

Statement

Carsten Knobel

Chairman of the Henkel  
Management Board

Annual General Meeting on April 16, 2021

Check against delivery.



**Statement by Carsten Knobel, Chairman of the Henkel Management Board  
Annual General Meeting on April 16, 2021**

Ladies and Gentlemen,  
dear shareholders,  
dear friends of our company,

I would also like to welcome you to our Annual General Meeting!  
On behalf of the Management Board. And our employees around the world.

We would have loved to welcome you personally in Düsseldorf today. But, unfortunately, that is not possible. The current Corona situation does not allow for this. So once again we are holding our Annual General Meeting online.

We published my statement a week ago. So that you could submit your questions about it in advance. We have received 51 questions. We will be happy to comment on them later.

Today, I would like to talk about three topics.

First: About the impact of the COVID-19 pandemic on our company.

Second: About our performance and developments during fiscal 2020.

We will look at our results. And the implementation of our strategy.

And third: How we intend to further pursue our agenda for purposeful growth.

Let us start with the COVID-19 pandemic. This was the dominant theme of 2020. For us all. And it still is today.

Last year, more than 75 million people were infected with the virus. More than 1.5 million died from it. Many people have lost their jobs. Others their businesses. We will only see the full extent of this crisis later.

Much has changed fundamentally because of COVID-19. In our daily lives. In our work.

The impact of the pandemic varied from industry to industry. Some were badly hit. For example, the automotive industry. Others saw an increase in demand. For example, online services or hygiene products.

Overall, we have been able to successfully steer Henkel through this global crisis. Thanks to our crisis management, our balanced portfolio, and our financial strength.

But above all, thanks to our outstanding employees.

We have protected our people. Kept up our production. Supplied customers and households. With a robust crisis management.

Right from the start, as early as last spring, we ruled out pandemic-related layoffs and short-time working. When it was still not clear which impact the crisis would have.

On the contrary. We continued to hire in 2020. And filled vacancies. We continued apprentice trainings. As in the previous year. And we are doing the same this year. Because, especially for young people, this crisis means a major cut. We must stand by them. Because they are our future.

We have guaranteed our employees a large part of their variable compensation. As a sign of trust and recognition. And for their dedication in these times of crisis.

We have also assumed responsibility towards society. With financial support. For example, to the World Health Organization. To fight the pandemic. And we have donated more than six million products. To those in need around the world.

We manufactured disinfectants and sanitizers in our production sites. More than 120,000 liters. As a donation to hospitals and health authorities. Additionally, the volunteering activities by many of our employees in their own social environments.

Unfortunately, despite all the measures taken, more than 2,000 Henkel colleagues worldwide became infected during 2020. Fortunately, the large majority recovered from the infection.

Nevertheless, some of our colleagues died in connection with a COVID-19 infection. Our thoughts are with their families and loved ones. To them we send our deepest sympathy. And our heartfelt condolences.

We are now in a third wave. We continue to do everything we can to protect our employees as best as we can.

Whenever possible, our people work from home. In Germany, currently more than 90 percent.

Strict rules remain in place at all our sites. For the protection of our colleagues.

We have sent rapid test kits to all our employees. And our company's medical staff is ready to vaccinate our people. As soon as this becomes possible. The fight against the virus will continue to keep us busy this year.

I am very proud of how our colleagues have mastered the situation over the past year. And are still mastering it today. Around the world. With entrepreneurial spirit. With courage and creativity. On the basis of our shared values. And shaped by a strong, vital corporate culture. That's what makes Henkel so special.

I would like to show you in a short video how we dealt with this big challenge. As a strong team. Worldwide.

Ladies and Gentlemen.

I am sure you will agree with me. This was a great performance by our employees. In extraordinary times.

So, I would like to thank them on behalf of the entire Management Board. And I am sure that, in doing so, I also speak on behalf of you. Our shareholders.

I have been with Henkel for over 25 years. And I have always been proud to be part of this company. However, the performance and the cohesion of all Henkel's people have strengthened me in this once again.

Which brings me to the review of fiscal 2020.

We published our results back at the beginning of March. In a challenging year and despite the sharp decline of the global economy, we delivered an overall robust performance across all business units.

