



# HENKEL ADHESIVE TECHNOLOGIES

MARCO SWOBODA, MARK DORN – WEBINAR, 26 APRIL 2024



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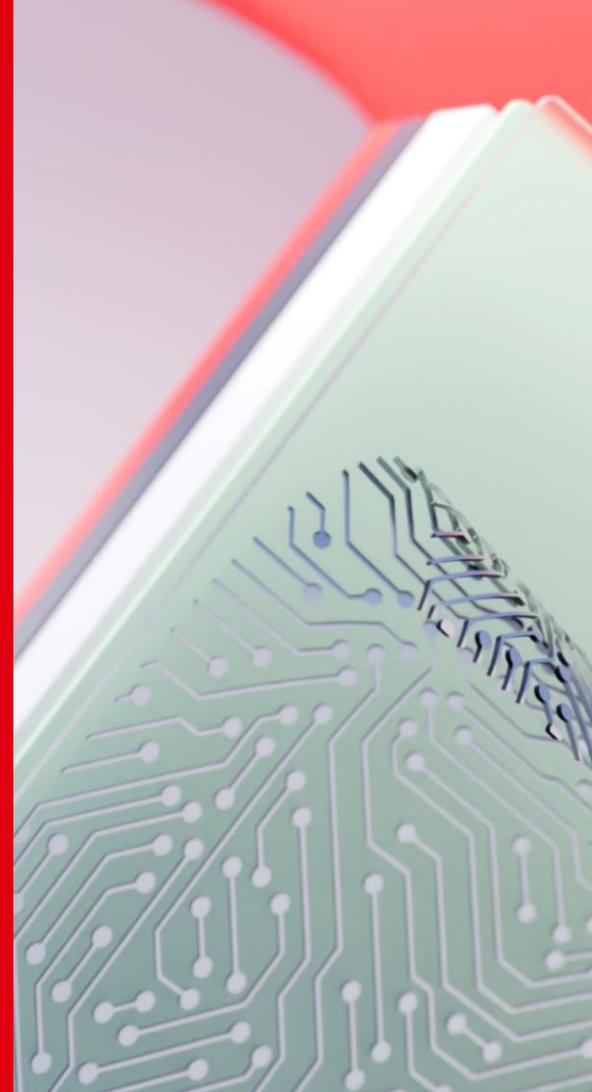
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*Note:  
All individual figures in this presentation have been commercially rounded. Addition may result in deviations from the totals indicated.  
All figures – unless indicated otherwise – relate to FY 2023 (time reference of market share data may deviate).*

# AGENDA

- 01 Introduction:  
Overview Henkel Group and Adhesive Technologies**
- 02 Deep-Dive:  
Adhesive Technologies - Our Businesses and Solutions
- 03 Wrap up:  
Mid- to Long-Term Financial Ambition



