

# HENKEL Q1 2024

CARSTEN KNOBEL, MARCO SWOBODA – 8 MAY 2024



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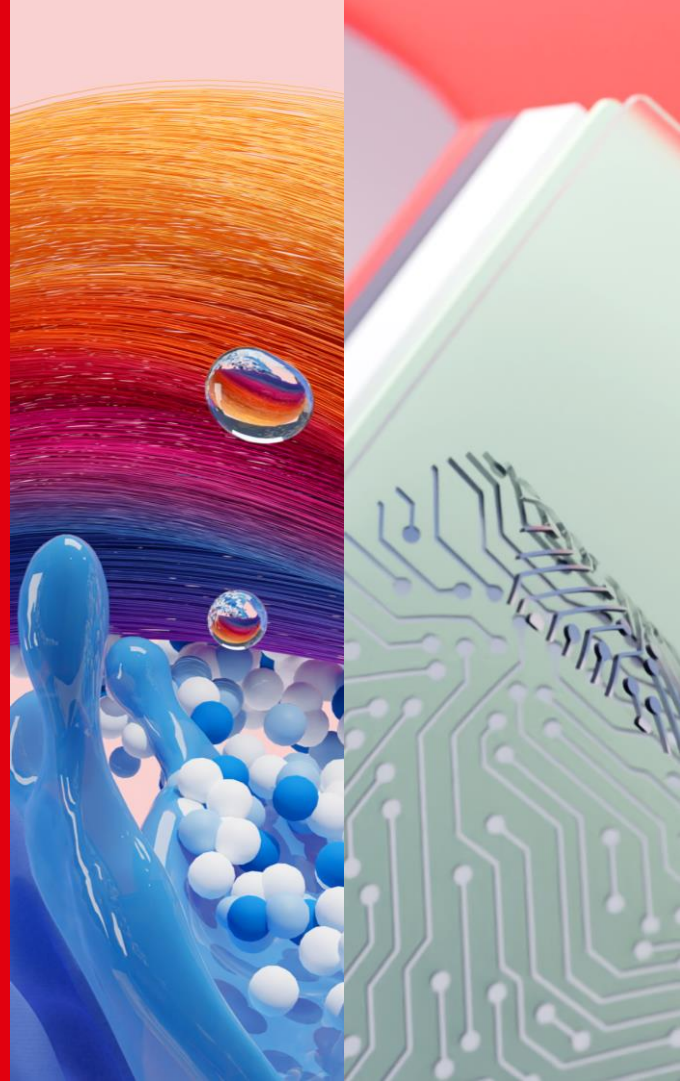
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# AGENDA

- 01 Key Developments**
- 02 Business Performance Q1 2024 & Outlook
- 03 Key Take-Aways & Closing



# AT A GLANCE

## Q1 2024 performance reflects sustained growth momentum

- **Strong organic sales growth supported by pricing** in both business units
- **Volume development** with further sequential improvement vs Q4 2023 – reaching positive territory when considering impact from portfolio measures in Consumer Brands
- Successfully **closed attractive acquisitions** in both businesses
- **Outlook for 2024 significantly raised for both top- and bottom-line**



### HENKEL GROUP

NOMINAL SALES

€5.3bn

ORGANIC SALES GROWTH

3.0%



### ADHESIVE TECHNOLOGIES

NOMINAL SALES

€2.7bn

ORGANIC SALES GROWTH

1.3%



### CONSUMER BRANDS

NOMINAL SALES

€2.6bn

ORGANIC SALES GROWTH

5.2%

# RAISED OUTLOOK FOR FY 2024 EXPECTING EVEN STRONGER GROWTH AND PROFITABILITY

ORGANIC SALES GROWTH

2.5 to 4.5%

ADJUSTED EBIT MARGIN

13.0 to 14.0%

ADJUSTED EPS<sup>1</sup>

+15 to +25%

## Drivers for outlook upgrade

- **More robust performance in Adhesive Technologies** including better mix (e.g. recovery of Electronics business) and strong gross margins in still demanding environment
- **Strong performance of core brands and innovations** driving better mix in Consumer Brands – while investments in marketing and R&D remain on elevated levels to fuel growth
- **Contribution from recent acquisitions** – Seal for Life and Vidal Sassoon in China closed earlier than expected

# ADVANCING OUR BUSINESSES ALONG CLEAR STRATEGIC PRIORITIES

## Selective highlights

### ADHESIVE TECHNOLOGIES

Strong performance in **Automotive & Electronics** segments

Closing of **Seal for Life Industries** acquisition

New **Inspiration Centers** expand global **R&D footprint** & drive **customer interaction**

**Outgrowing the market** with **sustainability-focused innovations**



### CONSUMER BRANDS

**Innovations** in our core categories fueling **growth in key brands** – **Europe back to strong growth**

Continued **portfolio optimization** with focus on **Laundry & Home Care**

Driving **integration of consumer business** with full force – focus on **supply chain optimization**

