

Facts and Figures 2017



About Henkel

Henkel operates worldwide with leading innovations, brands and technologies in three business units: Adhesive Technologies, Beauty Care and Laundry & Home Care. Founded in 1876, Henkel holds globally leading market positions, both in the consumer and in the industrial businesses, with well-known

brands such as Persil, Schwarzkopf and Loctite. Henkel employs more than 53,000 people.

Our progress and performance in sustainability was once again recognized in numerous rankings and ratings in 2017.

For example, Henkel is listed in the Dow Jones Sustainability indices World and Europe as “industry group leader” in the Household Products category.

Henkel’s preferred shares are listed in the German stock index DAX.

More than
53,000
employees

120
nations represented
by our people

More than
141
years of brand and
technology success



More than
€20 bn
sales

40 %
of our sales
generated in
emerging markets

More than
2,100
social projects supported

What drives us

Our purpose

Creating sustainable value.

Our vision

Leading with our innovations,
brands and technologies.

Our values

We put our **customers** and **consumers**
at the center of what we do.

We value, challenge and reward
our **people**.

We drive excellent sustainable **financial**
performance.

We are committed to leadership
in **sustainability**.

We shape our future with a strong
entrepreneurial spirit based on our
family business tradition.





Jan-Dirk Auris

Executive Vice President
Adhesive Technologies

Born in Cologne, Germany,
on February 1, 1968;
with Henkel since 1984.

Jens-Martin Schwärzler

Executive Vice President
Beauty Care

Born in Ravensburg, Germany,
on August 23, 1963;
with Henkel since 1992.

Bruno Piacenza

Executive Vice President
Laundry & Home Care

Born in Paris, France,
on December 22, 1965;
with Henkel since 1990.

Hans Van Bylen

Chairman of the
Management Board

Born in Berchem, Belgium,
on April 26, 1961;
with Henkel since 1984.

Kathrin Menges

Executive Vice President
Human Resources /
Infrastructure Services

Born in Pritzwalk, Germany,
on October 16, 1964;
with Henkel since 1999.

Carsten Knobel

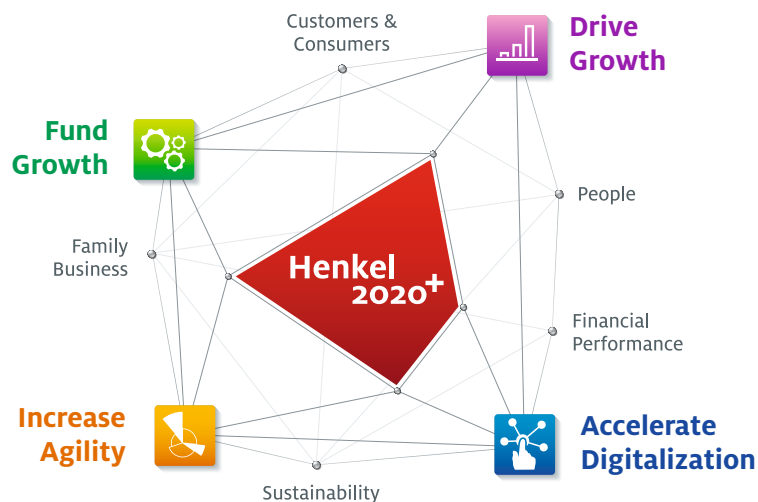
Executive Vice President
Finance (CFO) / Purchasing /
Integrated Business Solutions

Born in Marburg/Lahn, Germany,
on January 11, 1969;
with Henkel since 1995.

Focusing on our strategic priorities

We are shaping our future with a strong entrepreneurial spirit based on an inspiring purpose and a common vision for the future, which unite everyone at Henkel.

Our actions are guided by clear values.



Drive growth

Driving growth in mature and emerging markets is a key strategic priority for Henkel. In order to achieve this, we focus on targeted initiatives to create superior customer and consumer engagement, strengthen our leading brands and technologies, develop exciting innovations and services, and capture new sources of growth.

