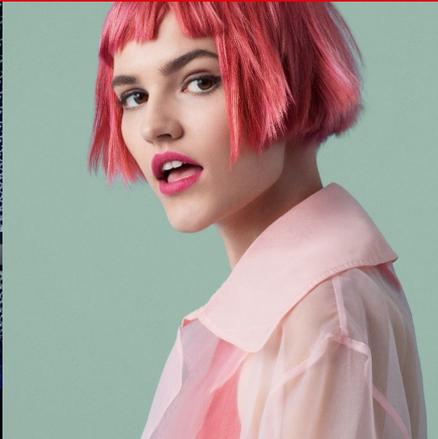




# INVESTOR FACTBOOK

HENKEL INVESTOR RELATIONS



# DISCLAIMER

This presentation 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.

This document has been issued for information purposes only and is not intended to constitute an investment advice or an offer to sell, or a solicitation of an offer to buy, any securities.



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SALES

€20.1 BN



SUSTAINABILITY  
DEEPLY ROOTED:

-50%

LESS CO<sub>2</sub> EMISSIONS  
PER TON OF  
PRODUCT<sup>1</sup>

WE ARE ACTIVE IN

79 COUNTRIES

€2.7 BN

ADJUSTED OPERATING  
PROFIT (EBIT)

STRONG BALANCE SHEET  
& CASH GENERATION  
CAPABILITIES



WE EMPLOY MORE THAN

52,000

PEOPLE WORLDWIDE FROM  
124 NATIONALITIES

HIGH NUMBER  
OF M&A DEALS  
EXECUTED

AROUND

38%

WOMEN IN  
MANAGEMENT



<sup>1</sup> Figure relates to the 2021 fiscal year compared to the 2010 base year



# GLOBAL PLAYER WITH LEADING POSITIONS IN BRANDS AND TECHNOLOGIES

## INDUSTRIAL BUSINESS

### Adhesive Technologies



**LOCTITE** **TECHNOMELT** **BONDERITE**

Globally leading positions  
#1 Global

## CONSUMER BUSINESSES

### Laundry & Home Care



**Persil** **all** **Bref**

#1 Europe  
#2 North America

### Beauty Care



Schwarzkopf **Dial** **syoss**

#1 Styling / #2 Hair Coloration  
#3 Hair Professional

# HENKEL GROUP KEY FINANCIALS 2021

ORGANIC  
SALES GROWTH

7.8%

Significant organic growth supported by all business units

ADJUSTED  
EBIT MARGIN

13.4%

Strong volume growth and pricing / savings offsetting accelerated headwinds from direct material prices

ADJUSTED  
EPS<sup>1</sup>

€4.56

+9.2% at constant currencies

FREE  
CASH FLOW

€1.5 bn

Net financial position improved to €-0.3 bn

DIVIDEND

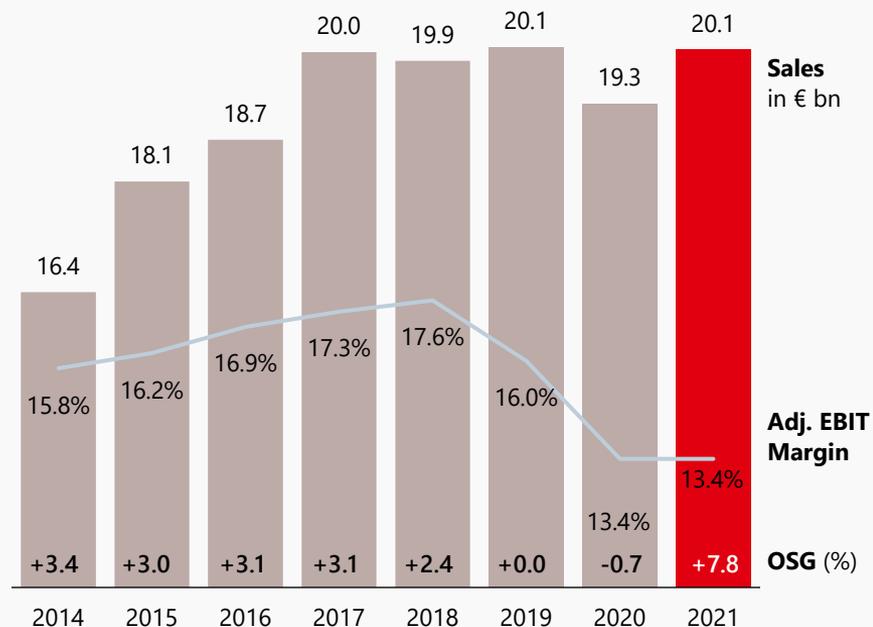
€1.85

Sustaining track record of at least stable pay-out

# HENKEL GROUP FINANCIALS

## Good business performance in 2021

- Sales reaching € 20.1 bn, nominally up by 4.2%, organic sales growth 7.8%
- Adj. EBIT at € 2.7 bn, 4.2% above the prior year level
- Adj. EBIT Margin on prior year level at 13.4%
- Adj. EPS<sup>1</sup> 7.0% above previous year, 9.2% at constant currencies

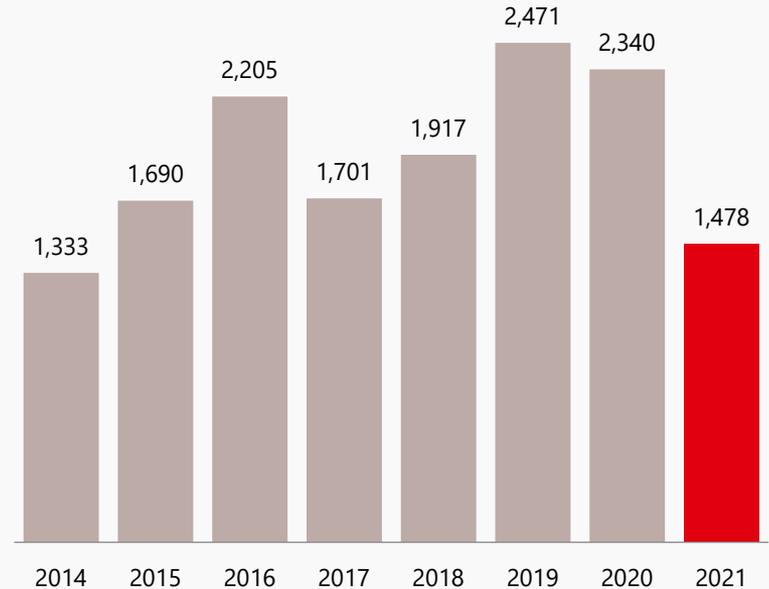


# HENKEL GROUP FINANCIALS

## Strong and consistent cash generation

- Continued focus on long-term cash expansion driven by operating performance, efficient capital management and disciplined CapEX
- Very robust balance sheet with net financial position of € -292 m as of December 31, 2021
- Cash generation capabilities and low debt levels provide sufficient room to maneuver

Free cash flow  
in € m



# STRINGENT EXECUTION OF CAPITAL ALLOCATION STRATEGY

- Asset-light business model; relatively low CapEx requirement
- Investing in growth, capacity expansion and sustainability/digital
- Total CapEx equivalent to 3.2% of Group sales in 2021

INVESTMENTS  
2021

€640 m

ACQUISITIONS  
2021

€166 m

- M&A integral part of strategy with disciplined approach and commitment to single-A rating
- Complemented by selected Venture Capital investments

- Stable dividend proposal to AGM, equivalent to 40.5% pay-out
- Dividend policy unchanged going forward at 30-40%
- Dividend growing or at least stable every year since IPO

DIVIDEND  
FOR 2021

€1.85

SHARE BUYBACK  
2022/23

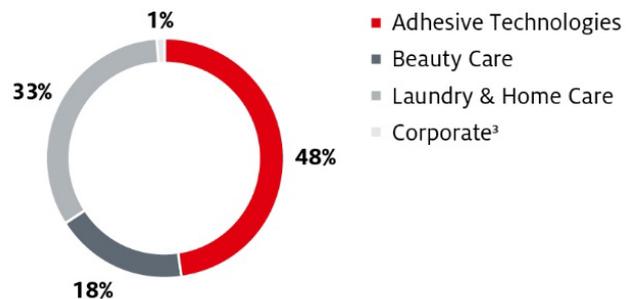
€1 bn

- Buyback started on Feb 15
- Up to €1 bn to be purchased until end of Q1 2023

# HENKEL GROUP SALES 2021

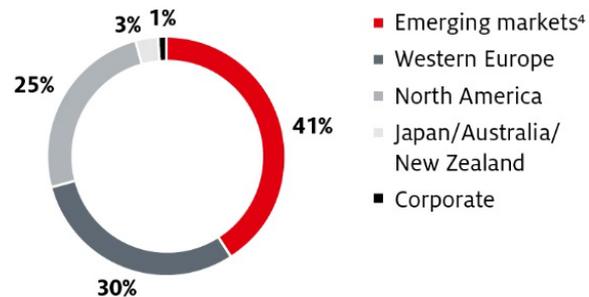
TOTAL SALES: € 20,066 M

## Sales by business unit 2021



<sup>3</sup> sales and services not assignable to the individual business units.

## Sales by region 2021

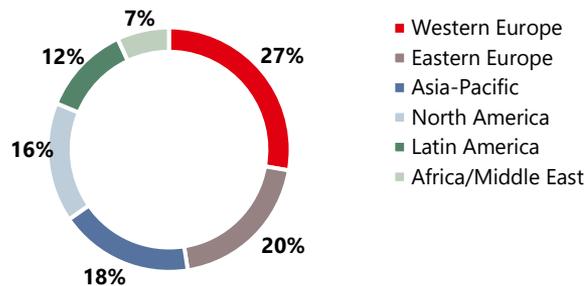


<sup>4</sup> Eastern Europe, Africa/Middle East, Latin America, Asia (excluding Japan)

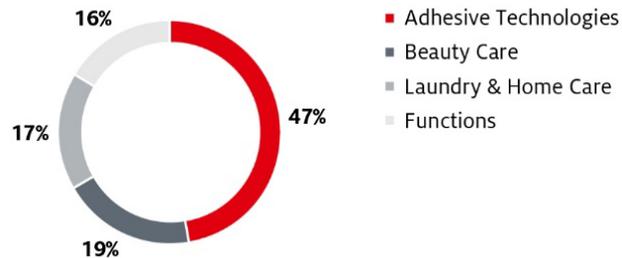
# HENKEL GROUP EMPLOYEES 2021

NUMBER OF EMPLOYEES<sup>1</sup>: 52,450

Employees by region<sup>1</sup>



Employees by organizational unit<sup>1</sup>



# OUTLOOK 2022

## ORGANIC SALES GROWTH<sup>1</sup>

**+3.5 to 5.5%**

ADHESIVE TECHNOLOGIES	+8.0 to 10.0%
BEAUTY CARE	-5.0 to -3.0%
LAUNDRY & HOME CARE	+2.0 to 4.0%

## ADJUSTED EBIT MARGIN

**9.0 to 11.0%**

ADHESIVE TECHNOLOGIES	13.0 to 15.0%
BEAUTY CARE	5.0 to 7.0%
LAUNDRY & HOME CARE	7.0 to 9.0%

## ADJUSTED EPS<sup>2</sup> GROWTH

**-35 to -15%**

At constant exchange rates  
reflecting high level of  
market uncertainty  
and volatility

# OUTLOOK 2022

## ADDITIONAL INPUT FOR SELECTED KPIS

Currency Impact on Sales	Low single-digit % positive <sup>1</sup>
M&A Impact on Sales	Low to mid-single-digit % negative <sup>2</sup>
Prices for Direct Materials	Increase by mid twenties % <sup>1</sup>
Restructuring Charges	€ 450 – 500m <sup>3</sup>
CapEx	€ 700 – 800m

<sup>1</sup> versus the prior year average    <sup>2</sup> including effect from exiting Russia and Belarus

<sup>3</sup> including restructuring charges related to the merger of Laundry & Home Care and Beauty Care; excluding potential restructuring charges related to exiting Russia

# KEY ASSUMPTIONS FOR OUTLOOK 2022

## WAR IN UKRAINE

- **Exit of business activities in Russia and Belarus** significantly impacting Group sales<sup>1</sup> and profitability
- **Noticeable effect from business in Ukraine** on Group sales and profitability
- **Broadly impacting global economies and markets** with further acceleration of price increases for direct materials and logistics paired with substantial volatility

### Local footprint (FY 2021)

	Russia & Belarus	Ukraine
GROUP SALES %	~5%	<1%
ADJ. EBIT MARGIN	roughly in line with Group	
ASSETS	Mid triple-digit m€	Low double-digit m€

