



## News Release

July 26, 2019

Henkel to invest in new digital business model

### **Henkel to enter into Joint Venture with personalized hair coloration provider eSalon.com**

- Further strengthening Henkel's leading hair coloration business
- Offering unique capabilities in personalization with individualized products
- Capturing consumer insights and trends to advance retail product portfolio

Düsseldorf – Henkel signed an agreement to acquire a 51 percent stake in eSalon.com LLC, headquartered in Los Angeles. Launched in 2010, the company's core offering is individually customized hair coloration for at home application. Through this joint venture, Henkel will further strengthen its leading hair coloration portfolio and expand its digital business.

eSalon creates customized hair colorations. The personalized formula is mixed on an individual basis for at home application and is available as a one-time purchase or as a subscription. The company has unique capabilities in individualized production ("batch-of-1") for a truly personalized at-home color experience. In fiscal 2018, the business generated sales of around 30 million dollars, mainly in the US market. eSalon employs around 120 people and has its main site including production, office and warehouse in Los Angeles.

"We continue to drive the execution of our strategy by strengthening our portfolio and our digital capabilities through targeted investments. With this joint venture, we aim to grow our core business and at the same time expand in an innovative digital business model. The strong eSalon business which addresses the growing trend of

personalization in beauty care will be a perfect fit. We expect to gain valuable consumer insights that will also help us to create meaningful innovations for our classical retail consumers”, says Jens-Martin Schwärzler, Executive Vice President and responsible for Henkel’s Beauty Care business. “The founders and existing management team will stay on board and join forces with Henkel to further accelerate the future growth of the business.”

“Through our partnership with Henkel, we look forward to accelerating our marketing efforts and enhancing our product offering for our current and future clients”, says eSalon CEO Francisco Gimenez.

The parties agreed to not disclose any financial details of the transaction. The agreement is subject to customary closing conditions, including regulatory approvals.

#### **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](http://www.henkel.com).

#### **About eSalon**

eSalon is reinventing the way women color their hair by creating a fully customized professional-grade home hair color that’s made-to-order and shipped directly to their doors. Launched in 2010, and a four-time winner of Allure Magazine’s “Best Home Hair Color,” eSalon delivers a personalized one-to-one experience through a unique combination of human expertise and state-of-the-art, dual patented technology. Every single color order is formulated and dispensed on-demand in its headquarters in Los Angeles with over six million orders shipped and over 165,000 unique color combinations created. eSalon has experienced phenomenal growth with its expansion to international markets. For more information about eSalon and to create a Color Profile, visit [eSalon.com](http://eSalon.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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