT Margin	Improvement to a level above 17.5%	Improvement to a level above 17.5%
Adjusted EPS Growth	5 - 8% Reflecting currency uncertainty	5 - 8% Reflecting currency uncertainty

¹ Updated on March 19, 2018

Committed to deliver on our Outlook 2018

- Build on strong momentum in Adhesive Technologies and continue to outperform competition
- Get back to normal service level in North American consumer businesses in Q2
- Fully focus on implementation of innovation strategy in Beauty Care and Laundry & Home Care
- Execute fund growth initiatives to support investments and bottom-line
- Focus on Net Working Capital improvement
- Successfully complete integration of acquisitions

Key take-aways

- Positive organic sales growth driven by very strong performance of Adhesive Technologies
- Delivery difficulties in NA affecting Q1 results, on track to normal service level in Q2
- Significant headwinds from FX impacting top and bottom line
- Very strong improvement of adjusted EBIT margin thanks to continued cost focus
- Guidance for 2018 confirmed



Upcoming Events

- May 29, 2018 Investor & Analyst Day Laundry & Home Care, Düsseldorf
- August 16, 2018 Q2 2018 Earnings Release
- November 15, 2018 Q3 2018 Earnings Release
- February 21, 2019 FY 2018 Earnings Release
- April 8, 2019 Annual General Meeting

Thank You

FY 2018: Additional input for selected KPIs

Prices for Direct Materials

**Moderate increase
vs. the level of the prior year**

Restructuring Charges

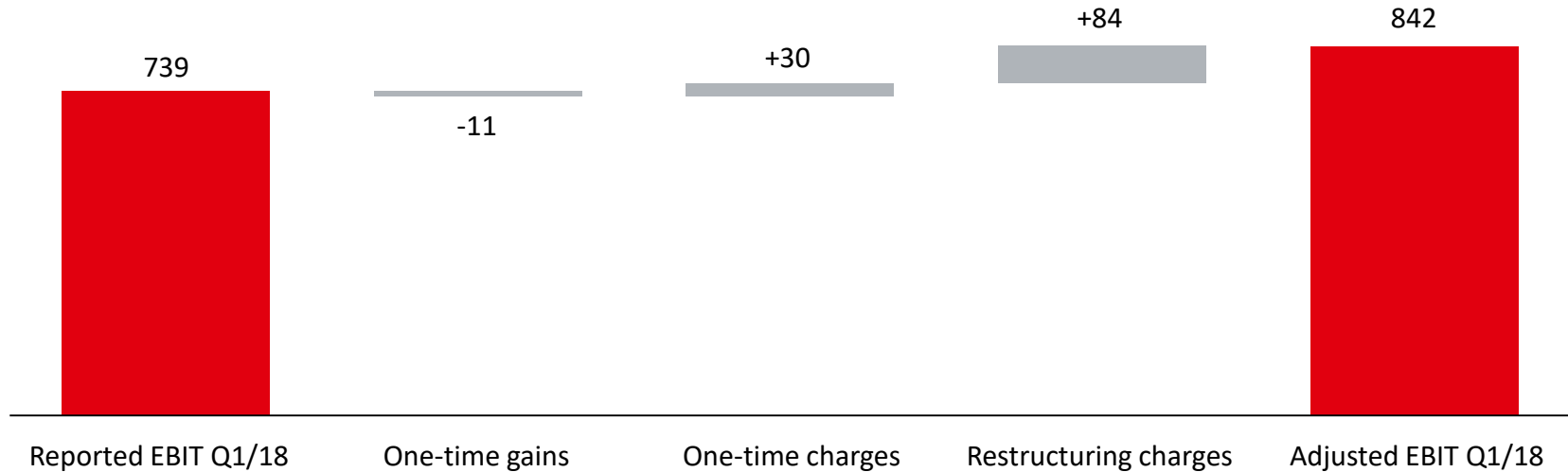
€ 200 – 250 m

CapEx

€ 750 – 850 m

Adaptation of our structures to the market

in €m



Thank You