# HENKEL 2023 AT A GLANCE

SALES

€21.5<sub>BN</sub>



48,000

EMPLOYEES

ADJ. EBIT

€2.6<sub>BN</sub>



-61%

CO<sub>2</sub> EMISSIONS FROM  
OUR OPERATIONS<sup>1</sup>

147 YEARS

SUCCESS WITH BRANDS  
AND TECHNOLOGIES



STRATEGIC AGENDA FOR  
**PURPOSEFUL  
GROWTH**



ADHESIVE TECHNOLOGIES



CONSUMER BRANDS

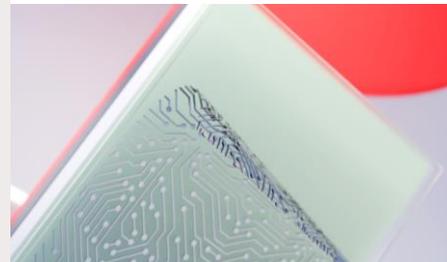
LOCTITE

TECHNOMELT

BONDERITE

Persil

Schwarzkopf



# STRONG BUSINESSES WITH *LEADING POSITIONS*

## HENKEL GROUP

### ADHESIVE TECHNOLOGIES



**Mobility &  
Electronics**

**#1**  
worldwide



**Packaging &  
Consumer Goods**

**#1**  
worldwide



**Craftsmen,  
Construction &  
Professional**

**#3**  
worldwide

### CONSUMER BRANDS



**Laundry &  
Home Care**

**#2**  
in active markets



**Hair**

Professional & Consumer

**#2**  
in active markets



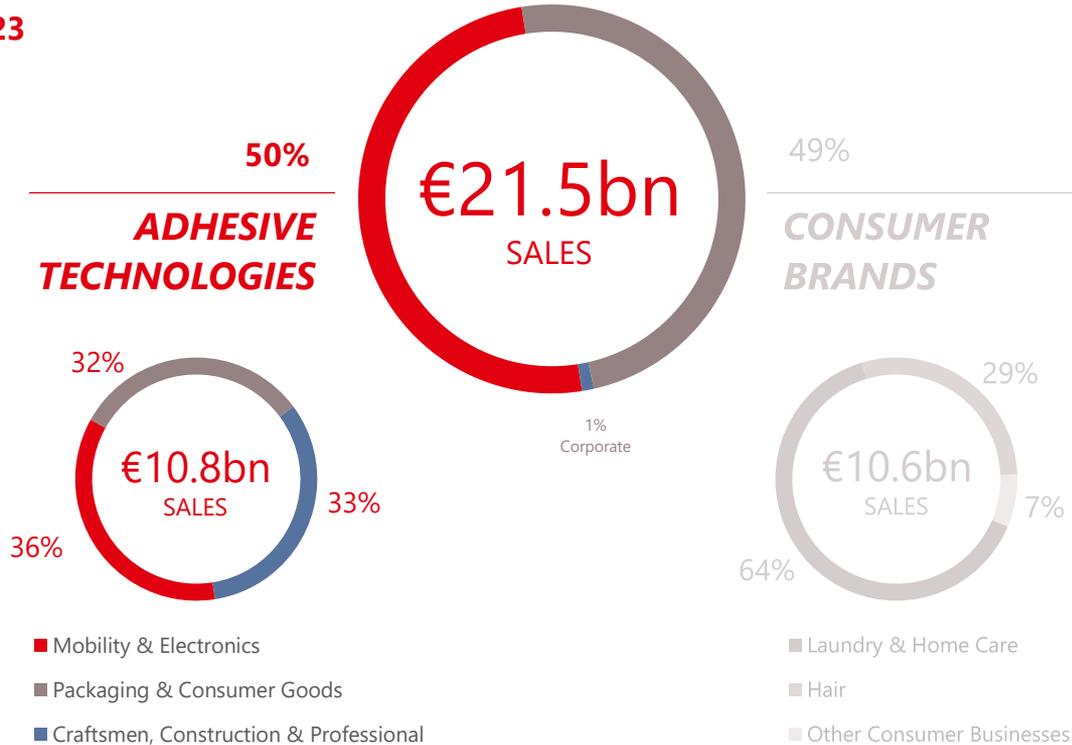
**Other  
Consumer**

Body Care

Presence in  
selected markets

# ADHESIVE TECHNOLOGIES ACCOUNTS FOR *HALF OF HENKEL GROUP SALES*

FY 2023



# HENKEL ADHESIVE TECHNOLOGIES



## SUPERIOR TECHNOLOGIES

Pioneering impactful innovations fueled by long-standing and unique R&D expertise and by strong capabilities in sustainability and digital

## STRONG BUSINESSES WITH LEADING POSITIONS IN ATTRACTIVE MARKETS

**Adhesive Technologies** global #1 solution provider in adhesives, sealants and functional coatings

## HIGHLY ATTRACTIVE PORTFOLIO

Trusted brands and high-impact solutions that serve industrial customers and that are part of consumers' everyday life



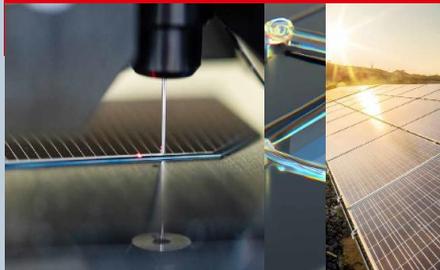
## SETTING INDUSTRY STANDARDS

Poised for further profitable growth building on clear strategic priorities



## CREATING CUSTOMIZED SOLUTIONS

Spearheading the future of adhesive technologies and enabling relevant megatrends



Henkel

# CONTINUOUSLY *INVESTING* INTO ADHESIVE TECHNOLOGIES

## *STRENGTHENING BUSINESSES ORGANICALLY*

- Overall “asset-light” business model
- Investing in **growth, sustainability, digitalization** and further **rationalization/optimization**
- Investing in **state-of-the-art innovation centers**, e.g. Battery Engineering Center in Düsseldorf

## *ACQUISITIONS INTEGRAL PART OF STRATEGY*

- **Clear criteria:** strategic fit, financial attractiveness, availability
- Enhance Adhesive Technologies portfolio by **adding attractive adjacent businesses and innovative technologies** and **investing into core**

## ADHESIVE TECHNOLOGIES RECENT HIGHLIGHTS



New Battery Engineering Center  
in Düsseldorf



Acquisitions of Critica Infrastructure  
and Seal for Life Industries

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One in three branded athletic shoes is assembled using Henkel adhesives



Every second Henkel sells 4 Pritt glue sticks



>300 adhesive applications can be found in a modern car –

140 of 150 cars produced contain at least one Henkel solution

## ADHESIVE TECHNOLOGIES

### GLOBAL #1 PLAYER IN ADHESIVES MARKET



>50 adhesive solutions are in each smartphone



Henkel adhesives in medical syringes support 70% of all vaccinations worldwide

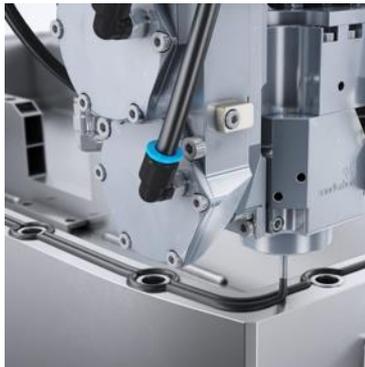
3 grams of Henkel's adhesives are enough to pull a 200-ton train

# SETTING *INDUSTRY STANDARDS*

Shaping the industry as market leader  
in adhesives, sealants and functional coatings



ADHESIVES



SEALANTS

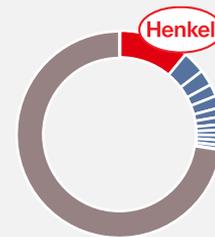


FUNCTIONAL  
COATINGS

Creating customer value in  
attractive global market

- ~14% global market share
- **Diversified** into ~60 highly specialized and fragmented market segments
- Only player with **strong positions** across industries & technologies – serving >800 industrial segments