Accelerate digitalization

Accelerating digitalization helps us to successfully grow our business, strengthen the relationships with our customers and consumers, optimize our processes and transform the entire company. By 2020, we will implement a range of initiatives to drive our digital business, leverage Industry 4.0 and eTransform the organization.

Increase agility

In a highly volatile and dynamic business environment, increasing the agility of the organization is a critical success factor for Henkel. This requires energized and empowered teams, fastest time-to-market initiatives as well as smart and simplified processes.

Fund growth

In order to fund growth, we implement new approaches to optimize resource allocation, focus on net revenue management, further increase efficiency in our structures, and continue to expand our Global Supply Chain organization. Together, these initiatives will contribute to further improving profitability and enable us to fund our growth ambitions for 2020 and beyond.

Driving innovation

Lightweight construction
Our material solutions help to compensate the added weight of batteries and electronics. This will not only increase the driving range of cars, but also improve their sustainability.

Self-driving
Cameras, sensors and radar technology transfer data and information to high-performance assistance systems in real time. We offer up to 10 different applications for one camera.

Displays
Our innovations contribute significantly to achieving the best image quality and longest service life possible for displays, as well as enabling new designs and additional functions.

Intelligence
As many as 100 miniature computers will process the data, making driving safer and more comfortable. Our innovative applications protect automotive electronics, enabling better performance and a longer service life.

Battery technology
Our leading solutions, which include thermal compounds, structural adhesives and functional coatings, make batteries more effective and also more cost efficient.

The automotive industry is undergoing a fundamental transformation: eMobility, new technologies to enable smart mobility and autonomous driving are just some examples. Thanks to our leading portfolio of technologies, our capabilities to innovate and develop individual solutions, our global presence and our strong partnerships with manufacturers along the entire value chain in the automotive industry, Henkel is well positioned to actively contribute to the transformation of this industry.

Adhesive Technologies

Adhesive Technologies leads the global market with high-impact solutions. The business unit offers a broad portfolio of adhesives, sealants and functional coatings through both its Industry and its Consumers, Craftsmen and Building businesses.

The Industry business encompasses four areas: Packaging and Consumer Goods Adhesives, Transport and Metal, General Industry and Electronics.

Our Adhesives for Consumers, Craftsmen and Building business area markets an extensive range of brand-name products for private, trade and construction users.

In 2017, we generated more than 80 percent of all sales with our five technology cluster brands in the industrial business, and our four strong brand platforms in the consumer business. The proportion of sales from products successfully launched onto the market in the last five years was around 30 percent.

Top brands

LOCTITE

TECHNOMELT

TEROSON

Sales growth

+5.0%

organic sales growth

Adjusted¹ operating profit

€ 1,734 m

adjusted¹ operating profit (EBIT): up 6.4 percent

Adjusted¹ return on sales

18.5%

adjusted¹ return on sales (EBIT): up 0.3 percentage points

Key financials *

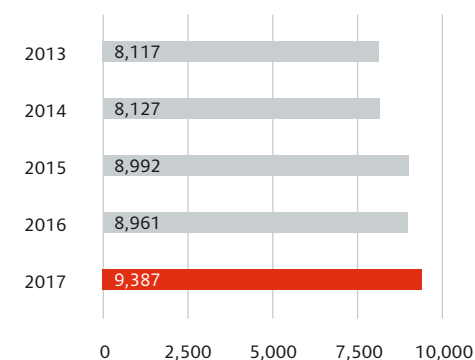
in million euros	2016	2017	+/-
Sales	8,961	9,387	4.8%
Proportion of Henkel sales	48%	47%	-
Operating profit (EBIT)	1,561	1,657	6.1%
Adjusted operating profit (EBIT)	1,629	1,734	6.4%
Return on sales (EBIT)	17.4%	17.7%	0.3 pp
Adjusted return on sales (EBIT)	18.2%	18.5%	0.3 pp
Return on capital employed (ROCE)	19.9%	20.3%	0.4 pp
Economic Value Added (EVA®)	719	831	15.5%

pp = percentage points

* Calculated on the basis of units of 1,000 euros; figures commercially rounded.