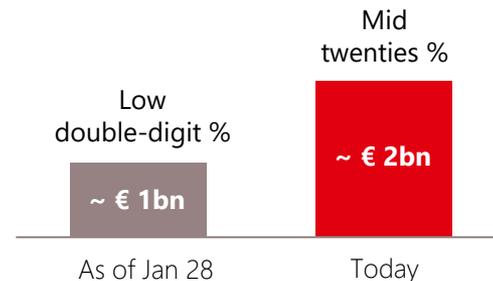


# KEY ASSUMPTIONS FOR OUTLOOK 2022

## DRASTIC ACCELERATION OF INPUT COSTS

- **Unprecedented headwinds** from direct materials: average price increases of **mid twenties %**
- **High uncertainty and volatility** reflected in earnings outlook ranges
- **Step up in countermeasures** including **additional pricing efforts** and savings initiatives
- Level of compensation also depending on **feasibility** and respective **timing of pricing initiatives**
- **Negative mathematical effect** on margin resulting from passing on in absolute terms significantly higher input cost

### Expected direct materials gross price increases in FY22<sup>1</sup>



### Change in feedstock gross price assumptions for FY22<sup>2</sup>

Brent Crude Oil	+38%	Paper	+14%
Palm Kernel Oil	+42%	Polyethylene	+20%

# MID- TO LONG-TERM AMBITION

	HENKEL GROUP	ADHESIVE TECHNOLOGIES	CONSUMER BRANDS
ORGANIC SALES GROWTH	3 to 4%	3 to 5%	3 to 4%
ADJUSTED EBIT MARGIN	~16%	high teens %	mid teens %
ADJUSTED EPS GROWTH	mid- to high single-digit % at constant exchange rates, including M&A		
FREE CASH FLOW	continued focus on Free Cash Flow expansion		



Compelling financial ambition for the **Henkel Group**

and the **Adhesive Technologies** and **Consumer Brands** business units

# OUR PURPOSE, VISION AND VALUES

Pioneers at heart  
for the good of generations

---

**PURPOSE**

Win the 20s by outperforming the markets  
through innovative and sustainable solutions

---

**VISION**

We put our customers at the center of what we do  
We value, challenge and reward our people  
We drive excellent sustainable financial performance  
We are committed to leadership in sustainability  
We shape our future with a strong entrepreneurial spirit  
based on our family business tradition

---

**VALUES**

# PIONEERS AT HEART FOR THE GOOD OF GENERA TIONS

Our Purpose expresses what unites us all at Henkel: Pioneers at heart for the good of generations. We are a diverse team of more than 52,000 colleagues worldwide, striving to enrich and improve life every day through our products, services, and solutions. Our Purpose is built from our roots and carries a long-standing legacy of innovation, responsibility, and sustainability into the future. Our shared values and leadership commitments guide our decisions and actions every day.



# OUR PURPOSE, VISION AND VALUES

## **PURPOSE**

PIONEERS AT HEART FOR THE GOOD OF GENERATIONS

## **VISION**

WIN THE 20S BY OUTPERFORMING THE MARKETS  
THROUGH INNOVATIVE AND SUSTAINABLE SOLUTIONS

## **VALUES**

WE PUT  
OUR **CUSTOMERS  
AND CONSUMERS**  
AT THE CENTER OF  
WHAT WE DO.

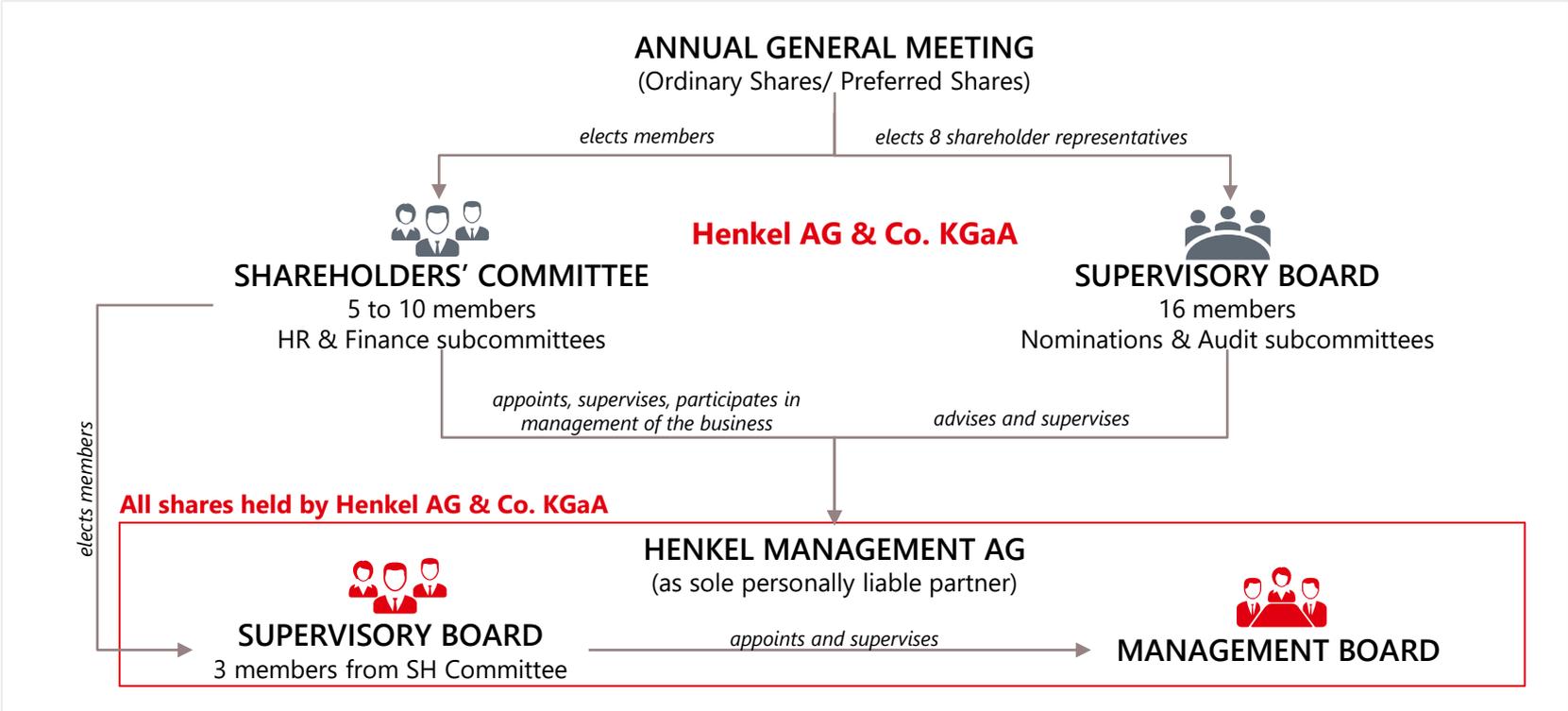
WE VALUE,  
CHALLENGE  
AND REWARD  
OUR **PEOPLE**.

WE DRIVE  
EXCELLENT  
SUSTAINABLE  
**FINANCIAL  
PERFORMANCE**.

WE ARE COMMITTED  
TO LEADERSHIP  
IN **SUSTAINABILITY**.

WE SHAPE OUR FUTURE WITH  
A STRONG ENTREPRENEURIAL  
SPIRIT BASED ON OUR **FAMILY  
BUSINESS** TRADITION.

# MANAGEMENT STRUCTURE – HENKEL AG & CO. KGAA



# MANAGEMENT BOARD



**CARSTEN KNOBEL**  
CEO

Born 1969, with Henkel since 1995, Member of Board since 2012



**MARCO SWOBODA**  
Finance, Purchasing & Global Business Solutions

Born 1971, with Henkel since 1997, Member of Board since 2020



**SYLVIE NICOL**  
HR & Infrastructure Services

Born 1973, with Henkel since 1996, Member of Board since 2019



**JAN-DIRK AURIS**  
Adhesive Technologies

Born 1968, with Henkel since 1984, Member of Board since 2011



**WOLFGANG KÖNIG**  
Beauty Care

Born 1972, with Henkel since 2021, Member of Board since June 2021



**BRUNO PIACENZA**  
Laundry & Home Care

Born 1965, with Henkel since 1990, Member of Board since 2011

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# WIN THE 20s THROUGH **PURPOSEFUL GROWTH**

WINNING  
**PORTFOLIO**

COMPETITIVE **EDGE**

INNOVATION

SUSTAINABILITY

DIGITALIZATION

FUTURE-READY  
**OPERATING  
MODELS**

COLLABORATIVE **CULTURE**  
& EMPOWERED **PEOPLE**

WINNING  
**PORTFOLIO**

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# ACTIVE PORTFOLIO MANAGEMENT

Brands and categories identified for portfolio measures (Turnaround & Divestment / Discontinuation) with

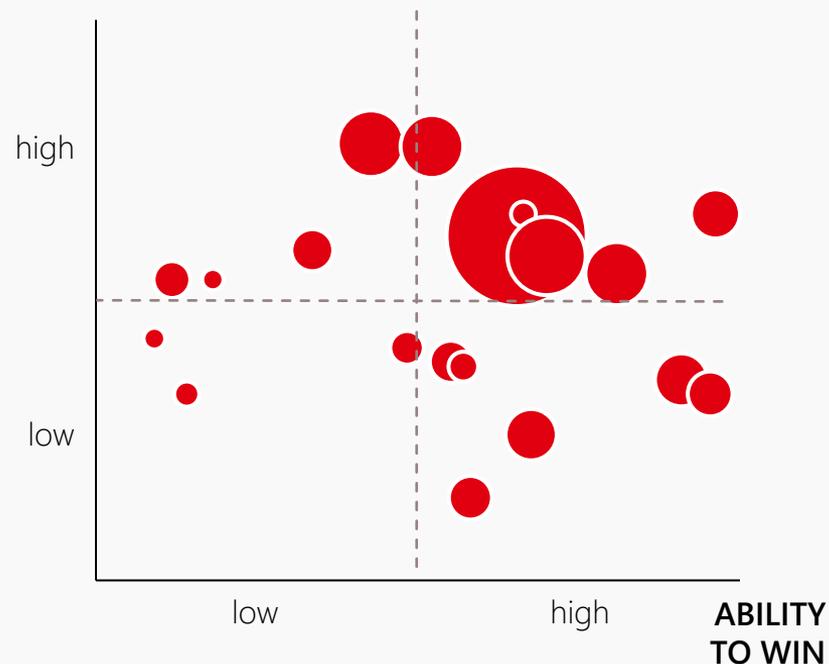
**> € 1 bn**

Total sales volume  
Around

**50%**

Of identified sales marked for divestment or discontinuation  
**from beginning of 2020 until the end of 2021**

## MARKET ATTRACTIVENESS



Illustrative representation

# ACTIVE PORTFOLIO MANAGEMENT

## M&A integral part of our strategy

- Key criteria: Availability of Target, Strategic Fit & Financial Attractiveness
- Expand technology leadership in Adhesive Technologies
- Focus on leading country/category positions, new business models and white spots in Consumer businesses

**~ 13.2** bn € invested in M&A since 2008

**100** percent of investment was cash and/or debt-financed

**~ 23.5** bn € in free cash flow generated in 2008-21

# PROGRESS 2020/2021

## ACTIVE PORTFOLIO MANAGEMENT

**Target achieved:** Brands and businesses with total sales volume of ~€0.5 bn **divested or discontinued** in 2020/2021



## PORTFOLIO STRENGTHENED WITH ACQUISITIONS

More than **€600 m total spend**, adding **annual revenues of >€200 m**

Enhancing portfolio **across all three business units**

## NEXT LEVEL

- Further shaping consumer portfolio based on comprehensive review with focus on attractive growth and margin potential
- M&A remains integral part of our strategy, with clear criteria: availability of target, strategic fit, financial attractiveness

WINNING  
**PORTFOLIO**

COMPETITIVE **EDGE**

INNOVATION

SUSTAINABILITY

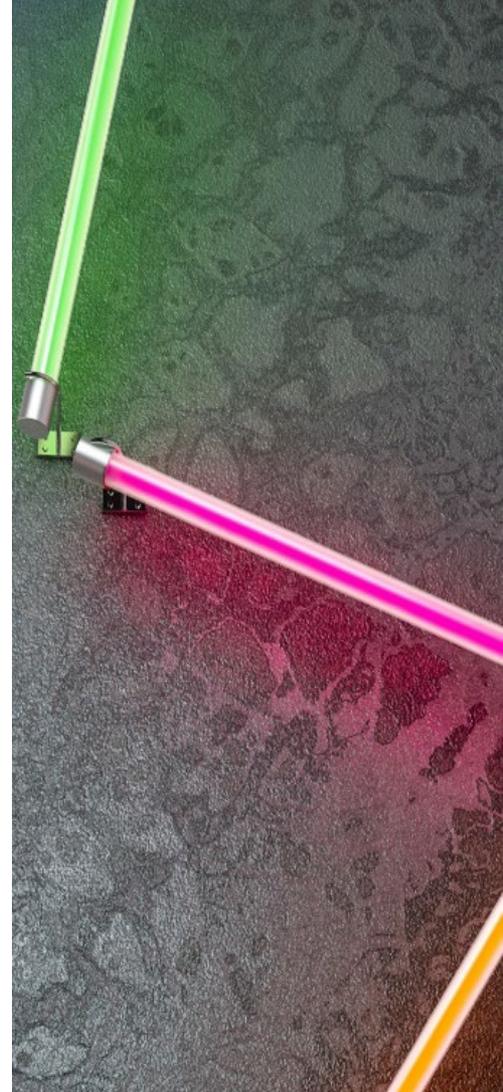
DIGITALIZATION

FUTURE-READY  
**OPERATING  
MODELS**

COLLABORATIVE **CULTURE**  
& EMPOWERED **PEOPLE**

# ENHANCE INNOVATION APPROACH

- Leverage digital tools and data for faster and better insights
- Intensify co-creation, open innovation and idea crowdsourcing
- Apply agile approaches and incubators for trend detection, testing & learning
- Enable creative leads by decision-making in the regions for the region
- Build Innovation Centers with state-of-the-art working space



