



News Release

April 8, 2019

Annual General Meeting 2019

Focus on sustainable profitable growth

- **Fiscal 2018 with record levels in earnings and profitability**
- **Record dividend of 1.85 euros per preferred share proposed (+3.4%)**
- **Very good progress in implementation of strategic priorities**
- **Growth initiatives underline commitment to profitable growth**
- **Full-year outlook 2019 confirmed**

Düsseldorf – At Henkel’s Annual General Meeting today, Henkel CEO Hans Van Bylen presented the **key developments of the fiscal year 2018** and outlined the **progress in implementing the company’s strategic priorities**. Furthermore, he elaborated on the **growth initiatives** the company has announced at the beginning of the year. Based on Henkel’s good business performance in fiscal 2018, Hans Van Bylen announced the payout of the **highest dividend in the company’s history**. He also confirmed the **outlook for the current fiscal year 2019**.

“Henkel is **financially very healthy**. In 2018, we continued to deliver **profitable growth** for Henkel. We achieved good organic growth with **new highs in earnings and profitability**. That is why we proposed to the Annual General Meeting a **record dividend of 1.85 euros per preferred share**,” said Hans Van Bylen. “This is a result of the **commitment of our around 53,000 employees**. Their dedication, their entrepreneurial spirit and their customer focus are the foundation for the successful development of our company in 2018. Therefore, on behalf of the entire Management Board, I would like to express my gratitude to our employees.”

Dr. Simone Bagel-Trah, Chairwoman of the Shareholders' Committee and the Supervisory Board, thanked the Management Board as well as all employees for their great commitment in the fiscal year 2018.

Hans Van Bylen and Dr. Simone Bagel-Trah also **thanked Kathrin Menges** for her contributions to the company. She has been working for Henkel for 20 years and has been member of the Henkel Management Board since 2011, responsible for Human Resources, Infrastructure Services and Sustainability. Effective April 9, 2019, **Sylvie Nicol will succeed Kathrin Menges in the Management Board.**

Dividend reaches new record level

A **dividend increase by 3.4 percent for both share classes** to 1.85 euros per preferred share and 1.83 euros per ordinary share was proposed to the Annual General Meeting. "These represent **new highs**," said Hans Van Bylen. "This reflects our commitment to delivering **attractive returns** for our shareholders. We will continue this path going forward."

Therefore, Henkel has announced to increase the bandwidth of the **dividend payout ratio to 30 to 40 percent** (previously 25 to 35 percent).

Outlook for fiscal year 2019

Commenting on the expectations for the economic environment in the current fiscal year, Hans Van Bylen said: "We continue to operate in a **challenging market environment** which is characterized by uncertainties and volatility. Overall, we expect the **currency effects** to become weaker in fiscal 2019 compared to the prior year. But we still expect a negative impact in the low single-digit percentage range. We also anticipate an increase of **commodity prices** in the low single-digit percentage range."

At the same time, Hans Van Bylen confirmed the **outlook** for the fiscal year 2019: Henkel expects an **organic sales growth** of between 2 and 4 percent. The company

expects for the **adjusted EBIT margin** a range of 16 to 17 percent and an **adjusted EPS development** in the mid-single percentage range below prior year at constant exchange rates.

Henkel 2020⁺: Implementation of strategic priorities well on track

“We are pursuing a **clear long-term strategy** for Henkel: We want to generate sustainable profitable growth,” said Hans Van Bylen. Therefore, Henkel has defined **four strategic priorities**: drive growth, accelerate digitalization, increase agility and fund growth. “Over the past two years, we have made very good progress in implementing our strategy and successfully **realized key strategic initiatives** in all areas.”

To capture **additional growth opportunities**, mainly in its **consumer goods businesses**, and to further accelerate the **digital transformation**, Henkel announced in January to step up investments by around 300 million euros annually from 2019 onwards.

