

# Quarterly statement Q3 2024

July–September

Outlook for fiscal 2024 reiterated

## Henkel continues growth momentum in third quarter

- **Group sales rise to around 5.5 billion euros, +3.3 percent organic growth**
- **Organic sales increase driven by both business units:**
  - **Adhesive Technologies achieves strong organic growth of +3.7 percent**
  - **Consumer Brands reports good organic sales growth of +2.7 percent**
- **Ambitious climate protection targets expanded through net-zero roadmap: Greenhouse gas emissions to be reduced to net-zero by 2045**
- **Sales and earnings guidance for fiscal 2024 reiterated – clear chance to reach upper half of earnings ranges**

Düsseldorf, November 6, 2024 – In the **third quarter of 2024**, Henkel increased **Group sales** to around 5.5 billion euros. This corresponds to strong organic growth of 3.3 percent, which was driven by good price development and an overall positive volume trend at Group level. In nominal terms, sales increased by 1.0 percent compared to the prior-year quarter.

“We continued to deliver in the third quarter while driving Henkel’s successful further development. Both business units contributed to this with further organic growth. Also in the third quarter, we achieved strong gross margins, which allowed us to continue the increased investments in our businesses and brands. The adjusted EBIT margin showed a correspondingly strong development. This demonstrates that we are on the right track with our growth agenda,” said Carsten Knobel, CEO of Henkel.

“We are convinced that fiscal 2024 will be another successful year for Henkel and that we will achieve our sales and earnings targets, which we raised in the course of the year. Hence, we have reiterated our **outlook** today. Backed by the strong performance year-to-date, we see a clear chance to reach the upper half of the respective earnings ranges for the Group – this applies both to the adjusted EBIT margin and to adjusted EPS growth.”

Henkel also made further progress in implementing its **strategic growth agenda**. In this context, Henkel is intensifying its commitment to sustainability. As part of this process, Henkel has developed a **net-zero roadmap**, which includes extended targets for reducing emissions across the entire value chain.

“We all have to take responsibility and help limit global warming to 1.5°C, as set out in the Paris Climate Agreement. Our roadmap, which has been validated by the Science Based Targets initiative, outlines what we are doing to achieve net-zero greenhouse gas emissions by 2045. In order to reach this goal, we will be implementing a wide range of measures across the entire value chain,” explained Carsten Knobel.

## Sales development by business unit

in million euros		Sales		
Third Quarter	Q3/2023	Q3/2024	+/-	Organic
Henkel Group	5,440	<b>5,492</b>	1.0%	<b>3.3%</b>
Adhesive Technologies	2,711	<b>2,800</b>	3.3%	<b>3.7%</b>
Consumer Brands	2,695	<b>2,653</b>	-1.6%	<b>2.7%</b>
<b>January–September</b>		<b>1–9/2023</b>	<b>1–9/2024</b>	
Henkel Group	16,366	<b>16,305</b>	-0.4%	<b>3.0%</b>
Adhesive Technologies	8,186	<b>8,275</b>	1.1%	<b>2.5%</b>
Consumer Brands	8,060	<b>7,919</b>	-1.8%	<b>3.7%</b>

The **Adhesive Technologies** business unit achieved strong organic sales growth in the third quarter, supported by all business areas. The good organic sales growth in the **Consumer Brands** business unit was driven primarily by the global business area Hair.

## Group sales performance

In the **third quarter of 2024**, **Group sales** increased **nominally** by 1.0 percent to 5,492 million euros. Effects from acquisitions/divestments increased sales by 1.2 percent. Foreign exchange effects had a negative impact of -3.6 percent on sales performance. **Organically** (i.e. adjusted for foreign exchange and acquisitions/divestments), sales increased by 3.3 percent. This growth was driven by both a good price development and an overall positive volume development at Group level.

In the **first nine months of 2024**, **sales** totaled 16,305 million euros. This is equivalent to a **nominal** decrease of -0.4 percent. **Organically**, Henkel achieved strong sales growth of 3.0 percent, driven by both price and volume developments.