# PROGRESS 2020/2021

## IMPACTFUL INNOVATIONS

Adhesive Technologies advancing with **high impact solutions** addressing global megatrends

Successful launches in Beauty Care and Laundry & Home Care **focusing on sustainability** and **growth segments**



## STRENGTHEN CUSTOMER COLLABORATION

New **state-of-the-art** Adhesive Technologies **Inspiration Center** in DUS

**Intensified collaboration** with start-ups, incubators and thinktanks

## NEXT LEVEL

- Launching new €150 m Venture Capital Fund II
- Continue investments to boost strong innovation pipeline and expand market positions
- Fully leverage potential of customer and consumer collaborations through innovation centers, D2C platforms and AI tools

# SUSTAINABILITY

**BECOME  
CLIMATE-  
POSITIVE  
BY 2030**



**Become climate-positive –  
accelerate towards 2025**

**65%**

reduction in the CO<sub>2</sub>  
emissions of our  
production

**100m t**

CO<sub>2</sub> saved together  
with our consumers,  
customers and  
suppliers

**ZERO PLASTIC  
WASTE  
INTO NATURE**



**Circular economy –  
ambitious 2025 targets**

**100%**

recyclable / reusable  
plastic packaging<sup>1</sup>

**50%**

reduction of fossil-  
based virgin plastics<sup>2</sup>



**Anchor sustainability  
in all we do**

**Consumer businesses:**

- Central pillar of innovation strategy
- Strengthen sustainability positioning and brand purpose
- New plastics strategy

**Adhesive Technologies:**

- Stronger positioning of sustainability
- Leveraging market potential
- Setting industry standards

<sup>1</sup> Excl. adhesive products where residue may affect recyclability or pollute recycling streams

<sup>2</sup> Consumer products

# PROGRESS 2020/2021

## KEY MILESTONES ACHIEVED

CO<sub>2</sub> reduced by **50%** – share of **green electricity** increased to **68%**

Share of **recyclability** of our packaging at **86%**



## ADVANCING PORTFOLIOS

Ongoing **transformation** of products and portfolios **towards sustainability contribution** across all business units



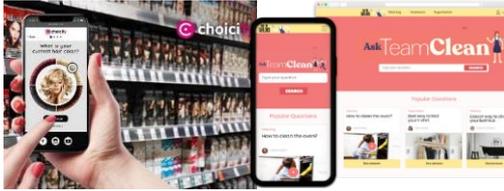
## EXTERNAL RECOGNITION

**Excellent results in ratings and rankings**, including EcoVadis Platinum Recognition Level, ISS ESG rating B+

## NEXT LEVEL

- Step up efforts guided by new 2030+ Sustainability Ambition Framework
- Further advance portfolios, making sustainability a true competitive differentiator for consumers and customers
- Advancing Adhesive Technologies portfolio building on comprehensive approach to map and track sustainability contribution

# DIGITALIZATION



## Boost 1:1 engagement and digital sales in consumer

- Scale-up IoT projects and D2C
- Build 1:1 consumer relationships leveraging eCRM
- Expand inhouse capabilities to enhance speed and relevance
- Drive digital sales growth through dedicated and unique e-Innos



## Drive E2E customer-centric digitalization in industrial

- Digitalization of customer experience across all touchpoints
  - End-to-end data integration to strengthen competitive advantage
  - Creation of innovative solutions through Analytics and AI
- Efficiency increase in Operations & Supply Chain
- Further build-up of expertise



## New setup of digital business

- Henkel dx as dedicated unit for market-oriented incubation & innovation
- Digital and IT combined under CDIO, reporting to CEO
- Business Technology continuously optimizing processes & IT systems to ensure efficiency

# PROGRESS 2020/2021

## STRONG E-COMMERCE EXPANSION

**Digital sales share** increased to more than **18%** on Group level in FY 2021

Organic **digital sales growth** of **~60%** across businesses vs. 2019

**B2B e-shops** in Adhesive Technologies and Beauty Care Professional boosting digital sales growth



## SUCCESSFUL INITIATIVES

Combined digital unit **Henkel dx** fully operational – investing in new initiatives while optimizing IT spend

**Pioneering role in industry 4.0** confirmed by WEF

## NEXT LEVEL

- Further strengthen e-shops as driver for digital sales growth
- Leverage hubs in Berlin & Shanghai with strong collaboration between dx and business units
- Scaling up new digital RAQN platform with focus on e-commerce

WINNING  
**PORTFOLIO**

COMPETITIVE **EDGE**

INNOVATION

SUSTAINABILITY

DIGITALIZATION

FUTURE-READY  
**OPERATING  
MODELS**

COLLABORATIVE **CULTURE**  
& EMPOWERED **PEOPLE**

# FUTURE-READY OPERATING MODELS



## Adhesive Technologies

- 11 Strategic Business Units (SBUs) focused on customers and markets
- End-to-end responsibility of SBUs enables fast customer responsiveness
- Driving synergies and competitive advantage through scale and know-how across portfolio



## Beauty Care

- Empowering the front line being closest to consumers and customers
- Design, develop and decide in the region for the region
- Global growth office to identify and prioritize buckets of growth
- Leaner structures with less layers and complexity



## Laundry & Home Care

- Enhanced regional focus for more synergies & empowerment with three regions
- New Digital & Game Changer Unit focusing on future growth fields
- New process and agile methods for more agility and customer & consumer proximity

# PROGRESS



## CLOSER TO CUSTOMERS & CONSUMERS

**Customer-centric organization** in **Adhesive Technologies** established

Organizational changes in **consumer businesses** for **more regional focus and customer proximity**

**Purchasing organization** aligned to business units, innovation and procurement markets



## EFFICIENT STRUCTURES AND COST FOCUS

Freeing up resources for sustained and **targeted investments into sustainability, digital and innovation**

## NEXT LEVEL

- Successful completion of Laundry & Home Care and Beauty Care merger into new Henkel Consumer Brands
- Optimization of support structures and stringent management of cost base

WINNING  
**PORTFOLIO**

COMPETITIVE **EDGE**

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# COLLABORATIVE CULTURE & EMPOWERED PEOPLE

***"PIONEERS AT HEART  
FOR THE GOOD  
OF GENERATIONS"***

## PURPOSE & CORPORATE BRAND

**New purpose as north star** of Henkel team and Purposeful Growth Strategy, supported by **launch of new corporate brand**

## CULTURAL TRANSFORMATION

**100% of top executives engaged** in new leadership trainings and 360° feedback



## NEW WAYS OF WORKING

**Holistic Smart Work concept** developed and global roll-out started



## NEXT LEVEL

- Continue cultural journey with a focus on 'enabling pioneers' with strong initiatives targeting all levels of the organization
- Complete roll-out of Smart Work concept focusing on health & well-being and digital workplaces
- Strengthen diversity, equity and inclusion across all dimensions

# WIN THE 20s THROUGH **PURPOSEFUL GROWTH**

WINNING  
**PORTFOLIO**

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# ACHIEVEMENTS 2020/2021

- Strong progress along all six pillars of Purposeful Growth Agenda since launch in early 2020
- Key milestones achieved, but also areas for improvement and need for change identified
- Clear priorities set for next level of implementation to fully leverage potential



# HIGHLIGHTS WAY FORWARD



CREATION OF HENKEL CONSUMER BRANDS



2030+ SUSTAINABILITY AMBITION FRAMEWORK



# HENKEL CONSUMER BRANDS

STRONG PLATFORM FOR GROWTH WITH  
ONE MULTI-CATEGORY CONSUMER GOODS UNIT BY  
MERGING LAUNDRY & HOME CARE AND BEAUTY CARE



# A WINNING COMBINATION

## Creating one multi-category platform for growth

- Stronger basis for shaping and growing the portfolio with clear must-haves to be part of Consumer Brands

## Unleash potential of combined scale

- Joint forces to advance in fields critical for success, leveraging substantial synergy potential to invest in growth and drive margin

## Empower one team to win

- One leadership team with leaner structures and faster decisions as well as bigger roles and opportunities for teams





# SHAPING CONSUMER PORTFOLIO

## Stronger basis to shape

- Clear ambition to step up active portfolio management, comprehensive strategic review process ongoing
- Focus on ability to win, growth potential and healthy gross margin
- First portfolio measures already decided and in implementation in Beauty Care, equivalent to 5pp of business unit revenue 2021

## Broader options to expand

- Creating stronger basis for acquisitions across the consumer space
- Short-term focus is on successful transformation
- M&A remains integral part of Consumer strategy, supported by strong balance sheet and cash flows



# LEAN ORGANIZATIONAL STRUCTURE WITH CUSTOMERS AND CHANNELS AT THE CENTER

## CLEAR STRUCTURE & RESPONSIBILITIES

Strong accountability  
with set-up of 4 regions

2 global categories:  
Laundry & Home Care, and  
Hair including Professional

Future structure and responsibilities  
already announced internally

## CUSTOMER & CHANNEL CENTRICITY

One face to retailer, trade, or  
channel partners across all  
our consumer categories

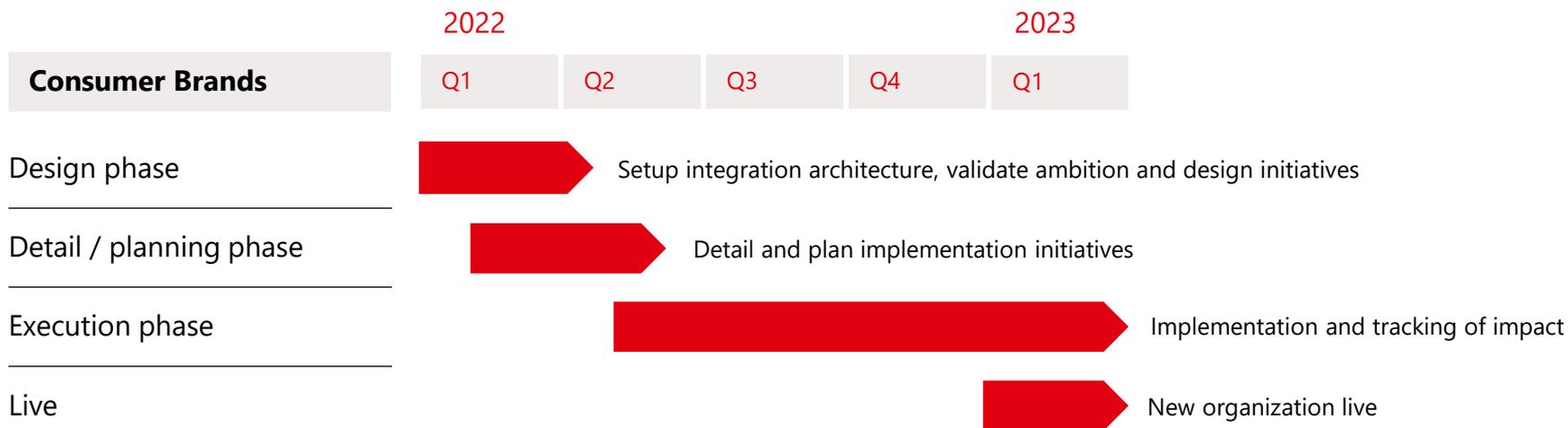
Joint capabilities: opportunity to  
deliver stronger growth and  
boost competitive edge

## SYNERGY POTENTIAL

Significant synergies expected in  
administration, sales & marketing  
and supply chain

Synergies to be  
re-invested in growth and  
to support profitability

# CLEAR PATH TOWARDS CREATION OF CONSUMER BRANDS



- Preparations for integration process started – with aim to have organization in place latest by beginning of 2023
- Further information on integration process, planned portfolio measures, expected synergies and restructuring expenses to be provided together with Q1 report on May 5, 2022

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# ADHESIVE TECHNOLOGIES 2021 SALES BY BUSINESS AREAS

## AUTOMOTIVE & METALS (22%)

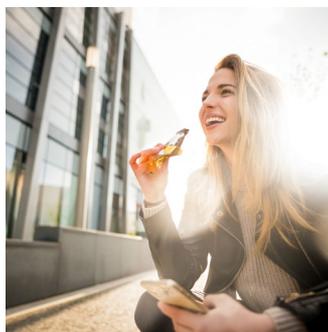


### Solutions for:

Automotive OEMs & Components,  
Metals

#1 worldwide

## PACKAGING & CONSUMER GOODS (32%)



### Solutions for:

Packing, Consumer Goods &  
Lifestyle Products

#1 worldwide

## ELECTRONICS & INDUSTRIALS (15%)



### Solutions for:

Semiconductor Packaging &  
Electronics Assembly, Aerospace,  
Industrial Assembly