Market size:  
~€75-80bn



# SERVING **BROAD RANGE OF INDUSTRIES** ALONG THREE BUSINESS AREAS



## **MOBILITY & ELECTRONICS**

Automotive OEMs & components,  
e-mobility, metal coil, electronics,  
semiconductor packaging,  
aerospace, industrial assembly

**#1 WORLDWIDE**



## **PACKAGING & CONSUMER GOODS**

Food & beverage, hygiene,  
metal and flexible packaging,  
sports & fashion

**#1 WORLDWIDE**



## **CRAFTSMEN, CONSTRUCTION & PROFESSIONAL**

DIY, craftsmen, construction,  
engineered wood, professional  
users in manufacturing &  
maintenance

**#3 WORLDWIDE**

# PROVIDING VALUE TO OUR STAKEHOLDERS AT THE FOREFRONT OF THE INDUSTRY

**Broad customer base &  
long-trusted partnerships**

**>100.000  
customers**

**Key  
brands**

**LOCTITE** **TECHNOMELT.**

**TEROSON.** **BONDERITE.**



**AQUENCE.**

**Ceresit**



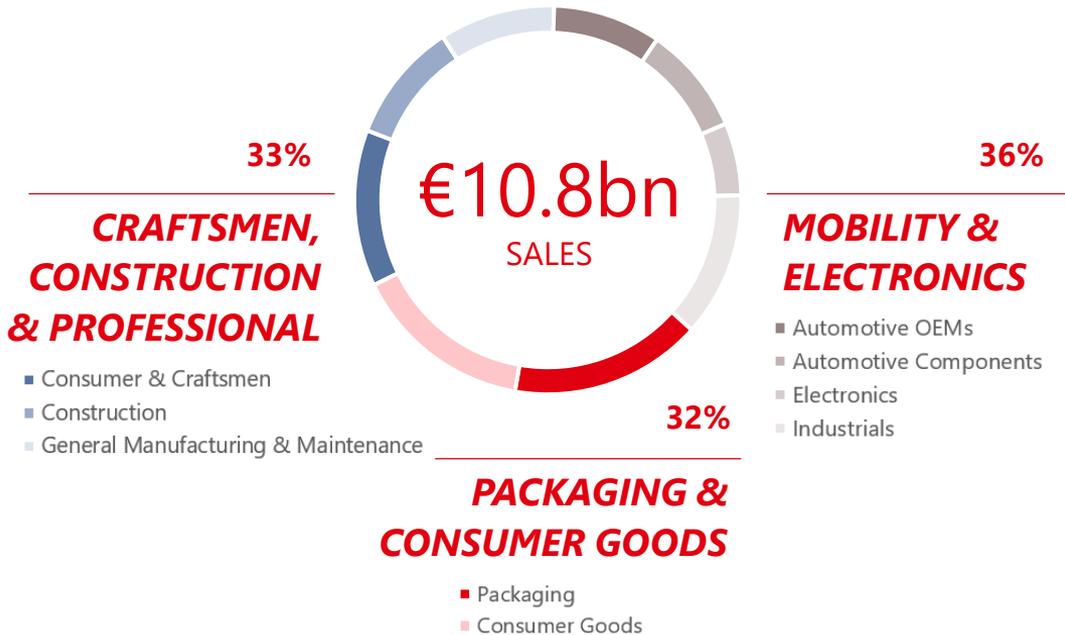
**>75%**

Sales share of our 5 brand clusters for industrial customers & key brands for consumers

**Peer group  
with business overlap**

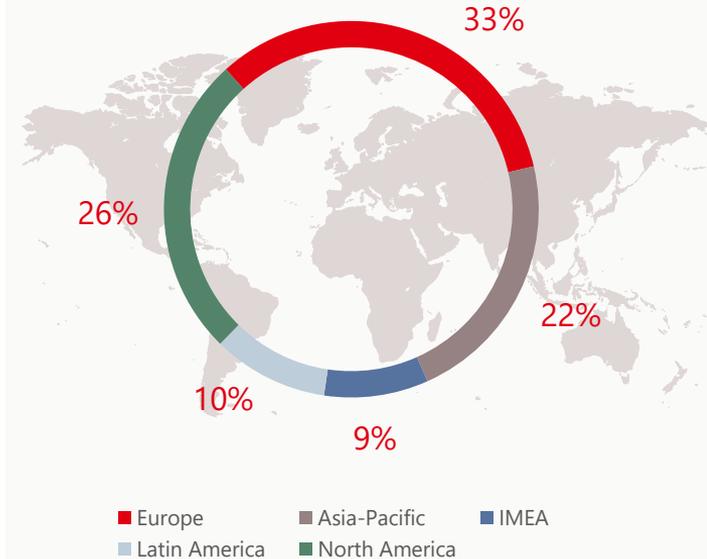


# WELL-BALANCED GLOBAL PORTFOLIO



## KPIs 2023

OSG 3.2%	ADJ. EBIT €1,584m	ADJ. EBIT MARGIN 14.7%
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# CREATING CUSTOMER VALUE AS **LEADING SOLUTION PROVIDER**

**High-impact customized solutions enabled by outstanding expertise, market proximity and in-depth understanding of customer requirements**



