



Leslie Iltgen, Head of IR:

Good morning everyone and a warm welcome to Henkel's Q3 conference call.

Here with me today are our CEO Carsten Knobel and our CFO Marco Swoboda.

Following the presentation, as always, Carsten and Marco are happy to take your questions.

Before handing over, please let me remind you that this call will be recorded and a replay will be made available on the investor relations website shortly after this call.

By asking a question during the Q&A session you agree to both the live broadcasting as well as the recording of your question including salutation to be published on our website.

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.

2 HENKEL Q3 2023 Note: Each figure commercially rounded. Addition may result in deviations from the totals indicated.



Also please be reminded that this presentation contains the usual formal disclaimer in regard to forward-looking statements within the meaning of relevant US legislation. It can also be accessed via our website at henkel.com/ir.

The presentation and discussion are conducted subject to this disclaimer.

With this, it is my pleasure to hand over to our CEO Carsten Knobel.
Carsten, please go ahead.

AGENDA

- 01 **Key Developments**
- 02 Business Performance Q3 2023 & Outlook
- 03 Key Take-Aways & Closing

3 HENKEL Q3 2023



Carsten Knobel, CEO:

Thanks, Leslie and a warm welcome to our conference call and all participants today.

Differently than in the past, and if you hear Marco's voice, I hope you understand that this time, I take over Marco's part as Marco will spare his voice in order to be fit for the Q&A.

As always, we appreciate your interest in our company.

After walking you through the key developments of the third quarter, we will take a closer look at our business performance and also our expectations for the full year. Afterwards, Marco and I are looking forward to taking your questions.

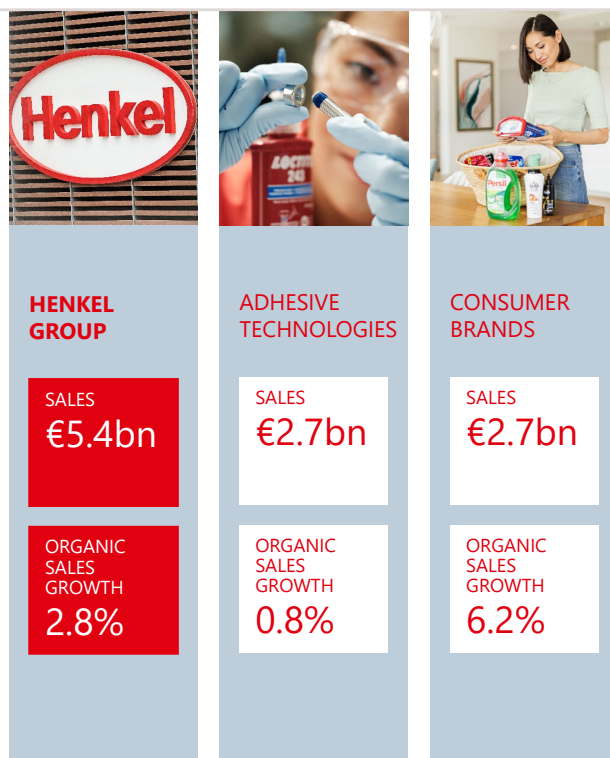
Let's turn straight to the key highlights of Q3.

DELIVERING ON OUR PRIORITIES

Sustained topline trajectory in Q3 2023

- **Organic sales increase** driven by **strong pricing** and **improved sequential volume development in both businesses**
- **Adhesive Technologies acquires attractive adjacent business Critica Infrastructure** underpinning M&A growth journey
- **Consumer Brands merger ahead of plan** with vast majority of Phase 1 net savings to be achieved by year-end
- **Guidance for 2023 raised** with adj. EPS now expected to significantly increase by 15-25% – supported by further sequential improvement of volume development in Q4 in both business units

4 HENKEL Q3 2023



We are pleased to report continued organic sales growth of 2.8% – for sure driven by strong pricing, but also – as expected and promised – by a sequential improvement in volume development in both businesses – despite the fact that the overall macroeconomic environment continues to be highly challenging and volatile.

Both Adhesive Technologies and Consumer Brands contributed to this growth, with the consumer business clearly standing out by delivering 6.2% organic growth and showing double-digit pricing.

In Q3 we also successfully expanded our Adhesive Technologies portfolio in a highly attractive adjacent business with the acquisition of Critica Infrastructure – and I will elaborate on this transaction in more detail in just a few minutes.

Turning to our consumer business – we are highly pleased with the progress we have been making in merging and transforming the business. We are clearly ahead of plan and will generate the vast majority of the targeted phase 1 net savings already by the end of this year – also here, I will give some more color later on. In this context, let me also underline that we have made significant progress in our overall strategic approach in stringently focusing our portfolio on high-growth and high-margin businesses. It goes without saying that this does not come without a certain impact on volumes. However, this is a deliberate choice and will be temporary in nature while still working on shaping a winning portfolio. In the meantime, we have already achieved a significant step-up in gross profit which allows increased re-investment levels and drive profitable growth going forward. In our Hair business, where we started the transformation a bit earlier than in Laundry & Home Care, volume development already reached positive territory in Q3 - clear proof that our strategy is paying off.

In regard to the prospects for the remainder of the year – considering the sustained strong performance, an encouraging start into Q4 and in expectation of a further sequentially improved volume development in both businesses in Q4 vs. Q3, we raised our guidance for 2023 – with adj. EPS expected to significantly increase by 15-25%.

ADHESIVE TECHNOLOGIES: EXPANDING OUR PORTFOLIO IN ADJACENT BUSINESS

Acquisition of Critica Infrastructure closed

- Acquisition of **specialized supplier for innovative composite repair and reinforcement solutions**
- **Significant expansion** of maintenance, repair and overhaul (MRO) portfolio with adjacent business offering **platform for further growth**
- **Strengthen position** in sustainability-driven, fast-growing and highly profitable market – aging infrastructure driving demand for repair solutions
- **Access** to more than 3,000 leading maintenance service providers & contractors and certified technologies for critical infrastructure

KEY FACTS

- Sales of ~€100m in 2023e
- **3-year-CAGR* > 10%**
- Active in many countries with **focus on North America**

*2019-2022



5 HENKEL Q3 2023

Let me now give some more color around the most recent M&A transaction in our Adhesive Technologies business.

I'm really excited that we have succeeded in acquiring Critica Infrastructure, a specialized supplier for innovative composite repair and reinforcement solutions.

Critica is a great strategic fit: It allows us to create a new platform and significantly expand our existing maintenance, repair and overhaul (MRO) portfolio by a highly attractive adjacent business. And it thus strengthen our leading position in a sustainability-driven, fast growing and – what is more – in a highly profitable market.



Critica gives us access to more than 3,000 leading maintenance service providers & contractors and certified technologies for critical infrastructure. The portfolio comprises composite wrap and reinforcement solutions as well as insertion valves for oil and gas transmission, refining, chemical, and water supply systems. Thus, we are adding new services and have the opportunity to bring existing solutions to the new customer base.

The acquired business will add annual sales of approximately 100 million euros and shows above-market growth of more than 10% [when considering the CAGR over the past 3 years].

Going forward, the new platform will allow us to add further adjacent businesses to it.

With this acquisition we clearly underpin our M&A growth journey in the Adhesive Technologies business under the new leadership of Mark Dorn.

ADHESIVE TECHNOLOGIES: WELL-POSITIONED IN ATTRACTIVE MARKET SEGMENTS ENABLING SUSTAINABILITY

 <p>GENERAL MANUFACTURING & MAINTENANCE</p>	<p>Broad range of applications to EXTEND ASSET LIFETIME while increasing efficiency & enabling sustainability</p> <p>Highly attractive MRO segment with HIGH SINGLE-DIGIT organic sales growth YTD exceeding market development</p> <p>Scaling new innovative IOT predictive maintenance solution LOCTITE PULSE enabling data-driven & subscription-based business models</p>	 <p>AUTOMOTIVE</p>	<p>140 OF 150 CARS produced every minute worldwide contain at least one Henkel solution</p> <p>OUTGROWING THE MARKET with double-digit organic sales growth in surface treatment and engineering solutions YTD</p> <p>Setting INDUSTRY STANDARDS for more sustainable mobility – e.g., thin-film solution leading to double-digit savings in water & energy</p>
---	--	---	--

6 HENKEL Q3 2023

MRO = Maintenance, Repair & Overhaul



The acquisition will further enhance our General Manufacturing & Maintenance business – which is one of two attractive market segments within our Adhesive Technologies business, I would like to highlight today.

