

Facts & Figures 2018



Henkel

Contents

2	About Henkel
3	What drives us
4	Henkel at a glance
5	Profitable growth in fiscal 2018
6	Strategic priorities
7	Management Board
8	Adhesive Technologies
10	Beauty Care
12	Laundry & Home Care
14	Finance
16	People
18	Sustainability
20	Social engagement

About Henkel

Our three business units – Adhesive Technologies, Beauty Care and Laundry & Home Care – hold leading market positions in both the industrial and consumer goods businesses. With strong brands such as Loctite, Schwarzkopf and Persil, Henkel products and technologies are an essential part of daily life for people in more than 100 countries around the world.

Founded by Fritz Henkel in 1876, our company's success story goes back more than 142 years and is marked by innovations that have made life easier, better and safer. To this day, our purpose is to create sustainable value – for our customers, our employees, our shareholders, and for society at large.

As pioneers in the field of sustainability, we want to achieve more with less resources. We are committed to ensuring the health and safety of our employees, customers and consumers, as well as to preserving the environment and quality of life wherever we operate.

What drives us

Our purpose

Creating sustainable value.

Our vision

Leading with our innovations, brands and technologies.

Our 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.



Henkel at a glance

More than

142 years

success with brands
and technologies

Around

53,000

employees with
120 nationalities

Leading brands



Leading in sustainability

185

production sites
worldwide

Three business units

Adhesive Technologies
Beauty Care
Laundry & Home Care

about **2,000**

social projects
supported



**Headquartered in
Düsseldorf, Germany**

Profitable growth in fiscal 2018

Sales

€ 19.9 bn

Organic sales growth

+2.4 %

Adjusted¹ operating profit (EBIT)

€ 3,496 m

Adjusted¹ return on sales (EBIT)

17.6 %
+ 0.3 percentage points

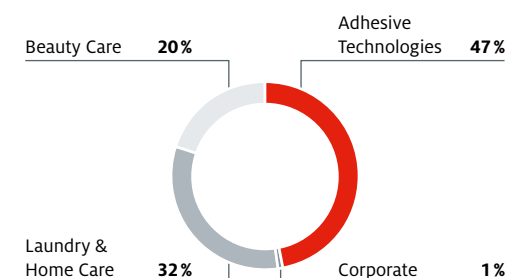
Adjusted¹ earnings per preferred share

€ 6.01
+ 2.7 percent

Dividend per preferred share²

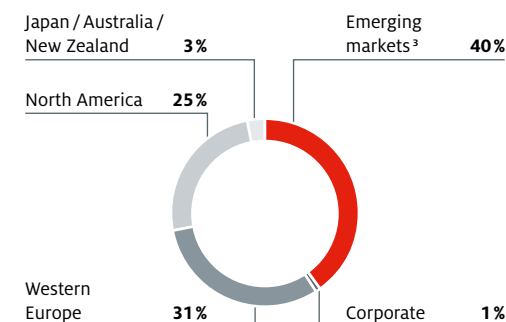
€ 1.85

Sales by business unit



Corporate = sales and services not assignable to the individual business units.

Sales by region



³ Eastern Europe, Africa / Middle East, Latin America, Asia (excluding Japan).

¹ Adjusted for one-time charges / gains and restructuring expenses.

² Proposal to shareholders for the Annual General Meeting on April 8, 2019.

Focusing on our strategic priorities

Henkel 2020⁺

Our efforts to shape our future are guided by clear strategic priorities. We want to sustain our profitable growth and become even more innovative, agile and digital through to 2020 and beyond.

Drive growth

Driving growth in mature and emerging markets is a key strategic priority for Henkel. In order to achieve this, we are implementing a range of targeted initiatives to further deepen the relationships with our customers and consumers world-wide, strengthen our leading brands and technologies, develop exciting innovations and services, and capture new sources of growth.

Accelerate digitalization

Accelerating digitalization helps us to successfully grow our business, strengthen the relationships with our customers and consumers, optimize our processes and transform the entire company. We will implement a range of initiatives to drive our digital business, leverage Industry 4.0, and eTransform the organization.

Increase agility

In a highly volatile and dynamic business environment, increasing the agility of the organization is a critical success factor for Henkel. This requires energized and empowered teams, fastest time-to-market, as well as smart and simplified processes.