Closing of acquisition of **Vidal Sassoon in China**



# EXPANDING OUR NETWORK OF STATE-OF-THE-ART INNOVATION CENTERS IN ADHESIVE TECHNOLOGIES...



- **Co-innovating with customers and partners** from >800 industrial segments in **state-of-the-art facilities**
- **Strengthening collaboration** within global team of ~3,000 R&D experts
- **Showcasing Henkel portfolio** of adhesives, sealants & functional coatings



**INSPIRATION CENTER  
SHANGHAI, CHINA**

- APAC regional hub for **innovation, inspiration & customer interaction**
- **>400 R&D experts** working with customers from all industries
- Gradual **opening in 2024**



**INSPIRATION CENTER  
JUNDIAI, BRAZIL**

- LATAM regional hub for **capability-building, training & customer interaction**
- **>350 R&D experts** enabling customer partnerships
- Planned **opening in 2025**

# ...DRIVING CUSTOMER-RELEVANT SOLUTIONS – ENABLING LIGHTER, SAFER & MORE SUSTAINABLE VEHICLES

OEMs demanding **LIGHTWEIGHT COMPONENTS**  
for car manufacturing

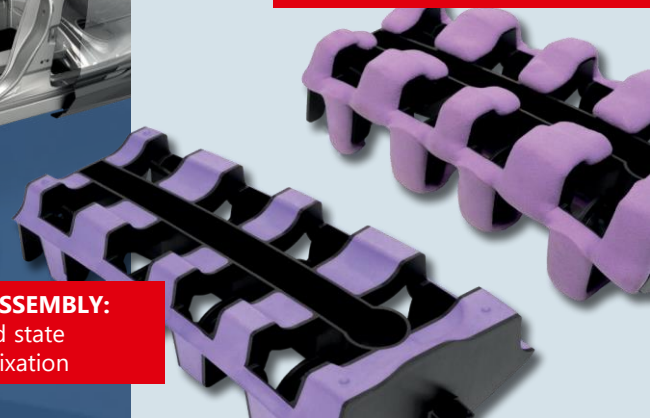
Structural solutions  
**OUTPERFORMING THE MARKET**  
with **DOUBLE-DIGIT GROWTH**

Innovative structural foam solutions  
**REDUCE CAR COMPONENT WEIGHT BY UP TO 20%<sup>1</sup>**  
compared to conventional metal



**POST CAR ASSEMBLY:**  
Foam cured after e-coat oven

**PRIOR TO CAR ASSEMBLY:**  
Foam uncured state  
for assembly fixation





# DESIGNING PACKAGING ALTERNATIVES WITH PAPER – EPIX TECHNOLOGY PLATFORM



**EPIX ECOMMERCE PACKAGING**  
Curbside recyclable paper mailer

Ever increasing demand for **CONVENIENCE & HOME DELIVERY** requires innovative **SUSTAINABLE PACKAGING** solutions

**EPIX TECHNOLOGY PLATFORM**  
unlocking **SUBSTANTIAL GROWTH POTENTIAL** in **HIGHLY ATTRACTIVE CATEGORY** since 4 years of launch

Continuously reinventing packaging with a portfolio **DESIGNED FOR RECYCLABILITY & CIRCULARITY**



**EPIX THERMAL INSULATION**  
Double-walled cups offer higher temperature resistance



**EPIX BARRIER COATINGS**  
Advanced paper barrier increase water & grease resistance

# OFFERING HIGHLY EFFICIENT HOTMELTS FOR FURNITURE PRODUCTION

## SUSTAINABILITY AND COST-EFFECTIVENESS

*drive differentiation in the furniture market*

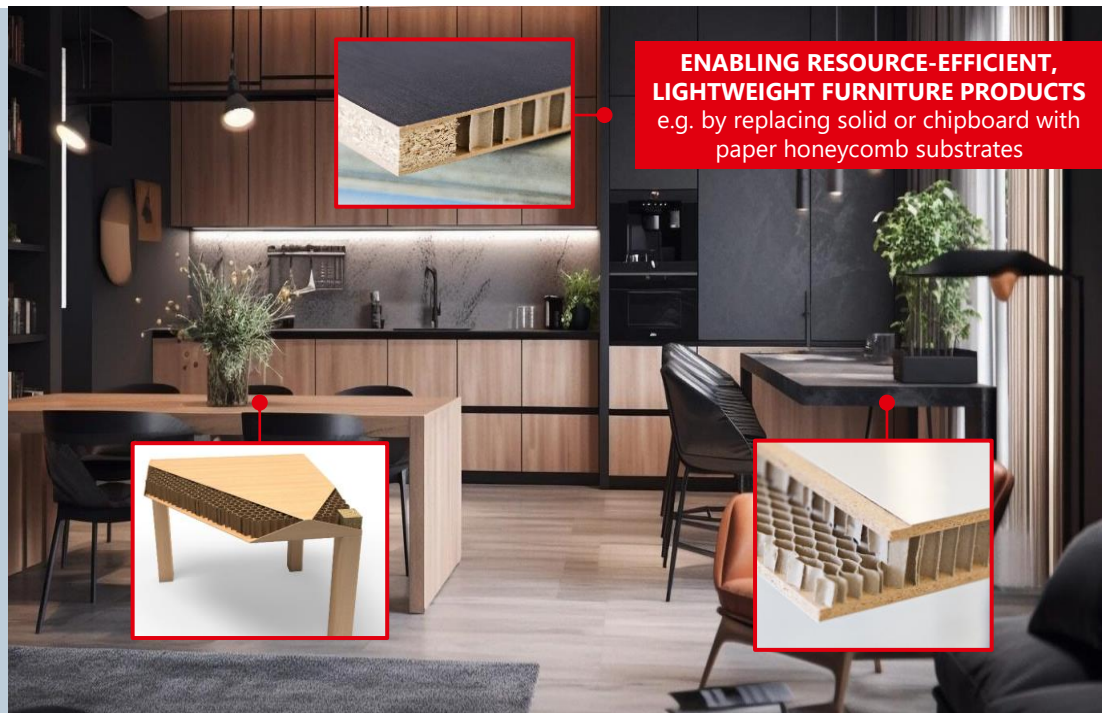
## MID-SINGLE-DIGIT ORGANIC SALES GROWTH