## COMBINING BROADEST TECHNOLOGY PORTFOLIO WITH IN-DEPTH EXPERTISE

- **Unrivaled portfolio** of 12 leading technology platforms
- Strong **commitment and thought leadership on sustainability**
- Customer value driven by **co-creating new designs** and high share of **customized applications**



## ACTIVELY MANAGING OUR ATTRACTIVE PRODUCT PORTFOLIO

- **Unique value propositions** through high-impact solutions
- Well diversified product portfolio with **reduced cyclicality profile**
- Continuously shaping portfolio to leverage **attractive organic and inorganic opportunities**



## DELIVERING HIGHEST QUALITY AT GLOBAL SCALE

- **>6.500 customer facing experts** with solution-oriented know-how in **>800 industries**
- **Global footprint & resilient supply chain**, producing “in the region for the region”
- **Global R&D network** close to customers

# TECHNOLOGY AND INNOVATION LEADERSHIP BACKED BY GLOBAL R&D NETWORK ENSURING CUSTOMER PROXIMITY

>2,900

Innovation  
FTEs

>€300m

R&D  
spend

~25%

Newly launched  
products\*

12

Technology  
platforms

## Global R&D network



## DRIVING INNOVATION THROUGH CUSTOMER COLLABORATION

Spearheading the future of adhesive technologies and **driving customer-centric innovation** at our industry-leading **innovation centers**, enabled by unique global end-to-end digital R&D platform

# DRIVING *INNOVATION EXCELLENCE* TO FUEL FURTHER GROWTH



**Cutting-edge expertise**  
in chemistry, formulation  
& applied engineering



Best know-how through  
**collaboration & partner  
ecosystems**



Investing in **first-class  
R&D infrastructure  
worldwide**



Better products at reduced  
time-to-market through  
**automation & digitalization**

## **New business solutions**

**Win & grow** new adjacent business,  
e.g. automated & data-enabled solutions

## **New technology platforms**

**Build & accelerate** new tech  
platforms, e.g. printed electronics

## **Core technology portfolio**

**Shape and develop** existing  
technology portfolio,  
e.g. enabling sustainability



# LEVERAGING **GROWTH-DRIVING MEGATRENDS** ACROSS INDUSTRIES



## SUSTAINABILITY

Enhancing sustainability across industries by enabling our customers to reach their targets

Accelerate development of debonding technologies



## MOBILITY

Solving challenges with new applications paving the way for future mobility

Reliable thermal management & functional coating solutions enabling safety & large-scale production



## CONNECTIVITY

Facilitating new functionalities and designs at the forefront of the industry

Enhanced bonding & protection solutions (thinner, shock-resistant, waterproof) for smart devices



## DIGITALIZATION

Improved time-to-market and customer interaction by leveraging data

Automation & digitalization of global labs to increase speed & impact of innovations



## URBANIZATION

Driving speed, efficiency and sustainability in construction

Sustainable Engineered Wood solutions driving industry transformation

# SUSTAINABILITY AS SUBSTANTIAL GROWTH DRIVER IN ADHESIVE TECHNOLOGIES



We enable customers to drive their sustainability agendas:



Emission reduction,  
energy efficiency,  
dematerialization



Circular resource use,  
compatibility with  
recycling, debonding



Chemical safety,  
safety in application  
and end use phase

Fostering sustainable solutions across industries  
driving future growth:

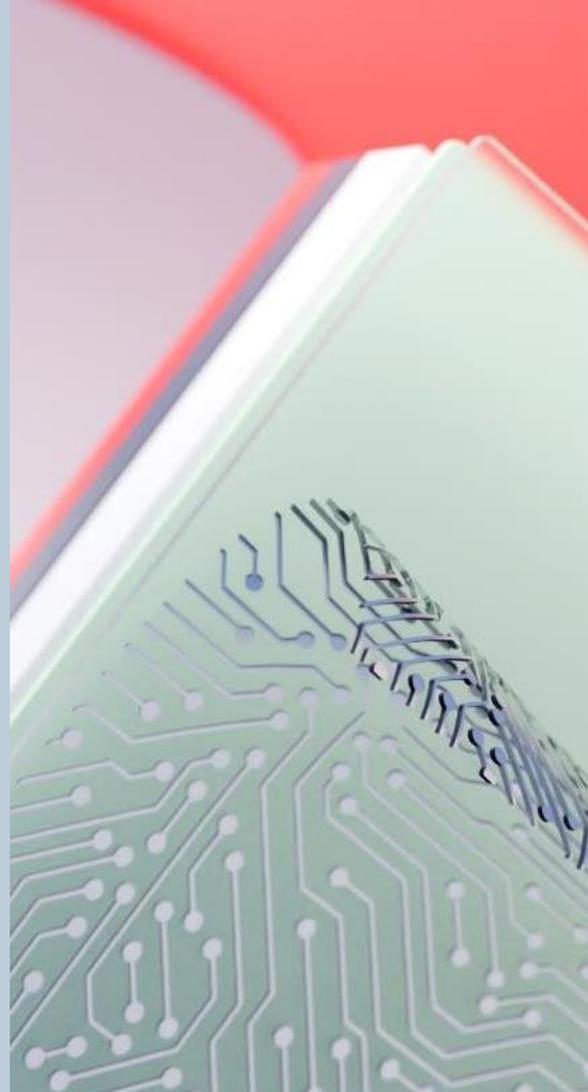
**~20%**

Sales share\* of our portfolio's products with  
**significant sustainability contribution**  
– e.g. by enabling emissions reduction in  
production processes and use phase