Sales Adhesive Technologies

in million euros



¹ Adjusted for one-time charges / gains and restructuring expenses.

Connecting with our customers



Henkel Beauty Care is one of the leading beauty businesses worldwide, serving both the retail and the professional markets. In our Hair Salon business, we partner with our customers, professional hairdressers around the world. With our innovations and knowledge, we help them to create new styles. We also jointly develop and market new coloring and styling products. In 2017, we successfully launched #myidentity haircolor together with Guy Tang, a leading hairdresser and social media influencer.

Beauty Care

Worldwide, the Beauty Care business unit is active in the Branded Consumer Goods business area with Hair Cosmetics, Body Care, Skin Care and Oral Care, as well as in the professional Hair Salon business. In both business areas, we hold top positions in numerous markets and categories.

Both our Branded Consumer Goods and Hair Salon businesses offer focused brand portfolios featuring customer-relevant innovations that create added value for our customers and consumers. Our products are sold both in brick-and-mortar stores and online.

In 2017, we generated 90 percent of our sales with our top 10 brands. The proportion of sales from products successfully launched onto the market in the last three years was around 40 percent.

Top brands


Schwarzkopf


Dial


SYOSS

Sales growth

+0.5%

organic sales
growth

Adjusted¹ operating profit

€ 665 m

adjusted¹ operating profit (EBIT):
up 2.7 percent

Adjusted¹ return on sales

17.2%

adjusted¹ return on sales (EBIT):
up 0.3 percentage points

Key financials *

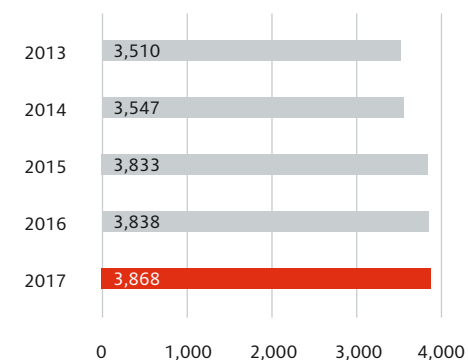
in million euros	2016	2017	+/-
Sales	3,838	3,868	0.8%
Proportion of Henkel sales	20%	19%	-
Operating profit (EBIT)	526	535	1.7%
Adjusted operating profit (EBIT)	647	665	2.7%
Return on sales (EBIT)	13.7%	13.8%	0.1 pp
Adjusted return on sales (EBIT)	16.9%	17.2%	0.3 pp
Return on capital employed (ROCE)	18.2%	17.6%	-0.6 pp
Economic Value Added (EVA®)	266	262	-1.8%