*at industry-leading customers*

## OUTPERFORMING FURNITURE MARKET

## INNOVATIVE HOTMELTS FOR HIGH-SPEED LAMINATION PROCESSES

*enable less energy demand, reduce maintenance costs and scrap by -70%*



**ENABLING RESOURCE-EFFICIENT, LIGHTWEIGHT FURNITURE PRODUCTS**  
e.g. by replacing solid or chipboard with paper honeycomb substrates

# TECHNOLOGY LEADERSHIP IN CONSUMER BRANDS SUPPORTED BY GLOBAL R&D NETWORK

Global network driving innovations along technology roadmaps



**15**  
Innovation  
Centers globally

**~1,000**  
R&D experts

**>€200m**  
R&D spend  
FY2023

**> 300**  
Open Innovation  
Projects



**INNOVATION CENTER SHANGHAI, CHINA**

- **Asia-based R&D center** opened January 2024 supporting Hair and Laundry & Home Care
- **State-of-the-art facility** integrated in global R&D network, contributing innovations based on local consumer habits & insights across the markets in Asia

# DRIVING VALORIZATION OF CONSUMER PORTFOLIO WITH STRONG INNOVATIONS IN KEY BRANDS LIKE PERWOLL...



**#1** in Fabric Care<sup>1</sup>

Underpinning  
**TECHNOLOGY LEADERSHIP** with new  
**RENEW FORMULA** –  
backed by strong marketing  
campaign

**DOUBLE-DIGIT**  
organic sales growth in Q1

Perwoll gaining  
**+170 BPS**  
market share YTD



# ...ALL FREE CLEAR IN NORTH AMERICA...



**#1** in Sensitive Skin segment

**ALL® RELAUNCH** in 2023 –  
reinforcing the brand's top  
recommendation by dermatologists  
and broader reach

**DOUBLE-DIGIT**  
organic sales growth in Q1 2024

Market share increase of  
**+30 BPS YTD**  
within Fabric Cleaning segment



**#1** BRAND  
RECOMMENDED  
BY DERMATOLOGISTS  
ALLERGISTS & PEDIATRICIANS  
FOR SENSITIVE SKIN

# ...AND EXPANSION OF KENRA IN HAIR CARE IN NORTH AMERICA



**#1 PROFESSIONAL STYLING BRAND**  
*in North America<sup>1</sup>*

*Launch of extended **KENRA CARE LINE** –  
with complete range of Shampoos & Conditioners  
with protective peptides & amino acids*

*Triple Repair with **PATENTED  
DUALBOND™ COMPLEX**  
to reduce breakage by almost 90%*

