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## PRESENTATION

**Operator**

Good morning, and welcome to the Henkel conference call. (Operator Instructions)

I would now like to hand over to Leslie Iltgen, Head of Investor Relations. Please go ahead.

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**Leslie Iltgen** - *Henkel AG & Co KGaA - Head of Investor Relations*

Thank you, and good morning to everyone on the call. A warm welcome to everybody today joining the Henkel full year 2024 results conference call. I'm Leslie Iltgen, Head of Investor Relations at Henkel.

Today, I'm joined by our CEO, Carsten Knobel; and our CFO, Marco Swoboda. Carsten will begin with an overview of 2024, including key achievements and highlights and a first glance at the guidance for full year 2025. Marco will then follow with a review of the full year 2024 financial results in more detail and also elaborate on the key assumptions around the 2025 guidance. As always, following the presentation, we will open up the lines and Carsten and Marco will be happy to take your questions.

Before handing over to Carsten, please let me remind you that this call will be recorded, and a replay will be made available on our Investor Relations website shortly after this call. By asking a question during the Q&A session, you agree to both the live broadcasting as well as the recording of your question, including salutation to be published on our website.

Also, please be reminded that this presentation contains the usual formal disclaimer in regard to forward-looking statements within the meaning of relevant US legislation. It can also be accessed via our website at henkel.com. As always, the presentation and discussion are conducted subject to this disclaimer.

With this, it is my pleasure to hand over to our CEO, Carsten Knobel. Carsten, please go ahead.

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**Carsten Knobel** - *Henkel AG & Co KGaA - Chief Executive Officer - Henkel Management AG*

Thanks, Leslie, and also from my side, a warm welcome to everyone joining our call today. After highlighting the key developments of the full year, we'll walk you through our business performance and the outlook for the full year 2025 in more detail. And of course, we are looking always forward to taking your questions following the presentation. So let's get started with the major topics and the achievements in 2024.

In 2024, Henkel delivered an overall strong top and bottom line performance. On the Group level, Henkel recorded organic sales growth of 2.6%. Adhesive Technologies delivered 2.4% OSG, which is best-in-class among our peers and our Consumer Brands business delivered 3% OSG, certainly driven to a large part by continued strong pricing in the course of our valorization strategy. And as expected, volumes were in slight positive territory when adjusting for the portfolio optimization measures.

Turning to our margins. Henkel recorded the highest gross margin in more than 30 years of 50.6%, representing an increase of almost 500 basis points versus the prior year. We also saw an all-time high in gross profit margins of our Consumer Brands business and an absolute EBIT record high in our Adhesive Technologies business. Thus, both businesses contributed to the excellent full year results while keeping up with elevated investment levels to fuel further growth.

On Group level, we reached an adjusted EBIT margin of 14.3%. This is a plus of 240 basis points versus the previous year. We also successfully concluded the portfolio optimization measures we had announced back in 2022 – and I will elaborate on this in more detail in just a minute – and expect to achieve the targeted savings of EUR525 million already by the end of this year – thus concluding the integration of Consumer Brands ahead of plan.

Our financial position is very strong, supported by a very strong free cash flow of EUR2.4 billion and a clear double-digit adjusted EPS growth of 25%. Against this background, we have also decided to propose a 10% increase of the dividends to a level of EUR2.04 per preferred share and a new share buyback in the magnitude of up to EUR1 billion – thus letting our shareholders participate even more so in the company's success.

Looking to 2025, we are confident in our businesses, and we are poised for further top bottom line growth despite operating in a highly challenging and volatile environment. In terms of phasing, we expect H2 to be stronger than H1 – with a weaker start in Q1 also considering subdued market growth near term in selected markets and high prior year top and bottom line comparables. Marco will give more details in his section in his presentation.

So overall, we delivered what we promised. We are highly confident that we have the right strategy, the right portfolio and the right capabilities to deliver on our targets. Not just in fiscal '25, but also when it comes to our mid-term financial ambition.

Taking a closer look at where we stand also in terms of our financial and the strategic progress: We are successfully driving Henkel's transformation along clear strategic priorities which we have defined. Looking at last year's share price performance, the progress we have made is also clearly reflected in the significant share price increase.

Looking at total shareholder return also versus peer average, Henkel clearly stood out in '24 with a plus of almost 20%. Even more impressive is the development ever since we had announced the merger of the Consumer Brands business back in 2022. From the low point of around EUR57, the share price significantly picked up, reaching around EUR85 per preferred share. This represents an increase of nearly 50%.

And let me now turn to Consumer Brands and the milestones we have achieved in 2024 in more detail. Just a reminder, let me briefly point out you to the pillars of our purposeful growth agenda. I would like to lead you through each pillar, starting with an update on the integration process in our Consumer Brands business and winning portfolio before then touching on competitive edge. This includes innovation, sustainability, and digitalization and finally, concluding the future-ready operating models and for sure, our transformation when it comes to culture.

We are in the process of concluding the integration and we are clearly ahead of plan. We concluded the organizational setup, and we realized net savings of around EUR275 million by the end of fiscal year 2024 for Phase 1 and an additional EUR150 million for Phase 2, which comprises measures to optimize our supply chain. So in total, we achieved around EUR425 million, and we are confident to already reach the targeted EUR525 million by the end of this year, instead of 2026, so one year earlier than expected.