pp = percentage points

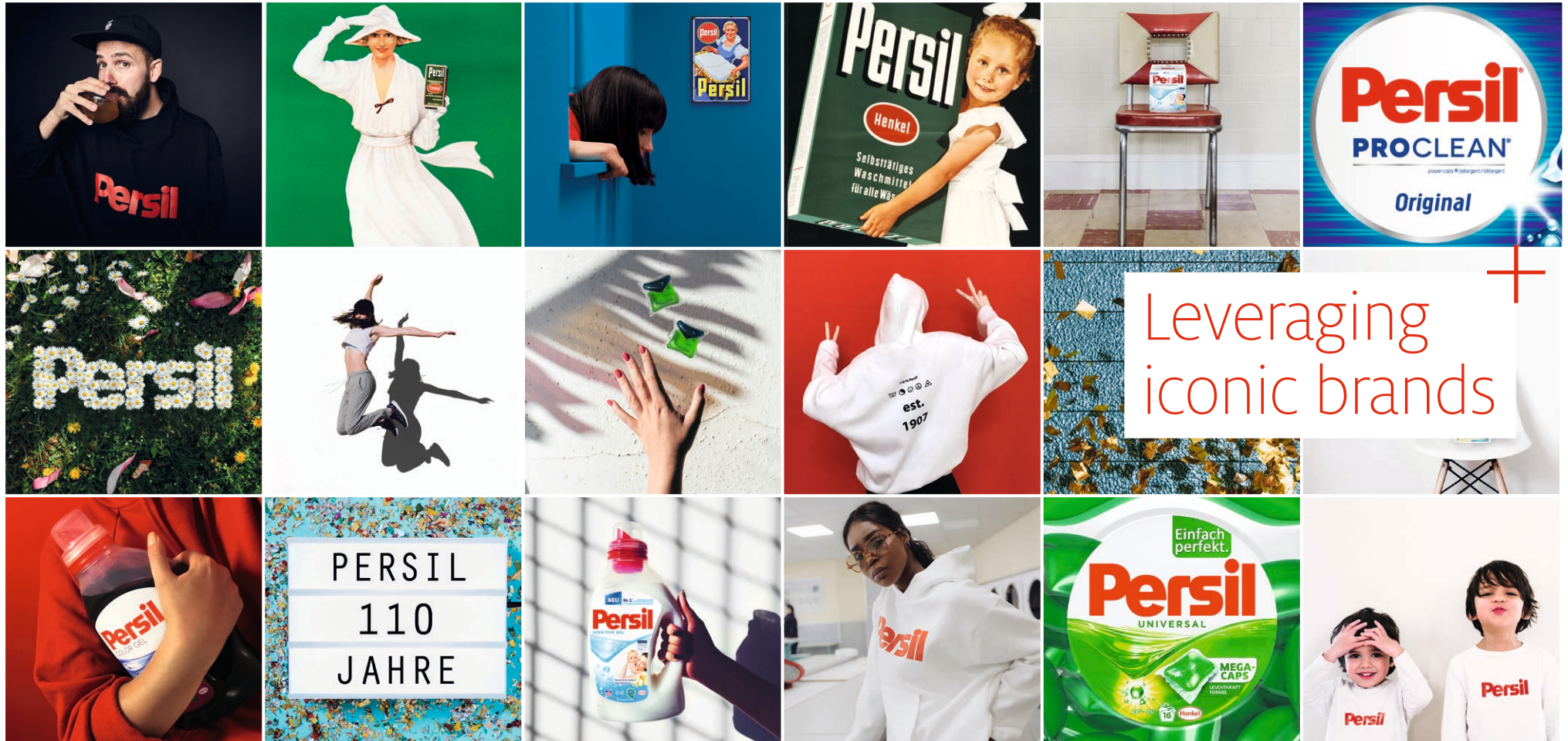
* Calculated on the basis of units of 1,000 euros;
figures commercially rounded.

Sales Beauty Care

in million euros



¹ Adjusted for one-time charges / gains and restructuring expenses.



Leveraging iconic brands

Persil is an iconic brand – not only in Germany where it was born in 1907, but also in more than 50 countries globally, including Europe, North America, the Middle East and Asian markets. Excellent performance and constant innovation have always been the drivers of Persil’s success. In German we say: “Persil stays Persil, because it never stays Persil.” This sentence summarizes our promise to constantly deliver premium cleanliness, convenience and innovation to consumers worldwide. In 2017, we were proud to celebrate the 110th anniversary of Persil.

Laundry & Home Care

The Laundry & Home Care business unit occupies leading market positions in both the Laundry and Home Care business areas.

Our strong brands and consumer-relevant innovations play a key role in the everyday lives of our consumers. Our product portfolio ranges from heavy-duty detergents, specialty detergents and laundry additives to dishwashing products, hard surface and WC cleaners, air fresheners and insect control products – all sold mainly in brick-and-mortar stores, but also via TV-based and online retailing.

In 2017, we generated around 65 percent of our sales with our top 10 brand clusters. A brand cluster comprises individual global and local brands that share a common brand positioning internationally. The proportion of sales from products successfully launched onto the market in the last three years was around 45 percent.