**#1 YOUTUBE EDUCATOR**  
*Inspiring over 300,000 stylists with  
>30 million views*

**DOUBLE-DIGIT** *organic sales growth in Q1*

KENRA®

your hair deserves it all



# VERY STRONG START TO THE YEAR – LOOKING AHEAD WITH CONFIDENCE



***STRONG SET OF RESULTS  
IN Q1 2024***



***DELIVERING ON OUR  
STRATEGIC PRIORITIES  
AND COMMITMENTS***



***CONTINUOUSLY INVESTING  
IN OUR BUSINESSES***

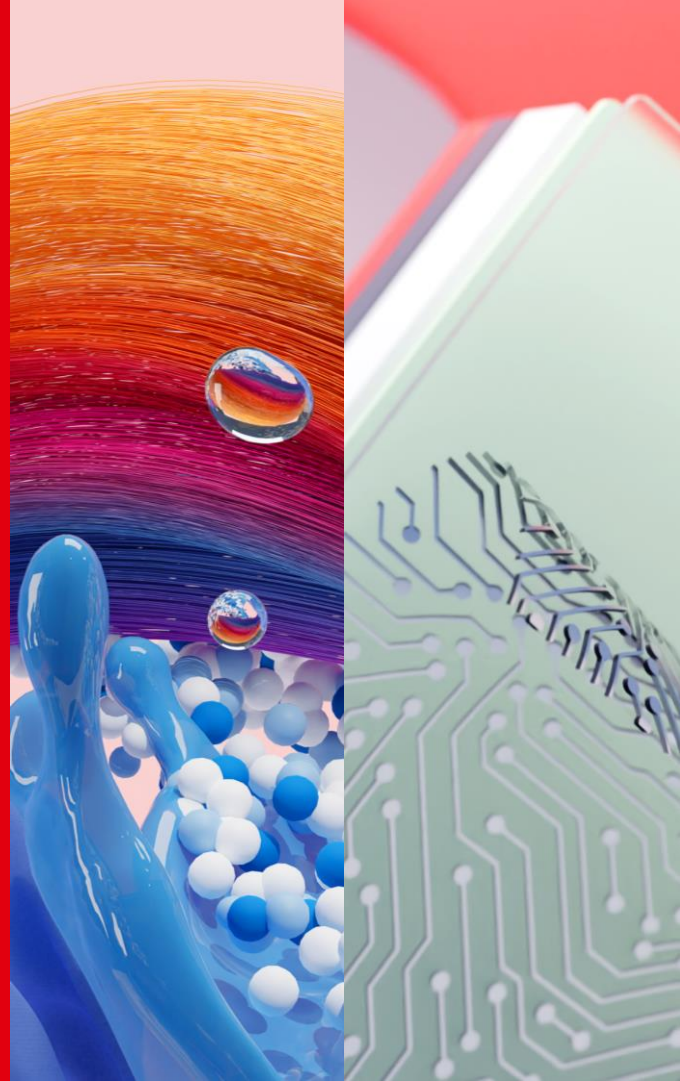


***CLEARLY RAISED  
OUTLOOK FOR FY 2024  
ON BOTH TOP- AND  
BOTTOM-LINE***

**WELL ON TRACK TO DRIVE PROFITABLE GROWTH**

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# STRONG ORGANIC SALES GROWTH DRIVEN BY PRICING

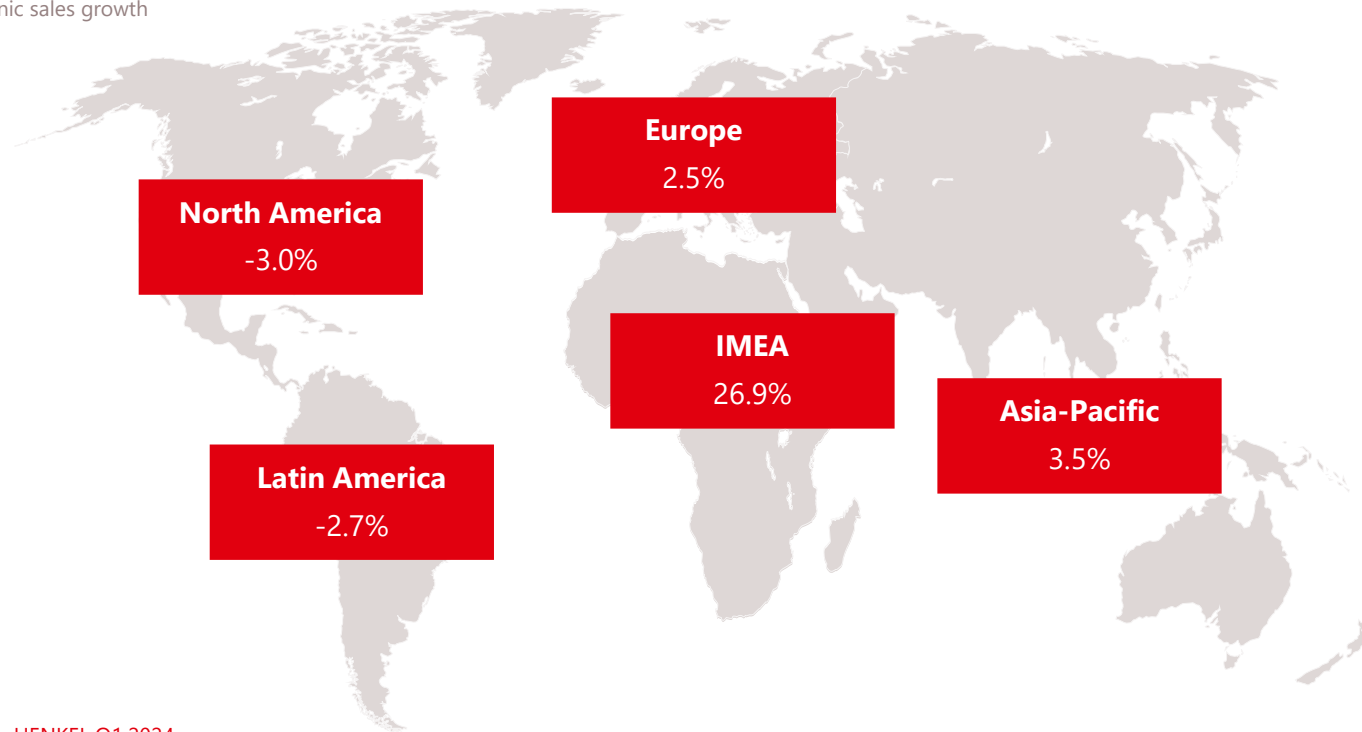
Q1 2024



# ORGANIC SALES GROWTH ACROSS REGIONS

**Q1 2024**

Organic sales growth





# ADHESIVE TECHNOLOGIES

Q1 2024

NOMINAL  
SALES

€2.7bn

ORGANIC  
SALES GROWTH

1.3%

PRICE

1.0%

VOLUME

0.3%

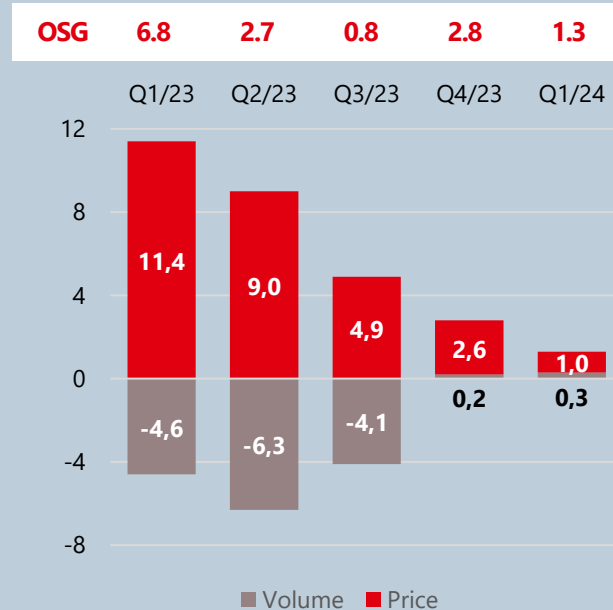


# ADHESIVE TECHNOLOGIES

## Q1 2024 – Price/Volume Development

- **Overall resilient pricing** – underpinning strength of our market position and portfolio
- **Positive volume development** – continued sequential improvement vs. Q4 2023 in still demanding market environment
- More pronounced volume growth of approx. 1.3% when adjusting for negative **working day effect** of approx. 1pp in Q1

in %



# ADHESIVE TECHNOLOGIES

## Q1 2024 – Business Area Performance

### MOBILITY & ELECTRONICS



SALES      OSG  
**€946m**    **3.7%**

Growth driven by Automotive and Electronics, supported by first signs of market recovery in China; Industrials positive

### PACKAGING & CONSUMER GOODS



SALES      OSG  
**€838m**    **-0.2%**

Positive growth in Packaging supported by first signs of improvement in demand, Consumer Goods slightly negative against very strong prior-year quarter

### CRAFTSMEN, CONSTRUCTION & PROF.



SALES      OSG  
**€893m**    **0.3%**

Good growth in Construction; General Manufacturing & Maintenance overall below prior year