#1 worldwide

## CRAFTSMEN, CONSTRUCTION & PROFESSIONAL (31%)



### Solutions for:

DIY, Craftsmen, Construction,  
Professional Users in Manufacturing  
& Maintenance

#2 worldwide

# ADHESIVE TECHNOLOGIES

## KEY FINANCIALS

### Key financials

in million euros	2020	2021	+/-
Sales	8,684	9,641	11.0%
Proportion of Henkel sales	45%	48%	-
Operating profit (EBIT)	1,248	1,524	22.2%
Adjusted <sup>1</sup> operating profit (adjusted EBIT)	1,320	1,561	18.2%
Return on sales (EBIT margin)	14.4%	15.8%	1.4pp
Adjusted <sup>1</sup> return on sales (adjusted EBIT margin)	15.2%	16.2%	1.0pp
Return on capital employed (ROCE)	13.4%	17.2%	3.8pp
Economic Value Added (EVA <sup>®</sup> )	410	747	82.1%

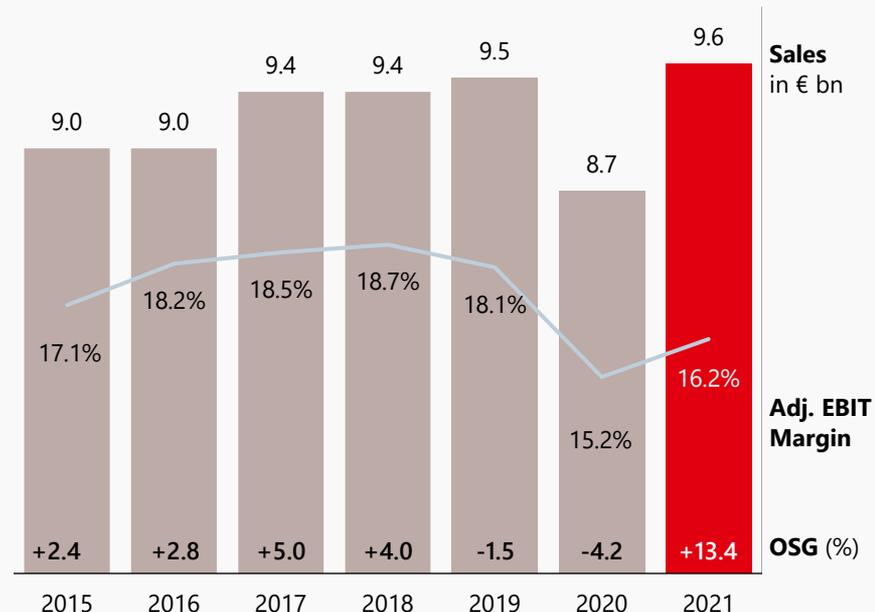
### Sales development

in percent	2021
Change versus previous year	11.0
Foreign exchange	-2.5
Adjusted for foreign exchange	13.5
Acquisitions/divestments	0.2
Organic	13.4
of which price	2.9
of which volume	10.5

# ADHESIVE TECHNOLOGIES

## KEY DEVELOPMENTS

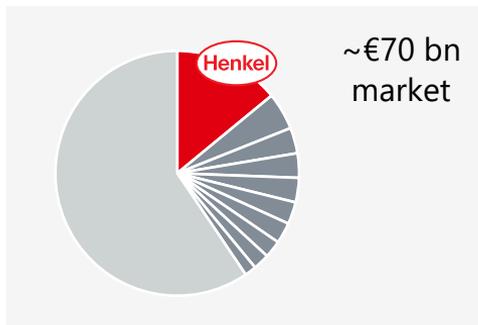
- Double-Digit growth supported by all business areas and regions; Overall exceeding pre-COVID levels
- Organic Sales growth FY 2021: 13.4%
- Automotive & Metals double-digit above prior year despite global semiconductor shortage in H2
- Packaging & Consumer Goods with double-digit growth of Packaging and Lifestyle business throughout the year
- Electronics & Industrials up double-digit in both businesses, backed by strong demand
- Craftsmen, Construction & Professional growing double-digit with particularly strong demand in General Manufacturing & Maintenance



# ADHESIVE TECHNOLOGIES

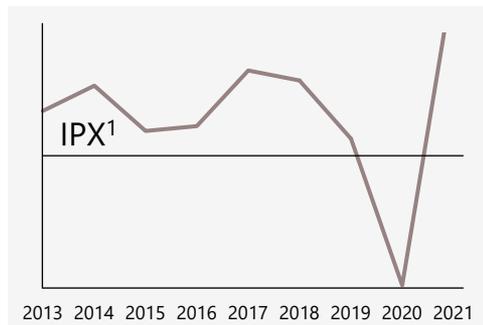
## GLOBAL MARKET FOR ADHESIVES, SEALANTS & FUNCTIONAL COATINGS

### GLOBAL MARKET LEADERSHIP



- Highly specialized and fragmented market with ~60 segments
- Henkel with ~14% global market share; the only player present across all segments

### ECONOMIC RECOVERY



- Significant recovery of industrial production index (IPX) in 2021, exceeding pre-COVID levels
- Broad-based growth supported by all business areas and regions

### COMPETITIVE ADVANTAGE



- Global delivery of highest quality and performance
- Technology leadership and application know-how

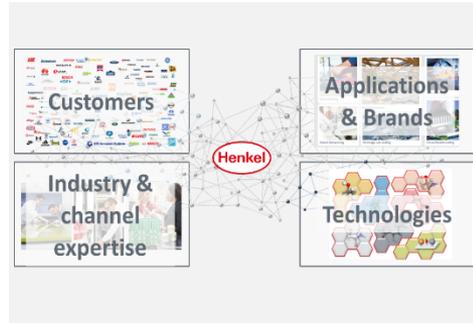
# ADHESIVE TECHNOLOGIES HIGH-IMPACT SOLUTION PROVIDER

## ...THROUGH CUSTOMER PROXIMITY



- Long trusted partnerships with > 100,000 customers across broad range of industries
- Sustainable value creation and close customer collaboration
- Digitalization of customer experience across all touchpoints

## ...BROADEST EXPERTISE



- Development of innovations and customized solutions
- Broadest portfolio: 12 leading technology platforms & network of 131 manufacturing sites
- Customer-centric organization with > 6,500 experts

## ...AND GLOBAL SCALE



- Truly global footprint, active in more than 150 countries
- Winning combination of best-in-class service & leading technologies
- Global R&D and manufacturing capabilities on all continents

# ADHESIVE TECHNOLOGIES HIGH-IMPACT SOLUTION PROVIDER

## ...VIA ACTIVE PORTFOLIO MANAGEMENT



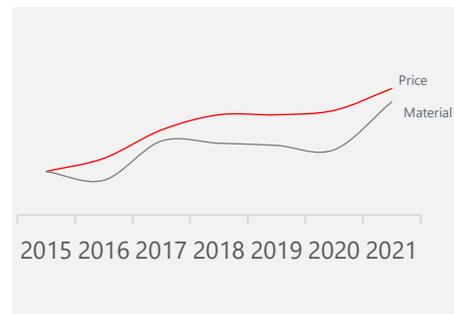
- Deep understanding of the market and focus on most attractive applications
- Ongoing optimization towards high value opportunities

## ...TO RESILIENT STRUCTURES



- Broad geographical & industry coverage
- Flexible cost structures according to market requirements

## ...AND SUPERIOR PRICING<sup>1</sup>



- High-impact solutions drive customers' product performance but represent low share of cost in end product
- Increases of Direct Material costs are typically passed on to customers over time

# ADHESIVE TECHNOLOGIES VALUE CREATION THROUGH TRANSFORMATIVE SOLUTIONS



**Global coverage through state-of-the-art innovation centers**

INDUSTRY  
TRENDS

CUSTOMIZED  
SOLUTIONS

**Industry insights through strong and unique customer base**

Foundation



# ADHESIVE TECHNOLOGIES AUTOMOTIVE & METALS

- Target markets: automotive and metal industries
- Creating competitive advantage for customers with system solutions along the entire value chain of car manufacturing, focusing on e-mobility, autonomous driving and lightweight design
- Serving the metal coil and metal packaging industries with metal processing products, application systems and technology support
- Accounts for 22% of FY 2021 sales



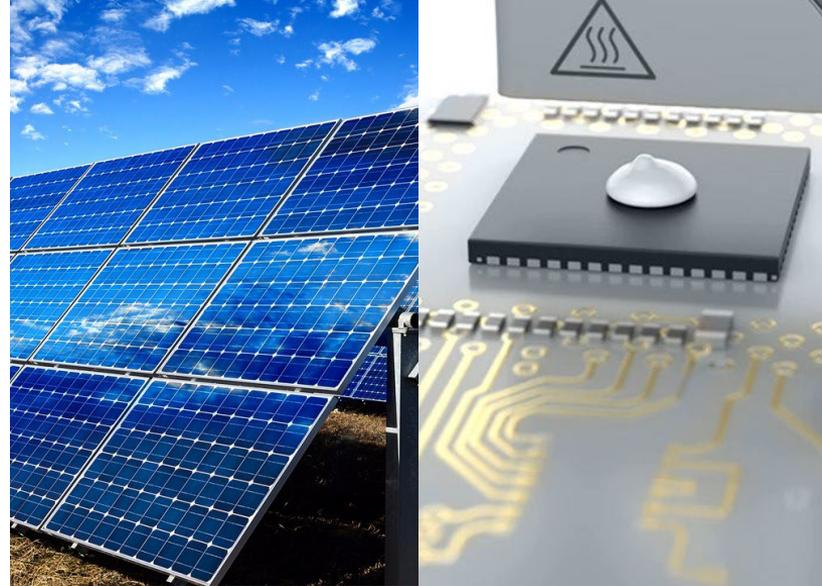
# ADHESIVE TECHNOLOGIES PACKAGING & CONSUMER GOODS

- Target markets: consumer & branded goods manufacturers, packaging & furniture industries
- Addressing global consumer trends like sustainability and promoting a circular economy
- Strong, lasting and trusting relationships with customers adding value to their brands and offerings with high-impact solutions
- Accounts for 32% of FY 2021 sales



# ADHESIVE TECHNOLOGIES ELECTRONICS & INDUSTRIALS

- Target markets: semiconductor packaging & electronics assembly, data & telecom, electric power & industrial automation, aerospace & rail, and medical
- Broad product portfolio and specialized technical and R&D expertise, helping customers to innovate and to realize new innovative designs
- Leveraging global presence and engaging with industry leaders, contributing to expansion of digital infrastructures
- Accounts for 15% of FY 2021 sales



# ADHESIVE TECHNOLOGIES CRAFTSMEN, CONSTRUCTION & PROFESSIONAL

- Target markets: DIYers, craftsmen and construction, and manufacturing & maintenance for professional users
- Leveraging strong global brand platforms, excellence in route to market, and recognized innovation leadership
- Global reach through industrial distribution, e-commerce and direct channels
- Accounts for 31% of FY 2021 sales



# ADHESIVE TECHNOLOGIES TOP BRANDS, SALES 2021

**LOCTITE®**

~€ 3.1 bn

**TECHNOMELT**

~€ 1.6 bn

**BONDERITE**

~€ 0.9 bn

> Top 10 brands: >80% of total Adhesive Technologies sales

# ADHESIVE TECHNOLOGIES KEY COMPETITORS



**H.B. Fuller**

# ADHESIVE TECHNOLOGIES WELL POSITIONED TO DELIVER PURPOSEFUL GROWTH

- Robust portfolio with leading positions across industries, regions and technologies
- Proven track record to adapt resource allocation to capture best opportunities
- High-impact and future-oriented solutions developed in close partnership with our customers
- High-touch business model, driven by customer insights and deep technology / application expertise
- True commitment to sustainability along the entire value chain
- Unique, scalable platform to expand into new segments



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# BEAUTY CARE LEADING MARKET POSITIONS IN ACTIVE MARKETS

## HAIR (76%)

Hair Salon 29%



Color, Care, Styling

#3 Globally  
#2 North America

Retail 47%



Color, Care, Styling

#1 Styling  
#2 Coloration

## BODY / SKIN / ORAL (24%)

Body Care 20%



Soaps, Shower, Deo

#3 Soaps US

Skin / Oral 4%



Face, Toothpaste

# BEAUTY CARE KEY FINANCIALS

## Key financials

in million euros	2020	2021	+/-
Sales	3,752	3,678	-2.0%
Proportion of Henkel sales	19%	18%	-
Operating profit (EBIT)	246	77	-68.8%
Adjusted <sup>1</sup> operating profit (adjusted EBIT)	377	351	-6.9%
Return on sales (EBIT margin)	6.6%	2.1%	-4.5pp
Adjusted <sup>1</sup> return on sales (adjusted EBIT margin)	10.0%	9.5%	-0.5pp
Return on capital employed (ROCE)	6.2%	1.8%	-4.4pp
Economic Value Added (EVA <sup>®</sup> )	-47	-208	-