Top brands

Persil



Purex

Sales growth

+2.0%

organic sales growth

Adjusted¹ operating profit

€1,170_m

adjusted¹ operating profit (EBIT): up 17.0 percent

Adjusted¹ return on sales

17.6%

adjusted¹ return on sales (EBIT): up 0.3 percentage points

Key financials *

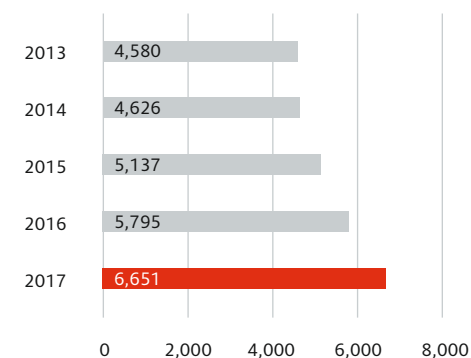
in million euros	2016	2017	+/-
Sales	5,795	6,651	14.8%
Proportion of Henkel sales	31%	33%	-
Operating profit (EBIT)	803	989	23.2%
Adjusted operating profit (EBIT)	1,000	1,170	17.0%
Return on sales (EBIT)	13.9%	14.9%	1.0 pp
Adjusted return on sales (EBIT)	17.3%	17.6%	0.3 pp
Return on capital employed (ROCE)	15.7%	13.1%	-2.6 pp
Economic Value Added (EVA®)	344	309	-10.1%

pp = percentage points

* Calculated on the basis of units of 1,000 euros; figures commercially rounded.

Sales Laundry & Home Care

in million euros



¹ Adjusted for one-time charges / gains and restructuring expenses.



Advancing digital in Finance

In our global Finance organization, we enable the successful steering of our businesses through transparent financial information and analysis, real-time reports, agile end-to-end processes and advanced data analytics. This provides us with deeper insights and enables us to better understand our markets, to assess risks and to identify opportunities – helping us in turn to further optimize the efficiency of our internal processes.

Finance

2017 was a very good year for Henkel. Despite challenging and volatile market conditions, we achieved our financial targets for the year and reached new record levels in sales and earnings. For the first time, we exceeded annual sales of more than 20 billion euros. This is an important milestone for our company.

We also delivered record margins and new highs in adjusted earnings per share. Our business performance was once again driven by our strong brands, leading technologies and winning innovations as well as a clear focus on costs.

We focused on the implementation of our strategic priorities and made substantial progress with many key strategic initiatives and projects. In the course of the year, we also agreed and closed several acquisitions which will complement and further strengthen our portfolio in both our consumer and our industrial businesses.

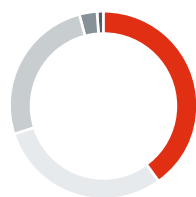
Sales by business unit 2017



- 47% Adhesive Technologies
- 33% Laundry & Home Care
- 19% Beauty Care
- 1% Corporate

Corporate = sales and services not assignable to the individual business units.

Sales by region 2017



- 40% Emerging markets¹
- 30% Western Europe
- 26% North America
- 3% Japan/Australia/New Zealand
- 1% Corporate

¹ Eastern Europe, Africa / Middle East, Latin America, Asia (excluding Japan).