As announced, early February of this year, we in the meantime also successfully concluded the targeted portfolio optimization measures with the divestment of our retailer branded business in North America. I will elaborate on this in more detail just in a minute but also here, we are very proud that we did that.

We are also pushing ahead with the supply chain optimization measures. As of today, the so-called 1-1-1 approach – means one order, one shipment, one invoice – is live in all targeted countries. We were also able to achieve a significant complexity reduction of around 23%, thus getting us closer to the targeted 25%, which we said we wanted to achieve by 2026 and now expect to achieve this by the end of 2025.

Amongst others, we further drove consolidation of our production network as well as efficiencies in our production and supply chain processes in North America, Europe and in the IMEA region. You may recall that back in early 2022, we announced that we would put roughly EUR1 billion of sales under review. In the meantime, we underwent a fundamental portfolio transformation focusing on our two global categories, namely Laundry & Home Care and Hair and simultaneously on strong innovative brands. Between 2022 and the end of 2024, we successfully divested or discontinued sales of around EUR700 million.

We exited certain categories such as the Air Freshener, Oral Care and selective Body Care markets. Overall, we successfully managed to reduce the number of SKUs significantly. As of today, it is 40% lower compared to the end of 2021. Early February of this year, we were able to finally conclude the announced portfolio optimization measures. The Retailer Brands business accounting for around EUR500 million in sales, has been identified as a non-core activity with only limited strategic fit within the integrated Consumer Brands platform. Signing this last divestment will now allow us to focus on our branded business with technology-driven innovations, offering more value for customers and consumers. And in total, we either discontinued or divested sales in the magnitude of slightly more than EUR1 billion.

For 2025, we don't expect a major contribution to topline or margins from the retailer brand investment also due to the entanglement of the business. However, mid-term this step will contribute to achieving our mid-term ambition we are striving for in Consumer Brands, as we will now focus even more stringently on our innovative branded product portfolio enhancing our valorization strategy. Fostering a strong and a more focused portfolio has been a key rationale for the creation of our combined Consumer Brands platform, which is already showing tangible results as you can see from the key financials. Actively shaping a winning portfolio is key for our success. Besides the divestment of the retailer branded business in North America in Consumer Brands, we also divested the Metal Packaging Coatings business in Adhesive Technologies which in the meantime was outside the core of Henkel Adhesive Technologies portfolio.

However, we also want to grow both businesses with value-creating acquisitions. With the recent acquisitions of Critica Infrastructure in 2023 and Seal for Life in 2024, we roughly doubled our existing MRO business now accounting for around 20% of our sales in Craftsmen, Construction & Professional. The integration is already well advanced, while accelerating the realization of synergies. In Consumer Brands, we acquired Vidal Sassoon in Greater China in 2024 and thus strengthened our footprint in the Asian market. The addition of this brand complements the local portfolio of Henkel Consumer Brands in China by covering a white spot in the premium retail segment. With this acquisition, we are able to offer a complete portfolio of hair innovations to consumers in China across retail and salon channels and also here, the integration is well advanced. For 2025, we expect both acquisitions to contribute to our top line growth.

Let's now look at the unique value chain position of our Adhesive Technologies business. Here, developing customer-centric solution is key for our success and an important growth driver. With innovative solutions developed according to the needs of our customers, we can leverage our unique value chain position. The proportion of Adhesive Technology sales from products successfully launched onto the market in the last five years was around 25%. To give a tangible example from the automotive industry, we showcased three major steps in the value chain. We combine deep technology expertise and cutting-edge testing facilities in automotive batteries, from design through testing – for instance, battery testing on site here in Düsseldorf – and production process optimization.

Customer centricity is, of course, not limited to the automotive industry. We collaborate closely with customers across all our business areas. As we focus on strengthening our role as a strategic partner to our customers, I would like to highlight two innovations from our Automotive and our Electronics business. In Automotive, our Direct-Foam-In-Tire technology not only redefines the production process for silent tires but also brings significant environmental benefits, including waste reduction and the lower $CO_2$ footprint – two key goals for the sustainable future of the automotive industry. We've been actively listening to our tire-producing customers. The current foam-in-tire process is complex, challenging and generates a considerable amount of waste. To address these challenges, we have developed a technology alongside with customers and partners that eliminates up to 100% cut-off waste while significantly reducing both process complexity and production costs.

Let me move to the second example within our Electronics business and a solution that has been pioneered by us: Consumer electronic design trends, demand frameless experiences. Flexible display protection potting elevates reliability and streamlines processing compared to previous techniques, moving from conventional molded plastics to a more sophisticated adhesive solution. This novel approach to creating a near bezel-less device with an edge-to-edge display has benefits beyond the better design. Flexible display protection potting offers a faster, simplified manufacturing process and delivers outstanding protection and reliability. Our strong know-how in consumer electronics, driven by close customer collaboration is also reflected in our performance. We have been outperforming the market with double-digit growth.