- We achieved sales of 19.3 billion euros. In organic terms, that is a slight decrease of 0.7 percent compared to previous year. Before currency effects and acquisitions and divestments.
- Our operating profit amounted to 2.6 billion euros.
- The adjusted EBIT margin was at 13.4 percent. This is a significant decrease compared to 2019. But it means we are still very profitable.
- Free cash flow amounted to 2.3 billion euros. Just below the record figure of the previous year.
- In June, we paid out the full dividend for 2019. Around 800 million euros.

- Overall, we invested 200 million euros more in brands, innovations, and digitalization than in the previous year.
- We further strengthened our businesses through acquisitions. For which we invested around half a billion euros.
- We significantly reduced our net debt. By more than half.
- And we kept our costs under control.
- So, as you see: Henkel is and remains financially strong.  
Even in times of crisis.

Overall, this is a very robust development. And that in a particularly difficult year.

The coronavirus spread to Asia in the first quarter of 2020. This mainly affected our Adhesive Technologies business unit.

There were far-reaching restrictions in many countries in the second quarter. In Asia, Europe and North America. This led to a decline in demand. Particularly in certain industrial segments. For example, the automotive sector. Which affected Adhesive Technologies.

In addition, hair salons had to close. This had a negative impact on our Beauty Care Hair Salon business. On the other hand, our Laundry & Home Care business unit recorded very strong growth. Mainly due to the increase in demand for household and cleaning products.

Our businesses recovered in the third quarter. With positive organic sales growth. In all three business units. Partially due to catch-up effects from the second quarter. But mainly due to the strength of our businesses. And thanks to our successful innovations.

This positive trend continued in the fourth quarter. Despite a second wave of COVID-19 infections. And the associated lockdowns in many countries and markets.

So how did sales develop in the different business units?

I will start with Adhesive Technologies. Our largest business unit. Its portfolio is far more than adhesives. It's also about innovative sealants and coatings. Our top brands are Loctite, Bonderite and Technomelt. We are the worldwide market leader. We have a global presence. With all our technologies, extensive competencies and experience. Billions of people use our products. Every day. Often without knowing it.

- Our technologies protect processors from overheating. In cellphones and laptops. Or in new 5G networks and transmitters.
- They also serve to bond advanced materials. Thus, making automobiles lighter, for example.
- Our innovations are used in batteries. To increase their performance levels. Making an important contribution to eMobility.
- They also make food packaging safer. And they are used in medical products.



- In short: With our innovations, we help our customers to improve their products and make them more sustainable.

For many of our customers, however, 2020 was not an easy year. Business was down in many industry segments.

Sales of Adhesive Technologies for 2020 were below the previous year. By 4.2 percent organically. Primarily due to weak demand in the second quarter.

In the third and fourth quarter, all business areas and regions returned to positive organic growth. The performance of the individual business areas varied considerably over the full year.

In Automotive and Metals, we closed 2020 below the previous year. With a decline in the low double-digit percentage range. However, we were back to very strong growth in the fourth quarter.

In the Packaging & Consumer Goods business area, we achieved positive sales growth in the full year. Here, we were impacted by the pandemic particularly in the second quarter. We returned to positive growth in the third and fourth quarter. Enabling us to offset our losses.

The Electronics & Industrials business area remained below the prior-year level in 2020. Mainly due to the weaker demand in our Industrials business. By contrast, the Electronics business recorded significant sales growth.

Sales in Craftsmen, Construction & Professional remained below the level of the previous year. Despite a strong recovery in the second half of the year.

Overall, Adhesive Technologies delivered a robust performance. In an exceptionally difficult year.

That brings me to our Beauty Care business unit. Our business with hair and body care. Our biggest brands are Schwarzkopf, Syoss and Dial. On average, we sell 25 hair colorants every second.

At Beauty Care we have two major business areas. Retail business with branded consumer products. And the business with our hair salon customers.

At our Beauty Care business unit, too, sales were somewhat lower year-on-year. With an organic decrease of 2.8 percent.