Sales

+3.1%

organic sales growth

EBIT

17.3%

adjusted¹ return on sales (EBIT): up 0.4 percentage points

EPS

5.85 euros

adjusted¹ earnings per preferred share (EPS): up 9.1 percent

Dividend

1.79 euros

dividend per preferred share²

Key financials

	2013	2014	2015	2016	2017	+/- 2016 - 2017
in million euros						
Sales	16,355	16,428	18,089	18,714	20,029	7.0%
Operating profit (EBIT)	2,285	2,244	2,645	2,775	3,055	10.1%
Adjusted ¹ operating profit (EBIT)	2,516	2,588	2,923	3,172	3,461	9.1%
Return on sales (EBIT) in %	14.0	13.7	14.6	14.8	15.3	0.5 pp
Adjusted ¹ return on sales (EBIT) in %	15.4	15.8	16.2	16.9	17.3	0.4 pp
Net income	1,625	1,662	1,968	2,093	2,541	21.4%
Attributable to non-controlling interests	36	34	47	40	22	-45.0%
Attributable to shareholders of Henkel AG & Co. KGaA	1,589	1,628	1,921	2,053	2,519	22.7%
Earnings per preferred share in euros	3.67	3.76	4.44	4.74	5.81	22.6%
Adjusted ¹ earnings per preferred share in euros	4.07	4.38	4.88	5.36	5.85	9.1%
Return on capital employed (ROCE) in %	20.5	19.0	18.2	17.5	16.3	-1.2 pp
Dividend per ordinary share in euros	1.20	1.29	1.45	1.60	1.77²	10.6%
Dividend per preferred share in euros	1.22	1.31	1.47	1.62	1.79²	10.5%

pp = percentage points

¹ Adjusted for one-time charges / gains and restructuring expenses.

² Proposal to shareholders for the Annual General Meeting on April 9, 2018.



Virtual learning+

Constant learning, developing new capabilities and sharing knowledge have become essential factors for our company's success. That is why we offer our employees a broad range of learning programs and opportunities to acquire new capabilities. Digital learning platforms play an increasingly important role in our efforts to constantly train and upskill our global organization.

People

Our employees shape our company through their commitment, knowledge and skills. They are instrumental in driving our long-term success. We strive to foster a corporate culture that is agile, motivational and based on performance, to enable us to drive our 2020+ strategic priorities together. To achieve this goal, we create a working environment that is inspirational, based on trust, and focused on with team spirit – all of which builds on an open and appreciative leadership culture. We specifically nurture our employees and support their personal development to strengthen their loyalty and motivation.

What makes Henkel special

Everyone who works at Henkel moves in an environment characterized by its global nature and diversity. We are represented by some 53,700 employees (as at year-end 2017) with 120 different nationalities operating in 78 different countries. At December 31, 2017, the number of employees had thus risen compared to around 51,350 as of year-end 2016. This growth is primarily attributable to our acquisitions, through which we gained some 3,400 employees. We strive to integrate all new employees quickly and in a respectful manner, as demonstrated, for example, by our merger of The Sun Products Corporation, which we acquired in 2016, with Henkel Consumer Goods in the USA: By August 2017 we were already able to bring the employees from both companies together at our new site in Stamford, Connecticut.

We value diversity in our workforce. The age structure of our employees has been constant and balanced for years. To keep it that way, and in response to demographic change, we strive to offer equal encouragement to all generations at Henkel and to take different life phases into consideration. Moreover, 34.5 percent of the managers at our company are women. We want the diversity in our workforce to reflect the diversity in our customer structure.

Our three business units and central functions offer numerous vocational options. With our versatile organizational structure, we can offer our employees individual career opportunities.

Throughout the Group, we are focusing increasingly on digital communication platforms to foster and energize exchange that transcends department, country or hierarchy boundaries. Our HR systems have been specially extended for senior management, and optimized for use on mobile devices. This enables our executives to access key employee data flexibly and at any time, to respond more quickly to issues raised by employees, and to fulfill their leadership duties.

Employees by organizational unit



- 49% Adhesive Technologies
- 19% Laundry & Home Care
- 18% Beauty Care
- 14% Functions

At December 31, 2017

Employees by activity



- 54% Production and engineering
- 26% Marketing, selling and distribution
- 15% Administration
- 5% Research and development

At December 31, 2017

Employees

(At December 31)	2013	%	2014	%	2015	%	2016	%	2017	%
Western Europe	14,400	30.7	14,900	30.0	14,900	30.2	14,450	28.1	14,750	27.5
Eastern Europe	9,600	20.5	10,000	20.1	9,800	19.8	9,500	18.5	9,950	18.5
Africa / Middle East	4,800	10.2	4,850	9.7	4,700	9.4	5,250	10.2	4,750	8.8
North America	5,150	11.0	6,200	12.5	6,250	12.7	8,300	16.2	9,050	16.9
Latin America	3,750	8.0	3,650	7.3	3,500	7.1	3,550	6.9	5,500	10.2
Asia-Pacific	9,150	19.6	10,150	20.4	10,300	20.8	10,300	20.1	9,700	18.1
Total	46,850	100.0	49,750	100.0	49,450	100.0	51,350	100.0	53,700	100.0

Basis: Permanent staff excluding apprentices. Figures rounded.