Innovations are also driving the very strong growth performance of our top 10 brands in the Consumer Brands business unit, which meanwhile represents more than 50% of our sales. The top 10 brands did not only grow very strongly, but also showed a positive volume development last year. Just an example, Perwoll which we launched last year with a new formula, Bref which is pioneering in the toilet care category and finally Gliss as part of our strong Schwarzkopf umbrella brand, all contributed with double-digit growth in terms of organic sales. Innovations are key in order to enhance the valorization of our portfolio in Consumer Brands and drive further top and bottom line growth. And we'll keep up with the elevated investment levels be it in R&D and innovations or marketing and advertising.

The significant progress we made in improving gross margin allows us to continue to invest significantly behind our brands. Two specific examples I would like to highlight are Perwoll and our largest Consumer brand Schwarzkopf. Tech-driven innovations such as the triple renew formula in Perwoll which not only gives your garment a fresh scent, but also restores the structure of the fiber and the color. This innovation has further strengthened Perwoll's position as #1 brand in Fabric Care with a presence in over 40 countries and we also saw strong benefits in terms of market shares with a plus of 90 basis points in our key market Western Europe.

Schwarzkopf is now our #1 masterbrand in our Consumer Brands portfolio with more than EUR1 billion of sales including brands such as Taft, Gliss, or Blondme. It is an excellent example of how we successfully leverage our hair expertise across the Consumer and the Professional business that we have in our portfolio with tech-driven innovations. Besides driving relevant innovations for our customers and consumers, we have been pushing ahead with our sustainability agenda. When we presented our 2030+ sustainability ambition framework, a key item was to develop a net zero pathway.

In the second half of '24, we published our new net-zero targets which are validated by the Science Based Target initiative. With those new targets, we are extending our climate commitment. We want to achieve net-zero greenhouse gas emissions by 2045. By 2045, we want to reduce our Scope 1, 2, and 3 emissions by 90% compared to the base year 2021, and we will permanently neutralize any residual emissions. And for sure, we will take concrete actions along the entire value chain to reach these ambitious targets. In addition, I would also like to bring your attention to the progress we have made regarding specific KPIs, such as the minus 64% CO2 emission reduction target from our production per ton, getting quite close to our envisaged target of minus 67% by 2030. We have reached a 25% share of recycled plastic for all consumer goods packaging, and we are continuously working on getting that to above 30% by 2025.

When it comes to the share of women across all management levels, we have reached now 42% and we are moving closer towards gender parity. And last but not least, we were awarded with excellent results in ESG ratings and rankings. So all in all, clearly delivering on our sustainability targets as well. Let's now move to our strategic priority of fostering digital solutions across our businesses. In Adhesive Technologies, we developed and rolled out a novel measurement tool called 'HEART' which allows for a fully automated calculation of the respective product CO2 footprint for more than 90% of our Adhesives portfolio. We can now provide our more than 100,000 customers in over 800 industry segments, a comprehensive sustainability profile of the vast majority of our products from cradle-to-gate including the emissions of raw materials, production, packaging, and logistics.

This calculation methodology has been thoroughly verified and certified and provides high impact for our Adhesives business to achieve end-to-end transparency. The SmartWash technology is an AI-driven cartridge-based detergent dosing system that comes into play in washing machines and dishwashers. This technology delivers the right amount of detergent at the right times during multiple wash cycles, ensuring optimal results in any machine, existing or new. It enhances elevated performance, more convenience and the lower environmental impact. Our SmartWash concept leverages Henkel's chemical expertise, our understanding of our customers, and our ability to innovate at pace with AI technology. And in the first step, we are targeting the European market as of 2025.

Let me now turn to some selected examples of how we are currently enhancing future-ready operating models at Henkel. One example is the implementation of a Global Technology Center in India located in Bangalore. As of today, already more than 500 IT experts are working for the Global Technology Center, thus building an in-house digital IT hub which is fully integrated with the global team. With the shift from application outsourcing to in-house capabilities, we are enhancing cost efficiencies and our digital expertise. A further extension is planned in the next year. We are also harmonizing Henkel's corporate venture activities under one roof.

Before we had two vehicles which were managed separately and are now combined into Henkel Ventures which enables us to even better leverage the synergies between the two businesses and functions. And furthermore, we are driving future-ready systems, processes and structures with the upcoming migration to S/4 Hana. On the occasion of the migration of S/4 Hana in the years '25 to 2028, Henkel will also evaluate how to make its structures and processes more agile and flexible. In this context, for example, it is being considered to establish separate legal entities for the two existing business units, start in Germany, followed step-by-step – where applicable – by selected large countries. The strategic and the operational management of the Group and its business units will remain unchanged. This is intended to support both, the future needs of the businesses as well as the growth agenda of Henkel.

Now turning to our company culture – a topic that for me is particularly important as good company culture is the clear prerequisite for success. We also continuously track the satisfaction rate in our company with monthly pulse checks. The Henkel Pulse Check is a global employee survey, which measures employee satisfaction and engagement on an ongoing basis. It consists of 22 questions which give an indication of how Henkel is perceived by its employees in all relevant dimensions. It gives an indication on if or to what degree employees are satisfied with aspects such as culture, leadership, development, the overall work environment.

In 2024, based on monthly reach outs with more than 3,000 employees, we again recorded very strong results which even further improved versus the prior year. As the first German-listed company, we implemented a new gender-neutral parental leave standard offering our employees worldwide eight weeks of fully paid parental leave. These initiatives sends a strong signal to all our employees and underscores our unwavering commitment to fostering a more inclusive culture and gender equity.