This is primarily due to the Hair Salon business. Many hairdressers had to close their salons due to the pandemic. After a difficult start, business recovered in the third quarter. But infection rates rose again during the fourth quarter. And many salons had to close again. As a result, the Hair Salon business weakened again in the fourth quarter. Sales for the full year decreased significantly. By more than 10 percent.

The Branded Consumer Goods business of Beauty Care recorded good sales growth for the year. In the first half of the year, sales remained stable overall. Then, in the second half of the year, we achieved very strong sales growth.

Various products were less in demand during the pandemic. Particularly, styling. Deodorants, and skin care. On the other hand, the demand for hair colorations increased. And in Body Care we achieved significant growth. This was also due to the increase in demand for hygiene products.

The growth drivers for Beauty Care were online business and direct-to-consumer sales. Here, growth accelerated in the course of the year.

Supported also by acquisitions in this area. For example, the acquisition of a majority stake in Invincible Brands. In mid-2020. With brands such as Hello Body. Banana Beauty. And Mermaid+Me.

We were able to significantly increase digital sales. By more than 70 percent.

At this point, I would like to join in Simone Bagel-Trah's thanks to my long-time colleague Jens-Martin Schwärzler. He has led Henkel Beauty Care since 2017. And steered it through a difficult year 2020. With great commitment and passion. For that, Jens, I would like to thank you very much. I wish you all the best for the future.

In June we will welcome Wolfgang König. As the new Management Board member for Beauty Care. I look forward to working with him in the future.

Let's move on to the third business unit. Laundry & Home Care. With many well-known, innovative and successful brands. From Persil to Pril and to Somat.

We are also present around the world with this business. On average we sell laundry detergents for 40 billion wash loads each year.

In 2020, we achieved strong organic sales growth in this business unit. Amounting to 5.6 percent in total. This has been the strongest increase since 2013. The growth was due, on the one hand, to a higher demand for hygiene products. And on the other hand to many successful innovations. And new products.

In the Home Care business, we achieved double-digit sales growth. This was the main driver of the business unit's very strong sales performance.

Our global top brands Pril, Bref and Somat each recorded double-digit growth. With Love Nature, a new brand was successfully launched. It appeals above all to consumers for whom sustainability is particularly important.

We achieved good sales growth in the Laundry Care business. Mainly thanks to the very strong performance by our heavy-duty detergents. In addition, there was significant growth of our megabrand Persil. Here we have successfully launched further variants of the innovative 4in1 DISCS.

In Laundry & Home Care, we also expanded sales via eCommerce. Online trading has increased in the course of the pandemic. Digital sales rose by around 50 percent.

Let's take a brief look at Henkel's regional development. Sales in the emerging markets rose by 3.0 percent. With sales amounting to around 7.6 billion euros. This corresponds to around 40 percent of Group sales. In the mature markets, sales were at around 11.5 billion euros. A decrease of 3.2 percent compared to the previous year.

And this brings me to our earnings performance. First of all, let me say: We remained profitable in 2020. Despite the pandemic. And despite increased investments in brands and digitalization.

At Group level, adjusted operating profit was at 2.6 billion euros. Which is around 20 percent less year-on-year. On the one hand, due to higher investments. Particularly in our consumer goods businesses. And on the other hand, because of the sharp decline in demand.

Adjusted return on sales reached 13.4 percent. Adjusted earnings per preferred share amounted to 4.26 euros. This is a decrease of 17.9 percent, at constant exchange rates.

Again in 2020, we had our costs well under control. Enabling us to mitigate the impact of the crisis on our earnings.

Despite the pandemic, we achieved significant improvements in net working capital in 2020.

Free cash flow reached 2.3 billion euros. Close to the record level of the previous year.

We were also able to substantially reduce our net debt. By more than half. At the end of the year, it was around 890 million euros. Compared to around 2.0 billion at year-end 2019.

As these figures show: Henkel is in very good financial shape. Especially during the crisis, this strength has once again paid off. Thanks to our good financial position, we were able to implement our investments as planned. And navigate our company safely through these difficult times.

Ladies and Gentlemen.