In our General Manufacturing and Maintenance business, we serve our customers with a broad range of applications across various industries. Our solutions provide value by extending asset lifetime, increasing process efficiency and enabling sustainability. Building on what I said a minute ago, we continue to strengthen our portfolio in the highly fragmented MRO market – with success. Year to date, we have achieved high single-digit growth in this business, which is clearly above market levels. Innovations are key, and I would like to point out a special one, which is a great example of how we are developing new, digitally-enabled business models. The team is currently scaling our new Internet-of-Things solution LOCTITE Pulse. Thanks to smart monitoring, it enables predictive maintenance and prevents critical equipment failures, such as leakages.

Another area, which continues to stand out, is our successful Automotive business. As you know, our solutions can be found in 140 out of 150 cars, which are being produced every minute worldwide. We are a globally recognized partner of all major OEMs. In attractive segments such as surface treatment and engineering solutions, we are significantly outgrowing the market with double-digit growth. And we continue to win attractive customer projects. We are also setting industry standards with our solutions for more sustainable mobility. For example, our thin-film pre-treatment solutions enable substantial reductions in energy and water consumption, while emphasizing responsible chemical solutions.

These are just two examples illustrating that we are well-positioned in highly attractive and appealing markets. And they also clearly show the potential of our business – shaping growth opportunities by supporting our customers in providing more sustainable solutions and by leveraging our unique technology know-how.



Now turning to our Consumer Brands business:

As already mentioned at the beginning of my presentation, we are more than pleased with the dynamic progress made in transforming and shaping the business along our roadmap so far while focussing on our two global categories Hair and Laundry & Home Care.

The implementation of the merger is clearly ahead of plan and we will have realized more than 80% of the targeted phase 1 net savings of around 250 million euros already by year-end. We were able to find agreements for the targeted 2,000 positions by the end of Q3 and thus further optimize the organizational set-up. Beyond that, we are also making good progress with the supply chain measures we had initiated at the beginning of the year, which are the clear focus area of the second integration phase.

We already see the benefits of our portfolio optimization program kick in which includes the discontinuation of low growth and low-margin businesses. To date, we have either discontinued or divested parts of the portfolio that account for sales of around 0.6bn euros out of the 1bn we put under review last year. We are now stringently redirecting resources toward high-growth and high-margin products and brands and keep up with our increased marketing investments.

All of these measures are already bearing fruit and translate into an improved gross profit profile, allowing us to reinvest more into the business and thus sustainably fuel profitable growth on healthy and solid grounds.

However, this journey is by no means already at its end. We will continue to work on shaping a winning portfolio, investing in brand equity and innovations and working on our supply chain in the upcoming quarters. We are highly confident that this will lead us to an even more profitable and faster growing business going forward. And that we are well on track in bringing the business back to mid-teens margin levels in the next years.

You can expect a more detailed status update on the Consumer Brands merger with our full-year call in March.

CONSUMER BRANDS: GROWING WITH GLOBAL CATEGORIES LAUNDRY & HOME CARE AND HAIR



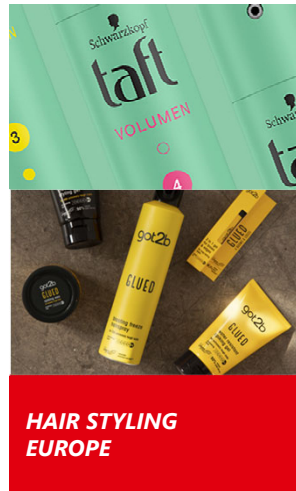
**LAUNDRY &
HOME CARE
NORTH AMERICA**

7TH CONSECUTIVE QUARTER

with organic sales growth

Top premium detergent brands Persil and 'all contributing with **DOUBLE-DIGIT** organic sales growth in Q3

Henkel gaining **+30 bps** market share YTD in important fabric cleaning category - US brand 'all standing out with **+50 bps**



**HAIR STYLING
EUROPE**

Sustained growth path with **DOUBLE-DIGIT** organic sales growth in Q3 2023

Henkel is **MARKET LEADER** in Europe – share gains of **+60 bps** YTD with Got2b standing out gaining **+90 bps**

Growth fueled by **STRONG INNOVATIONS** from top brands Taft and Got2b

Let me also turn to two specific business segments, which have been showing sustained growth momentum.

Starting with our Laundry & Home Care business in North America:

In the meantime, we have seen the 7th consecutive quarter of organic sales growth.

The implemented measures are bearing fruit and we are pleased to see that top detergent brands like all and Persil are contributing with double-digit organic sales growth in Q3 to our performance in the region.

Also, Henkel continues to gain market share in the important fabric cleaning category. Year to date we gained 30 basis points – with our US brand 'all clearly standing out, gaining +50 bps.

In Europe, Hair Styling clearly stood out with double-digit organic sales growth in Q3.

We have been further expanding Henkel's market leading position in this region with market share gains of +60 basis points year to date with Got2b over proportionately gaining 90 bps. Last not least, let me also emphasize the importance of innovations to fuel growth. In this particular case, strong innovations from our top brands Taft and Got2b were clear growth drivers. Bringing our innovation engine fully to bear and launching new exciting products to market is also something you should expect to see more of going forward.

OUTLOOK 2023 RAISED

ORGANIC SALES GROWTH

3.5 to 4.5%

ADJ. EBIT MARGIN

11.5 to 12.5%

ADJ. EPS¹

+15 to +25%

9 HENKEL Q3 2023

¹ Per preferred share, at constant exchange rates



This brings me to our 2023 guidance and the prospects for the remainder of the year, which we updated this morning.

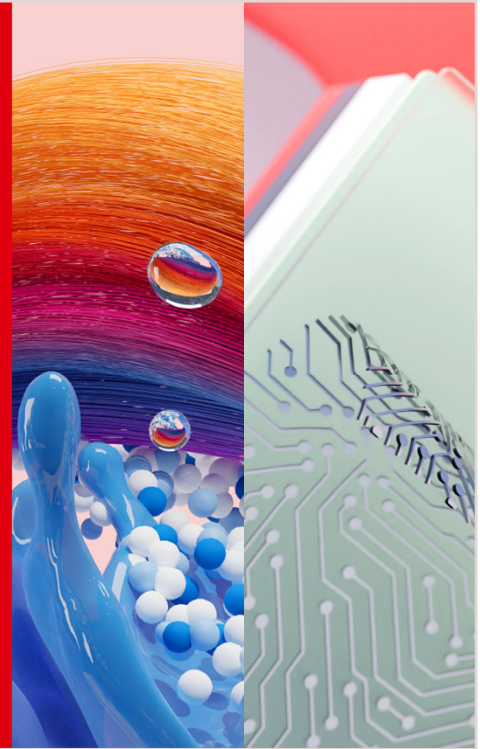
Considering the sustained strong performance year-to-date, the encouraging start to Q4 both top- and bottomline as well as a further sequential improvement of volume development in both businesses we raised our guidance for 2023.

While the third quarter trading update does not include margin and earnings information, I would like to confirm that we have seen further improvement in our gross profit and EBIT margin supported by both businesses and that we also saw material improvement when it comes to free cash flow generation. We expect these trends to continue throughout the remainder of the year and now expect organic sales growth in the range of 3.5 to 4.5% and an adjusted EBIT margin between 11.5 and 12.5%. Adjusted EPS is expected to grow between 15 and 25%.

AGENDA

- 01 Key Developments
- 02 **Business Performance Q3 2023 & Outlook**
- 03 Key Take-Aways & Closing

10 HENKEL Q3 2023



Let me briefly summarize:

I believe it is fair to say: We continued to make good progress across the board in both businesses and continued to deliver on our priorities and commitments.

That would be now the turning part to Marco, and let's see if I can also bring that to life. So going a little bit more into the details now.

ORGANIC SALES INCREASE DRIVEN BY CONTINUED STRONG PRICING

Q3 2023



11 HENKEL Q3 2023

Let me start by sharing some more details around the drivers of our sales performance for both the Group and our two business units in Q3.

