



News Release

May 11, 2017

Guidance for fiscal year 2017 confirmed

Henkel reports strong performance in the first quarter

- Sales exceed 5 bn euros for the first time, rising to 5,064 million euros: nominal growth +13.6%, organic growth +4.0%
- Double-digit increase in operating profit*: +13.8% to 854 million euros
- Further EBIT margin* improvement: +10 basis points to 16.9%
- Excellent growth in earnings per preferred share*: +11.0% to 1.41 euros

Düsseldorf – “Henkel delivered a strong performance in the first quarter in a highly challenging market environment. The consumer goods markets were characterized by intensifying promotional and pricing pressure. We were able to significantly increase sales and earnings and to further grow adjusted return on sales. For the first time, quarterly sales exceeded 5 billion euros. Adjusted operating profit also reached a new high. All three business units and all regions contributed to the successful development and the high quality of earnings,” said Henkel CEO Hans Van Bylen.

“This strong performance was driven by our leading brands and innovations, our intensified focus on our customers and consumers, the acceleration of our digital activities and our highly committed global team,” Hans Van Bylen added. “We further strengthened our portfolio and signed two compelling acquisitions.”

* Adjusted for one-time charges/gains and restructuring charges.

Commenting on the fiscal year 2017, Hans Van Bylen said: “We expect the overall volatile and uncertain market environment to persist throughout the year. Currency fluctuations are likely to continue and the prices for commodities are expected to increase. We also anticipate promotional and pricing pressure in the consumer goods markets to further increase. Nevertheless, we are committed to continue our successful development.”

In this challenging market environment, Henkel confirmed the outlook for the current fiscal year: “We expect organic sales growth of 2 to 4 percent. We expect our adjusted EBIT margin to increase to more than 17.0 percent and adjusted earnings per preferred share to grow between 7 and 9 percent,” said Hans Van Bylen.

Sales and earnings performance in the first quarter 2017

At 5,064 million euros, sales in the first quarter 2017 reached a new record level and grew nominally by 13.6 percent compared to the prior-year quarter. Positive foreign exchange effects accounted for 1.1 percent of this growth. The contribution from acquisitions and divestments amounted to 8.5 percent, mainly as a result of the acquisition of The Sun Products Corporation. **Organic** sales, which exclude the impact of foreign exchange effects and acquisitions/divestments, showed a strong increase of 4.0 percent.

Organic sales growth was driven by all business units. The **Adhesive Technologies** business unit reported a very strong increase in organic sales of 5.5 percent. The **Beauty Care** business unit posted good organic sales growth of 2.3 percent. The **Laundry & Home Care** business unit recorded a strong increase in organic sales of 3.0 percent.

The **emerging markets** again made an above-average contribution to the organic growth of the Group, with a very strong increase in organic sales of 6.7 percent, while the **mature markets** registered good organic sales growth of 2.1 percent.

Henkel reported organic sales growth across all regions: Sales in **Western Europe** grew by 1.8 percent. **Eastern Europe** achieved growth of 4.4 percent. In **Africa/Middle East**, sales grew by 2.2 percent. Sales in the **North America** region increased by 2.9 percent. **Latin America** achieved growth of 8.2 percent and in the **Asia-Pacific** region sales grew by 9.1 percent.

Adjusted operating profit (EBIT) improved by 13.8 percent to 854 million euros. All three business units contributed to this positive performance.

Adjusted return on sales (EBIT) rose by 0.1 percentage points to 16.9 percent.

Adjusted earnings per preferred share grew by 11.0 percent from 1.27 euros to 1.41 euros.

Net working capital as a percentage of sales improved by 0.5 percentage points to 4.9 percent.

Effective March 31, 2017, Henkel's **net financial position** showed a balance of -1,961 million euros (December 31, 2016: -2,301 million euros). The change compared to the end of 2016 was mainly due to a positive free cash flow.

Business unit performance

The **Adhesive Technologies** business unit generated very strong organic **sales growth** of 5.5 percent in the first quarter. Nominally, sales increased by 7.1 percent to 2,295 million euros. **Adjusted operating profit** grew by 10.5 percent and reached 415 million euros. Adjusted return on sales recorded a very strong increase to 18.1 percent.