Of course, you are also interested in the development of the share price. The performance of our stock reflects the impact of the COVID-19 crisis on the stock markets. At year-end 2020, Henkel preferred shares closed at 92.30 euros. This is a slight increase of 0.1 percent versus the prior year.

Taking into account the reinvestment of the dividend, the total return was 2.3 percent. By comparison, the performance for the DAX was 3.5 percent.

This does not meet our own standards. Neither your expectations. We are well aware of this.

But the dividend payout is also very important to you.

Over the past 35 years, since going public, we have always paid out a dividend above or at the prior-year level. We want to stick to this, despite the exceptional developments in the past year. Therefore, we are proposing to you today a stable dividend payout of 1 euro and 85 cents per preferred share. And 1 euro and 83 cents per ordinary share.

This proposal of a stable dividend is possible thanks to our strong financial position. With it, we are taking into account the exceptional situation in fiscal 2020.

The proposed payout ratio is 43.7 percent. This is slightly above our target range of 30 to 40 percent. Going forward, we intend to adhere to our existing dividend policy. We will continue to target a range of 30 to 40 percent of adjusted net income after non-controlling interests.

So much for our finances. I will now talk about the second major topic of the fiscal year.

The implementation of our growth agenda. We presented this agenda about a year ago. 2020 has shown us the fragility of the world we live in. We have seen how the world has been seeking new ideas. New initiatives. And a deeper sense of direction. Our strategic agenda sets the right priorities for this. Of this I am convinced.

We are aiming at purposeful growth. For us, this means:

- Creating superior value for customers and consumers. To grow faster than our markets.
- Reinforcing our leadership in sustainability. And making a contribution to society and the environment.
- Strengthening the sense of belonging and cohesion of our employees. And opening up new opportunities to them. For their personal development and shaping their work.

Today, around one year after the launch, I am sure: We are well on track. We have a clear roadmap. We are pursuing the right priorities. For the success of Henkel. In this decade.

This was particularly evident in the past year. We have achieved a lot despite the crisis.

- We have further developed our business and brands portfolio. By divesting selected businesses. And through targeted acquisitions.



- We have further improved our competitiveness. Through accelerated innovation processes. Our focus on sustainability. And progress in digital transformation.
- We have adapted our business processes and made our operating models future-ready.
- We have started to strengthen our culture. And our “Henkel spirit.” This is particularly important to me.

Now, I would like to explain to you in more detail what we have achieved.

First, in the shaping of our portfolio. Here we have identified brands and categories with whose developments we are not satisfied. Especially in our consumer goods businesses.

Together, they account for an annual sales volume of more than one billion euros. Half of these operations have been marked for divestment or discontinuation. By the end of this year. The other half will be expected to return to better results. We have defined clear measures to achieve this.

In 2020, we have already completed first divestments. With a volume of more than 100 million euros in total. In addition, the brands and businesses that are expected to perform better have started to make progress. More than half have already shown an improvement in their sales performance.

Targeted acquisitions are a key component of our strategy. In 2020, we strengthened our portfolio. With two major acquisitions. One in Beauty Care and one in Adhesive Technologies. For around half a billion euros.

With that, let me now talk about a key element of our agenda. Strengthening our competitive edge.

For this, innovations are crucial. In all three business units. Let us first take a look at the consumer goods businesses. This was also a focus of our additional investments in 2020.

In Beauty Care, we relaunched a number of important brands and products. For example, Gliss Kur, Syoss and Nature Box. This contributed to the growth achieved with our Hair Care Retail business.

We want to develop and launch new products more quickly. To this end, we have established an incubator team at Beauty Care, which is developing new business models. And new brands.

For example, M:ID. A personalized care product for men. M:ID was launched onto the market within just 6 months. And is primarily marketed through digital channels.

Innovations have also been crucial to our success in Laundry & Home Care.

For example, our new Persil 4in1 DISCS. They make laundry washing easier. By making product dosing effortless. With outstanding washing performance. Even at low temperatures. Thus, they also help to save energy.

Persil DISCS are already available in 24 countries. We have provided targeted support for their marketing. By investing more in marketing and advertising. With success. We have been able to gain significant market share in the detergent caps segment.

We have also established our own incubator team at Laundry & Home Care. To develop new ideas and concepts.