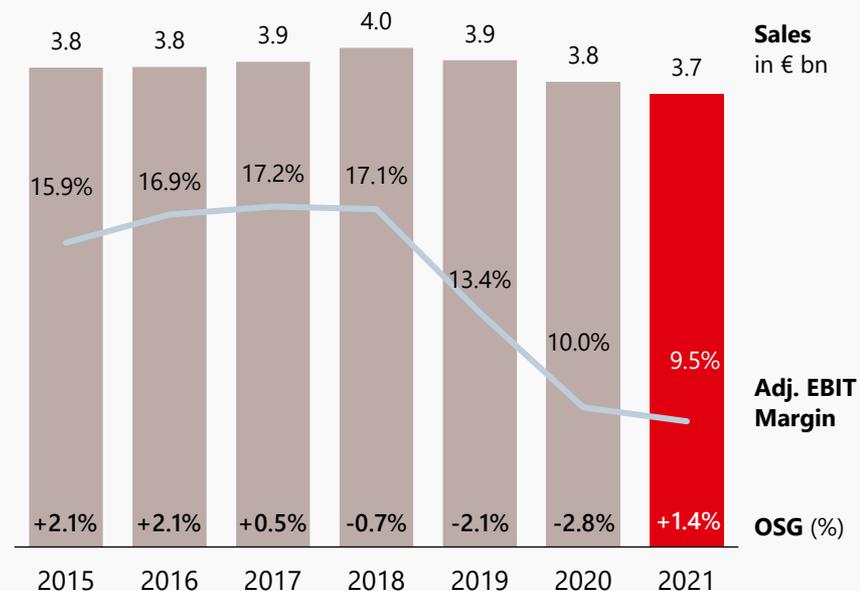
## Sales development

in percent	2021
Change versus previous year	-2.0
Foreign exchange	-2.5
Adjusted for foreign exchange	0.6
Acquisitions/divestments	-0.9
Organic	1.4
of which price	2.4
of which volume	-1.0

# BEAUTY CARE

## KEY DEVELOPMENTS

- Organic Sales growth FY 2021 of 1.4%
- Professional with double-digit growth and positive development across all regions due to easing of COVID-restrictions especially from Q2 onwards
- Consumer overall below previous year with mixed developments across categories and regions:
  - Significant growth in emerging markets does not compensate for the challenging market environment in mature markets, which is driven by double-digit decline in Body Care, especially Soap, lapping prior-year demand peaks
  - Good performance in Hair: Very strong growth in Styling, Care with good performance and Color stable vs. prior year



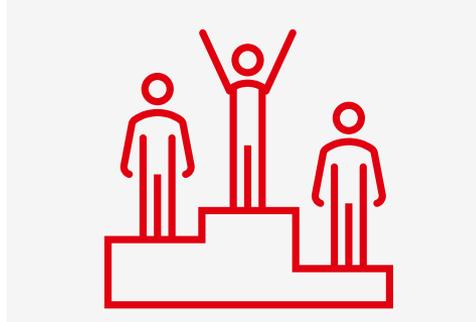
# BEAUTY CARE ATTRACTIVE & DYNAMIC, YET CHALLENGING MARKET

## ATTRACTIVE MARKET



- Largest non-food FMCG market > € 440 bn
- Long-term growth dynamics supported by megatrends
- Premiumization opportunities

## INTENSE COMPETITION



- Ongoing consolidation of retailers and manufacturers
- Intensified fight for shelf space esp. by smaller brands & Private Labels
- Strong increase of material prices driving pricing competition

## CHANNEL SHIFTS



- Share of digital investment & sales strongly accelerated through COVID-19
- Reduced 'offline' baskets, omni-channel as new normal
- Entrance of new online and D2C players (retail & brands)

# BEAUTY CARE STRONG BRANDS AND INNOVATIONS FOR OVER 120 YEARS

## HAIR EXPERTISE



- Global #3 in Hair Professional with strong brands
- Top positions in Consumer Hair Color & Styling
- Schwarzkopf megabrand in all Hair categories
- Body Care complementing our strong hair expertise

## INNOVATION POWER



- Fast-track innovation process
- In-depth consumer insights driving consumer-centric innovations
- Sustainability & Digitalization as growth drivers

# BEAUTY CARE PRODUCT PORTFOLIO

## HAIR



Color Styling Care

## BODY



Soaps  
Bath & Shower  
Deodorants  
Body Lotions

## OTHERS



Face Creams  
Cleansing  
Toothpaste  
Mouthwash

# BEAUTY CARE TOP BRANDS, SALES 2021



---

**~€ 1.8 bn**



---

**~€ 0.3 bn**

The logo for syoss, featuring the brand name "syoss" in a bold, black, lowercase sans-serif font.

---

**~€ 0.3 bn**

> Top 10 brands: ~85% of total Beauty Care sales

# BEAUTY CARE LARGE CUSTOMERS



A.S. Watson Group

**SALLY**BEAUTY  
HOLDINGS, INC.



**REWE**



amazon

**M Müller**

**DOLLAR GENERAL**



# BEAUTY CARE MAIN COMPETITORS

L'ORÉAL



Beiersdorf



# BEAUTY CARE STRONG BRANDS & INNOVATIONS

- Leading positions in attractive markets
- Core competence in Hair (Salon & Consumer)
- Body Care as 2nd pillar in North America and Europe
- Consumer-centric innovations addressing key trends & new target groups



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# LAUNDRY & HOME CARE LEADING MARKET POSITIONS IN ACTIVE MARKETS

## LAUNDRY CARE (71%)

### Heavy Duty Detergents



Premium, Mid-Tier,  
Value for Money

### Laundry Specialties



Special Detergents, Fabric  
Finishers, Laundry Additives

## HOME CARE (29%)

### Dishwashing



Hand Dishwashing  
Automatic Dishwashing

### Home Care Specialties



Surface Cleaners, Toilet Care, Air  
Care & Insect Control

#1 Europe

#2 North America

#3 Global

# LAUNDRY & HOME CARE

## KEY FINANCIALS

### Key financials

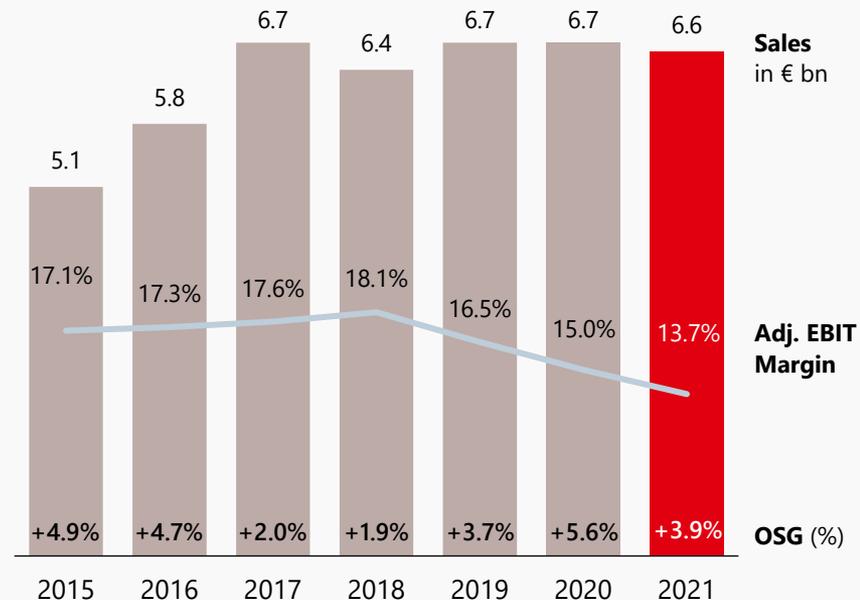
in million euros	2020	2021	+/-
Sales	6,704	6,605	-1.5%
Proportion of Henkel sales	35%	33%	-
Operating profit (EBIT)	688	797	15.9%
Adjusted <sup>1</sup> operating profit (adjusted EBIT)	1,004	904	-10.0%
Return on sales (EBIT margin)	10.3%	12.1%	1.8pp
Adjusted <sup>1</sup> return on sales (adjusted EBIT margin)	15.0%	13.7%	-1.3pp
Return on capital employed (ROCE)	9.3%	11.4%	2.2pp
Economic Value Added (EVA <sup>®</sup> )	150	326	>100%

### Sales development

in percent	2021
Change versus previous year	-1.5
Foreign exchange	-5.4
Adjusted for foreign exchange	3.9
Acquisitions/divestments	0.0
Organic	3.9
of which price	3.6
of which volume	0.3

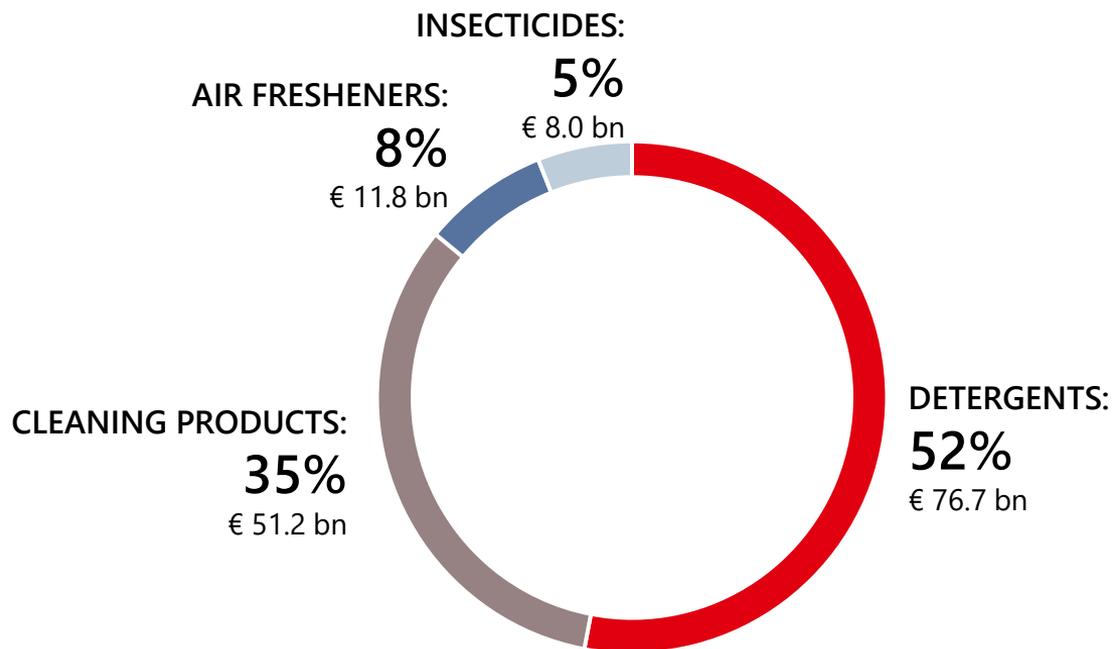
# LAUNDRY & HOME CARE KEY DEVELOPMENTS

- Long-term sales development driven by organic as well as inorganic growth
- Organic Sales Growth FY 2020: +3.9%
  - Strong organic sales development in 2021 driven by Emerging Markets and successful innovations
  - Core brands Pril, Somat & Bref driving strong growth in Home Care, strong growth in Laundry Care
  - Adj. EBIT margin below PY mainly due to increased investments in marketing, advertising as well as digital/IT



# LAUNDRY & HOME CARE

## WORLD MARKET FOR LAUNDRY & HOME CARE PRODUCTS 2021



Total world market value of ~ € 147.7 bn

# LAUNDRY & HOME CARE ATTRACTIVE, DYNAMIC AND CHALLENGING MARKETS

## ATTRACTIVE MARKET



- Huge market of ~€ 148 bn, growing but at a lower pace
- Potential to grow via penetration and consumption in Emerging and Mature Markets
- Innovations as strong lever to fuel growth

## COMPETITION & PRICING PRESSURE



- Intense competition between global players; growing local players in Emerging Markets
- High trade and promotion pressure in many countries
- Increase of discounters, smaller store formats and drugstores

## EMERGING DIGITAL CHANNELS



- Online channels growing fast but still small in our markets
- Convergence of online and offline channels
- Industry transformation e.g. through services and advanced machines

# LAUNDRY & HOME CARE ATTRACTIVE, DYNAMIC AND CHALLENGING MARKETS

## UNIQUE COVERAGE ...



- Present in 11 out of 12 categories of Laundry & Home Care market
- Leading positions in active markets with >75 #1 positions globally

## ... WITH STRONG BRANDS AND ...



- Well-known brands with strong equity (Top 10: ~70% of sales in 2021)
- Broad portfolio covering premium to value-for-money pricing segments

## ... AGILE & "GLOCAL" MODEL



- Platform innovations regionally adapted and locally implemented
- Strong shopper insights to strengthen innovation power and customer relationships

# LAUNDRY & HOME CARE PRODUCT PORTFOLIO



## LAUNDRY CARE:

Laundry detergents (predosed/caps, liquid), fabric finishers, laundry sheets



## HOME CARE:

Automatic and hand dishwashing products, floor care, glass cleaners, toilet care, insect control & personal repellents

# LAUNDRY & HOME CARE TOP BRANDS, SALES 2021

**Persil**

~€ 1.4 bn



~€ 0.4 bn

**Bref**

~€ 0.4 bn

> Top 10 brands: ~70% of total Laundry & Home Care sales

# LAUNDRY & HOME CARE LARGE CUSTOMERS



A.S. Watson Group



METRO GROUP



# LAUNDRY & HOME CARE MAIN COMPETITORS



# LAUNDRY & HOME CARE LEADING BRANDS AROUND THE WORLD

- Strong financial track record and clear initiatives for profitable growth going forward
- Unique category/country coverage, strong brands and agile “Glocal” approach as key success factors
- Targeted innovations addressing strategic search fields to drive future growth
- Expand eCommerce and strengthen pioneer role in Industry 4.0
- Drive circular economy with sustainable, superior cleaning solutions

A photograph of a woman with long brown hair, wearing a white lace-trimmed dress, smiling broadly as she hangs white laundry on a line. The background shows green foliage and a bright sky.