# **ADHESIVE TECHNOLOGIES**

## OUR BUSINESSES AND SOLUTIONS



# CREATING **COMPETITIVE ADVANTAGE** WITH CUSTOMIZED SOLUTIONS

## MOBILITY & ELECTRONICS



### AUTOMOTIVE OEMS

- Sealants and adhesives for body, paint and trim shop
- Structural and acoustic engineering solutions
- Metal pre-treatment



### AUTOMOTIVE COMPONENTS

- Surface treatment, cleaners & lubricants
- Exterior, powertrain, interiors & chassis
- Automotive electronics and E-Mobility



### ELECTRONICS

- Consumer devices
- Semiconductor packaging
- Printed electronics



### INDUSTRIALS

- Aviation, space & rail
- Data & telecom, power, automation
- Medical & liquid filtration
- Metal coil & general industry

# **AUTOMOTIVE OEMS:** LEADING PARTNER ENABLING ELECTRIC, AUTONOMOUS, AND SUSTAINABLE MOBILITY



**140 OF 150 CARS** produced worldwide contain at least one Henkel solution

**ACCESS TO ALL MAJOR OEMs GLOBALLY** with full range of solutions for process and engineering applications for vehicle body

**FOCUS ON NEW BODY DESIGNS & SUSTAINABILITY**

~30% CAGR of EV '21-'28 requiring structural solutions for lightweight & battery crash protection

**LIGHTER, SAFER AND MORE SUSTAINABLE VEHICLES**

*e.g., structural foam solutions*



# AUTOMOTIVE COMPONENTS: GROWTH FUELED BY INNOVATIVE E-MOBILITY APPLICATIONS

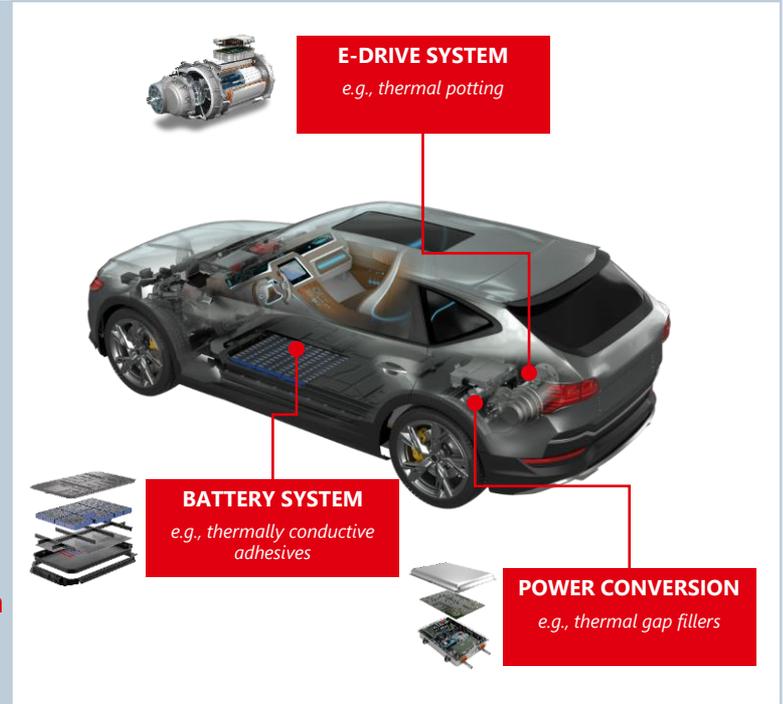


## EV SALES POTENTIAL

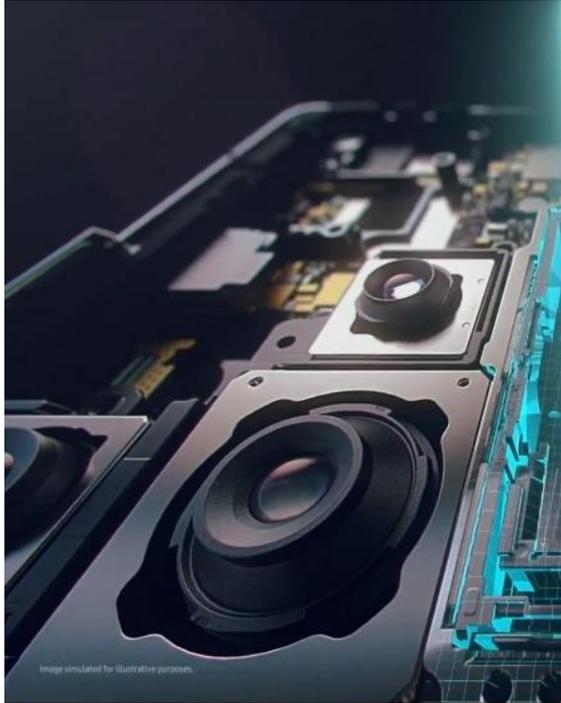
for Henkel solutions  
**>2X** compared to the  
combustion engine car