For instance, Love Nature. A new laundry and home care brand. Certified with the Ecolabel of the EU. Completely vegan. And with bottles made of 100 percent recycled plastic. Love Nature is now available at all major retailers in Germany.

There has also been a general increase in agility at Laundry & Home Care. We have been able to noticeably reduce the average time from idea to market launch. This gives us a clear edge over the competition.

Innovations are also the focus of the Adhesive Technologies business unit. This year we will open our new innovation center here in Düsseldorf. We are investing around 130 million euros in it. Around 500 colleagues will be conducting their research there. And develop new solutions. For the needs of our customers. Across a wide range of different applications.

Here we are also scaling artificial intelligence. For example, with a digital platform called “Albert”. This will connect the knowledge and expertise of our researchers around the world. “Albert” will provide them with access to all our research findings and results. Enabling better integration. Accelerating the development of individual products for our customers.

With our innovations, we again made better and more sustainable products possible in 2020. In many areas of everyday life. For example, camera modules and sensors for smartphones. Or solutions for the protection of wireless headphones. Tablets. And laptops. We have also developed numerous innovations aligned to eMobility. For example, for the electrification of the drive train.

We are strengthening our innovation power. In all three business units. With new processes. With modern technology. And above all, thanks to our creative employees. With many new ideas. And the will to make the world a little better for our customers. Each and every day.

The following video will give you an overview. Of our innovations in the past year.

Another important success factor in our growth agenda is sustainability. Our commitment in this area is integral to our corporate culture. And has been for many decades.

A strong foundation. For our growth agenda. We are setting new accents.  
Breaking new ground. We want to differentiate ourselves from the competition.  
And make sustainability a real success driver.

To this end, we are pursuing ambitious targets.

We defined a long-term sustainability strategy back in 2010. With a simple basic idea. We want to deliver more value. For our customers and consumers. For society. And for our employees and shareholders. And use only one-third of the resources. With this in mind, we have set clear targets through to 2030.

2020 was an important milestone on this journey. We were able to significantly reduce our carbon footprint. In the three dimensions: CO<sub>2</sub> emissions. Waste. And water. Our target was 30 percent. Compared to the base year 2010. And we have achieved almost 40 percent. We are all very proud of that.

We made good progress in all areas in 2020.

For example: Avoiding plastic waste. Boosting recycling. And enabling a circular economy.

For example, we have significantly increased the proportion of recycled plastic in our packaging. By 50 percent compared to the previous year. And by 2025, 100 percent of our consumer goods packaging should be recyclable. We also want to reduce the use of plastics from fossil sources. By at least half.

We are also using more and more so-called social plastic in our packaging. We have been a partner of Plastic Bank for several years.

Its goal is to combat plastic waste in the oceans. While at the same time creating opportunities for people living in poverty. By opening plastic collection centers. Where locals can deposit plastic waste, they have collected. And exchange it for money or social benefits.

We started with first projects in Haiti. Now we are expanding our collaboration to Egypt. We use social plastic as a packaging material. For example, for all the bottles of our brand Nature Box. We were the first to do this in the beauty market.

In June, we placed a bond to reduce plastic waste. As the first company worldwide. With a volume of around 100 million euros. Here we are combining attractive financing instruments with concrete progress in sustainability.

We are also using less plastic. For example, the packaging of our new "Persil Eco Power Bars" is made of recycled and recyclable cardboard. This allows for 95 percent less plastic compared to conventional packaging.

And Love Nature is the first Laundry & Home Care brand to offer a refill service. Across all major German retailers participating.

Sustainability is also an important driver of innovation in the Adhesive Technologies business unit. Across the entire spectrum of the business. We are systematically evaluating our portfolio at Adhesive Technologies.

How can we make a clear contribution to greater sustainability with our products? In what areas can we help our customers to become more sustainable in their operations? These are the questions that drive us forward.

For example, we can cut the consumption of plastic film with our adhesives for the packaging industry. By up to 90 percent.

We also develop innovative and sustainable solutions for the sports and fashion industry. For example, for shoes. Our latest solutions make it possible to significantly reduce energy consumption during adhesive bonding. By up to 30 percent. Thus, we are helping to avoid CO2 emissions. And to protect the climate.