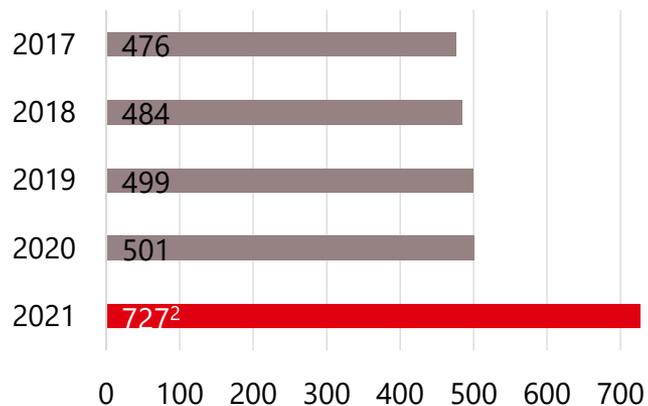
Together Creating  
**Clean Living**

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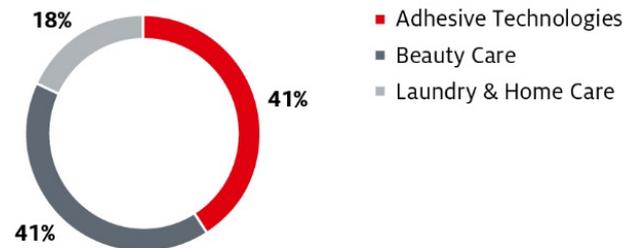
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# RESEARCH & DEVELOPMENT EXPENDITURES 2021

## R&D EXPENDITURES<sup>1</sup>



## R&D EXPENDITURES BY BUSINESS UNIT



<sup>1</sup> Includes one-time expenses, income and restructuring expenses of € 7 m (2017), € 13 m (2018), € 12 m (2019), € 6 m (2020), € 223 m (2021)

<sup>2</sup> In 2021, R&D expenditures were mainly attributable to internal personnel expenses and the impairment of a technology development in Beauty Care.

# RESEARCH & DEVELOPMENT

## SELECTED RESEARCH AND DEVELOPMENT SITES



# RESEARCH A& DEVELOPMENT INNOVATION RATE<sup>1</sup>

## STRIVING FOR INNOVATION LEADERSHIP

### ADHESIVE TECHNOLOGIES



**~30%**

### BEAUTY CARE



**~55%**

### LAUNDRY & HOME CARE



**~50%**

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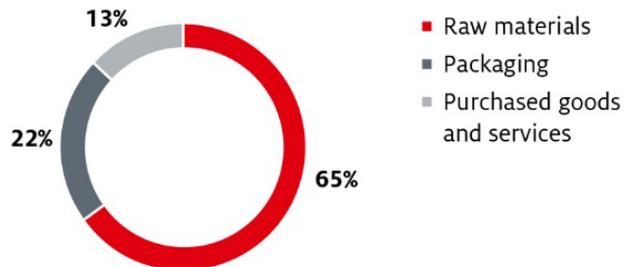
# PROCUREMENT DIRECT MATERIAL EXPENDITURES 2021

**TOTAL DIRECT MATERIAL EXPENDITURES 2021: € 9.0 BN**

MATERIAL EXPENDITURES BY BUSINESS UNIT



MATERIAL EXPENDITURES BY TYPE



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# SUSTAINABILITY IS ROOTED IN HENKEL'S DNA OUR TRACK RECORD THROUGHOUT HISTORY



**1899**

## FIRST PRODUCTION SITE IN DÜSSELDORF-HOLTHAUSEN

Henkel lays the foundations for its headquarters and uses its own electricity supply.



**1903**

## FIRST WATER-SOLUBLE POWDER SHAMPOO

The first water-soluble powder shampoo, the "shampoo with the black head" (Schwarzkopf), provides a simple and inexpensive alternative to rough soaps and oils.

**1907**

## FIRST SELF-ACTING LAUNDRY DETERGENT

Persil, the world's first self-acting laundry detergent, removes the need to scrub laundry by hand.



**1940**

## FIRST HENKEL KINDERGARTEN FOR CHILDREN OF EMPLOYEES

The first Henkel daycare center for children of employees opens in Düsseldorf-Holthausen.



**1959**

## HENKEL STARTS CHECKING RHINE RIVER WATER QUALITY

Henkel has been carrying out regular environmental quality checks for detergents and household cleaners since 1959.



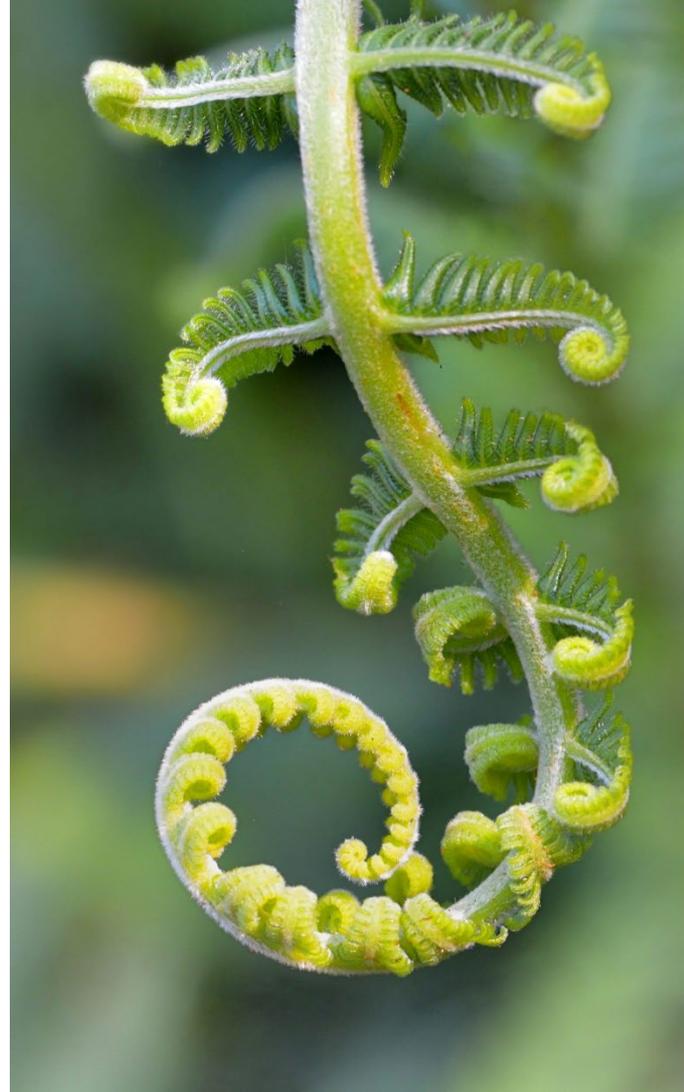
**1969**

## THE WORLD'S FIRST GLUE STICK

Henkel invents the glue stick, and uses packaging based on the swivel mechanism usually found in lipsticks.

# EVOLVED SUSTAINABILITY STRATEGY FURTHER ANCHORED IN THE BUSINESS

- Sustainable business practices have been an **integral part of our company culture** for decades and are also a central element of our vision of the future.
- Together with innovation and digitalization, **sustainability is at the heart of our “Purposeful Growth” agenda** – our corporate strategy – to shape **competitive edge** and enable us to grow our company and **create value** for our customers, consumers and all of our stakeholders.
- Building on a **decade of successfully driving progress** on our existing sustainability, we **reflected on external developments and expectations** for our strategy and ambitions going forward.
- Henkel's new **2030+ Sustainability Ambition Framework** builds on the existing targets for 2025 and beyond and includes **new, additional long-term ambitions** that will help transform the economy and society toward sustainability.



# 2030+ SUSTAINABILITY AMBITION FRAMEWORK

## TRANSFORMATIONAL IMPACT FOR THE GOOD OF GENERATIONS



### REGENERATIVE PLANET

We want to enable a circular and net-zero carbon future by transforming our business, products and raw materials underpinned by science and innovation.



#### CLIMATE

Decarbonize our operations and raw materials on the way to a carbon-neutral business.



#### CIRCULARITY

Embed circular practices in our operations, products and packaging, and enable circularity through our industrial solutions.



#### NATURE

Protect and restore biodiversity, with focus on forests, land and water, through more regenerative ingredients and resource stewardship.



### THRIVING COMMUNITIES

We want to help people lead a better life through the collective strength of our business and brands by supporting equity, education and wellbeing.



#### EQUITY

Strengthen Diversity & Inclusion, respect Human Rights and enhance the livelihoods of people.



#### EDUCATION

Support lifelong learning and education of employees and communities and enable consumers to take action for sustainability.



#### WELLBEING

Foster Health & Wellbeing of employees, partners and consumers, and help drive social progress through our brands.



### TRUSTED PARTNER

We want to drive performance and systems change with integrity through our values-based culture, deep rooting in science and our passion for technology.



#### PERFORMANCE

Deliver best-in-class product performance and chemical safety for our customers and consumers, as foundations of our business success.



#### TRANSPARENCY

Integrate sustainability in our business governance, processes and policies with transparent reporting, disclosure and engagement.



#### COLLABORATION

Scale sustainability impact with our partners, leading to responsible business practices in our supply chains.

PRODUCTS

PEOPLE

PARTNERSHIPS

# REGENERATIVE PLANET

We want to enable a circular and net-zero carbon future by transforming our business, products and raw materials underpinned by science and innovation.



## CLIMATE

Decarbonize our operations and raw materials on the way to a carbon-neutral business.



## CIRCULARITY

Embed circular practices in our operations, products and packaging, and enable circularity through our industrial solutions.



## NATURE

Protect and restore biodiversity, with focus on forests, land and water, through more regenerative ingredients and resource stewardship.

### TARGETS AND AMBITIONS



**-30%**

CO<sub>2</sub> from raw materials and packaging per ton of product<sup>2</sup>

**-100M**

tons of CO<sub>2</sub> with partners along the value chain<sup>1</sup>

**100%**

of packaging designed for recyclability/reusability<sup>1</sup>

**50% / >30%**

fossil-based virgin plastics<sup>1</sup> / recycled plastics<sup>1</sup> for consumer packaging



**AIM FOR CIRCULAR USE OF PRODUCTION WASTE MATERIAL<sup>2</sup>**



**AIM FOR CIRCULAR WATER USE AT KEY MANUFACTURING SITES<sup>2</sup>**

**-35%**

water consumption per ton of product<sup>1</sup>

**100%**

responsibly sourced and externally assured palm (kernel) oil<sup>1</sup>

### FURTHER ASPIRATIONS FOR 2030 AND BEYOND

Accelerating progress on climate action across the value chain | zero deforestation | using more bio-based and responsibly sourced ingredients



<sup>1</sup> by 2025  
<sup>2</sup> by 2030

# THRIVING COMMUNITIES

We want to help people lead a better life through the collective strength of our business and brands by supporting equity, education and wellbeing.



## EQUITY

Strengthen Diversity & Inclusion, respect human rights and enhance the livelihoods of people.



## EDUCATION

Support lifelong learning and education of employees and communities, and enable consumers to take action for sustainability.



## WELLBEING

Foster health and wellbeing of employees, partners and consumers, and help drive social progress through our brands.

### TARGETS AND AMBITIONS



**GENDER PARITY  
ACROSS ALL  
MANAGEMENT LEVELS<sup>1</sup>**

Engage and empower

**50,000+**

employees to take action  
on sustainability

**+60%**  
safer per million  
hours worked<sup>1</sup>

**IMPROVE LIVELIHOODS  
OF SMALLHOLDERS  
AND PROTECTION  
OF NATURE**



**EXPAND OUR COMMUNITY  
EDUCATION PROGRAMS  
AND VOLUNTEERING**



**SHAPE THE FUTURE OF  
WORK FOR OUR COMPANY  
AND EMPLOYEES**

### FURTHER ASPIRATIONS FOR 2030 AND BEYOND

Advancing diversity, equity and inclusion |  
Promoting consumer awareness of the importance of sustainable consumption

<sup>1</sup> by 2025



# TRUSTED PARTNER

We want to drive performance and systems change with integrity through our values-based culture, deep rooting in science and our passion for technology.