# CONSUMER BRANDS

Q1 2024

NOMINAL SALES

€2.6bn

ORGANIC SALES GROWTH

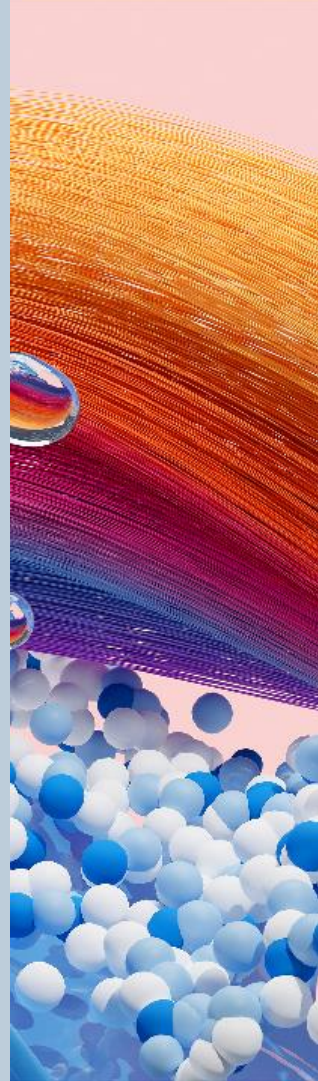
5.2%

PRICE

6.2%

VOLUME

-1.0%

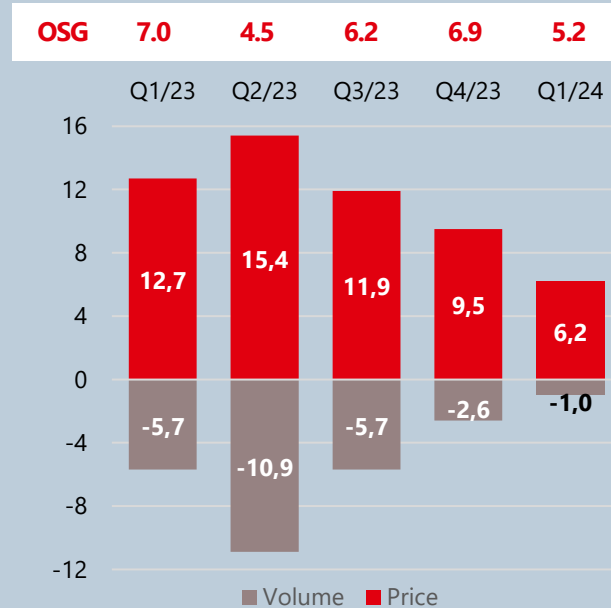


# CONSUMER BRANDS

## Q1 2024 – Price/Volume Development

- **Continued strong pricing** backed by value-adding innovations
- Further sequential improvement in **volume development** vs Q4 2023
- Volume development **reaching positive territory** of approx. 1% when considering impact from portfolio measures of approx. 2pp in Q1
- **Sustained elevated investment levels in innovations and marketing** to fuel further growth

in %



# CONSUMER BRANDS

## Q1 2024 – Business Area Performance

### LAUNDRY & HOME CARE



SALES      OSG  
**€1,661m**    **4.6%**

Laundry Care with strong growth driven by Fabric Care; significant growth in Home Care fueled by Toilet Care and Dishwashing

### HAIR



SALES      OSG  
**€781m**      **6.9%**

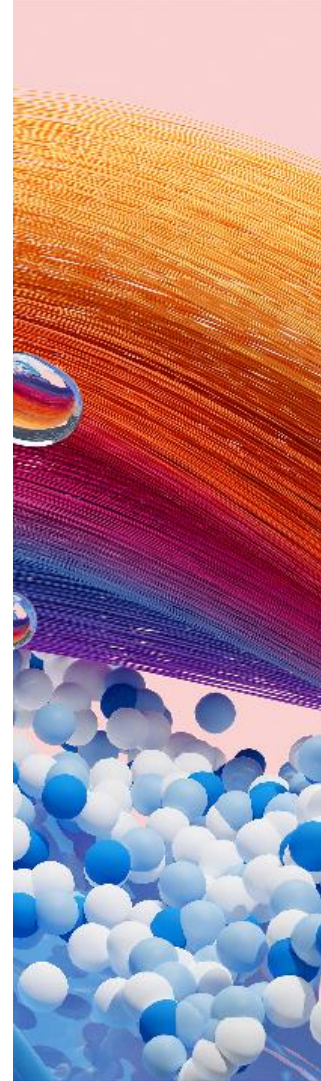
Significant increase in Consumer mainly driven by Styling, Professional with strong growth driven by key markets Europe and NA

### OTHER CONSUMER BUSINESSES






SALES      OSG  
**€163m**      **3.4%**

Strong growth driven by Soap category, with particular contribution from NA





# OUTLOOK 2024

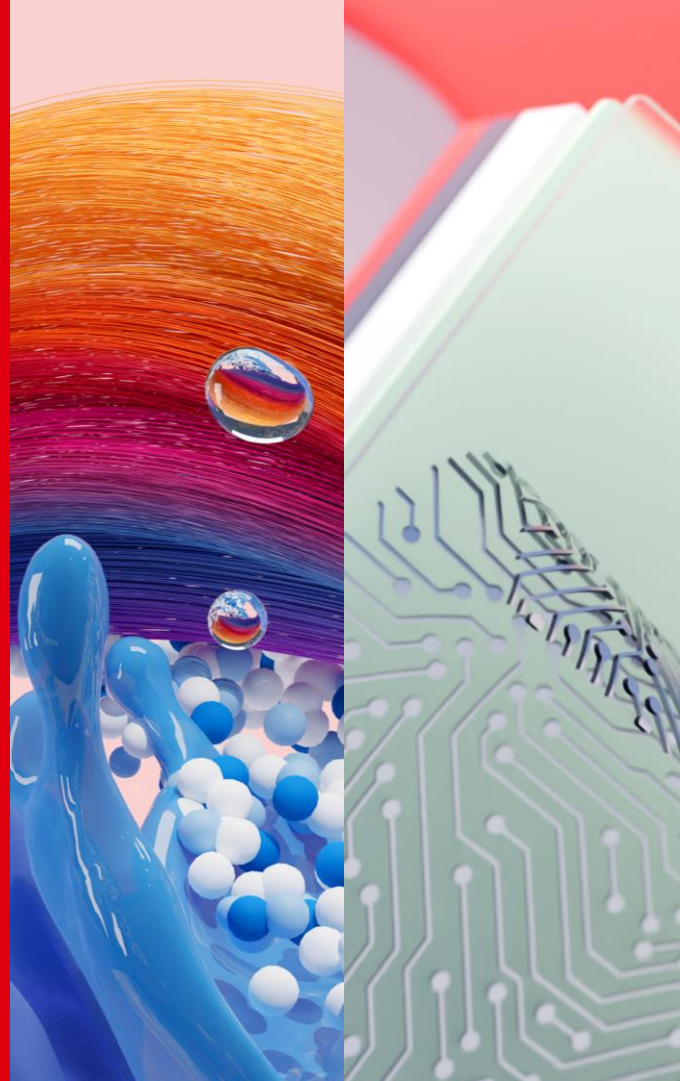
		<b>ORGANIC SALES GROWTH</b>	<b>ADJUSTED EBIT MARGIN</b>	<b>ADJUSTED EPS<sup>1</sup></b>
 <b>GROUP</b>		<b>2.5 to 4.5%</b> <i>previously: 2.0 to 4.0%</i>	<b>13.0 to 14.0%</b> <i>previously: 12.0 to 13.5%</i>	<b>+15 to +25%</b> <i>previously: +5 to +20%</i>
 <b>ADHESIVE TECHNOLOGIES</b>		<b>2.0 to 4.0%</b> <i>unchanged</i>	<b>16.0 to 17.0%</b> <i>previously: 15.0 to 16.5%</i>	
 <b>CONSUMER BRANDS</b>		<b>3.0 to 5.0%</b> <i>previously: 2.0 to 4.0%</i>	<b>12.0 to 13.0%</b> <i>previously: 11.0 to 12.5%</i>	