Feedback. Feedback is also an important tool to improve the way we work and enhance our higher performance, which is why there is also a strong focus on 360-degree assessments and coaching. More than 500 top executives participated thus far and more will join. So a lot going on within the company to also enhance our cultural transformation and make sure we have the best team in place to tackle all the challenges that may still lie ahead while keeping our sights set firmly on our targets and our strategy.

So looking ahead, I would like to elaborate on more specific performance drivers for our businesses going forward. In Adhesive Technologies, we will continue to grow beyond the positive industrial production outlook, which currently lies at around 2%. And by leveraging leading market positions, technology know-how and mega trends to create customer value through higher impact customer-centric solutions and innovations.

Looking at the overall automotive production, build rates have declined in 2024, and the LVP index also indicates a muted development in '25. However, the e-vehicle market, for instance, is still expected to continue to grow double-digit in '25. When it comes to the industrial segment, we expect good market dynamics supported by aerospace and data & telecom as well as in Electronics. In Packaging & Consumer Goods, it's all about strengthening our market position in a competitive environment while expanding our sustainability-driven portfolio.

Turning to our Consumer Brands business, we will continue with the valorization strategy, leverage deep consumer insights and well-established relationships with our customers and partners to shape relevant market trends. Having finalized the portfolio measures, we will continue to build on a strong brand portfolio with consumer-relevant innovations and keep up with strong media support at elevated levels to drive further profitable growth. And furthermore, as elaborated earlier, we expect further savings from the Consumer Brands merger. Moreover, we expect to realize further contributions from our recent acquisitions by their top line confusion and by exploiting offensive synergies in both businesses.

Going forward and considering our strong financial foundation, we will seek additional attractive opportunities to fuel growth and enhance our value creation. So overall, we want to drive both top and bottom line growth, work stringently towards achieving our mid-term ambition of 3% to 4% when it comes to organic top line growth, and around 16% adjusted EBIT margin for the Group. So wrapping it up, we can state that we are successfully executing on our strategic initiatives, and we are consistently delivering on what we have promised. The Consumer Brands integration is being concluded, and we now expect to realize the net savings of EUR525 million even earlier than originally expected, while we will keep up with the elevated levels of investments into our brand equity and innovations to drive further growth.

While the overall macroeconomic and also political environment remains challenging, we are confident to see another year of top and bottom line growth, reflecting the progress deriving from the measures we implemented as well as the strength of our portfolio and the leading market positions globally, which we have. To be more specific on that: For 2025, we expect organic sales growth of 1.5% to 3.5% and an adjusted EBIT margin in the range of 14% to 15.5% on Group level, thus getting quite close to our mid-term ambition of 16% adjusted EBIT margin. For Henkel's adjusted earnings per preferred share, we expect a low to high single-digit percentage increase versus the prior year – as always, at constant currencies.

In terms of phasing, we expect a slower start to 2025 in Q1 with subdued market growth near term in selected markets for both businesses. Also keep in mind that we are facing high comparables both in terms of top and the bottom line in Q1 and in H1, respectively. You may recall that, amongst others, we benefited from strong innovation launches in our Consumer Brands business and favorable raw material price developments in comparison to the second half. Overall, we expect market growth and our performance to accelerate during the year and H2 to be more stronger than H1 for both business units.

With this, we are confident to generate further profitable growth and more details from that now from Marco in his section of the presentation. And with that, let me hand over to Marco for some more details on our financial performance. Thank you.

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**Marco Swoboda** - *Henkel AG & Co KGaA - Chief Financial Officer, Executive Vice President - Finance, Purchasing and Global Business Solutions*

Yes. Thanks, Carsten, and good morning to everyone in the call also from my side. Building on what Carsten already said, let me provide some more color on the drivers of the Group sales performance in fiscal 2024.

We delivered good organic sales growth of 2.6%. Pricing contributed 2%, while volumes were at plus 0.6%. More on the business unit related specifics in a minute. Both acquisitions and divestments and FX had a negative effect on sales. And in regard to M&A, the sale of our business activities in Russia in 2023 still had a negative impact, while the recently closed acquisitions of Seal for Life and Vidal Sassoon contributed positively. In nominal terms, sales reached EUR21.6 billion, thus slightly above the prior year.

Now, turning to the drivers in the respective regions in more detail. Starting with Europe, where we achieved positive organic sales growth of 0.9%. Consumer Brands posted a good development, mainly driven by Hair. Adhesive Technologies reported growth slightly below the prior year, mainly due to the development in Packaging & Consumer Goods. North America was down year-on-year in both business units. The performance of our Adhesives business reflects the challenging industrial market environment in the region. In line with expectations, the development in Consumer Brands is mainly due to our focus on optimizing the portfolio in this region.

Moving on to Latin America, where we achieved good growth of 1.6%. While good growth in Consumer Brands was fueled by our Hair business, in Adhesive Technologies growth was driven by our Mobility & Electronics business. In India, Middle East, Africa continued to show clear double-digit growth, reaching almost 19%, with double-digit contributions from both Consumer Brands and Adhesive Technologies.