### Group sales performance

in million euros	Q3/2023	Q3/2024	1-9/2023	1-9/2024
<b>Sales</b>	<b>5,440</b>	<b>5,492</b>	<b>16,366</b>	<b>16,305</b>
<b>Change versus previous year</b>	<b>-9.0%</b>	<b>1.0%</b>	<b>-3.1%</b>	<b>-0.4%</b>
Foreign exchange	-6.3%	-3.6%	-3.9%	-2.4%
<b>Adjusted for foreign exchange</b>	<b>-2.7%</b>	<b>4.5%</b>	<b>0.8%</b>	<b>2.1%</b>
Acquisitions/divestments	-5.5%	1.2%	-3.4%	-1.0%
<b>Organic</b>	<b>2.8%</b>	<b>3.3%</b>	<b>4.1%</b>	<b>3.0%</b>
Of which price	8.3%	2.1%	10.8%	2.4%
Of which volume	-5.5%	1.2%	-6.7%	0.6%

Organic sales growth in the **third quarter** was driven by the **Europe, IMEA, Asia-Pacific** and **Latin America** regions. The **North America** region recorded a negative organic sales development in both business units.

### Sales performance by region

in million euros	Europe	IMEA	North America	Latin America	Asia-Pacific	Corporate	Henkel Group
<b>Sales<sup>1</sup> July–September 2024</b>	<b>2,047</b>	<b>580</b>	<b>1,509</b>	<b>401</b>	<b>915</b>	<b>40</b>	<b>5,492</b>
Sales <sup>1</sup> July–September 2023	2,040	594	1,517	420	837	34	<b>5,440</b>
Change versus previous year	0.4%	-2.3%	-0.5%	-4.4%	9.3%	–	<b>1.0%</b>
Organic	0.7%	19.6%	-1.7%	6.1%	6.4%	–	<b>3.3%</b>
<b>Proportion of Group sales 2024</b>	<b>37%</b>	<b>11%</b>	<b>27%</b>	<b>7%</b>	<b>17%</b>	<b>1%</b>	<b>100%</b>
Proportion of Group sales 2023	37%	11%	28%	8%	15%	1%	<b>100%</b>

<sup>1</sup> By location of company.

Also in the **first nine months of 2024**, Henkel's strong organic sales growth was driven by all regions with the exception of North America.

## Sales performance by region

in million euros	Europe	IMEA	North America	Latin America	Asia-Pacific	Corporate	Henkel Group
<b>Sales<sup>1</sup> January–September 2024</b>	<b>6,118</b>	<b>1,712</b>	<b>4,542</b>	<b>1,265</b>	<b>2,556</b>	<b>111</b>	<b>16,305</b>
Sales <sup>1</sup> January–September 2023	6,324	1,610	4,621	1,254	2,438	120	<b>16,366</b>
Change versus previous year	-3.3%	6.4%	-1.7%	0.8%	4.9%	–	<b>-0.4%</b>
Organic	1.4%	20.6%	-1.6%	2.1%	5.8%	–	<b>3.0%</b>
<b>Proportion of Group sales 2024</b>	<b>38%</b>	<b>11%</b>	<b>28%</b>	<b>8%</b>	<b>16%</b>	<b>1%</b>	<b>100%</b>
Proportion of Group sales 2023	39%	10%	28%	8%	15%	1%	<b>100%</b>

<sup>1</sup> By location of company.

## Sales performance Adhesive Technologies

The Adhesive Technologies business unit achieved **sales** of 2,800 million euros in the **third quarter of 2024**. This represents a nominal increase of 3.3 percent compared to the prior-year quarter (previous year: 2,711 million euros). **Organically** (i.e. adjusted for foreign exchange and acquisitions/divestments), sales increased by 3.7 percent. This growth was driven by strong volume development, while prices remained stable compared to the prior-year quarter. Foreign exchange effects reduced sales by -3.3 percent. Acquisitions/divestments had a positive impact of 2.8 percent.

In the **first nine months of 2024**, the Adhesive Technologies business unit posted **nominal** sales growth of 1.1 percent to 8,275 million euros. **Organically**, Adhesive Technologies achieved good sales growth of 2.5 percent, primarily driven by volume.

## Sales performance Adhesive Technologies

in million euros	Q3/2023	Q3/2024	1–9/2023	1–9/2024
<b>Sales</b>	<b>2,711</b>	<b>2,800</b>	<b>8,186</b>	<b>8,275</b>
Proportion of Group sales	50%	51%	50%	51%
<b>Change versus previous year</b>	<b>-9.5%</b>	<b>3.3%</b>	<b>-3.3%</b>	<b>1.1%</b>
Foreign exchange	-6.5%	-3.3%	-3.6%	-2.4%
<b>Adjusted for foreign exchange</b>	<b>-3.0%</b>	<b>6.5%</b>	<b>0.3%</b>	<b>3.5%</b>
Acquisitions/divestments	-3.8%	2.8%	-3.0%	0.9%
<b>Organic</b>	<b>0.8%</b>	<b>3.7%</b>	<b>3.3%</b>	<b>2.5%</b>
Of which price	4.9%	-0.2%	8.3%	0.1%
Of which volume	-4.1%	3.9%	-5.0%	2.4%