Updated expectations for

- M&A impact on sales: flat (*previously: low-single-digit negative*)
- Currency impact on sales: low- to mid-single-digit negative (*previously: mid-single-digit negative*)

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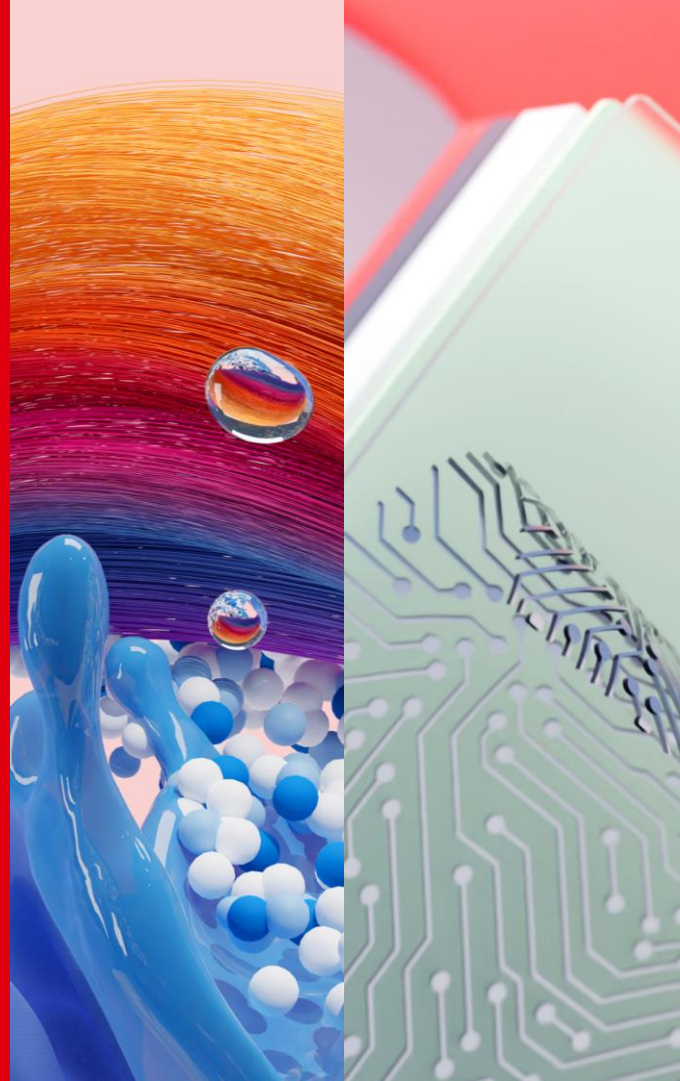


# KEY TAKE-AWAYS

- **Strong organic sales growth** driven by both Adhesive Technologies and Consumer Brands
- **Continued positive price development** and **sequentially improved volume development** in both businesses
- **Acquisitions of Seal for Life Industries and Vidal Sassoon in China closed earlier than anticipated**
- **Delivering on our strategic priorities and commitments** – pushing further ahead with our growth agenda
- **Outlook for 2024 significantly raised for both top- and bottom-line**