And here, it is important to note that growth was not only driven by pricing, but also by clearly positive volumes. Our business in the Asia-Pacific region grew organically by 4.9%. In Consumer Brands, we delivered good growth with both Hair and Laundry & Home Care contributing and also our China business saw positive growth. Adhesive Technologies achieved very strong growth, in particular driven by Mobility & Electronics and Packaging & Consumer Goods.

Now, back to the global level and turning to Adhesive Technologies in more detail. We reached sales of EUR11 billion in fiscal 2024. Organic sales growth was 2.4% with a strong contribution from volume while pricing was resilient – and as Carsten pointed out earlier, we clearly outperformed our peers. Profitability also improved significantly versus the prior year. The adjusted EBIT margin came in at 16.6% and is thus 190 basis points above what we had achieved in 2023. And in absolute terms of EBIT, we even reached EUR1.8 billion, marking a record high.

Looking at the top and bottom line development in the Adhesives business in more detail. Pricing overall remained robust which clearly shows the strength of our market position and broad portfolio serving various industries. While we were able to successfully defend pricing in the majority of our markets, in particular, we saw impacts from formula-based pricing in selected markets, particularly in Packaging & Consumer Goods.

We also reached a record high in absolute EBIT. And as already mentioned, profitability improved significantly versus prior year. Key drivers for our margin improvement were innovations, low input cost levels particularly in H1, and supply chain efficiencies and positive mix. This development once more reflects the strength of our Adhesive Technologies business with strong leading market positions globally.

And now to the performance in the individual business areas of Adhesive Technologies. Mobility & Electronics again delivered strong organic sales growth of 3.7% mainly driven by double-digit growth in Electronics and very strong growth in Industrial business. Automotive showed positive growth despite an overall challenging environment. We benefited from attractive customer wins and continued double-digit growth in our e-mobility business and with this clearly surpassing the light vehicle production index for fiscal 2024.

Furthermore, we are uniquely positioned in the market with a balanced portfolio, both in terms of OEMs and regions. Packaging & Consumer Goods recorded positive growth of 0.7% which was supported by good volume development, while pricing was in particular affected by formula-based pricing, however, without having a negative impact on gross margins.

Craftsmen, Construction & Professional delivered good growth of 2.6%. While growth was backed by all businesses, strongest contribution came from the General Manufacturing & Maintenance business. And remember, this segment we clearly strengthened through the acquisition of Critica and Seal for Life. Overall, a strong performance of our Adhesive Technologies business in comparison to our relevant markets and peers and considering the overall still volatile and challenging market environment.

Moving now to Consumer Brands. Here, we generated sales of EUR10.5 billion in fiscal 2024. And organic sales growth was 3%, driven by continued strong pricing in the course of our ongoing valorization strategy. Profitability also improved significantly versus prior year. The adjusted EBIT margin came in at 13.6% and is hence 300 basis points above 2023 levels. And as Carsten mentioned at the beginning, we saw an all-time high in gross profit margin in our Consumer Brands business.

Besides pricing, strong organic sales growth was mainly driven by an ongoing very strong contribution from our Hair business. Volume development also still reflects the impact from portfolio measures. And when adjusting for this impact, volumes would have been slightly positive, as expected. And as Carsten mentioned before, with the recently signed divestment of our Retailer Brands business in the US, we were able to successfully conclude the announced portfolio optimization measures in the magnitude of slightly more than EUR1 billion.

Gross profit margin marks a record high, and this significant step-up in our margin was driven by innovation-based valorization, portfolio measures as well as savings and efficiency gains. The substantial increase in our EBIT margin was achieved despite increased investments in marketing to support our brands and fuel growth. The development in full year 2024 is a clear proof for both the strategic and financial progress we have been making. Now turning to the performance by business area of Consumer Brands.

Laundry & Home Care delivered positive organic sales growth of 1.2%, with very strong growth in Home Care, mainly driven by our dishwashing category. Laundry Care reported a slightly negative development, mainly due to portfolio measures. Hair grew by almost 7% and thus continued its successful growth trajectory. Let me also emphasize that we continue to record positive volumes. The consumer business achieved significant growth, mainly driven by the excellent performance in Styling. The Professional business reached a strong growth with all regions contributing.

And finally, the Other Consumer Businesses reported good growth overall with the strongest contribution coming from Body Care in North America. Back to the Group level again and with that to the components of the adjusted income statement. We significantly increased our adjusted gross profit margin. And as Carsten has already mentioned before, with that reaching an all-time high of 50.6%.

This step-up of almost 500 basis points was by no means only driven by favorable direct material price development, which we had seen particularly in H1. It was also driven by ongoing measures to reduce costs and enhance purchasing, production and supply chain efficiency in both business units. We also benefited from economies of scale resulting from volume growth in Adhesives Technologies and a better mix with clear contribution from the portfolio optimization measures in Consumer Brands.

Marketing, selling distribution expenses increased both in absolute terms and as a percentage of sales, particularly due to the step-up in marketing spend in the Consumer Brands business in order to further strengthen brand equity. And as a result, at a level of EUR6 billion, marketing, selling, distribution expenses accounted for 28% of sales. R&D and admin expenses were other higher with their relative impact increasing slightly to 3% and 5%, respectively.

Other operating income expense were more or less flat compared to prior year and with that had a rather neutral impact as a percent of sales. As a result, the adjusted EBIT margin showed a very strong increase by 240 basis points, up to a level of 14.3%. And with that, we are getting closer to our mid-term ambition of mid-teens margins.