Organic sales growth reached 2.8%, which was driven by continued strong pricing in both business units. While volumes were below prior year, their development sequentially improved in Q3 vs Q2 – in line with our expectations. I will get back to the individual development in Adhesive Technologies and Consumer Brands in more detail in just a minute.

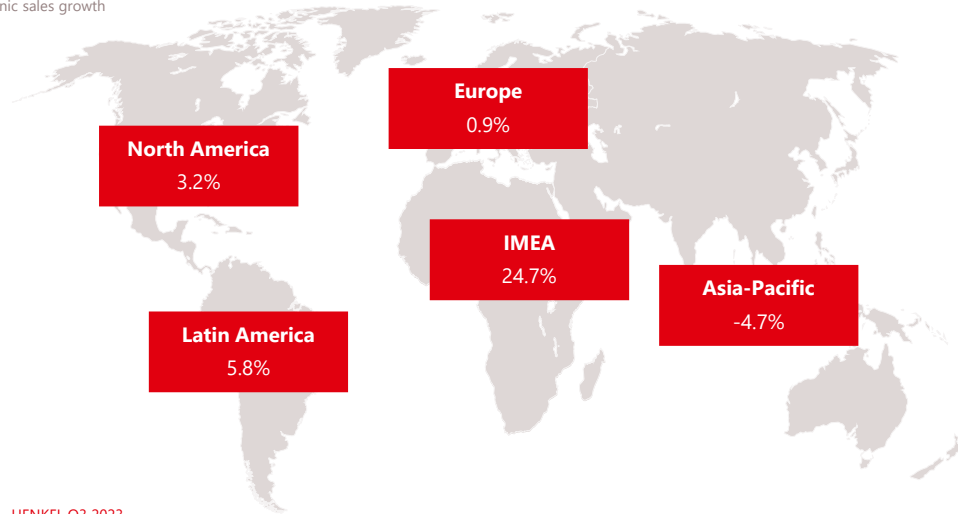
Sales came in at around 5.4 billion euros. In nominal terms, they were 9% below the prior-year level. The two factors contributing to this were M&A and foreign exchange.

M&A had a negative impact on sales mainly related to the divestment of our business in Russia. Foreign exchange were a headwind too, mainly due to the appreciation of the Euro versus our basket of currencies, particularly vs. the US Dollar.

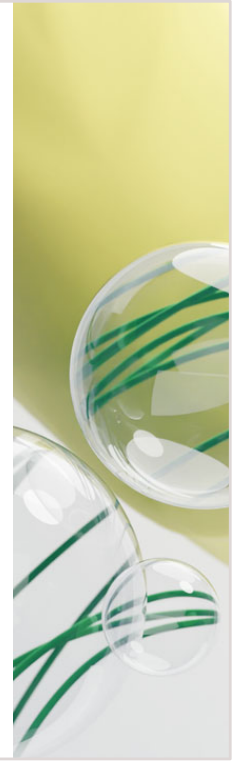
ORGANIC SALES GROWTH BY REGION

Q3 2023

Organic sales growth

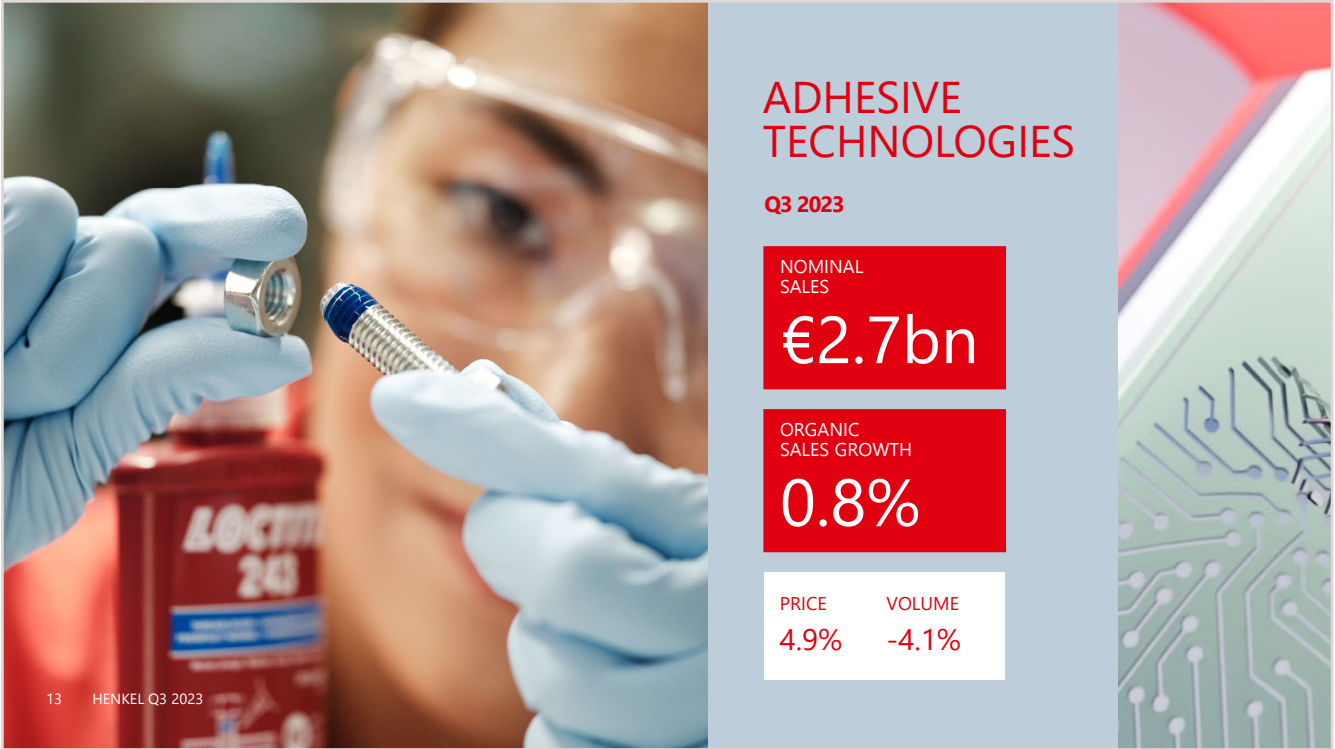


12 HENKEL Q3 2023



Turning to the distribution of growth in the different regions.

We delivered organic sales growth across all regions with the exception of Asia-Pacific where we still saw softer demand in China, however, showing first signs of stabilization to the end of the quarter, and also, I have to say, starting into Q4.



Let me move on with the performance of our two business units, starting with Adhesive Technologies.

The business showed organic sales growth of 0.8%, reaching 2.7 bn euros in the third quarter.

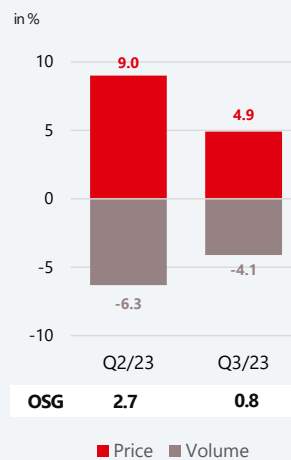
ADHESIVE TECHNOLOGIES

Q3 2023 – Business Unit Performance

- Overall **comparably resilient performance** given continued softer demand in relevant end markets and higher prior-year comparables
- **Positive organic sales growth** with **continued strong pricing** and sequential improvement of volume development vs. Q2 2023
- **Volume development** expected to **further improve sequentially to flat territory** in Q4 2023

14 HENKEL Q3 2023

Price/Volume Development



For sure, we can state that the business has proven to be comparably resilient over the past quarters despite the continued softer demand in relevant end markets and taking into account higher prior-year comparables.

In Q3, pricing was moderating but still remaining at a strong level with 4.9% – reflecting the strength of our portfolio and leading market positions globally. The expected sequential slowdown was mainly due to pricing carry-over effects fading out.

Volume development was still negative with 4.1%, however, showing a sequential improvement vs Q2. Also in line with our expectations, we observe easing stock adjustments along the value chain.

And important now, we are confident that this positive trend will continue moving into Q4, with volume development to sequentially improve to flat territory.

ADHESIVE TECHNOLOGIES

Q3 2023 – Business Area Performance

MOBILITY & ELECTRONICS



SALES OSG
€980m **4.6%**

Growth driven by Automotive, Industrials positive, Electronics below prior year due to continued muted demand

PACKAGING & CONSUMER GOODS



SALES OSG
€855m **-5.0%**

Both Consumer Goods and Packaging negative due to high prior-year comparables and softer demand

CRAFTSMEN, CONSTRUCTION & PROF.