The strong organic sales growth of the Adhesive Technologies business unit in the third quarter was driven by all three business areas. The **Mobility & Electronics** business area achieved a strong organic sales increase of 3.9 percent. This development was driven by double-digit growth in the Electronics business and very strong growth in the Industrial business. Sales in the Automotive business declined overall due to a slowdown in market demand. The **Packaging & Consumer Goods** business area posted good organic sales growth of 2.7 percent, with the Packaging business achieving strong organic sales growth driven by an improvement in demand. The Consumer Goods business posted positive organic sales growth. The **Craftsmen, Construction & Professional** business area achieved organic sales growth of 4.5 percent. The General Manufacturing & Maintenance and Consumers & Craftsmen businesses contributed to this with very strong sales increases in both cases. The Construction business posted good growth.

### Sales development by business area

in million euros	Sales			
	Q3/2023	Q3/2024	+/-	Organic
<b>Third Quarter</b>				
Adhesive Technologies	2,711	<b>2,800</b>	3.3%	<b>3.7%</b>
Mobility & Electronics	980	<b>989</b>	1.0%	<b>3.9%</b>
Packaging & Consumer Goods	855	<b>841</b>	-1.6%	<b>2.7%</b>
Craftsmen, Construction & Professional	876	<b>969</b>	10.6%	<b>4.5%</b>
<b>January–September</b>	<b>1–9/2023</b>	<b>1–9/2024</b>		
Adhesive Technologies	8,186	<b>8,275</b>	1.1%	<b>2.5%</b>
Mobility & Electronics	2,879	<b>2,926</b>	1.6%	<b>4.8%</b>
Packaging & Consumer Goods	2,588	<b>2,520</b>	-2.6%	<b>0.5%</b>
Craftsmen, Construction & Professional	2,719	<b>2,829</b>	4.0%	<b>2.1%</b>

From a regional perspective, the Adhesive Technologies business unit achieved positive organic sales growth in **Europe** in the third quarter, supported by all three business areas. In contrast, the **North America** region recorded a slightly negative organic sales growth, which was due to developments in the Mobility & Electronics and Packaging & Consumer Goods business areas. In the **IMEA** region, the business unit achieved double-digit organic sales growth, with all business areas contributing. The **Latin America** region posted significant organic sales growth, primarily driven by the Mobility & Electronics and Craftsmen, Construction & Professional business areas. The **Asia-Pacific** region showed very strong organic sales growth to which all three business areas contributed, with business developments in China having a particularly positive effect.

## Sales performance Consumer Brands

In the Consumer Brands business unit, **sales** in the **third quarter of 2024** totaled 2,653 million euros, representing a **nominal** decrease of -1.6 percent versus the prior-year quarter. **Organically** – i.e. adjusted for foreign exchange effects and acquisitions/divestments – the business unit achieved a good sales increase of 2.7 percent, driven by a continued very strong pricing component. Volume development was negatively impacted by the ongoing portfolio optimization measures. Foreign exchange effects reduced sales by -3.9 percent. Acquisitions/divestments decreased sales by a further -0.4 percent.

In the **first nine months of 2024**, Consumer Brands **sales** amounted to 7,919 million euros, a **nominal** decrease of -1.8 percent compared to the prior-year quarter. **Organically**, sales increased by 3.7 percent, driven by pricing.

### Sales performance Consumer Brands

in million euros	Q3/2023	Q3/2024	1-9/2023	1-9/2024
<b>Sales</b>	<b>2,695</b>	<b>2,653</b>	<b>8,060</b>	<b>7,919</b>
Proportion of Group sales	50%	48%	49%	49%
<b>Change versus previous year</b>	<b>-7.6%</b>	<b>-1.6%</b>	<b>-2.3%</b>	<b>-1.8%</b>
Foreign exchange	-6.3%	-3.9%	-4.2%	-2.6%
<b>Adjusted for foreign exchange</b>	<b>-1.3%</b>	<b>2.3%</b>	<b>1.9%</b>	<b>0.8%</b>
Acquisitions/divestments	-7.5%	-0.4%	-4.0%	-2.9%
<b>Organic</b>	<b>6.2%</b>	<b>2.7%</b>	<b>5.9%</b>	<b>3.7%</b>
Of which price	11.9%	4.4%	13.3%	4.9%
Of which volume	-5.7%	-1.7%	-7.5%	-1.2%

The **Laundry & Home Care** business area achieved positive organic sales growth of 0.9 percent in the third quarter. The Laundry Care business experienced a slightly negative organic sales development, mainly due to portfolio optimization measures. In contrast, the Home Care business achieved significant organic sales growth, primarily fueled by a double-digit increase in sales in the Dishwashing category and very strong sales growth in the Toilet Care category.

