



News Release

July 17, 2024

Henkel publishes preliminary figures for the first half of 2024

After very strong business performance in first half of 2024, Henkel raises its FY earnings outlook

Düsseldorf – Henkel today published its preliminary figures for the first half of 2024. **Sales** amounted to 10,813 million euros. This corresponds to good **organic sales growth** of 2.9 percent. In particular, the adjusted return on sales and adjusted earnings per share exceeded market expectations: The **adjusted return on sales** (adjusted EBIT margin) rose to 14.9 percent (previous year: 11.5 percent). **Adjusted earnings per preferred share** amounted to 2.78 euros in the first half of 2024. At constant exchange rates, this represents an increase of 32.9 percent compared to the same period of the previous year. Due to the very strong development so far and factoring in the expected business development in the remainder of the year Henkel has raised its outlook for the earnings development in 2024. This is mainly due to higher profit expectations in the Consumer Brands business unit, while at the same time increasing investments in marketing to support innovations. The outlook still considers the expectation of higher prices for direct materials in the second half of the year. Henkel now expects the following sales and earnings development for **fiscal 2024**:

- **Organic sales growth:** 2.5 to 4.5 percent (unchanged)
 - Adhesive Technologies: 2.0 to 4.0 percent (unchanged)
 - Consumer Brands: 3.0 to 5.0 percent (unchanged)
- **Adjusted return on sales:** 13.5 to 14.5 percent (previously: 13.0 to 14.0 percent)
 - Adhesive Technologies: 16.0 to 17.0 percent (unchanged)
 - Consumer Brands: 13.0 to 14.0 percent (previously: 12.0 to 13.0 percent)
- **Adjusted earnings per preferred share (EPS):** Increase in the range of +20.0 to +30.0 percent at constant exchange rates (previously: +15.0 to +25.0 percent)

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“The overall very good business performance in the first half of the year and the fact that we raised our outlook for fiscal 2024 again, clearly demonstrate that we are on the right track with our strategy,” said Carsten Knobel, CEO of Henkel.

“The merger of our consumer businesses is successful and the implementation of our strategic measures and initiatives has a very positive impact on sales, gross margin and earnings development. In the first half of the year, we have maintained our increased investments in brands and innovations, and we will further increase them over the course of 2024 in order to underpin our ambitions for future growth. The structural and team changes initiated in our adhesives business are also showing tangible results and they are making a significant contribution to Henkel's very strong performance. We are delivering what we have committed to, and we are on the right track for further profitable growth,” Knobel added.

Preliminary business results for the first half of 2024

According to preliminary figures, Henkel generated **sales** of 10,813 million euros in the first half of 2024. This corresponds to good **organic sales growth** of 2.9 percent. Growth in both business units was driven by a positive price development (+2.5 percent). At Group level, volume development, which continues to be influenced by the portfolio measures in the Consumer Brands unit, was slightly positive (+0.4 percent) and also showed a sequential improvement compared to the first quarter of 2024. In nominal terms, sales were down by -1.0 percent compared to the same period of the previous year, in particular due to the sale of business activities in Russia and to negative foreign exchange effects, while the recently closed acquisitions of Seal for Life and Vidal Sassoon contributed positively.

Adjusted operating profit (adjusted EBIT) rose by 28.4 percent to 1,610 million euros in the first half of the year, compared to 1,254 million euros in the same period of the previous year. The **adjusted return on sales** (adjusted EBIT margin) also increased significantly by 340 basis points to 14.9 percent. **Adjusted earnings per preferred share** rose to 2.78 euros in the first half of 2024. At constant exchange rates, this corresponds to an increase of 32.9 percent compared to the first half of 2023.

Sales in the **Adhesive Technologies** business unit amounted to 5,475 million euros in the first half of 2024. **Organic sales growth** was at 2.0 percent. This development was driven by a price component of +0.2 percent and volume growth of 1.8 percent. Thus, the business unit showed a sequential improvement in volume development compared to the first quarter of 2024. **Adjusted operating profit** rose by 21.8 percent to 933 million euros in the first half of 2024,

compared to 766 million euros in the same period of the previous year. The **adjusted return on sales** increased significantly by 300 basis points to 17.0 percent.

The **Consumer Brands** business unit generated **sales** of 5,266 million euros in the first six months of 2024. **Organic sales growth** amounted to 4.3 percent. This development was driven by a price component of +5.1 percent. Primarily due to continued portfolio optimization measures, volume development was negative at -0.9 percent. However, it showed a sequential improvement compared to the first quarter of 2024. The **adjusted operating profit** amounted to 753 million euros and was therefore 34.7 percent higher than in the same period of the previous year. The **adjusted return on sales** increased significantly by 390 basis points to 14.3 percent.

Henkel will report on further details of the business development in the second quarter and the first half of the year on August 13, 2024, as planned.

Further expectations for 2024

The following expectations for 2024 remain unchanged compared to the updated outlook from the beginning of May 2024:

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

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.

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