And that brings us to a particularly important issue. Climate protection. Here, too, we took deliberate steps last year. To become even better.

For example, we concluded a virtual power purchasing agreement for wind energy in the USA. The agreed capacity is equivalent to 100 percent of the annual electricity demand of Henkel's operations in the US.

But we want to do more, and we have to do more. This is our responsibility for tomorrow. For future generations. This is why we are working at full speed to achieve our ambitious sustainability targets for the coming years.

We want to become a climate-positive company by 2040. As a first step by 2025, our aim is to reduce the carbon footprint of our production operations. By a total of 65 percent. And we want to save 100 million metric tons of CO<sub>2</sub>. Working together with customers, consumers and suppliers.

So, you see: We act sustainably. In all areas.

If you would like to find out more about this, I recommend our sustainability report. We published our first sustainability report back in 1992. As one of the first companies in Germany. This year, we published our 30th annual edition. Full of data, facts and illustrative examples. You can find it on our website.

As part of our growth agenda, we are also driving forward the digital transformation. With success. We want to deepen and expand direct interaction with our consumers via digital channels.

Digital sales have grown significantly. We increased our digital sales share to around 15 percent of total Group sales.

Growth rates were particularly high in our consumer goods businesses. With an increase of more than 60 percent overall.



New business models and brands contributed to this. For example, eSalon within the Beauty Care business unit. It allows people to create personalized hair colorations. With a personal consultation service included. Aligned to the individual's own choice of hair color. And all done online. With the coloration delivered directly to the consumer's door.

In the Laundry & Home Care business, we have further developed the "Ask Team Clean" service. This is our online platform dealing with all aspects of washing and cleaning. The service provides consumers with many advices. Plus, the opportunity to get to know products. And to test them. This is an example of how we communicate directly with end customers online. How we introduce them to our brands. And how we nurture their loyalty.

Adhesive Technologies has already exceeded 2 billion euros in annual digital sales. This business unit thus makes the strongest contribution to digital revenues in the group. With our own digital platform having been successfully expanded to this end. It is now used by industrial customers in more than 60 countries.

To drive our digital transformation forward, we created a new unit in the middle of last year. "Henkel dx." It combines our IT and digital experts in one global organization. In 2020, we also opened our first innovation hub, located in Berlin. There, we are working on new platforms. To further expand our digital businesses.

We made significant progress with our digital transformation last year. Paving the way to the future. But there are still major challenges ahead. Of that, we are well aware. And we are working on them.

Innovation. Sustainability. And digitalization. These are the three areas on which we are focusing to extend our competitive edge as part of our growth agenda.

In 2020, we also made our operating models future-ready. Making them even more efficient, faster and more agile.

In the Adhesive Technologies business unit, we are now successfully working in a new structure. It comprises four business areas with a total of eleven strategic units. This improved structure enables us to serve markets and customers even more effectively.

We also made some important changes in our consumer businesses. In order to align our innovations and decision-making processes more closely to the needs of our customers. And to be able to act faster and more flexible.

We have also reorganized our global purchasing organization. With improved alignment to our business areas and procurement markets.

We will continue to work on improving our operating models. And on adapting our structures. This is vital in a globally competitive environment.

We have set ourselves an ambitious set of goals. To actively adapt our portfolio. To extend our competitive edge through innovations, sustainability and digitalization. And to optimize our operating models.

To be successful, we need motivated and committed employees. And, above all, the right culture.

This is why corporate culture is the foundation of our growth agenda. With shared values and a clear framework for collaborating as one team.

A shared understanding of leadership is at the heart of cultural change. We have therefore clearly defined what we mean by good leadership. These principles are also integrated into our HR processes and systems.

But we also wanted to know how we can become even better. Therefore, we conducted a global organizational health survey among more than 10,000 employees.

We achieved good results. But we can still get better. And that is what we are working on now. With clear, simple and tangible changes. With systematic feedback. And with concrete support. For instance, in the form of targeted coaching for managers.

So much for the implementation of our growth agenda in the past fiscal year.