Global  
**TOP 50 EV-PLATFORMS**  
contain at least one  
Henkel solution

**STRONG INNOVATION  
PIPELINE** – launches over  
next 24 months with total  
annual sales potential of **>€100m**



# **ELECTRONICS:** CREATING VALUE THROUGH TECHNOLOGICAL INNOVATIONS



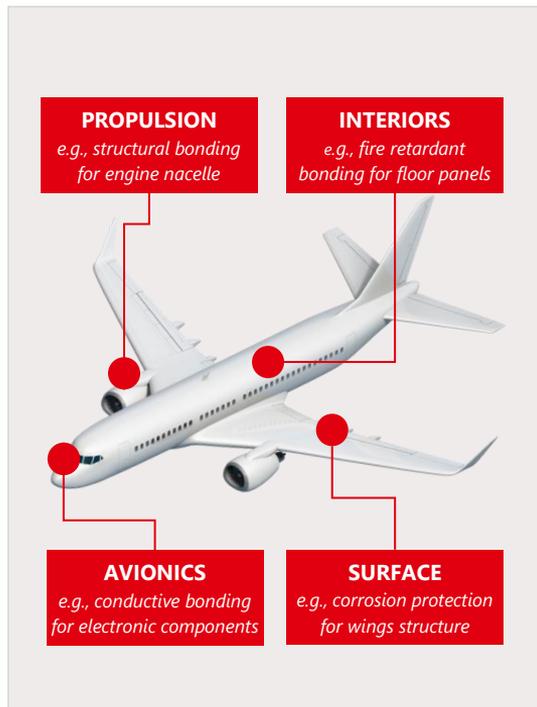
**4.5BN SMARTPHONE CAMERAS** in 2026, representing expected growth of **~20%** vs 2023, driven by development of sensors with **NEW BONDING AND SEALING OPPORTUNITIES**

Already more than **40** Henkel applications in XR\* devices offering up to **3.5X SALES POTENTIAL** per device vs high-end smartphones

Focus on **DEVICE REPARABILITY** increases need for durable bonds and debonding solutions – structural bonding market expected to expand by 30% until 2027



# INDUSTRIALS: TAILOR-MADE SOLUTIONS FOR BROAD RANGE OF MARKETS



**OUTPERFORMING AEROSPACE MARKET** with **HIGH SINGLE-DIGIT** growth\*

**MID TO HIGH SINGLE-DIGIT** growth\* with **MEDICAL APPLICATIONS**, e.g. continuous glucose monitoring devices

**HIGH SINGLE-DIGIT** growth\* in **DATA & TELECOM** business



# ADDING **VALUE WITH HIGH-IMPACT SOLUTIONS** BUILDING ON STRONG RELATIONSHIPS



PACKAGING &  
CONSUMER GOODS

## PACKAGING & CONSUMER GOODS



### PACKAGING

- Paper packaging
- Flexible packaging
- Metal packaging
- Specialty tapes & labels



### CONSUMER GOODS

- Sports & fashion
- Feminine hygiene, baby & adult care
- Tissue & towel
- End of line sealing & labeling



# PACKAGING: INNOVATIVE SOLUTIONS PAVING THE WAY TOWARDS A CIRCULAR ECONOMY



**80%** of consumers globally demand **SUSTAINABLE** packaging

**MAJORITY OF INNOVATION PIPELINE** for packaging consisting of sustainable solutions

**HIGH DOUBLE-DIGIT** customer project win rate in past 3 years until today for newly built metal can beverage lines, enabling circular economy



# CONSUMER GOODS: LOWERING OUR CUSTOMERS' EMISSIONS TO ENABLE THEIR BRANDS' CLIMATE GOALS



PACKAGING &  
CONSUMER GOODS



>**33%** of the world's largest publicly traded companies have **NET ZERO TARGETS BY OR BEFORE 2050**

>**40 HENKEL ADHESIVES SOLUTIONS** already launched with >20% lower raw material emissions compared to conventional adhesives\*;  
**4** are **NET-ZERO SOLUTIONS**

>**€220M SALES IN 2023** of products with lower-than-standard emissions\*



# INNOVATING **TRANSFORMATIVE PRODUCTS & SOLUTIONS** FOR OUR CUSTOMERS



## **CRAFTSMEN, CONSTRUCTION & PROFESSIONAL**



### **CONSUMERS & CRAFTSMEN**

- Sealants
- Construction adhesives
- Instant repair: Instant glues, superglues
- Wood glues
- Stationery glues: Glue sticks



### **CONSTRUCTION**

- Building Construction
- Furniture
- Engineered Wood
- Building Components
- Infrastructure
- Prefabrication



### **GENERAL MANUFACTURING & MAINTENANCE**

- General manufacturing
- Maintenance, repair & overhaul
- Vehicle repair & maintenance