Clear commitment to Europe

Looking at the European elections in May, Hans Van Bylen called for a united appearance in Europe: “Europe is an economic area with around 500 million people. We have a **clear interest in a strong Europe**. That’s what we are committed to. Even if there is much to do and much must evolve. So that Europe will continue to be successful in international competition in the future and to stand for peace and prosperity.”

Social responsibility

Henkel has held a **leading position in the field of sustainability** for many years. In 2018, Henkel's achievements were again recognized in various rankings and ratings. "Sustainable thinking and action are part of our corporate culture and values. We see sustainable action as a competitive advantage," said Hans Van Bylen.

A particular focus is on the **responsible use** of plastics. Henkel has set itself ambitious goals in this area. For fully recyclable packaging and a higher proportion of recycled plastics. Henkel is also involved in various **international initiatives and partnerships**. These include the 'Plastic Bank' and the 'Alliance to End Plastic Waste'. However, Hans Van Bylen said that a solution to this challenge could only be achieved together.

Promoting diversity

Commenting on the importance of diversity at Henkel, Hans Van Bylen said: "We operate in over 100 countries around the world and we promote diversity within the company. For us, having a **diverse workforce is a clear success factor**. This relates not just to different nationalities and cultures. But also to the proportion of women in our workforce. "Here, Henkel holds a top position in the DAX," said Hans Van Bylen.

For more information on the Annual General Meeting, please visit our website:

Investors & Analysts

www.henkel.com/investors-and-analysts/annual-general-meeting

Press & Media

www.henkel.com/press-and-media/press-releases-and-kits/2019-04-08-annual-general-meeting-2019-923206

- AGM live webcast (from 10.00 a.m.)
- Statement by Hans Van Bylen (from 10.15 a.m.)
- Press photos of the AGM (from noon)
- News release on the results of the AGM (in the course of the afternoon)

About Henkel

Henkel operates globally with a well-balanced and diversified portfolio. The company holds leading positions with its three business units in both industrial and consumer businesses thanks to strong brands, innovations and technologies. Henkel Adhesive Technologies is the global leader in the adhesives market – across all industry segments worldwide. In its Laundry & Home Care and Beauty Care businesses, Henkel holds leading positions in many markets and categories around the world. Founded in 1876, Henkel looks back on more than 140 years of success. In 2018, Henkel reported sales of around 20 billion euros and adjusted operating profit of around 3.5 billion euros. Henkel employs around 53,000 people globally – a passionate and highly diverse team, united by a strong company culture, a common purpose to create sustainable value, and shared values. As a recognized leader in sustainability, Henkel holds top positions in many international indices and rankings. Henkel's preferred shares are listed in the German stock index DAX. For more information, please visit www.henkel.com.

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.

This document includes – in the applicable financial reporting framework not clearly defined – supplemental financial measures that are or may be alternative performance measures (non-GAAP-measures). These supplemental financial measures should not be viewed in isolation or as alternatives to measures of Henkel's net assets and financial positions or results of operations as presented in accordance with the applicable financial reporting framework in its Consolidated Financial Statements. Other companies that report or describe similarly titled alternative performance measures may calculate them differently.

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Contacts

Investors & Analysts

Lars Korinth

Phone: +49 211 797 - 1631

Email: lars.korinth@henkel.com

Mona Niermann

Phone: +49 211 797 - 7151

Email: mona.niermann@henkel.com

Steffen Nix

Phone: +49 211 797 - 6459

Email: steffen.nix@henkel.com

Dorothee Brinkmann

Phone: +49 211 797 - 5299

Email: dorothee.brinkmann@henkel.com

Press & Media

Lars Witteck

Phone: +49 211 797 - 2606

Email: lars.witteck@henkel.com

Wulf Klüppelholz

Phone: +49 211 797 - 1875

Email: wulf.klueppelholz@henkel.com

Jennifer Ott

Phone: +49 211 797 - 2756

Email: jennifer.ott@henkel.com

Hanna Philipps

Phone: +49 211 797 - 3626

Email: hanna.philipps@henkel.com

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