



News Release

May 3, 2024

Very good start to the fiscal year

Henkel raises sales and earnings outlook for 2024

Düsseldorf – Based on the very good business performance in the year to date and the assumptions for the remainder of the year, the Management Board of Henkel AG & Co. KGaA today decided to raise the outlook for the current financial year, which was published at the beginning of March.

Expectations for both Henkel's sales and earnings performance were raised:

- **Organic sales growth:** 2.5 to 4.5 percent (previously: 2.0 to 4.0 percent)
 - Adhesive Technologies: 2.0 to 4.0 percent (unchanged)
 - Consumer Brands: 3.0 to 5.0 percent (previously: 2.0 to 4.0 percent)
- **Adjusted return on sales:** 13.0 to 14.0 percent (previously: 12.0 to 13.5 percent)
 - Adhesive Technologies: 16.0 to 17.0 percent (previously: 15.0 to 16.5 percent)
 - Consumer Brands: 12.0 to 13.0 percent (previously: 11.0 to 12.5 percent)
- **Adjusted earnings per preferred share (EPS):** Increase in the range of +15.0 to +25.0 percent at constant exchange rates (previously: +5.0 to +20.0 percent)

"The very good start to the year and today's increase in the full-year outlook demonstrate very clearly that we are on the right track with our growth agenda. We have always pointed out that we want to deliver. And that is what we are doing. The changes initiated in both business units are showing clear results", said Carsten Knobel, CEO of Henkel.

The increased expectations for 2024 are supported by both business units. In Adhesive Technologies, the overall more robust business and gross margin development in a persistently challenging market environment as well as the market recovery in the Electronics business have a positive impact on earnings performance.

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In the Consumer Brands business unit, the implementation of strategic measures and initiatives is having a positive impact on sales, gross margins and earnings. This development is supported by the very strong performance of the Hair business, the continued implementation of portfolio measures and the strong development of core brands and innovations. At the same time, Henkel continues its investments in innovation and particularly in marketing at elevated levels to fuel further growth.

Henkel has also updated its expectations regarding the effects of acquisitions/divestments as well as currencies on sales. The most recent acquisitions – Seal for Life Industries and Vidal Sassoon in China – were closed faster than anticipated, thus contributing earlier to sales and earnings development.

- Acquisitions/Divestments: neutral impact on nominal sales growth (previously: negative impact in the low single-digit percentage range)
- Translation of sales in foreign currencies: negative impact in the low to mid-single-digit percentage range (previously: negative impact in the mid-single-digit percentage range)

The following expectations for 2024 remain unchanged:

- Prices for direct materials: flat development¹
- Restructuring expenses of 250 to 300 million euros
- Cash outflows from investments in property, plant and equipment and intangible assets of between 650 and 750 million euros

¹ Compared to the previous year's average

Organic sales development in the first quarter 2024

Based on preliminary figures, Henkel generated Group sales of around 5.3 billion euros in the first quarter of 2024, achieving strong organic sales growth of 3.0 percent. The Adhesive Technologies business unit recorded sales of around 2.7 billion euros and positive organic sales growth of 1.3 percent. The Consumer Brands business unit achieved sales of 2.6 billion euros and very strong organic sales growth of 5.2 percent.

Henkel will report further details on the sales development in the first quarter on May 8.

About Henkel

With its brands, innovations and technologies, Henkel holds leading market positions worldwide in the industrial and consumer businesses. The business unit Adhesive Technologies is the global leader in the market for adhesives, sealants and functional coatings. With Consumer Brands, the company holds leading positions especially in laundry & home care and hair in many markets and categories around the world. The company's three strongest brands are Loctite, Persil and Schwarzkopf. In fiscal 2023, Henkel reported sales of more than 21.5 billion euros and adjusted operating profit of around 2.6 billion euros. Henkel's preferred shares are listed in the German stock index DAX. Sustainability has a long tradition at Henkel, and the company has a clear sustainability strategy with specific targets. Henkel was founded in 1876 and today employs a diverse team of about 48,000 people worldwide – united by a strong corporate culture, shared values and a common purpose: "Pioneers at heart for the good of generations." More information at www.henkel.com

This document contains statements referring to future business development, financial performance and other events or developments of future relevance for Henkel that may constitute forward-looking statements. 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 based on current estimates and assumptions made by the corporate management of Henkel AG & Co. KGaA. These 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 (both positively and negatively) 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 forward-looking statements.

This document includes supplemental financial indicators that are not clearly defined in the applicable financial reporting framework and that are or may be alternative performance measures. These supplemental financial indicators should not be viewed in isolation or as alternatives to measures of Henkel's net assets and financial position 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.

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