# CONSUMERS & CRAFTSMEN: EMPOWER DIYERS AND CRAFTSMEN TO MAKE HOMES A BETTER PLACE

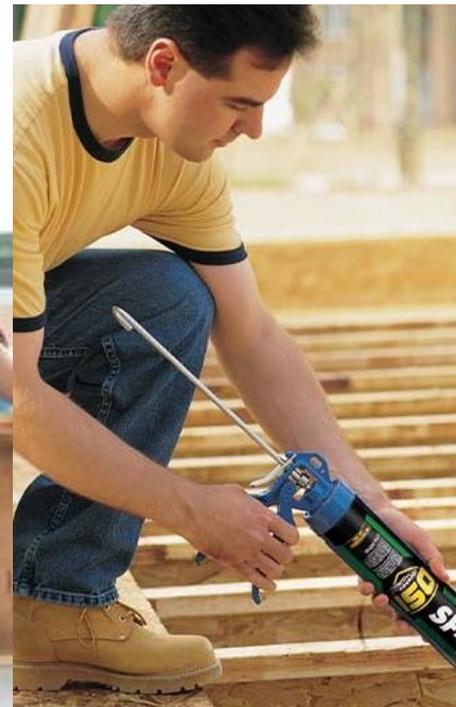


## CONSUMERS' HOME FOCUS IS HERE TO STAY –

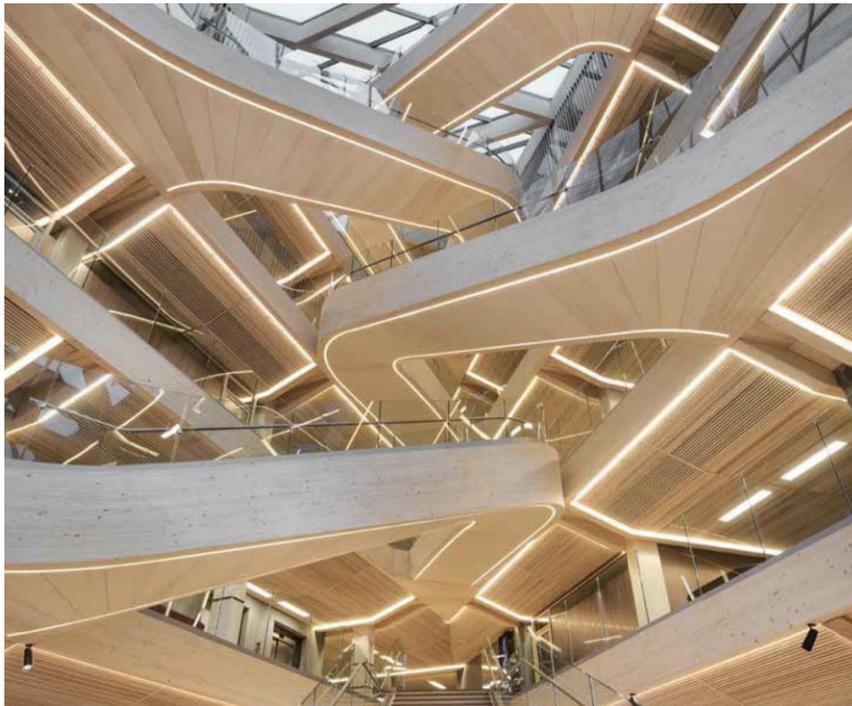
home improvement as global trend

**URBANISATION** expected to drive global housing construction & renovation market growth to ~4% p.a. (2023-27)

**PREMIUM BRANDS** with leading positions globally building on superior value propositions – e.g. **#1** in Western Europe with brands like Pattex



# CONSTRUCTION: TRANSFORMING THE EVERYDAY LIVING ENVIRONMENT



**2X HIGHER GROWTH RATES**  
in timber construction compared to  
conventional concrete & steel

**>90%** of new cross laminated  
timber production facilities planned  
or ramped up from 2019 – 2026  
with Henkel

Henkel at the forefront of  
**SUSTAINABLE PRODUCT  
INNOVATION** in the engineered  
wood industry



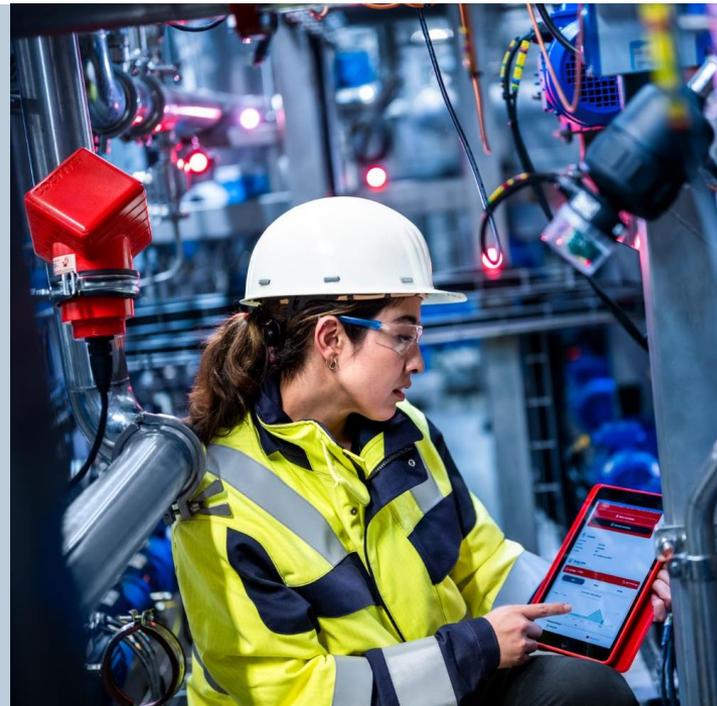
# GENERAL MANUFACTURING & MAINTENANCE: DELIVERING RELIABILITY TO CUSTOMERS ACROSS INDUSTRIES



Creating value beyond bonding with broad range of applications to **EXTEND ASSET LIFETIME** while increasing efficiency & enabling sustainability

Highly attractive MRO<sup>1</sup> segment with **HIGH SINGLE-DIGIT OSG CAGR** in past 5 years