Moving on to the bridge from reported to adjusted EBIT. At EUR2.8 billion, reported EBIT was up by more than 40% compared to prior year. One-time expenses of EUR60 million are mainly related to acquisition-related costs as well as IT integration costs in the context of the Consumer Brands merger. Restructuring charges amounted to EUR202 million, with the majority related to the supply chain optimization measures of Phase 2 of the Consumer Brands merger as well as the discontinuation of business activities in Venezuela, resulting in a non-cash charge. As a result, adjusted EBIT came in slightly above EUR3 billion – an increase of almost 21% compared to the prior year period. And now let's take a closer look at the bridge leading to the adjusted EPS.

The adjusted financial result amounted to minus EUR62 million, and thus, further improved compared to the prior year, mainly due to lower net debt levels. The adjusted tax rate was 25% and are slightly below prior year. And finally, adjusted net income on the minorities came in at nearly EUR2.3 billion. This translates into adjusted earnings per preferred share of EUR5.36 and represents a significant increase of 23% year-over-year or at constant exchange rates an increase by even 25%. With the strong results in the back and also considering our very sound financial position, we proposed a dividend of EUR2.04 per preferred share, an increase of 10% versus prior year.

On to our cash KPIs. Net working capital as a percentage of sales slightly increased by 40 basis points to a level of 3%, mainly as a result of recent acquisitions. Free cash flow was again very strong and came in at close to EUR2.4 billion, reflecting the strong increase in the operating cash flow. Our net financial position amounted to minus EUR93 million and was thus almost on par with the prior year despite significant cash outflows for the recently closed acquisitions in the magnitude of around EUR1.4 billion as well as for the dividend payments of around EUR800 million. Overall, an excellent financial foundation, which gives us ample room to further invest in measures to accelerate growth and potential M&A targets.

That brings me to our capital allocation strategy. As you know, we are following a stringent approach, which focuses on both strengthening our businesses and letting our shareholders participate in Henkel’s success. I already referred to the proposed strong dividend increase of 10% to EUR2.04 per preferred share. Of course, as always, this still requires the official approval by the AGM in April.

In addition, we also just announced a new share buyback this morning. The plan is to buy back shares in the magnitude of up to EUR1 billion starting the course of April 2025 and to conclude the share buyback by the end of March 2026 at the latest with a targeted 80/20 split between preferred and ordinary shares. In total, we would then have distributed nearly EUR10 billion to our shareholders over a period of 10 years. Both the increased dividend and the new share buyback are possible thanks to our very strong performance in fiscal 2024 and our sound financial foundation.

Now, taking a closer look at investments. We invested more than EUR600 million in CapEx, which is equivalent to slightly less than 3% of Group sales in 2024. This comprises capacity expansion, innovations, supply chain optimization and rationalization. We have also strengthened our business through very promising and value-creating acquisitions. Carsten already highlighted the most recent acquisitions. In total, we spent around EUR1.4 billion for attractive assets in the Adhesives and Consumer Brand business. And going forward, M&A remains an integral part of our strategy.

Overall, we have a very healthy and strong foundation, which will allow for further investments in attractive and value-creating M&A going forward. Looking at the macroeconomic environment, the global economy is expected to grow at a moderate pace in 2025 with global GDP forecasted to come in at around 2.5%. Both industrial production and consumer spending are expected to expand moderately by around 2% and around 3%, respectively. Although inflation rates are expected to decelerate in fiscal 2025, they are expected to remain on elevated levels. And when it comes to currencies, we expect markets to remain highly volatile. The same also holds true for raw material prices. Overall, we are operating in a volatile macro environment and also in a volatile geopolitical environment.

Now this leads me to a more detailed look at our outlook for fiscal 2025. After a very strong performance in 2024, we expect further top and bottom line growth this year. For the Group, we expect organic sales growth of 1.5% to 3.5%. And for Adhesive Technologies we expect organic sales growth of 2% to 4%, and for our Consumer Brands business of 1% to 3%. When it comes to price/volume, we do expect positive contributions from both. And this is true for our Adhesive Technologies and our Consumer Brands businesses. When it comes to the adjusted EBIT margin, we anticipate further contributions from the successful execution of our strategic and operational initiatives, while prices for direct materials are expected to increase by a low- to mid-single-digit percentage rate versus last year.

For the full year, we expect adjusted EBIT margins for the Group between 14% to 15.5%, and for Adhesive Technologies we expect the adjusted EBIT margin to be between 16% and 17.5%, and for Consumer Brands between 13.5% to 50%. For the development of our adjusted EPS at constant exchange rates we expect an increase in the low- to high-single-digit percentage range. Volatility and uncertainty in regard to the overall macroeconomic and geopolitical environment is expected to remain high throughout the year. In terms of phasing, we expect a slower start to the year in Q1. And you have seen similar news flow over the last days about markets and also from peers, so this shouldn't come as a surprise.

However, it is also expected that organic sales growth will accelerate in the course of the year, leading to a stronger second half of fiscal 2025 versus the first half. This holds true for both businesses. The reasons are currently challenging industrial environment and subdued consumer sentiment in some of our markets, especially in North America. In addition, in Adhesive Technologies, a negative working day impact on organic sales growth of slightly more than 1% is expected in Q1. However, for the full year we expect organic sales growth of 2% to 4%, with volumes expected to be in positive territory throughout fiscal 2025 and pricing expected to remain robust.