## PERFORMANCE

Deliver best-in-class product performance and chemical safety for our customers and consumers, as foundations of our business success.



## TRANSPARENCY

Integrate sustainability in our business governance, processes and policies with transparent reporting, disclosure and engagement.



## COLLABORATION

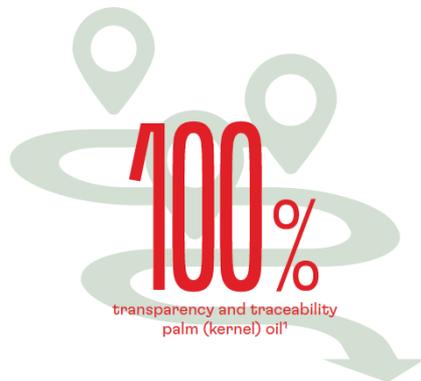
Scale sustainability impact with our partners, leading to responsible business practices in our supply chains.

### TARGETS AND AMBITIONS

**EACH NEW PRODUCT  
CONTRIBUTES TO  
SUSTAINABILITY**

PROVIDE OUR CUSTOMERS AND CONSUMERS  
WITH A **COMPREHENSIVE SUSTAINABILITY  
PROFILE OF OUR PRODUCTS**<sup>1</sup>

**BECOME  
THREE TIMES  
MORE  
EFFICIENT**<sup>2</sup>



### FURTHER ASPIRATIONS FOR 2030 AND BEYOND

Strengthening full traceability of key commodities | ESG reporting and governance

<sup>1</sup> by 2025

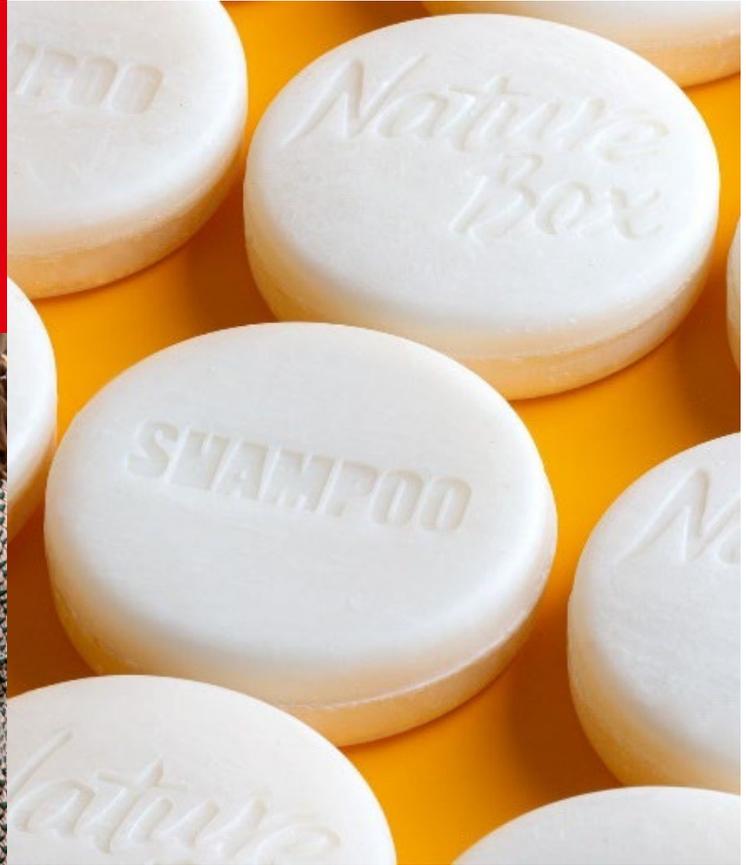
<sup>2</sup> by 2030





# PRODUCTS AND TECHNOLOGIES

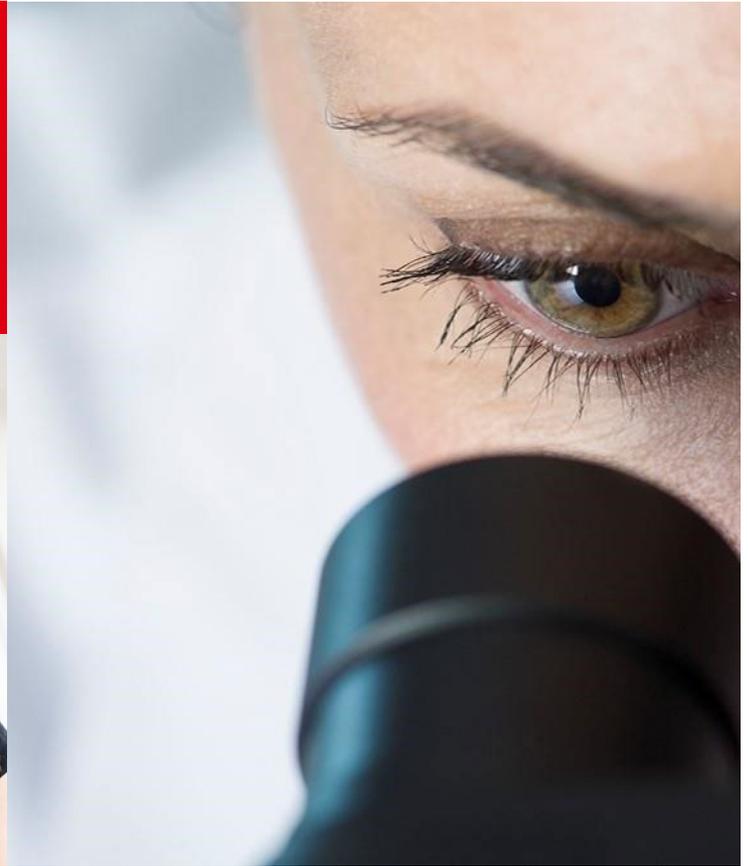
are at the heart of everything we do. We create more value for our customers and consumers by constantly innovating to offer better performance with a reduced ecological footprint.





# PEOPLE

are the focal point for our business and our sustainability-related activities. This includes our employees, who contribute to sustainable development – through their expertise in daily work and in their private lives. It also includes the people in our supply chain, our customers and consumers, our neighbors, our shareholders and the communities we operate in.





# PARTNER- SHIPS



play a decisive role in driving sustainability in our value chain and beyond. We help our customers and consumers to reduce their ecological footprint and to use resources responsibly. We work together with our suppliers to promote sustainable practice and respect for human rights, and we cooperate with partners to share knowledge and drive systemic solutions forward together.



# OVERVIEW 2021: REGENERATIVE PLANET CLIMATE – CIRCULARITY – NATURE

## Decarbonize our operations and raw materials on the way to a carbon-neutral business.

- 68% electricity sourced from renewable sources
- - 50% CO<sub>2</sub> emissions from our operations<sup>1</sup>
- Helped our customers & consumers to save > 68 million tons of CO<sub>2</sub> (since 2016)

## Embed circular practices in our operations, products and packaging, and enable circularity through our industrial solutions.

- 86% of our packaging is recyclable or reusable
- 18% recycled plastics in the packaging of our consumer goods products
- - 42% production waste<sup>1</sup>

## Protect and restore biodiversity, with focus on forests, land and water, through more regenerative ingredients and resource stewardship.

- 93% of our total demand for palm oil, palm kernel oil and its derivatives are sourced as certified raw materials according to the RSPO<sup>2</sup> mass balance model
- - 28% water consumption<sup>1</sup>



<sup>1</sup> Per ton of product, base year 2010

<sup>2</sup> Roundtable on Sustainable Palm Oil

# OVERVIEW 2021: THRIVING COMMUNITIES EQUITY – EDUCATION – WELLBEING

## Strengthen Diversity & Inclusion, respect human rights and enhance the livelihoods of people.

- 38% ratio of women in management positions
- ~ 36,400 palm oil farmers reached by supporting smallholders (since 2013)

## Support lifelong learning and education of employees and communities and enable consumers to take action for sustainability.

- Engage & empower 50,000+ employees to take action on sustainability
- >26 million lives improved globally (since 2010)

## Foster health and wellbeing of employees, partners and consumers, and help drive social progress through our brands.

- > 90% of our employees reached with global health campaigns
- + 42% safer workplaces<sup>1</sup>



# OVERVIEW 2021: TRUSTED PARTNER PERFORMANCE – TRANSPARENCY – COLLABORATION

**Deliver best-in-class product performance and chemical safety for our customers and consumers, as foundations of our business success.**

- + 74% total efficiency<sup>1</sup>
- 504 million euros in research and development

**Integrate sustainability in our business governance, processes and policies with transparent reporting, disclosure and engagement.**

- 84% traceability of palm (kernel) oil back to the mill
- Elevated sustainable financing by launching a “Sustainable Finance Framework”

**Scale sustainability impact with our partners, leading to responsible business practices in our supply chains.**

- Committed to 100% responsible sourcing together with our partners
- 87% of our stakeholders consider us to be a reliable partner



# CONTRIBUTING TO SUSTAINABLE DEVELOPMENT SUPPORTING THE SUSTAINABLE DEVELOPMENT GOALS



PROTECTING THE CLIMATE



PROVIDING SUSTAINABLE PALM OIL



TURNING WASTE INTO OPPORTUNITIES



# EXTERNAL RECOGNITION



## Leading position in sustainability ratings and indices

- Evaluation and recognition of our services by independent sustainability experts
- Results confirm that we are successfully implementing our sustainability strategy
- Increasing relevance for investors and customers



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# HENKEL SHARES

## SHARE DATA

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	PREFERRED SHARES	ORDINARY SHARES
Security Code No.	604843	604840
ISIN Code	DE0006048432	DE0006048408
Number of Shares	178,162,875	259,795,875
Stock Exch. Symbol	HEN3.ETR	HEN.ETR

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# HENKEL SHARES PREFERRED SHARES AND ORDINARY SHARES

PREFERRED SHARES	ORDINARY SHARES
172.3 million shares outstanding	259.0 million shares outstanding
3.30% treasury stock <sup>2</sup>	61.82% Henkel Family share-pooling agreement <sup>1</sup>
96.70% free-float	0.29% treasury stock <sup>2</sup>
	37.89% free-float
Trading volume on average 465,000 shares per trading day in 2021	Trading volume on average 141,000 shares per trading day in 2021
Preferred dividend (+0.02 € vs. ordinary share)	Ordinary dividend
Generally no voting rights	Voting rights

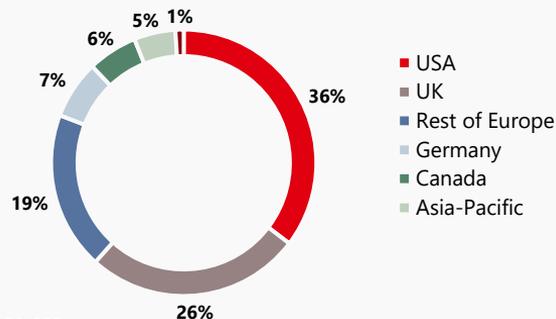
# HENKEL SHARES

## International shareholder structure<sup>1</sup>

Compared to the ordinary shares, our preferred shares are the significantly more liquid class of Henkel stock.

Apart from the treasury shares, they are entirely in free float. A large majority are owned by institutional investors whose portfolios are usually broadly distributed internationally.