Fund growth

In order to fund growth, we are implementing new approaches to optimize resource allocation, focus on net revenue management, further increase efficiency in our structures, and continue to expand our Global Supply Chain organization. Together, these initiatives will contribute to further improving profitability and enable us to fund our growth ambitions for 2020 and beyond.

Our Management Board



Hans Van Bylen

Chairman of the
Management Board

Born in Berchem, Belgium,
on April 26, 1961;
with Henkel since 1984.



Carsten Knobel

Executive Vice President
Finance (CFO) / Purchasing /
Integrated Business Solutions

Born in Marburg / Lahn, Germany,
on January 11, 1969;
with Henkel since 1995.



Kathrin Menges

Executive Vice President
Human Resources /
Infrastructure Services

Born in Pritzwalk, Germany,
on October 16, 1964;
with Henkel since 1999.



Jan-Dirk Auris

Executive Vice President
Adhesive Technologies

Born in Cologne, Germany,
on February 1, 1968;
with Henkel since 1984.



**Jens-Martin
Schwärzler**

Executive Vice President
Beauty Care

Born in Ravensburg, Germany,
on August 23, 1963;
with Henkel since 1992.




Bruno Piacenza

Executive Vice President
Laundry & Home Care

Born in Paris, France,
on December 22, 1965;
with Henkel since 1990.

Adhesive Technologies

Our Adhesive Technologies business leads the global market with adhesives, sealants and coatings – for industrial applications as well as for consumers, craftsmen and the building sector. Our leading brand Loctite generates annual sales of more than 3 billion euros. Other top brands include Technomelt and Teroson. We combine cutting-edge innovations and close partnerships with our industrial customers around the world, enabling tailor-made solutions in four business areas: Packaging and Consumer Goods Adhesives, Transport and Metal, General Industry, and Electronics. In 2018, we generated around 30 percent of our sales with products launched onto the market in the last five years.

 www.henkel.com/brands-and-businesses/adhesive-technologies

Top brands

LOCTITE **TECHNOMELT** **TEROSON**

Key financials 2018

Sales

€ 9,403_m

Adjusted¹
operating profit (EBIT)

€ 1,761_m

Organic sales growth

+4.0%

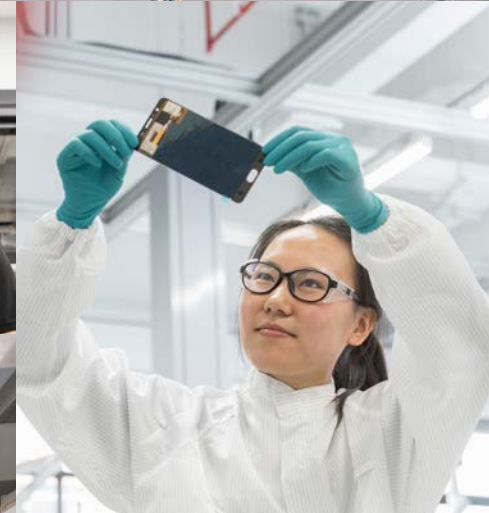
Adjusted¹
return on sales (EBIT)

18.7%

¹ Adjusted for one-time charges / gains and restructuring expenses.

Making innovation tangible for our customers

Henkel is building a new global Innovation and Customer Center for Adhesive Technologies at its corporate headquarters in Düsseldorf. We are investing more than 130 million euros in a state-of-the-art building with an area of more than 500,000 square feet. The center is due to be completed by 2020 and will house around 350 Henkel experts developing new technologies for various industries. Here we can also present our innovations: The production facilities and processes of our customers from around the world can be replicated to develop the best solutions to their specific challenges.



Beauty Care

Our Beauty Care business operates world-wide with products in the Hair Cosmetics, Body Care, Skin Care and Oral Care segments. We hold leading positions in numerous markets and categories with internationally renowned brands like Schwarzkopf, Dial and Syoss. In addition to our consumer brands, our portfolio also includes products for professional hairdressers, who define new trends through their creations. With our Hair Salon business area and brands such as Schwarzkopf Professional, Sexy Hair and Kenra, we count among the top three businesses in this segment globally. Through our customer and consumer proximity, we can quickly respond to global trends with innovative products. In 2018, the proportion of sales from products launched onto the market in the last three years was around 45 percent.