SALES OSG
€876m **2.8%**

Growth driven by Consumers & Craftsmen and Construction despite persisting weak markets, General Manufact. & Maintenance slightly negative

15 HENKEL Q3 2023

Let me now turn to the performance in the individual **business areas** where we saw different dynamics in the three business areas within our adhesives business.

Mobility & Electronics again was the main growth driver with a plus of 4.6%. This increase was first and foremost driven by the Automotive and Industrial businesses, while the Electronics business continued to trend below prior-year levels reflecting the still subdued market environment, particularly in China. But I mentioned positive signs at the end of the quarter and beginning of this quarter in that specific segment.

Packaging & Consumer Goods showed a decline of 5% in Q3 on the back of overall softer demand, but also high prior-year comparables which had been driven by an inflated demand in relation with the Covid pandemic at the time.

Craftsmen, Construction and Professional delivered growth of 2.8%, driven in particular by Consumers & Craftsmen and Construction despite persisting weak markets. General Manufacturing & Maintenance was slightly negative due to softer demand.

Overall, a very robust performance of our Adhesive Technologies business in comparison to our relevant markets and considering the overall still volatile and challenging macro environment – clearly reflecting the strength of our business.



Turning to Consumer Brands.

The business generated organic sales growth of 6.2% which was to a large part still driven by strong pricing which accounted for nearly 12%.

Volumes decreased by 5.7% showing a clear sequential improvement vs Q2 which I would like to elaborate on in more detail on my next slide.

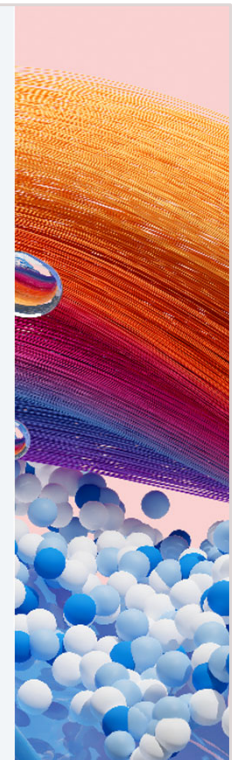
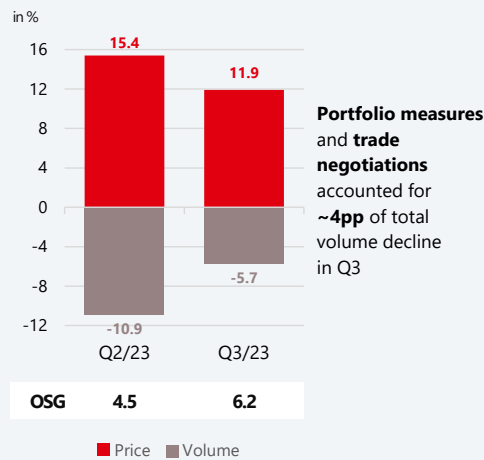
CONSUMER BRANDS

Q3 2023 – Business Unit Performance

- **Very strong organic growth** driven by **double-digit pricing**
- **Clear sequential improvement in volume development** vs. Q2 2023 – continued impact from portfolio measures while lower impact from trade negotiations
- **Volume development** expected to **further improve sequentially** – trending towards flat levels by year-end
- **Continued brand/marketing support** at elevated levels to drive growth in overall inflationary consumer environment

17 HENKEL Q3 2023

Price/Volume Development



I already referred to the very strong organic sales growth we saw in the Consumer Business which was first and foremost driven by strong double-digit pricing.

Volumes were still negative being down 5.7% in Q3 standalone, however, as just mentioned showing a clear sequential improvement as we had anticipated in our H1 call.

Portfolio measures and trade negotiations together made up for around 4% of the total volume decline in the third quarter. While about 2.5% derive from ongoing portfolio optimization, approximately 1.5% relate to trade negotiations.




Although the vast majority of the trade negotiations particularly in Western Europe were resolved by the end of Q2, there is always a certain time delay when it comes to retailers restocking. Moving into Q4 we would expect the negative impact to become even less relevant. When it comes to portfolio measures – as you know – we are still in the process of shaping our portfolio, eliminating low growth and low-margin business and refocusing on the faster and more profitable parts. We already see that these measures are bearing fruit, particularly when looking at the Hair category where we are more advanced vs. Laundry & Home Care and where volume development already reached positive territory in Q3. This is a strong proofpoint that our strategy is paying off.

Entering into Q4, you should continue to expect an impact on volumes in a similar magnitude as in the past quarters while we currently focus our activities more pronouncedly on the Laundry & Home Care category. If you strip portfolio and trade effects out, volume decline would have been only at less than 2%. Overall, we expect to see a sequential improvement in volume development – to be more specific, trending towards flat levels by year-end.

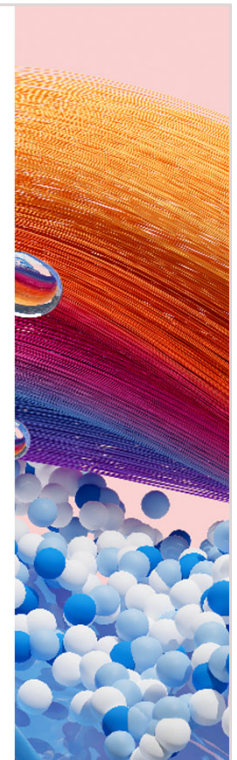
At the same time, we will continue to price where needed to compensate for still elevated input costs. In addition, we are taking additional pricing steps in the process of valorizing our portfolio with the strong brands we have. In parallel, we will keep up with the strong level of investments in marketing and advertisement to strengthen brand equity, also now in half year two, and for sure then also in Q4.

CONSUMER BRANDS

Q3 2023 – Business Area Performance

LAUNDRY & HOME CARE	HAIR	OTHER CONSUMER BUSINESSES
		
SALES €1,726m	SALES €779m	SALES €190m
OSG 5.8%	OSG 8.9%	OSG -0.6%
Very strong growth in both Laundry Care and Home Care driven by Fabric Care and Toilet Care	Double-digit increase in Consumer mainly driven by Styling and Care, Professional with very strong growth driven by North America	Very strong growth in North America offset by decline in Europe due to portfolio measures

18 HENKEL Q3 2023



Now turning to the performance by **business area** with focus on our two global categories Laundry & Home Care and Hair.

Laundry & Home Care delivered very strong organic sales growth of nearly 6% to which both Laundry Care and Home Care contributed nicely and with particularly strong growth in specialty detergents and toilet care clearly.




The Hair business area, which comprises both the professional and consumer business, grew by almost 9%. Within the Hair business area, the consumer hair business clearly stood out with particularly strong growth in the styling and care categories. Again, another proof point that what we are doing with our focus on higher margin and higher growth categories and segments is really the right way.

The Other Consumer Businesses showed an overall slightly muted development. While North America showed continued strong growth, Europe saw a decline due to the ongoing portfolio optimization measures.

Wrapping it up – Henkel delivered a very strong topline performance in both Adhesive Technologies and Consumer Brands in the third quarter.

And I have to say Wolfgang König and the team are really doing a fantastic job on that.

RAISED OUTLOOK 2023

		ORGANIC SALES GROWTH	ADJUSTED EBIT MARGIN	ADJUSTED EPS¹
	GROUP	3.5 to 4.5% <i>previously: 2.5 to 4.5%</i>	11.5 to 12.5% <i>previously: 11.0 to 12.5%</i>	+15 to +25% <i>previously: +5 to +20%</i>
	ADHESIVE TECHNOLOGIES	2.5 to 3.5% <i>previously: 2.0 to 4.0%</i>	14.0 to 15.0% <i>previously: 13.5 to 15.0%</i>	
	CONSUMER BRANDS	5.0 to 6.0% <i>previously: 3.0 to 5.0%</i>	10.0 to 11.0% <i>previously: 9.5 to 11.0%</i>	

Specified expectations for

- Restructuring expenses: € ~300m (*previously: €300 – 350m*)
- CAPEX: € ~650m (*previously: €650 – 750m*)

19 HENKEL Q3 2023

¹ Per preferred share, at constant exchange rates



So we talked already about the guidance, but let's get a little bit more into the details.