Celebrating our ambassadors



When it comes to implementing our sustainability strategy, it is our people around the world who make the difference – through their dedication, skills and knowledge. Day by day they contribute to sustainable development at Henkel: They engage with multiple stakeholders and create more value for our customers, consumers and society. They are our Sustainability Ambassadors.

Sustainability

Sustainability as one of our corporate values

Our commitment to leadership in sustainability is anchored in our corporate values. We want to create more value – for our customers and consumers, for the communities we operate in, and for our company – while, at the same time, reducing our environmental footprint. We aim to pioneer new solutions for sustainable development while continuing to shape our business responsibly and increasing our economic success. Our sustainability strategy provides a clear framework for this aim and reflects the high expectations of our stakeholders.

Key drivers for the coming years

We are convinced that our focus on sustainability is more important than ever before, and that it supports our growth, improves our cost efficiency, and reduces risks. We already have a strong foundation on which to build, and can demonstrate a successful track record. To reflect the growing importance of sustainability for our stakeholders and our long-term economic success, we defined three key drivers in 2016 that will help us to advance sustainability at Henkel over the coming years:

- Strengthen foundation
- Boost engagement
- Maximize impact

Our focal areas

We are concentrating our activities on six focal areas that reflect the key challenges of sustainable development as they relate to our operations. Three of them describe how we want to deliver more value. The three other focal areas describe the ways in which we want to reduce our environmental footprint.



Our goal for 2030 is to triple the value we create for the footprint made by our operations, products and services. We refer to this goal as “Factor 3.”

Represented in all major indices

Henkel has been represented in the ethics index FTSE4Good since 2001, and in the STOXX® Global ESG Leaders index family since its launch by Deutsche Börse in 2011. Our membership in the Ethibel Pioneer Investment Register and the sustainability indices Euronext Vigeo World 120, Europe 120 and Eurozone 120 was also confirmed, as was our membership in the MSCI Global Sustainability Index series. Henkel is also included in the Dow Jones Sustainability Indices World and Europe, and in the Global Challenges Index as one of only 50 companies worldwide.

Transparent communication

More details and background reading on the subject of sustainability can be found in our Sustainability Report on the internet:

www.henkel.com/sustainabilityreport



Henkel publishes a compact sustainability magazine alongside the full report. It summarizes our priorities in the field of sustainability:

www.henkel.com/sustainabilitymagazine



Social engagement

Corporate citizenship has been an integral part of our corporate culture ever since the company was established by Fritz Henkel in 1876. Our lasting and long-term commitment to social involvement that goes beyond direct business interests was especially evident in the creation of the “Fritz Henkel Stiftung” foundation in 2011.

Our engagement is based on the four pillars of our corporate citizenship program: corporate volunteering, social partnerships, brand engagement and emergency aid. By 2020, we want to improve the quality of life of 10 million people through our social engagement.

Henkel and the “Fritz Henkel Stiftung” support projects in the areas of education and science, social needs, art and culture, fitness and health, and the environment.

Across the world, organizations and private initiatives are dependent on people who are willing to volunteer in their free time. Active and former Henkel employees are giving a helping hand where help is needed and doing their part for a better world: They are building bridges in Vietnam, teaching kids how to play soccer or building schools for disadvantaged children.



Henkel employees from Bridgewater, New Jersey, USA, transformed a freight container into a classroom that provides disadvantaged children in South Africa with access to education.

Our four pillars



Corporate volunteering

We support employees and retirees in their voluntary social engagement through the “Make an Impact on Tomorrow” initiative.



Social partnerships

In social partnerships, we support social initiatives and public institutions at Henkel sites around the world.



Brand engagement

In addition to Henkel’s corporate-wide social engagement, our brands are also involved in partnerships with social initiatives and public institutions around the world.