## INSTITUTIONAL INVESTORS HOLDING HENKEL SHARES



At November 30, 2021  
Source: Investor Update

# HENKEL SHARES HENKEL REPRESENTED IN MAJOR INDICES

## EQUITY INDICES

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Henkel preferred shares are included in many leading indices; particularly noteworthy are:

- DAX
- MSCI World
- STOXX® Europe 600
- FTSE World Europe
- Dow Jones Titans 30 Personal & Household Goods

## SUSTAINABILITY INDICES

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Henkel is also represented in key sustainability indices:

- Ethics index FTSE4Good
- STOXX® Global ESG Leaders
- Ethibel Pioneer Investment Register
- Euronext Europe 120 and Eurozone 120
- MSCI Global Sustainability Index
- Global Challenges Index

# HENKEL SHARES

## KEY DATA 2017 TO 2021

in euros	2017	2018	2019	2020	2021	
<b>Share price at year-end<sup>1</sup></b>						
Ordinary share	100.00	85.75	84.00	78.85	68.70	
Preferred share	110.35	95.40	92.20	92.30	71.14	
<b>High for the year<sup>1</sup></b>						
Ordinary share	113.70	104.70	89.55	87.55	85.80	
Preferred share	128.90	115.05	97.02	96.02	98.92	
<b>Low for the year<sup>1</sup></b>						
Ordinary share	96.15	83.30	76.20	55.00	65.55	
Preferred share	110.10	93.46	81.78	64.94	69.52	
<b>Dividend</b>						
Ordinary share	1.77	1.83	1.83	1.83	1.83	
Preferred share	1.79	1.85	1.85	1.85	1.85	
<b>Market capitalization<sup>1</sup></b>	45.6	39.3	38.2	36.9	30.5	
Ordinary shares	in bn euros	26.0	22.3	21.8	20.5	17.8
Preferred shares	in bn euros	19.6	17.0	16.4	16.4	12.7

# EARNINGS PER SHARE KEY DATA 2017 TO 2021

in euros	2017	2018	2019	2020	2021
<b>Earnings per share</b>					
Ordinary share	5.79	5.32	4.79	3.23	<b>3.76</b>
Preferred share	5.81	5.34	4.81	3.25	<b>3.78</b>
<b>Adjusted<sup>1</sup> earnings per share</b>					
Ordinary share	5.83	5.99	5.41	4.24	<b>4.54</b>
Preferred share	5.85	6.01	5.43	4.26	<b>4.56</b>

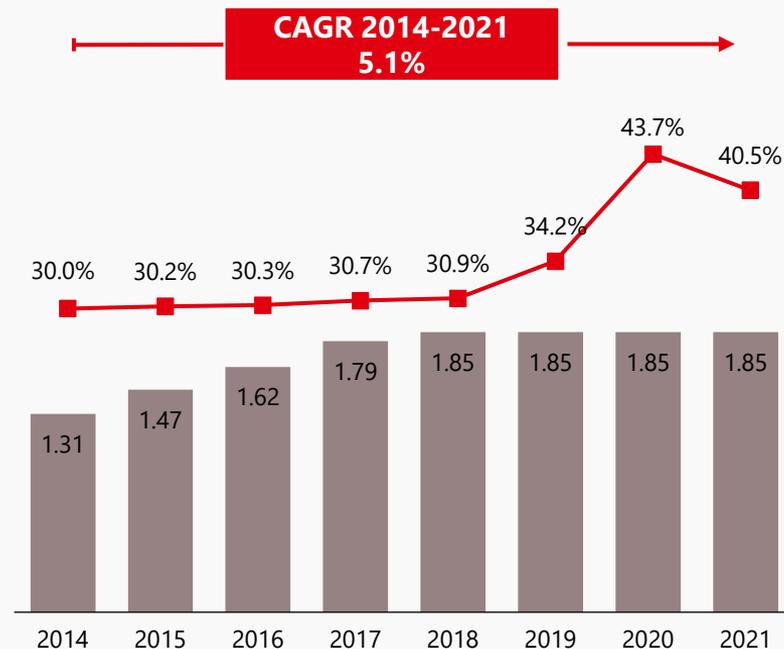
# SHARE PRICE DEVELOPMENT 2012-2021, IN EUROS



# DIVIDENDS

## ~€ 800 m distributed in 2021

- Consistent dividend policy based on strong earnings and cash flow profile
- More than € 5 bn paid out since 2014 via dividends
- Continuous increase of payout with 2021 dividend more than 40% higher than 2014
- Increase of target dividend payout range from 25-35% to 30-40% from fiscal 2019
- 2021 payout ratio slightly above the target range of 30-40% of adjusted net income after non-controlling interests

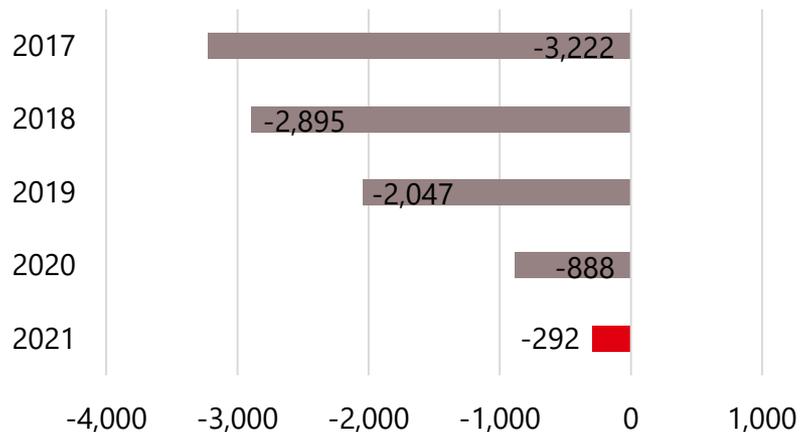


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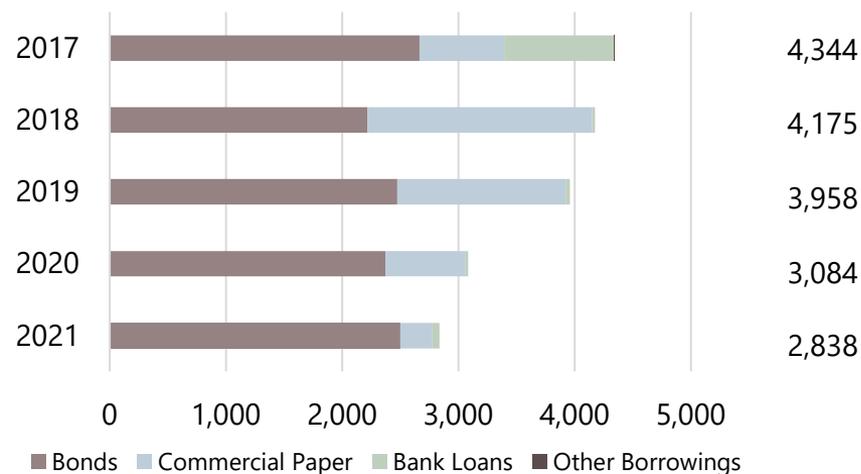
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# DEVELOPMENT OF FINANCIAL DEBT IN € M

## DEVELOPMENT OF NET FINANCIAL POSITION



## BORROWINGS



# KEY FINANCIAL RATIOS & CREDIT RANKINGS

## COMMITMENT TO SINGLE-A RATING

### Key Financial Ratios

		2017	2018	2019	2020	2021
Equity ratio	in %	55.2%	57.5%	59.3%	59.1%	<b>60.6%</b>
Interest coverage ratio		59.2	56.0	41.5	33.1	<b>49.2</b>

### Credit Ratings

	Standard & Poor's	Moody's
Long term	A	A2
Outlook	Stable	Stable
Short term	A-1	P1

At December 31, 2021

# HENKEL BOND DATA

## BONDS OUTSTANDING WITH MATURITIES UNTIL 2026<sup>1</sup>

	2016		2019		2020			2021	
<b>Currency</b>	GBP	GBP	GBP	GBP	CHF	USD	EUR	EUR	USD
<b>Volume</b>	300 million	400 million	350 million	100 million	330 million	70 million	25 million	500 million	250 million
<b>Coupon</b>	0.875% p.a.	1.00% p.a.	1.25% p.a.	1.00% p.a.	0.2725% p.a.	1.042% p.a.	0.12% p.a.	0.50% p.a.	1.75% p.a.
<b>Maturity</b>	9/13/2022	9/30/2022	9/30/2026	9/30/2022	4/28/2023	7/7/2025	7/10/2025	11/17/2032	11/17/2026
<b>Issue price</b>	99.59%	100%	99.99%	100.22%	100%	100%	100%	99.989%	99.692%
<b>Issue yield</b>	0.95% p.a.	1.00% p.a.	1.25% p.a.	0.91% p.a.	0.2725% p.a.	1.042% p.a.	0.12% p.a.	0.501% p.a.	1.815% p.a.
<b>Day count convention</b>	Act/Act (ICMA)	Act/Act (ICMA)	Act/Act (ICMA)	Act/Act (ICMA)	30/360	30/360	Act/Act (ICMA)	Act/Act (ICMA)	30/360 (ISMA)
<b>Denomination</b>	1,000 GBP	100,000 GBP	100,000 GBP	100,000 GBP	5,000 CHF	200,000 USD	200,000 EUR	100,000 EUR	200,000 USD
<b>WKN</b>	A2BPAZ	A2YN22	A2YN23	A254YF	A289R9	A289QD	A289Xo	A3MQMC	A3MQMB
<b>ISIN</b>	XS1488419935	XS2057835717	XS2057835808	XS2108492468	CH0541537996	XS2198440260	XS2202774969	XS2407955827	XS2407954002
<b>Listing</b>	Regulated Market of the Luxembourg Stock Exchange				SIX Swiss Exchange Ltd.	not listed	not listed	Regulated Market of the Luxembourg Stock Exchange	
<b>Issuer</b>	Henkel AG & Co. KGaA								
<b>Rating</b>	Moody's: A2 (Stable Outlook) S&P: A (Stable Outlook)								

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# HENKEL HISTORY

1876	Foundation of Henkel & Cie in Aachen by Fritz Henkel
1878	Henkel's Bleich-Soda marks the beginning of the company's success story. Relocation of Henkel & Cie to Düsseldorf
1907	Launch of Persil, the world's first self-acting laundry detergent
1913	First subsidiary production company abroad: Henkel & Cie AG, Pratteln, Switzerland
1922	First production of adhesives for captive use
1929	P3 cleaners for industrial and craft applications were marketed for the first time
1950	Acquisition of TheraChemie: liquid hair colorant Poly Color
1951	P3 Products (Pty) Ltd was founded in Durban, South Africa. The company was the first Henkel subsidiary outside Europe



# HENKEL HISTORY

1960	Acquisition of Standard Chemical Products Inc of Hoboken/New Jersey and Charlotte/North Carolina, USA, thus entering the US chemical products market
1973	Patent application for Zeolite A (phosphate substitute; Henkel brand SASIL)
1974	Minority share interest in The Clorox Company of Oakland, California, USA (sold in 2004)
1983	First phosphate-free powder detergent (Dixan)
1985	First listing of Henkel preferred shares
1990	First joint venture in China: Shanghai Henkel Chemicals Ltd.
1991	Henkel-Ecolab joint venture and increased participation in Ecolab Inc., St. Paul/Minnesota, USA
1991	Foundation of Henkel Asia-Pacific (HAP) Ltd., Hong Kong

**SEAH**  
HAIRSPA

**Fa**

**Dixan**

**Hysol**

**Spee**

**MIR**

# HENKEL HISTORY

1995	Acquisition of Hans Schwarzkopf GmbH, Hamburg
1996	First listing of Henkel ordinary shares
1997	Acquisition of Loctite Corp., Hartford/Connecticut, USA
1999	Carve-out of the Chemical Products business sector: Formation of Cognis B. V.
2001	Sale of Cognis and Henkel-Ecolab: Focus on Brands and Technologies
2004	Acquisition of The Dial Corporation in Scottsdale/ Arizona, USA, and of Advanced Research Laboratories (ARL) in Costa Mesa/ California, USA
2007	Persil 100 Years
2008	Acquisition of National Starch Adhesives and Electronic Materials Businesses



# HENKEL HISTORY

2010 New release of Vision and Values

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2011 60 years of Pril

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2014 Henkel family extends share-pooling agreement: contract has been concluded for an indefinite term and can now first be terminated as of December 31, 2033

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2014 Acquisition of The Spotless Group (Laundry & Home Care), France, Sexy Hair / Kenra / Alterna (Beauty Care), USA and of The Bergquist Company (Adhesive Technologies), USA

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2016 Acquisition of The Sun Products Corporation in North America  
Presentation of Henkel 2020+ - strategic priorities and financial ambition

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2017 Sales above 20 bn€ for the first time; acquisition of Darex Packaging Technologies and Sonderhoff Holding GmbH (both Adhesive Technologies) as well as Nattura Laboratorios, S.A. de C.V. and Zotos International Inc. (both Beauty Care)

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# HENKEL HISTORY

	Henkel first company to conclude „Green Loan“
2018	Acquisition of Unión Técnico Comercial S.R.L. and Aislantes Nacionales S.A. (both Adhesive Technologies) as well as JemPak Corporation (Laundry & Home Care) 120 Years Schwarzkopf
2019	Acquisition of Molecule Corp. (Adhesive Technologies), eSalon.com LLC and Deva Parent Holdings Inc. (both Beauty Care) Release of Henkels' new Strategic Framework: Purposeful Growth Agenda
2020	Henkel first company to issue a plastic waste reduction bond Purchase of 75 % stake in D2C brands HelloBody, Mermaid+Me and Banana Beauty (Beauty Care), purchase of GE-branded consumer sealants business (Adhesive Technologies)
2021	Acquisition of Swania (Laundry & Home Care) Global Inspiration Center for Adhesive Technologies opened at headquarters



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# CONTACTS



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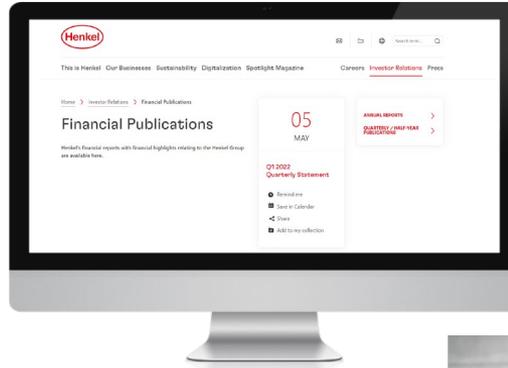
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# ADDITIONAL INFORMATION

- Annual report
- Sustainability report
- Quarterly publications
- Roadshow & conference presentations
- Investor Relations News

Relevant publications and additional information available at [www.henkel.com/ir](http://www.henkel.com/ir) or on our Henkel Corporate App





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