We now expect **organic sales growth** of 3.5 to 4.5% on Group level. Before we had anticipated 2.5 to 4.5%. For Adhesive Technologies, we now guide 2.5 to 3.5% whilst our prior top line guidance range called for 2 to 4%. For Consumer Brands we are lifting up our organic sales growth expectations to 5 to 6% from 3 to 5% we had before.

Our margins also continued to improve sequentially, supported by further contributions from the successful execution of our strategic initiatives and we remain confident that this trend will continue throughout the remainder of the year which is why we also adjusted our margin expectations accordingly.

For the Group this translates into an **adjusted EBIT margin** expectation in the range between 11.5 to 12.5%. For Adhesive Technologies we now expect 14 to 15%. The Consumer Brands business margin expectation now ranges between 10.0 to 11.0%.

Breaking it down to our **adjusted EPS** expectations - at constant currency as always - we are lifting our former guidance range significantly from previously 5 to 20% to now 15 to 25%.

With regard to **FX**, we continue to see a mid single-digit negative impact on sales.

Restructuring charges are expected to amount to roughly 300 million euros. Thus we expect to end up at the lower end of our previous forecast range. CAPEX is now expected to reach roughly 650 million euros instead of 650 to 750 million euros.

Even though we don't report a Q3 **free cash flow** number, I would like to share that we have seen significant progress and expect this trend to continue also in Q4 and end up very clearly above the prior-year level.

So, overall we are confident to continue on our growth path and deliver a clear improvement in earnings compared to the prior year.

AGENDA

- 01 Key Developments
- 02 Business Performance Q3 2023 & Outlook
- 03 **Key Take-Aways & Closing**

20 HENKEL Q3 2023



Let me summarize today's key take-aways.



21 HENKEL Q3 2023

KEY TAKE-AWAYS

- Henkel with **sustained growth momentum in Q3 2023** – **continued strong pricing** and **sequentially improved volume development** in both business units
- **Adhesive Technologies acquires attractive adjacent business Critica Infrastructure** underpinning M&A growth journey
- **Consumer Brands merger ahead of plan** with >80% of Phase 1 net savings to be achieved by year-end
- **Further sequential improvement of volume development** expected in **Q4 2023**
- **Guidance for 2023 raised** with adj. EPS now expected to significantly increase by 15-25%



Henkel showed sustained growth momentum in both business units.

With the encouraging start into Q4 – both top- and bottom-line as well as when it comes to volume development – we are also confident for the remainder of the year, which is why we raised the guidance for 2023 this morning.

We are pushing ahead with our strategic priorities and commitments. We are pushing for further growth not just organically, but also via attractive M&A opportunities as just shown in our Adhesives business, where we are implementing a platform which will allow us to add further adjacent businesses going forward.

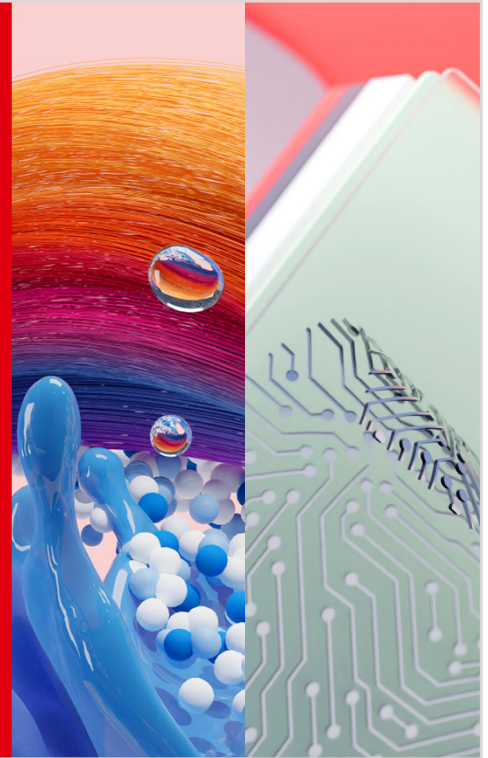
Our journey in transforming the consumer business has clearly picked up in speed and we are highly confident that we will successfully shape this business to become a sustainably, strong-growing and profitable business with a winning portfolio comprising global leading brands backed by attractive innovations and flanked by ongoing investments in our brand equity going forward.

Wrapping it up - we have set the stage for further profitable growth going forward.

With that, let us move on to the Q&A.

QUESTIONS & ANSWERS

22 HENKEL Q3 2023



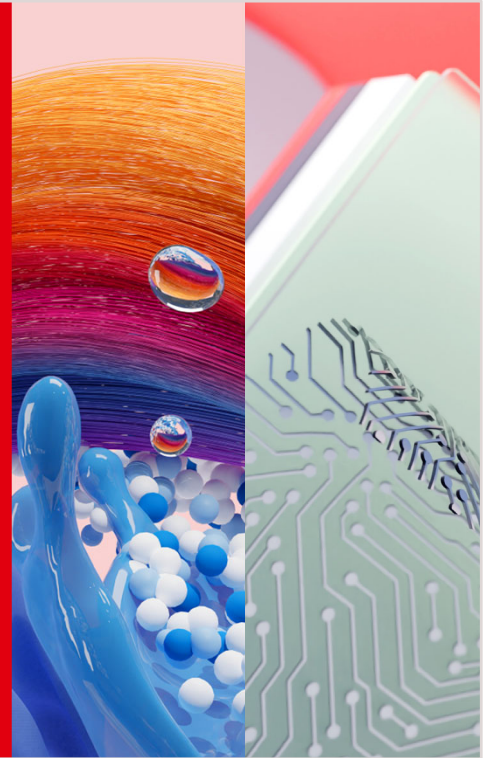
Question: Two questions from me, please. The first one is on pricing. So wondering if you could shed some additional light on your pricing development in the quarter? Because Consumer Brands, it looks like you took additional pricing actions in the quarter. So curious to hear if it was only in emerging markets, particularly where you're seeing some hyperinflationary economies, or if it's more broad-based? And ultimately, do you see that having an impact on demand? In Adhesives, by contrast, it seems pricing is much more stable sequentially on an absolute terms basis. So here, are you starting to see some pressure to roll back some of your pricing in some regions or some categories?

And then my second question is on the margins for Consumer Brands. Savings are clearly coming through ahead of plan, yet you haven't changed the upper end of your margin guidance for the division. So it's still standing at 11%. So my question is, what negative factors are becoming more challenging in recent months and are offsetting this stronger than anticipated savings delivery? Or maybe you've decided to reinvest more of the savings than initially planned?

Carsten Knobel, CEO: Let me directly start with your second question in terms of margins. So the short answer, because you ask, are there any negatives, the clear and short answer is 'no'. When you're saying we have not gone above the upper end, so first of all, we have changed the midpoint of the margin guidance for HCB, means that what we are seeing, the better coming in margins in that in terms of savings and which also makes us confident that we can reach that. And I can even say under the expectations, with certain assumptions we have taken, you can even expect that we are at the upper end or above the midpoint of that margin guidance. That's the first thing, for sure.

QUESTIONS & ANSWERS

23 HENKEL Q3 2023



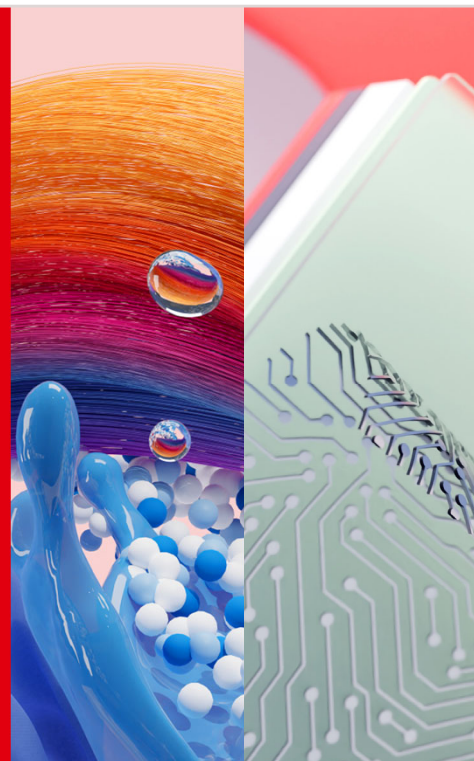
And I mentioned that during my presentation, we are investing sequentially and on specific parts of this business more than originally planned because we are believing we are creating a momentum. I was very much also giving you some examples in the Hair area where we have been accelerating because we started earlier with the portfolio adjustments and by that we have identified the categories or the country/category combinations where we can invest more, and by that getting also better OSG and also better getting GP levels and all of that pays in. So there is no negative sentiment what we see for the Q4.