Top brands



syoss

Key financials 2018

Sales

€ 3,950_m

Adjusted¹
operating profit (EBIT)

€ 675_m

Organic sales growth

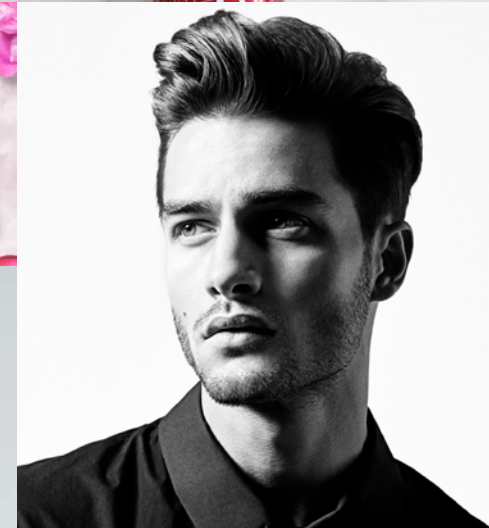
–0.7%

Adjusted¹
return on sales (EBIT)

17.1%

Schwarzkopf – celebrating the birthday of a brand icon

With sales of over 2 billion euros, Schwarzkopf is one of Henkel's biggest and most successful brands. Its strong brand heritage goes all the way back to the chemist Hans Schwarzkopf, who opened a small drugstore in Berlin more than 120 years ago. Today, Schwarzkopf features among the world's most famous hair cosmetics brands and offers innovative hair care, hair styling and hair coloring products for both consumers and hairdressers. To mark Schwarzkopf's anniversary, this passion for hair and individual creativity was placed at the center of our global campaign #createyourstyle.



Laundry & Home Care

Our Laundry & Home Care business holds leading positions in many global markets with its strong brands and innovations in the Laundry Care (laundry detergents) and Home Care (cleaning products) business areas. Its major brands are Persil, all and Bref. The product portfolio ranges from heavy-duty and specialty detergents, laundry additives, dishwashing products, hard surface and WC cleaners, to air fresheners and insect control products. Innovations play a key role in our long-term success in this business: In 2018, we generated around 45 percent of our sales with products launched onto the market in the last three years.

 www.henkel.com/brands-and-businesses/laundry-and-home-care

Top brands

Persil



Bref

Key financials 2018

Sales

€ 6,419_m

Adjusted¹
operating profit (EBIT)

€ 1,162_m

Organic sales growth

+1.9%

Adjusted¹
return on sales (EBIT)

18.1%

¹ Adjusted for one-time charges / gains and restructuring expenses.

New liquid detergents – better performance, more sustainability

Consumers want to have perfectly clean textiles while preserving the environment. This is why we continually innovate to make our products even more efficient and sustainable. With a new, highly concentrated formula in our liquid detergents under the Persil and other brands, we now offer up to 40 percent more stain removal power per drop of laundry detergent. This has been achieved by applying the latest digital technologies in research and development. We are also contributing to greater sustainability: We save 120 million liters of water and avoid 3.5 million kilograms of packaging materials each year – to the benefit of consumers and the environment alike.



Finance

Efficient and flexible processes enable our business units' successful development in a volatile market environment. We steer our workflows with a holistic and integrated approach in the different areas of our Finance organization: in financial management, in our Global Supply Chain organization and in the Integrated Business Solutions area, which combines our IT and seven Shared Service Centers worldwide. Standardization, automation and digitalization improve not only process efficiency, but also the agility of our company. This allows us to respond proactively both to the increasing volatility in our markets and to upcoming consumer trends.

 www.henkel.com/spotlight/features/industry-4-0

Free cash flow ¹

€ 1,917 m

Acquisitions /
Capital expenditures ¹

around € 1.3 bn

Dividend per preferred share ²

€ 1.85

Automated ordering processes
with our suppliers

over 90 %

Data points analyzed
in our supply chain per day

1,000 m

Robotic applications
in Shared Service Centers

more than 170

¹ Relating to fiscal 2018.

² Proposal to shareholders for the Annual General Meeting on April 8, 2019.

Better and faster decisions with real-time data

Digitalization enables the systematic aggregation and analysis of large data volumes. Material flows from suppliers through our production and warehouses worldwide to our customers can be tracked in real-time. We record around 1 billion data points in our supply chain every day. Digital forecasting processes enable us to adjust our production flexibly in the event of raw material shortage or significant price fluctuations. We also leverage the opportunities of digitalization in our Shared Service Centers. Over 170 software robots increase efficiency by taking on more complex tasks, thanks to machine learning.