The **Hair** business area posted a very strong organic sales increase of 6.8 percent, with the Consumer business posting a significant increase in sales, primarily driven by double-digit growth in the Hair Styling category. The Professional business achieved very strong organic sales growth.

The **Other Consumer Businesses** business area recorded good organic sales growth of 2.0 percent, in particular driven by very strong growth in Europe.

## Sales development by business area

in million euros	Sales			
	Q3/2023	Q3/2024	+/-	Organic
<b>Third Quarter</b>				
Consumer Brands	2,695	<b>2,653</b>	-1.6%	<b>2.7%</b>
Laundry & Home Care	1,726	<b>1,649</b>	-4.4%	<b>0.9%</b>
Hair	779	<b>829</b>	6.3%	<b>6.8%</b>
Other Consumer Businesses	190	<b>175</b>	-8.1%	<b>2.0%</b>
<b>January–September</b>	<b>1–9/2023</b>	<b>1–9/2024</b>		
Consumer Brands	8,060	<b>7,919</b>	-1.8%	<b>3.7%</b>
Laundry & Home Care	5,179	<b>4,974</b>	-4.0%	<b>2.3%</b>
Hair	2,347	<b>2,437</b>	3.8%	<b>7.1%</b>
Other Consumer Businesses	534	<b>508</b>	-4.9%	<b>2.2%</b>

From a regional perspective, the third quarter saw the Consumer Brands business unit achieve positive organic sales growth in the **Europe** region. The Hair business area posted a strong sales increase, while the Laundry & Home Care business area experienced a slightly negative development. The **North America** region recorded an overall organic sales decline, primarily due to portfolio measures in the Laundry & Home Care business area. In contrast, the Hair business area in North America achieved very strong growth. The **Latin America** region recorded good organic sales growth, driven by the Hair business area. The **IMEA** region achieved double-digit organic sales increases across all business areas. The **Asia-Pacific** region posted very strong organic sales growth, with contributions from both the Hair and Laundry & Home Care business areas.

## Net assets and financial position of the Group

No substantial changes to the net assets and financial position of the Group occurred in the period under review compared to the situation as at June 30, 2024.

## Outlook for the Henkel Group

For fiscal 2024, Henkel expects **organic sales growth** of 2.5 to 4.5 percent for the Group. For Adhesive Technologies, organic sales growth is expected in the range of 2.0 to 4.0 percent. For Consumer Brands, the company anticipates an organic sales increase of 3.0 to 5.0 percent.

**Adjusted return on sales** (adjusted EBIT margin) is expected to be in the range of 13.5 to 14.5 percent. Adjusted return on sales is anticipated to be in the range of 16.0 to 17.0 percent for Adhesive Technologies and 13.0 to 14.0 percent for Consumer Brands.

For **adjusted earnings per preferred share** (EPS), Henkel expects an increase in the range of +20.0 to +30.0 percent at constant exchange rates.

Furthermore, we have the following expectations for 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 development compared to the previous year's average
- 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



## About Henkel

With its brands, innovations and technologies, Henkel holds leading market positions worldwide in the industrial and consumer businesses. Henkel's Adhesive Technologies business unit leads the global market for adhesives, sealants and functional coatings. The Consumer Brands business unit occupies a leading position in numerous markets and categories around the globe, particularly in the Laundry & Home Care and Hair business areas. Henkel's three biggest 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 around 48,000 people worldwide – united by a strong corporate culture, shared values and a common purpose: "Pioneers at heart for the good of generations." For further details, please see [www.henkel.com](http://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 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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# Financial calendar

## Publication of Report for Fiscal 2024:

Tuesday, March 11, 2025

## Annual General Meeting Henkel AG & Co. KGaA 2025:

Monday, April 28, 2025

## Publication of Quarterly Statement Q1 2025:

Thursday, May 8, 2025

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