We want also and I think that's the other part, that we are keeping up the investments also as a clear part of our valorization strategy. It's not only about pricing increases because of the material parts, but really bringing our brand level to a higher price level and by that, attracting consumers with better innovations. So therefore, taking everything into account, I would like to underline that the margin performance is even stronger than we originally anticipated. So that's for the margin.

The other part of your question was to pricing for both businesses. Maybe I start with Adhesive Technologies. First of all, I think if you look at Q3, we continued to see and we have recorded a strong price increase of 4.9%. While the carryover was clearly less pronounced versus Q2, there was still a considerable amount of carryover within our pricing in Q3, and I think that demonstrates our strong positioning globally within our Adhesives situation with our diversified portfolio and having leading impact solutions on the one side. But on the other side, we also made no major price concessions when it comes to our Adhesives business overall. That's the first part.

QUESTIONS & ANSWERS

24 HENKEL Q3 2023



Second part was your question on Consumer. Here, as pointed out, we saw a strong double-digit pricing of 11.9%. While here the carryover was less pronounced versus Q2, there was still a considerable amount of carryover also here within our pricing. We also implemented incremental price increases in selective areas. You had been asking emerging markets overall, more predominantly in Middle East and in APAC. Going forward, we will focus here, shift from input cost driven pricing to strategic pricing. As I mentioned it already before in the topic of the margin situation, to more valorizing portfolio parts and by that repositioning our brands globally. That answers your questions?

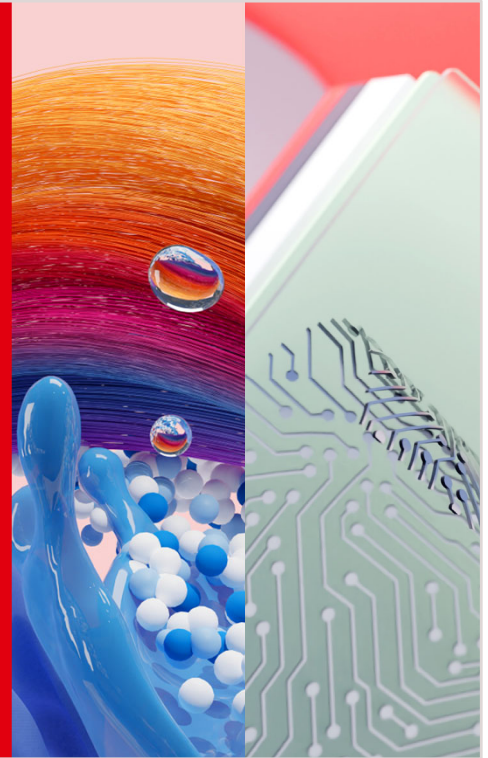
Question: A couple of questions from me, if I may. Firstly, just thinking about the balance between price and volume for your business and how that's evolving. Could you please remind us where you report mix? I think mix is in different places in Consumer and in Adhesives, but it'd be great if you could just remind us and give us an idea as to how mix is trending as well, given that you have a focus on premiumization in both Consumer and Adhesives? That would be my first question.

And then my second question is, I wondered if you could give any idea as to how we should start thinking about, I suppose, cost pressures and the overall macro landscape into 2024? Firstly, macro, and how you expect Adhesive demand to trend, as that's clearly been quite volatile this year.

And then secondly, I suppose we focused a lot on input costs, thinking about the margin from a raw mat's perspective, but anything about labor costs and how we should think about labor costs feeding into 2024 and potential consequences for the pricing landscape would be very helpful as well.

QUESTIONS & ANSWERS

25 HENKEL Q3 2023



Marco Swoboda, CFO: If you can't get it, then Carsten has to take over. The question on balance, price, volume, your question on where is mix reported. On the Adhesive Technologies business, we do report the mix in the volume component, and for HCB, the mix would be part of the price component. So you're right, we have a bit of a slightly different approach because of certain specifics of the businesses. Then I understood you said you want to get info where mix is trending. So at the end, we don't report obviously separately on it, but in HCB, I would see mix a bit supportive to the numbers. And in HAT, I would see it a bit slightly having a negative impact due to the portfolio composition we have.

The other part, when we talk about volume, maybe that's important to also note when you look at the volume we report for Henkel as a whole, but also then for the two business units, you will see that Henkel as a whole is not the average of the two business units. That is because we also have a negative volume impact in our corporate segment that stems from certain energy deliveries we provide, in particular in our German site, to third-parties. So that is not an operating impact, I would say, from the two businesses. I think that's important because we got here and there already a question on that. So the volume we do report for the individual businesses is a bit more indicative where we really trend.

Carsten Knobel, CEO: So I take the second question. Okay, Marco could also take the second question, but I give him a short break. So, your second question was related to cost pressures in 2024 - macro, demand, labor. I don't want to disappoint you, but today is not the day to give guidance on 2024. But for sure, I can give you some insights what we see. First of all, for sure, very early days in that, but maybe to give you something what we see today.

QUESTIONS & ANSWERS

26 HENKEL Q3 2023



Today, we see that volumes are weakening in the industry combined with destocking initiatives at customers. And the growth recovery, especially in China, is still muted, but I said during my presentation that we see, especially in the Electronics business, the things, positively developing in September, but also starting and continuing to do that in October. And by that, I think that's a first important factor.

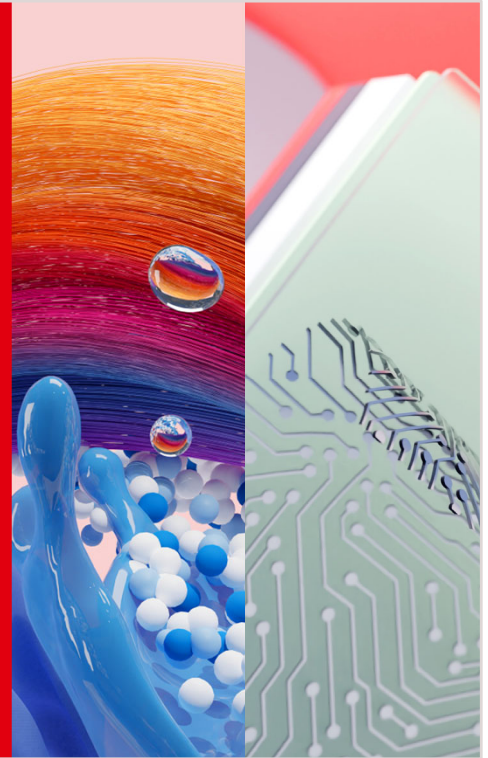
Second, if you look at the same time in the industrial production index, currently the forecast has been coming down from month-to-month within this year and is currently forecasted with a level of 0.8% for the year. At the same time, we have 2024 industrial production to be expected growing in the range of 1.7%. So that's definitely what we need to see or what we need to take into account.

On the other side, we have shown a resilient volume development in Q3, thanks to our strong and our well diversified portfolio in Adhesives, where we have seen a high share of customized solutions and globally with our leading market position helping us in comparing also to our relevant markets.

And when it comes to the potential pricing pressure, I think it's very clear, and I think we have seen that our products, our solutions typically only represent a very minor part of the total bill of materials of our customers. Thus, we are not their first priority when it comes to price discussions, and therefore in that part we are quite resilient. And looking at Q4 and that's the only thing what I can tell you, I was very outspoken on that, that we expect a volume development in Q4 in Adhesive Technologies in the dimension of a flat territory.

QUESTIONS & ANSWERS

27 HENKEL Q3 2023



And If I would now turn a little bit to HCB, for sure your question was more on macro or labor. I mentioned it also, we are very positive in the development when it comes to HCB. We had the significant improvement of volume in the negative field from the level of double-digit minus now to minus 5.7%. Out of that, I told you four percentage points are related to trade/portfolio measures. So pure volume in Q3 is minus 1.7%. And as I also mentioned, we expect now the volume in Q4 also improving sequentially, really moving to positive or flat territory to the end of the year. If you would adjust for the portfolio measures, 2.5 percentage points, which we also commented through the whole year. Then you can make up yourself the point, if I'm saying towards flat in the end of the quarter, plus this 2.5 percentage points, that means the base business is then on positive territory. Hope that helps a little bit.