Recent acquisitions of Critica Infrastructure and Seal for Life allowing to create new **PLATFORM** and expand MRO<sup>1</sup> portfolio by attractive adjacent businesses



# **DRIVING INORGANIC GROWTH OPPORTUNITIES IN ADHESIVE TECHNOLOGIES – SCALING THE MRO<sup>1</sup> BUSINESS**

Expansion into future-oriented

## **GROWING & PROFITABLE MARKETS**

Strengthening

**MRO PLATFORM** by adding competencies in Repair & Overhaul to our existing portfolio

### **EXPANDING PLATFORM WITH ADJACENT BUSINESSES**



#### **CRITICAL INFRASTRUCTURE**

Specialized supplier for innovative composite repair and reinforcement solutions

**Sales:** ~€100m in 2023



#### **SEAL FOR LIFE INDUSTRIES**

Specialized supplier of protective coating and sealing solutions for infrastructure markets

**Sales:** ~€250m in 2023

# ADHESIVE TECHNOLOGIES

## WELL POSITIONED FOR SUSTAINABLE VALUE CREATION

### MID- TO LONG-TERM FINANCIAL AMBITION

3-5 %

ORGANIC SALES  
GROWTH

HIGH-TEENS %

ADJ. EBIT  
MARGIN

- **Global market leader** in adhesives, sealants, functional coatings with **broadest portfolio and unparalleled technology know-how** in the industry driven by customer insights
- **High-impact** and future-oriented solutions developed and customized in close **collaboration with our customers**
- Active in highly innovative segments while **shaping the megatrends in markets**, combined with **true commitment to sustainability** along the entire value chain
- **Robust portfolio with leading positions** across industries, regions and technologies – poised for further organic growth flanked by M&A opportunities

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# STRINGENTLY WORKING TOWARDS OUR *MID- TO LONG-TERM FINANCIAL AMBITION*

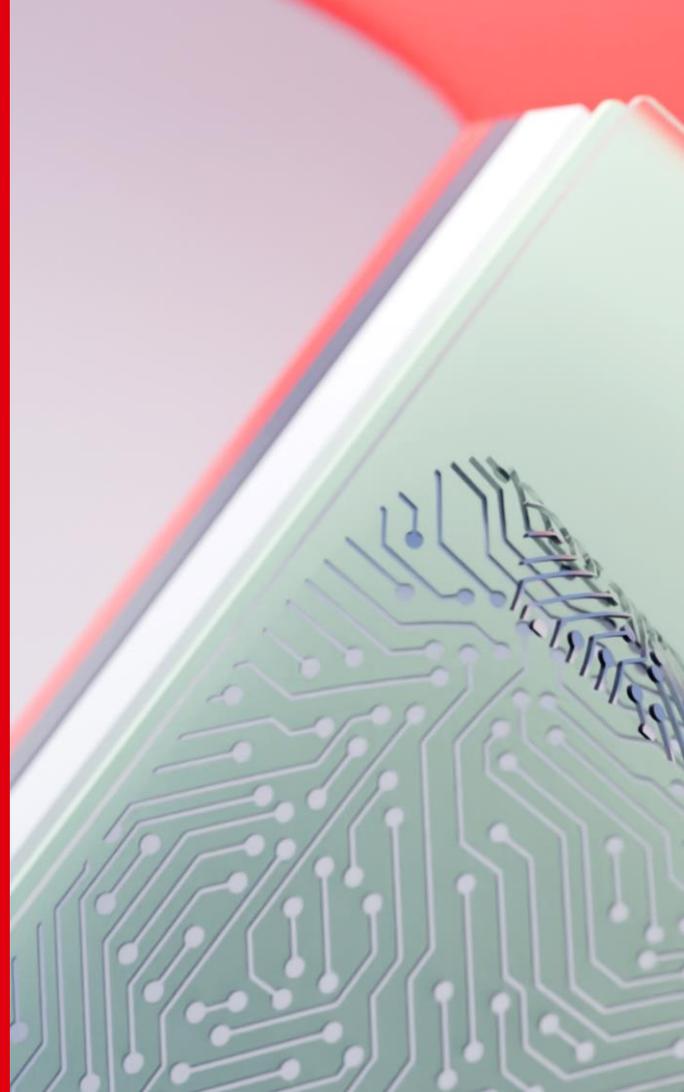
	HENKEL GROUP	ADHESIVE TECHN.	CONSUMER BRANDS
ORGANIC SALES GROWTH	3 to 4%	3 to 5%	3 to 4%
ADJUSTED EBIT MARGIN	~16%	high-teens %	mid-teens %
ADJUSTED EPS GROWTH	mid- to high-single-digit % at constant exchange rates, including M&A		
FREE CASH FLOW	continued focus on Free Cash Flow expansion		

## Building Blocks

- **Fueling topline growth** by leveraging relevant industrial customer and consumer (mega)trends
- Strengthening businesses by **focused investments** in **innovations, sustainability and digitalization**
- **Realizing significant net savings** from Consumer Brands merger and **efficiency gains** across businesses
- **Valorization of Consumer portfolio** and further **focus on customized solutions in Adhesives**
- **Shaping portfolio** with **value-creating M&A**

**CREATING VALUE FOR OUR STAKEHOLDERS WITH TRUSTED BRANDS AND SUPERIOR TECHNOLOGIES**

THANK YOU.





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