The **Beauty Care** business unit registered good organic **sales growth** of 2.3 percent in the first quarter. In nominal terms, sales grew by 6.4 percent to 1,011 million euros. **Adjusted operating profit** reached 169 million euros, an increase of 7.4 percent

compared to the prior-year quarter. Adjusted return on sales recorded a good increase and reached 16.7 percent.

The **Laundry & Home Care** business unit generated strong organic **sales growth** of 3.0 percent in the first quarter. Nominally, sales increased by 29.5 percent to 1,726 million euros compared to the prior-year quarter. **Adjusted operating profit** grew by 22.8 percent to 298 million euros, while adjusted return on sales was at 17.3 percent. The acquisition of The Sun Products Corporation contributed significantly to both sales and operating profit.

Compelling acquisitions further strengthening portfolio

Henkel signed an agreement to acquire the global Darex Packaging Technologies business from GCP Applied Technologies and an agreement to acquire the Mexican hair care company Nattura Laboratorios.

Outlook for 2017 confirmed

Henkel confirms the outlook for the fiscal year 2017. Henkel expects to generate organic sales growth of 2 to 4 percent and anticipates that each business unit will generate organic sales growth within this range. For adjusted return on sales (EBIT), Henkel expects an increase versus the prior year to more than 17.0 percent. Henkel expects an increase in adjusted earnings per preferred share of between 7 and 9 percent.

This document contains forward-looking statements which are based on the current estimates and assumptions made by the corporate management of Henkel AG & Co. KGaA. Forward-looking statements are characterized by the use of words such as expect, intend, plan, predict, assume, believe, estimate, anticipate, forecast and similar formulations. Such statements are not to be understood as in any way guaranteeing that those expectations will turn out to be accurate. Future performance and the 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 forward-looking statements.

Contacts

Investors & Analysts

Renata Casaro

Phone: +49 211 797 - 1631

Email: renata.casaro@henkel.com

Dr. Eva Sewing

Phone: +49 211 797 - 5277

Email: eva.sewing@henkel.com

Christopher Huesgen

Phone: +49 211 797 - 4314

Email: christopher.huesgen@henkel.com

Ewa Wachonin

Phone: +49 211 797 - 7151

Email: ewa.wachonin@henkel.com

Press & Media

Lars Witteck

Phone: +49 211 797 - 2606

Email: lars.witteck@henkel.com

Wulf Klüppelholz

Phone: +49 211 797 - 1875

Email: wulf.klueppelholz@henkel.com

Hanna Philipps

Phone: +49 211 797 - 3626

Email: hanna.philipps@henkel.com

The statement for the first quarter of 2017 and other information with download material and the link to the teleconference broadcast can be found on the internet at:

www.henkel.com/ir

www.henkel.com/press

Key figures Q1/2017

in million euros	Sales	EBIT	EBIT margin
	Q1	Q1	Q1
Adhesive Technologies			
2017	2,295	431	18.8%
2016	2,144	364	17.0%
organic	5.5%	-	-
2017 adjusted ¹⁾	-	415	18.1%
2016 adjusted ¹⁾	-	376	17.5%
Beauty Care			
2017	1,011	149	14.7%
2016	950	143	15.0%
organic	2.3%	-	-
2017 adjusted ¹⁾	-	169	16.7%
2016 adjusted ¹⁾	-	157	16.5%
Laundry & Home Care			
2017	1,726	274	15.9%
2016	1,333	236	17.7%
organic	3.0%	-	-
2017 adjusted ¹⁾	-	298	17.3%
2016 adjusted ¹⁾	-	243	18.2%
Henkel			
2017	5,064	823	16.3%
2016	4,456	717	16.1%
organic	4.0%	-	-
2017 adjusted ¹⁾	-	854	16.9%
2016 adjusted ¹⁾	-	751	16.8%

Henkel	Q1/2016	Q1/2017	Change
Earnings per preferred share in euros	1.21	1.38	14.0%
Adjusted earnings per preferred share in euros ¹⁾	1.27	1.41	11.0%

Changes on the basis of figures in thousand euros

¹⁾ Adjusted for one-time charges/gains and restructuring charges