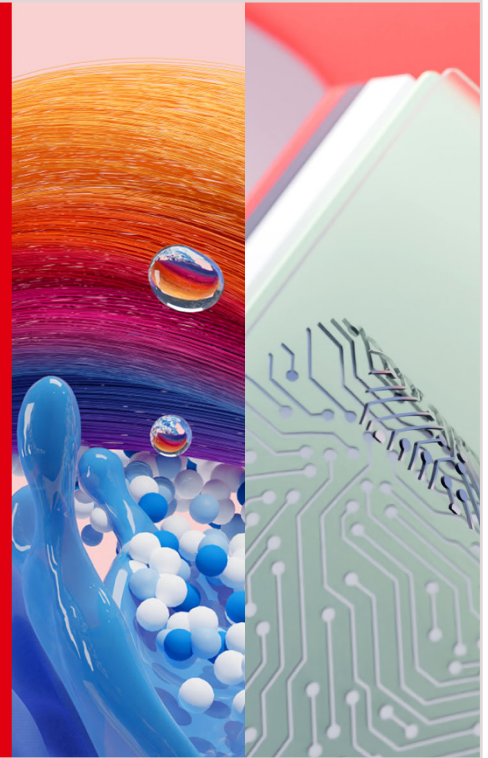
Question: Two questions, please. First of all, I'm pleased to see the success of Persil and all in the U.S. How is the performance on Liquid portfolio performing in the U.S. at this point?

And then the second question is, I'm afraid one for Marco. You're raising your bottom-line guidance, i.e. EPS more than sales or EBIT where you moved to the upper end of the previous range. Have you identified items below the EBIT line that are performing a bit better than previously anticipated, such as finance costs or taxes?

Carsten Knobel, CEO: Marco, you take the bottom line. He wants to challenge you.

QUESTIONS & ANSWERS

28 HENKEL Q3 2023



Marco Swoboda, CFO: No, I think he got it fully right. I mean, on the one hand, below EBIT we have some improvements in predominantly financial results and Carsten indicated that also cash flow came in quite strong. So also, net debt wise we run a bit better than assumed before, and some also incremental benefit from the tax side. But what you also have to see from the overall guidance change, we significantly raised the midpoints also on the EBIT margin so that contributes. And when we determine the upper and lower end, there's also judgement and a bit of rounding included what we think we can achieve. So it's a mix of different factors at the end, clearly indicating that we are much more confident now to a higher EPS range than what we had before.

Carsten Knobel, CEO: So my challenge was not meant Marco on the topic, it was more the challenge on the voice. So to your first question, in terms of North America, maybe, to put it in perspective, I mentioned it, 7 consecutive quarters with organic sales growth. We recorded 4 quarters of organic sales in 2022, and now 3 quarters in the year 2023. Year-to-date, Dial, the brand, as well as our top detergents, Persil, Purex, and all, contributed with high single-digit organic sales growth in that context.

And I mentioned it also before, in that challenging environment we were able to gain the market shares when you look at fabric cleaning, by 30 basis points and we also saw clear improvements and I think that's important again in supply chain with service levels further improving and by that reaching really now a satisfactory level, not only by ourselves but in the context of our customers.

On the very detailed Liquid question, I hope you understand that I'm not going into that level, but looking at laundry detergents, looking at laundry additives, we see market share improvements. So really, yes, I would say continuing that journey where we have really good performance factors. Hope that helps both.

QUESTIONS & ANSWERS

29 HENKEL Q3 2023



Question: Marco, I hope you feel better. One from me on the consumer integration. How does the accelerated net savings that you've announced today play into your A&P spend in the second half? I know in the first half, you noted you're accelerating A&P spend, and you touched on that in your opening remarks, Marco, but did that continue to accelerate into the second half, and would you expect to bring forward Phase 2 of the integration plan given how quickly you're getting through the first phase?

Carsten Knobel, CEO: Very clear your question. So first of all, yes, as I mentioned, Phase 1, the EUR 250 million, what we expect to get, we're accelerating that and we see the majority until the end of the year with 80% reaching that - that's the first part.

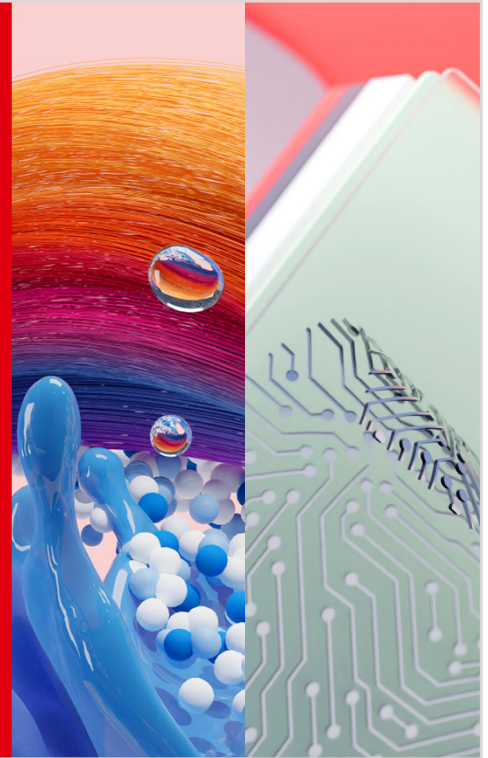
What are we doing with that accelerated savings? One part, we're putting it to the bottom line. As you see, that we have changed our guidance from the margin. We changed the midpoint, but also what I stated before, seeing that under the assumptions we're having more to above the midpoint. That's the first thing.

Other than that, for sure, we're investing because we also want to valorize our portfolio further. That means we have also continued what we have seen in the first half. We will also see in the second half an acceleration, or an continuation of our acceleration of our A&P spend in that context. And that's the first thing.

Second, we will give a detailed update on Phase 1, but also on Phase 2 with the full year results in March of next year. But to be also clear, Phase 1 and Phase 2 are really a little bit also separated. Phase 1 was concentrating of administration, marketing, organizational set up, while Phase 2 is concentrating on supply chain, production and purchasing and all related things on that which are another basket. But also here we're doing good, good in terms of, we have done our analytical work, we know where to move.

QUESTIONS & ANSWERS

30 HENKEL Q3 2023



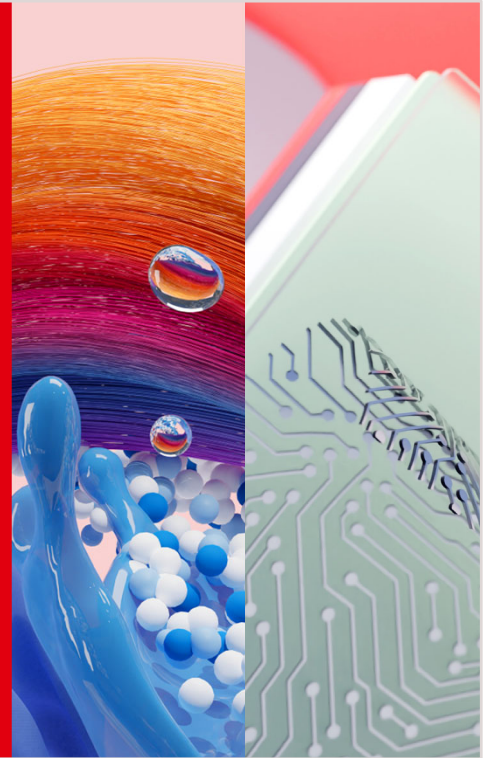
On the other side, if you have these kinds of things, you need to have in that part also a very clear view because the decisions what you'll make have a quite significant impact on your footprint on delivering on our customers. So therefore, we take that as planned, and we're moving really ahead, have promising points on that, and we are concentrating that. We also report during half year on topics like NGP, New Generation Planning, but also one-one-one with our approach of going to our customers, one bill, one delivery, in that part. Hope that helps a little bit, on that part.