This leads me to our outlook for 2021.

We expect industrial demand to recover, in some areas significantly.

This also applies for the consumer segments which are relevant for our company, in particular the Hair Salon business. At the same time, we believe consumer demand will return to normal levels in those categories which saw higher demand due to the pandemic in 2020.

We also assume that there will be no widespread shutdowns or production closures in our core regions.

But there are many uncertainties. How will the infection rates develop? Which impact will this have on restrictions in everyday life? And on demand in individual markets?

Despite these uncertainties, we are aiming to return to sales and earnings growth in 2021.

And we have already had a good start to the year. Based on preliminary figures, we expect organic sales growth of around 7 percent in the first quarter. This is significantly above market expectations. We have already reported on this at the end of March. And we will be publishing further details at the beginning of May.

So much for the figures. What are our strategic priorities for this year?

Let's first look at the business units.

We will ramp up growth in the Adhesive Technologies business unit. With our leading portfolio, our global presence and our innovative applications.

Within the Beauty Care business unit, we want to see our Hair Salon business return to growth after the crisis. And to continue the positive developments in our retail business from 2020.

At Laundry & Home Care, our full attention is on North America. We have changed a lot in this region. And with this new basis, we want to strengthen our business once again. That's our priority this year. And we want to continue the good development in the other regions.

In implementing our growth agenda, we intend to focus on two major areas.

First, we want to create competitive advantages by further strengthening innovation, sustainability, and digitalization.

And second: Continue to further develop our corporate culture. Encouraging more collaboration. And empowering our employees.

At the beginning, I spoke about how we at Henkel have grown closer together during the crisis. And I have described to you what we have already done in the past year. To strengthen our corporate culture.

Overall, we feel a stronger connection and cohesion emerging again throughout the company. With more transparency. More trust. More individual responsibility, and entrepreneurial spirit.

That's what we will build on. Aside from having the right team and the right strategy, it is above all the right culture that is crucial to successfully manage crises like the current pandemic, and to be successful in the long term.

We want to give our employees more freedom and scope. For new ideas. To learn. To develop.

We want to change the way we lead. This is also the benchmark against which each and every one of us should be measured.

And we want to do everything to ensure that our employees are always at one with Henkel, heart and soul. As a team. As "Henkelaner".

We are well positioned. With our agenda for purposeful growth. We will make this decade one of success for Henkel.

This is what we stand for. This is what I stand for.

I would like to conclude by once again saying thank you.

To all my colleagues on the Management Board. For your team spirit.

For your outstanding commitment to our company.

My gratitude to our corporate bodies. For your valuable support. For your advice.  
And for our constructive discussions about the future of our company.

And of course, my thanks to you. Our shareholders. For your continued support.  
Even in these difficult times. I thank you all.

For your trust.

In our company.

And in the people that make up Henkel.

Who are doing their best.

For our customers.

For their colleagues.

For you, our shareholders.

For society.

Day after day. Year after year.

Thank you very much for your attention

Stay healthy.

This information contains forward-looking statements which are based on current estimates and assumptions made by the corporate management of Henkel AG & Co. KGaA. Statements with respect to the future are characterized by the use of words such as “expect”, “intend”, “plan”, “anticipate”, “believe”, “estimate”, and similar terms. Such statements are not to be understood as in any way guaranteeing that those expectations will turn out to be accurate. Future performance and results actually achieved by Henkel AG & Co. KGaA and its affiliated companies depend on a number of risks and uncertainties and may therefore differ materially from the forward-looking statements. Many of these factors are outside Henkel’s control and cannot be accurately estimated in advance, such as the future economic environment and the actions of competitors and others involved in the marketplace. Henkel neither plans nor undertakes to update any forward-looking statements.

This document includes – in the applicable financial reporting framework not clearly defined – supplemental financial measures that are or may be alternative performance measures (non-GAAP-measures). These supplemental financial measures should not be viewed in isolation or as alternatives to measures of Henkel's net assets and financial positions or results of operations as presented in accordance with the applicable financial reporting framework in its Consolidated Financial Statements. Other companies that report or describe similarly titled alternative performance measures may calculate them differently.

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.