People

An international and diverse environment, around 53,000 employees working in almost 80 countries, as well as exciting jobs that come with the freedom to contribute personal ideas and entrepreneurship – that is what working at Henkel is all about. We promote an open management style, appreciate our employees and support them in their individual development. Helping our employees to balance work and family life is a top priority for us. We are proud that over a third of our managers are women. The social engagement of our employees is also something we value highly. That's why we support their active contribution to social projects and sustainability initiatives worldwide.

 www.henkel.com/careers

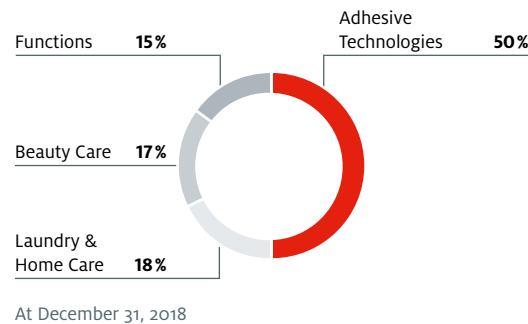
Employees

around **53,000**

Nationalities of our employees

120

Employees by organizational unit



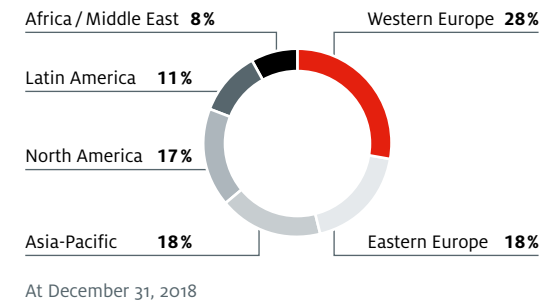
Share of female managers

34.7 %

Online trainings on offer

about **1,700**

Employees by region



More than just a job – a career at Henkel

Since Henkel was founded more than 140 years ago, the strong entrepreneurial spirit and individual initiative of our employees have been very important to us. The pioneering drive of our founder, Fritz Henkel, and the way he valued his employees, continue to define our corporate culture today. At our company, employees are given responsibilities early on, so they can implement their ideas. They can plan their career according to their personal vision, with many different opportunities for development in our three business units, our functions and our international locations. It is equally important to us to enable personal development through high-quality, flexible training offerings available via digital platforms.



Sustainability

Henkel is a leader in sustainability. This commitment underpins all of our actions and is firmly anchored in our corporate values. Our long-term sustainability strategy sets out a clear framework for everything we do. It also reflects the high expectations of our stakeholders, who want to better understand the impact of our products along the value chain. As a company, we aim to create more value for our customers, consumers, neighbors and our own company – while at the same time reducing our environmental footprint. To achieve this, we drive new approaches to sustainable development. Our excellent sustainability performance is regularly confirmed and recognized by international rating agencies.

 www.henkel.com/sustainability

Excellent performance in ratings and rankings



Overall efficiency improved by¹

+43%

Improved safety per million hours worked¹

+17%

Less CO₂ emissions per ton of product¹

-25%

Plastic gathered in 3 collection centers of Plastic Bank

63,000 kg

¹ Figures relate to fiscal 2018 compared to the base year 2010.

Plastic: a joint responsibility

The packaging of our consumer products serves various purposes: ensuring hygiene, protecting products from external influences, and displaying important information. We are committed to reduce waste in a significant way. This is why our developers work on intelligent and sustainable solutions. An increasing part of product packaging we use is already made entirely of recycled plastic. By 2025, we want all of our packaging to be recyclable, reusable or compostable. In addition, we support, for example, three collection centers of the social enterprise Plastic Bank in Haiti, which encourages the collection of plastic waste.



Social engagement

Corporate citizenship has been an essential part of our corporate culture ever since the company was established. Our long-term commitment to social responsibility that goes beyond direct business interests was the driver in the creation of the “Fritz Henkel Stiftung” foundation in 2011. Our social engagement is based on four pillars: corporate volunteering, social partnerships, brand engagement and emergency aid. Henkel and the “Fritz Henkel Stiftung” support projects in the areas of education and science, social needs, art and culture, fitness and health, and the environment. By 2020, we aim to improve the quality of life of 10 million people.

 www.henkel.com/sustainability/corporate-citizenship



Corporate volunteering

We support active and retired employees in their voluntary social engagement through the “Make an Impact on Tomorrow” program.



Brand engagement

In addition to Henkel’s social engagement, our brands are also involved in partnerships with social initiatives and public institutions around the world.