Question: So I just wondered if you could go into some of the moving parts on the performance in Europe in the quarter, which was perhaps not as strong as some were hoping. So keen to understand the different dynamics that play here in a bit more detail. Perhaps also within that some focus on what happened in Laundry Care would be helpful. And then I think I also wanted to ask on capital allocation and how you're thinking about cash returns with the material improvement in cash generation seen to date please?

Carsten Knobel, CEO: If I understand it right, I could not understand everything. Your first part was on Europe. So in Europe, the OSG was at roughly one percentage point, driven by strong pricing, while volumes were below prior year. And in that part, the OSG was driven by good growth in Consumer Brands. While the growth in Adhesives was slightly negative in the 9 months, OSG was at 1.9%, so influenced by significant pricing and the OSG was driven by strong growth in Adhesives.

QUESTIONS & ANSWERS

31 HENKEL Q3 2023



In Laundry, we are doing more work in terms of portfolio measures. I mentioned it before, while in the Hair area we started earlier with our portfolio measures in terms of focusing on higher margin, cleaning the portfolio, and by that focusing on high growth setups. We have started with that with the merger in Laundry & Home Care, so a tick later. You know that we only changed the organization with Q3 of last year, means September when Wolfgang took over both businesses which we merged. And by that, you also see when it comes to market shares, when it comes to the development also in Europe, we see currently more impact in Laundry & Home Care but that's an interim period because of the portfolio measures.

And on top you know that in Laundry & Home Care the private label situation and the material price increases and the consequences out of prices have been a higher impact than in Hair categories. And already in Q3, we saw a positive volume development, as I mentioned it before in Hair. Hope that answers that part.

And then I think you still have some on cash return. And I think, Marco, your voice?

Marco Swoboda, CFO: I am not sure where you want to hit. Understood a bit into capital allocation. And obviously, we finished our first share buyback in the first half. So that was what we've done particularly over the last year to this year. And going forward at the moment, our priority is investing into our businesses, as Carsten also had alluded to. And when you look at it, that we report also on the acquisition we did. That is a substantial part also, how we now deploy the cash we generated and we are committed to further grow the business, and that is for the time being the clear priority.

UPCOMING EVENTS

2023	NOV 9 Q3 2023 RELEASE Quarterly Statement
2024	MAR 4 FY 2023 RELEASE Annual Report + Sustainability Report
	APR 22 AGM Annual General Meeting
	MAY 8 Q1 2024 RELEASE Quarterly Statement

32 HENKEL Q3 2023



Carsten Knobel, CEO: So I think we're coming to an end, but let me still say one word related to the quarter four. We really had a good start into the quarter four, and I think that's really promising what we have seen in both businesses and important across the P&L. Means good top line start, good bottom line development, and which is for sure in these days also very important, the volume development in both businesses. And I think that's very clear for us setting now here the stage for further profitable growth.

And with this, let me close with the overview of the upcoming financial reporting dates. We are really looking forward to connecting with you again in March, as I mentioned before, where we also go more into the detail of the status of our merger. And when we will also publish for sure in that context our financial report for the full year.

And with this, I would like to thank you for joining our call today. Thank you, Marco, that your voice was also supporting me in that part. Have a good day. Take care of yourselves and see you soon. Goodbye.

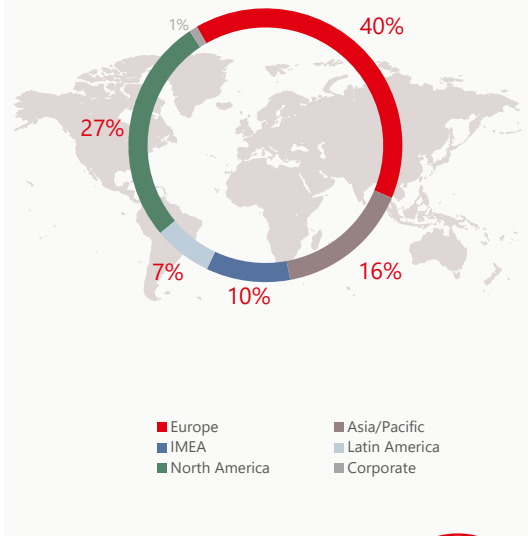
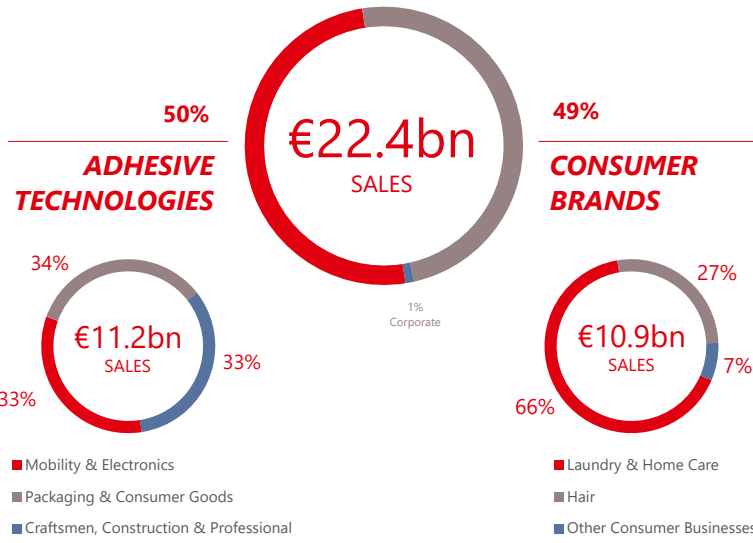
Marco Swoboda, CFO: Bye.

THANK YOU.



BALANCED AND DIVERSIFIED PORTFOLIO

FY 2022¹



34 HENKEL Q3 2023 ¹based on new reporting structure as of Q1 2023



SALES BY BUSINESS UNIT AND BUSINESS AREA Q1 2023 – Q3 2023

€m	Q1 2023			Q2 2023			H1 2023			Q3 2023			1-9 2023		
	Sales	YoY	OSG	Sales	YoY	OSG	Sales	YoY	OSG	Sales	YoY	OSG	Sales	YoY	OSG
HENKEL GROUP	5.609	6.4%	6.6%	5.316	-5.8%	3.2%	10,926	0.1%	4.9%	5,440	-9.0%	2.8%	16,366	-3.1%	4.1%
ADHESIVE TECHNOLOGIES	2.791	6.1%	6.8%	2,683	-5.4%	2.7%	5,475	0.1%	4.7%	2,711	-9.5%	0.8%	8,186	-3.3%	3.3%
Mobility & Electronics	959	12.6%	12.6%	940	3.7%	9.2%	1,899	8.0%	10.9%	980	-2.8%	4.6%	2,879	4.1%	8.6%
Packaging & Consumer Goods	884	-1.0%	1.0%	848	-11.8%	-3.7%	1,733	-6.6%	-1.5%	855	-13.8%	-5.0%	2,588	-9.1%	-2.7%
Craftsmen, Construction & Professional	948	6.9%	7.0%	895	-7.5%	2.9%	1,843	-0.6%	4.9%	876	-11.8%	2.8%	2,719	-4.5%	4.1%
CONSUMER BRANDS	2.772	7.3%	7.0%	2,593	-5.7%	4.5%	5,365	0.6%	5.7%	2,695	-7.6%	6.2%	8,060	-2.3%	5.9%
Laundry & Home Care	1.789	5.8%	6.3%	1,664	-7.7%	4.4%	3,453	-1.2%	5.3%	1,726	-9.3%	5.8%	5,179	-4.0%	5.5%
Hair	811	14.7%	9.9%	757	1.7%	6.1%	1,568	7.8%	7.9%	779	-2.5%	8.9%	2,347	4.1%	8.3%
Other Consumer Businesses	171	-7.4%	1.6%	173	-15.8%	-1.4%	344	-11.0%	0.0%	190	-11.1%	-0.6%	534	-11.0%	-0.2%

UPDATED OUTLOOK 2023 SELECTED ADDITIONAL KPIs

CURRENCY IMPACT ON SALES	Mid single-digit % negative ¹
M&A IMPACT ON SALES	Mid single-digit % negative ²
PRICES FOR DIRECT MATERIALS	Low single-digit % increase ¹
RESTRUCTURING EXPENSES	€ ~300m <i>Previously: € 300 – 350m</i>
CAPEX	€ ~650m <i>Previously: € 650 – 750m</i>



FIND OUT MORE ON [HENKEL.COM/IR](https://www.henkel.com/ir)