Emergency aid

After natural disasters, Henkel responds quickly and pragmatically, providing aid through our foundation, the “Fritz Henkel Stiftung,” wherever it is needed in the world.

Would you like to learn more about Henkel?

You can find more information about the progress we have made in implementing our strategic priorities and ambition, as well as our sustainability strategy, on the internet:

 www.henkel.com

Our financial publications on the internet:

 www.henkel.com/reports

Our sustainability publications on the internet:

 www.henkel.com/sustainability/reports

Henkel app available for iOS and Android:



Spotlight

What opportunities does Industry 4.0 offer? What drives the consumers of tomorrow? What makes an international company agile? Spotlight brings together all of our publications and latest news. Discover stories, expert interviews, extensive features, guest articles and social media posts in our digital content hub.

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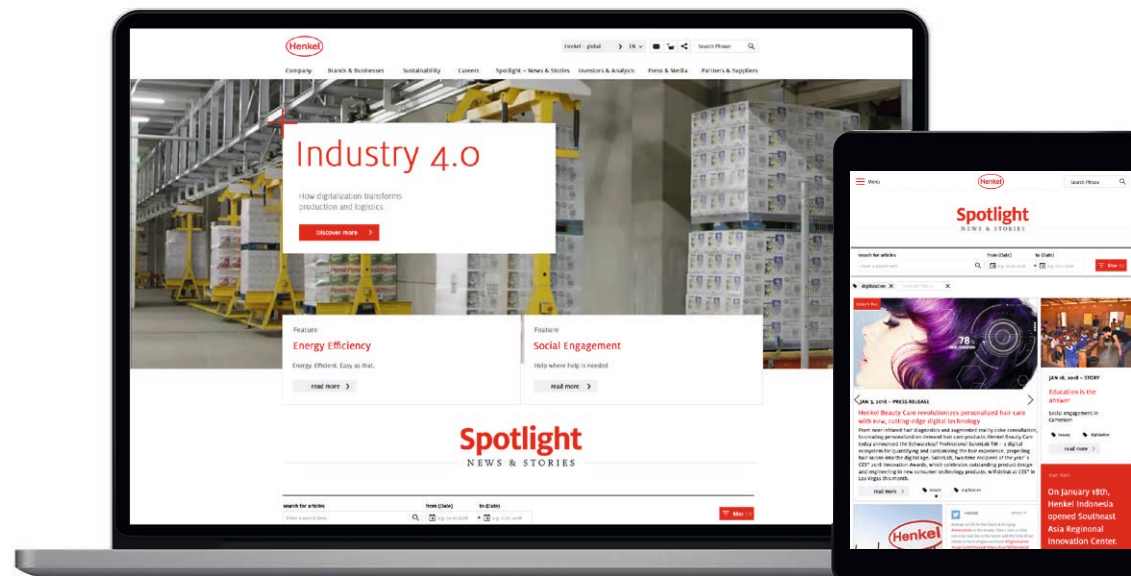
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Credits

Published by

Henkel AG & Co. KGaA
40191 Düsseldorf, Germany
Phone: +49 (0) 211-797-0

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Photographs: Maya Claussen, Nils Hendrik Müller, Fergus Padel; Henkel

Printed by: Druckpartner, Essen

PR No.: 02 18 6,500

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Financial calendar

Annual General Meeting

Henkel AG & Co. KGaA 2018:
Monday, April 9, 2018

Publication of Statement for the First Quarter 2018:

Wednesday, May 9, 2018

Publication of Report for the Second Quarter 2018 / Half Year 2018:

Thursday, August 16, 2018

Publication of Statement for the Third Quarter 2018 / Nine Months 2018:

Thursday, November 15, 2018

Publication of Report for Fiscal 2018:

Thursday, February 21, 2019

Annual General Meeting Henkel AG & Co. KGaA 2019:

Monday, April 8, 2019

**Up-to-date facts and figures on Henkel also
available on the internet:**

 www.henkel.com