Social partnerships

In social partnerships, we support social initiatives and public institutions at Henkel sites around the world.



Emergency aid

After natural disasters, Henkel responds quickly and pragmatically, providing aid through our foundation, the “Fritz Henkel Stiftung.”

Contribution to a better quality of life

We supported around 2,000 social projects in 2018, reaching more than 1,285,000 people. For instance, since 2012 our employees have served as sustainability ambassadors in their communities and shared with about 150,000 schoolchildren around the world how to act more sustainably in daily life. In the course of Schwarzkopf's "Million Chances" initiative, we supported around 17,500 women and girls. The MIT program, through which we promote our current and retired employees' social engagement, is now in its 20th year. The total amount of funds donated reached approximately 8.3 million euros this past year.



Want to learn more about Henkel?

You can find more information about the progress we have made in implementing our strategic priorities as well as our sustainability strategy on the internet:

www.henkel.com

Our financial publications on the internet:

www.henkel.com/reports

Our sustainability publications on the internet:

www.henkel.com/sustainability/reports

Or download the Henkel app for iOS or Android:



Spotlight

How can we encourage a responsible approach to plastic? What opportunities does Industry 4.0 offer? What makes an international company agile? Henkel Spotlight brings together all of our publications and latest news. Discover stories, expert interviews, extensive features, guest articles and social media posts in our digital content hub.

Curious? Please visit:

www.henkel.com/spotlight

Henkel on social media



www.linkedin.com/company/henkel_2



www.twitter.com/henkel



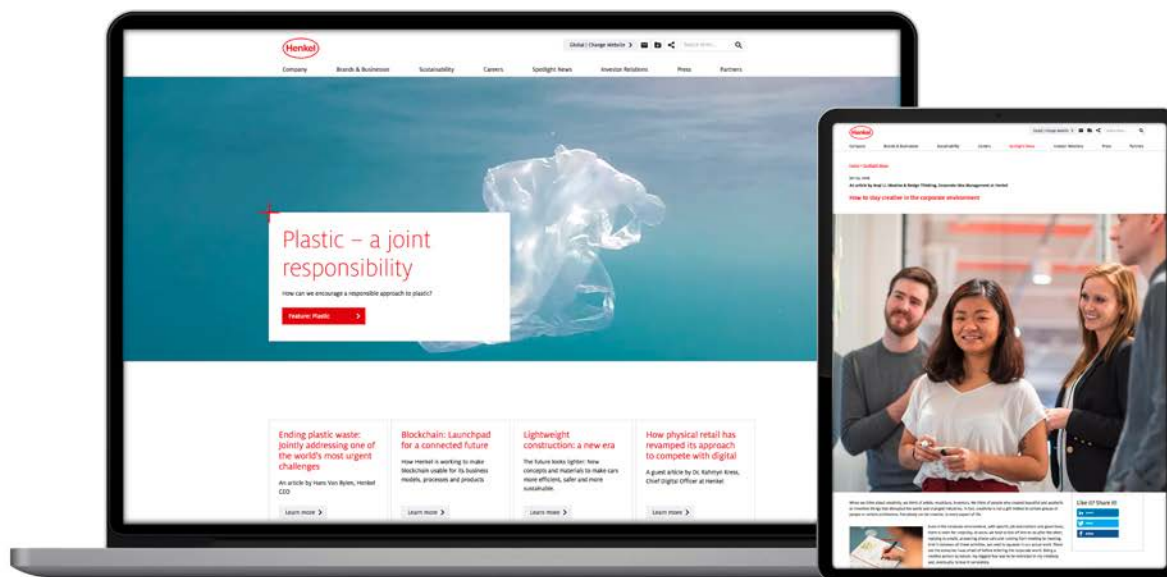
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www.instagram.com/henkel



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Financial calendar

Annual General Meeting

Henkel AG & Co. KGaA 2019:

Monday, April 8, 2019

Publication of Statement

for the First Quarter 2019:

Tuesday, May 7, 2019

Publication of Report

for the Second Quarter 2019 / Half Year 2019:

Tuesday, August 13, 2019

Publication of Statement

for the Third Quarter 2019/ Nine Months 2019:

Thursday, November 14, 2019

Publication of Report

for Fiscal 2019:

Thursday, March 5, 2020

Annual General Meeting

Henkel AG & Co. KGaA 2020:

Monday, April 20, 2020

**Up-to-date facts and figures on Henkel
available on the internet:**

 www.henkel.com