# QUESTIONS & ANSWERS



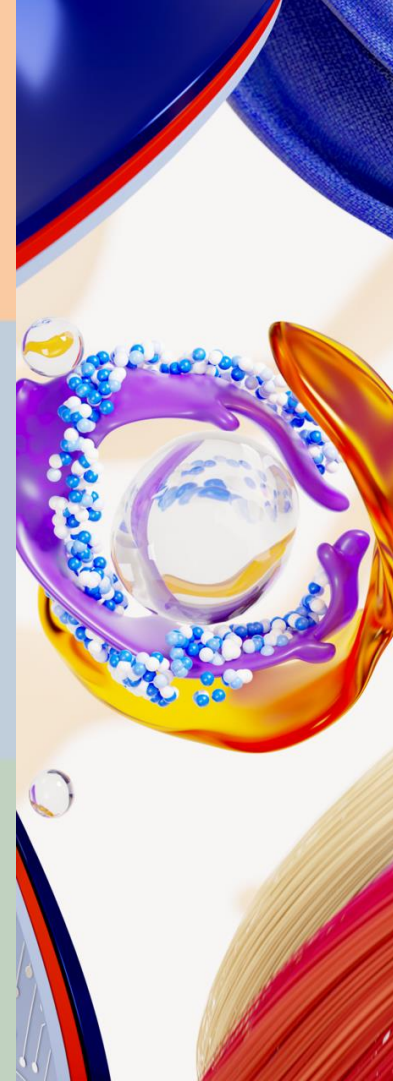


# UPCOMING EVENTS

## What's next



THANK YOU.



# ORGANIC SALES GROWTH AND NOMINAL SALES Q1 2024

	Sales			Organic sales growth
	Q1 2023	Q1 2024	+/-	
<b>HENKEL GROUP</b>	5.609	<b>5.317</b>	-5.2%	<b>3.0%</b>
<b>ADHESIVE TECHNOLOGIES</b>	2.791	<b>2.677</b>	-4.1%	<b>1.3%</b>
MOBILITY & ELECTRONICS	959	<b>946</b>	-1.5%	3.7%
PACKAGING & CONSUMER GOODS	884	<b>838</b>	-5.1%	-0.2%
CRAFTSMEN, CONSTRUCTION & PROFESSIONAL	948	<b>893</b>	-5.9%	0.3%
<b>CONSUMER BRANDS</b>	2.772	<b>2.605</b>	-6.0%	<b>5.2%</b>
LAUNDRY & HOME CARE	1.789	<b>1.661</b>	-7.2%	<b>4.6%</b>
HAIR	811	<b>781</b>	-3.6%	<b>6.9%</b>
OTHER CONSUMER BUSINESSES	171	<b>163</b>	-4.8%	<b>3.4%</b>

# OUTLOOK 2024

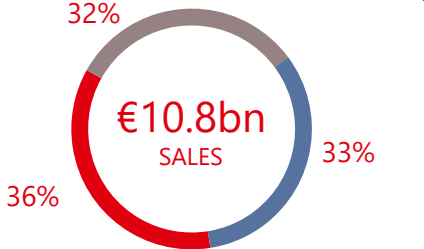
## ADDITIONAL INPUT FOR SELECTED KPIS

<i>CURRENCY IMPACT ON SALES</i>	low- to mid single-digit % negative <sup>1</sup> <i>previously: mid single-digit % negative</i>
<i>M&amp;A IMPACT ON SALES</i>	flat <sup>1</sup> <i>previously: low single-digit % negative</i>
<i>PRICES FOR DIRECT MATERIALS</i>	flat <sup>1</sup>
<i>RESTRUCTURING CHARGES</i>	€ 250 – 300m
<i>CAPEX</i>	€ 650 – 750m

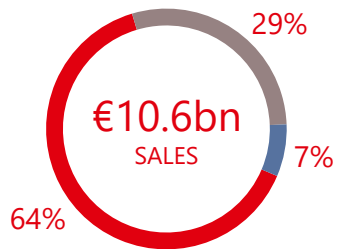


# BALANCED AND DIVERSIFIED PORTFOLIO

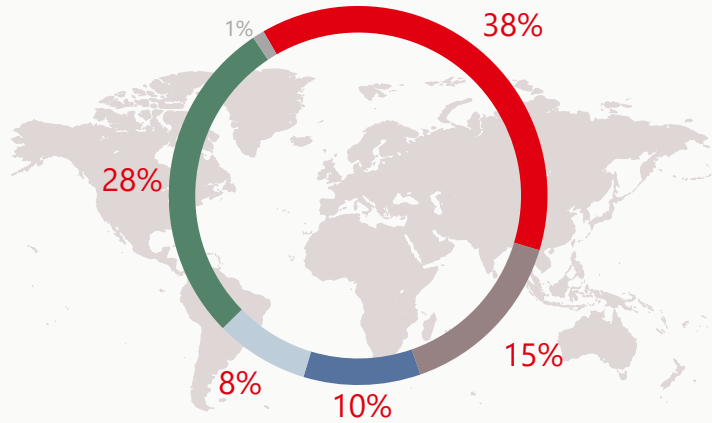
FY 2023



- Mobility & Electronics
- Packaging & Consumer Goods
- Craftsmen, Construction & Professional



- Laundry & Home Care
- Hair
- Other Consumer Businesses



- Europe
- IMEA
- North America
- Asia/Pacific
- Latin America
- Corporate





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