In Consumer Brands, in Q1, high prior year organic sales growth comparables particularly due to strong innovation product launches in the first half of 2024 need to be considered. In 2025, innovation launches will be more skewed towards the second half. In addition, non-recurring operational topics in our supply chain, for instance, due to the finalization of the 1-1-1 approach, and due to promotional phasing, will also contribute to Q1 organic sales growth and volumes coming in below prior year. For Q1 organic sales growth is expected to be between minus 2% and minus 4% while pricing is expected to be positive.

For full year 2025, positive volumes, positive pricing and thus, overall positive organic sales growth are expected. Taking a closer look at the bottom line for fiscal 2025, a further margin and thus profitability improvement versus the prior year is expected for both business units and thus the Group. The development in the first two months of fiscal 2025 shows that Henkel and both business units are well underway.

And with that, I would like to hand back to you, Carsten.

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**Carsten Knobel** - *Henkel AG & Co KGaA - Chief Executive Officer - Henkel Management AG*

So thank you, Marco. Let's summarize today's key takeaways. So first of all, we sustained Henkel's growth momentum with a strong performance, which was supported by both business units and clearly reflecting the successful execution of the strategic priorities we have set ourselves. We were able to significantly step up our profitability with the highest gross margin – or highest gross profit margin – in more than 30 years and EBIT margins that significantly improved versus prior year levels. At the same time, we continued to invest in growth. Also, by stepping up marketing activities in price-sensitive consumer markets and investing in R&D and tech-driven innovations. And for sure, all proof points that the measures we have been implementing are bearing fruit and the strategy is working.

We delivered on what we promised, while at the same time managing our business in a fast evolving and challenging environment, we are successfully concluding the Consumer Brands merger. We also completed the announced portfolio measures of slightly above EUR1 billion in sales. And when it comes to the targeted savings, we are clearly ahead of plan and now expect to reach the targeted EUR525 million by the end of this year. The strong performance, the strong cash flows and the financial position not only allow us to significantly invest into the businesses –

organically and via M&A – but we can also let our shareholders participate in the company's success by proposing a strong dividend increase and conducting a new share buyback.

Last but not least, we released our full year guidance for 2025 this morning, which reflects that we are poised for further top and bottom line growth – despite operating in a highly challenging and also in a volatile environment. We are confident that we have the right strategy, that we have the right portfolio and the right capabilities at Henkel to deliver on our targets – both short-term and in mid-term.

And with that, let us move on to the Q&A. Marco and I are always here looking forward to take your questions.

## QUESTIONS AND ANSWERS

**Operator**

(Operator Instructions) David Hayes, Jefferies.

**David Hayes** - *Jefferies - Analyst*

Two for me. Just in the first quarter guidance, we can just dig into that a little bit more. Can you kind of quantify what are the impacts of the one-off disruptions that you kind of alluded to and then in terms of the promotional activity that you mentioned, can you be more specific about which markets that's most prevalent in? And is there an element of you needing to promote back key brand price points because the retailers, the consumers aren't accepting these higher price points that you've adopted over the last year or two? And is does that mean delisting, is that part of that volume vulnerability at the beginning of the year? And does that get better you hope as you go into the second half?

And the second question on adhesives, I think at the third quarter results presentation, you talked about still expecting sequentially better growth levels, so I think 3.7% in the third quarter. But obviously, that didn't happen. So can you just talk about what sort of trends deteriorated specifically in Adhesives through the back end of the fourth quarter and into the first quarter that meant that, that sequential momentum was able to be achieved.

**Carsten Knobel** - *Henkel AG & Co KGaA - Chief Executive Officer - Henkel Management AG*

So David. So first of all, to your question on Consumer Brands, the slower start into the year – I think Marco talked about that in more detail – is related at the end to three topics, which is: on the one side, the high comparables and high comparables in quarter one or in the first half of 2024 – especially related to the innovation pipeline, which we had, which was in 2024 front-end loaded – means was predominantly in the first half. While we, in 2025, see that more to the H2. That is the point of the comparables. The second is definitely a softer market, and that's not only in the consumer but also in the industrial, but I come to that in a second.

For the consumer, it is definitely the point that we have the software market, which we also see predominantly or as one of the markets, for example, in the US in that context. And as we pointed out, we have non-recurring one-offs, which are related to one point: I've talked about that we have closed now the 1-1-1 approach in terms of launching that in around 20 countries, which had an impact for the beginning of the year, but that is already solved. That means that will have no further impact going forward. So then on these one-off disruptions, you asked for quantification, we don't quantify that.

On the other part, you were talking about the brands of us and our pricing if that has been lead to any delisting, that's not the case. We have no delistings related to our valorization strategy. The only thing which is related to the softening of the market is a kind of destocking with some of the retailers, which that, in a consequence, has an impact as a slower or a softer start into the year – means for Q1 in HCB. That's on that. But we are very confident for an acceleration in H2. Otherwise, you see we would have not given the guidance of 1% to 3% in terms of top line growth for

HCB in total for the year 2025. And at the same time, as we have also seen also an increase in profitability in that context. That's maybe to your question one.

Question two was in the direction of Adhesives and the question of what happened more into the end of the year. So to the end of the year, I have to say – to the end of the quarter to be specific – we have seen a softening, not only in the consumer markets, but also, I think, in the industrial markets, and I think that's something which more or less every company has observed.

And the main part of that is definitely automotive. You have seen that from all the reports from all the statements of all companies and also companies who are related to automotive that that had a significant impact and impacted the one and the other one. Which you also see there was also an IPX downgrade in September, there was still on 1.5 percentage points, while finally now looking at the IPX that came out with around 1%. So that is definitely the negative.

But on the other side, we had also some positives like Electronics, which has been doing well is continuing to doing well and I think we are profiting from that quite significantly. And that is also, again, while the outlook for 2025 on Adhesives is with 2% to 4%. I would say, definitely in line with market or even outgrowing the market in that context.

And still when I talked about the automotive in a negative, there was the double-digit growth still in electronic vehicles in quarter four, which you know is also some of our parts of our business, which is quite important. And as I said it for Henkel Consumer Brands and acceleration in H2. We also see that acceleration in Adhesive Technologies, also for second -- the second half of the year because we said – or Marco said it – H2 will be stronger than H2, that's valid for both of our businesses. I hope David, that helps.

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**Operator**

Christian Faitz, Kepler Cheuvreux.

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**Christian Faitz** - *Kepler Cheuvreux - Analyst*

Yes, I'm fully aware that times are challenging and Carsten, you already indicated very generally how Q1/H1 is faring, i.e., subdued. Yet as we already are in mid-March and hence pretty much done with Q1, how has demand momentum in key customer industries in your Adhesive business held up so far this year? And how does the order book look into April? Could you perhaps also share similar observations for your Consumer Brands business?

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**Carsten Knobel** - *Henkel AG & Co KGaA - Chief Executive Officer - Henkel Management AG*

Yes. Christian. Yes. I think not so much to be added compared to the question before or better say to my answer before. If you look at Adhesive Technologies, yes, we – and maybe there is one additional point, which I have not mentioned, which is more a technical term in Adhesives, which is related to working day adjustments. You know we have set the guidance for Adhesives of 2% to 4% for the full year – H2 stronger than H1. And in that context, there is the situation that the working day impact is around 1% in quarter one in that context. So if you take that H2 is a little bit stronger than H1 and you take the midpoint of that means that if you take this working day adjustment into account, we are fairly in the middle of our range also for adhesives in first quarter.

Therefore, we are outperforming the markets in that context. And I think that's the most important factor that there is softening in the industrial market overall. I think that's a fact which you, I think, hear from every company in that context. So I'm very confident what we are currently doing in Adhesives that this is paying off, that we are gaining market shares, that we are outperforming the market. And for sure, what is happening in the US in terms of decisions: That's for sure, impacting, I would say, especially the North American market overproportionately – and that, for sure, is also impacting us. But as I said, not in the same area than – I would say – others.

And on the other side, I mentioned it before in the other answer, if you look at Electronics, if you look at data & telecom, if you look at aerospace – they are contributing to our growth, and we see that as a very positive factor for us. So, I fully understand the comments, but in Adhesive Technologies, absolutely confident that 2025 will be another great year in that context. And I think that's the beauty of that business that we have a very broad portfolio in Adhesive Technologies. So I'm very relaxed on that. Hope that helps.

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**Christian Faitz** - *Kepler Cheuvreux - Analyst*

So I guess to conclude, it would be fair to say that Q1 has started how Q4 ended more or less?

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**Carsten Knobel** - *Henkel AG & Co KGaA - Chief Executive Officer - Henkel Management AG*

Say it again, I did not get the question, sorry, Christian.

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**Christian Faitz** - *Kepler Cheuvreux - Analyst*

Well, I guess, Q1 has started in terms of, let's say, weak demand development as Q4 had ended for you, particularly in the Automotive segment within Adhesives?

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**Carsten Knobel** - *Henkel AG & Co KGaA - Chief Executive Officer - Henkel Management AG*

But as I said, similar, yes, but there is this one difference that I said, which is especially related to North America. The softening what you see based also on, I would say, governmental decisions, I think, is impacting the world and is impacting especially that continent.

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**Operator**

Iain Simpson, Barclays.

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**Iain Simpson** - *Barclays - Analyst*

So just a couple of quick questions from me. So firstly, your gross margins at probably all-time highs. I think you said the highest for 30 years. That's great to see. I mean when I look at the gap between gross and EBIT, it's kind of never been higher or certainly not for a long time. So just your SG&A is sort of 500 to 700 bps higher than it was 5 to 10 years ago, but your Group organic sales growth is pretty much unchanged at about 3%. So I'm just wondering if that means the cost to compete has sort of increased a bit above across your business that you've put all this extra SG&A and since the previous margin peak of 2018 and top line is kind of not really moving?

And then secondly, just thinking about the macro landscape, I suppose yes, automotive is tough. I just wondered if your Adhesives business might in any way be a beneficiary of any of the sort of increases in European defense spending and perhaps German infrastructure spending that might be coming down the pipeline over the coming years.

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**Marco Swoboda** - *Henkel AG & Co KGaA - Chief Financial Officer, Executive Vice President - Finance, Purchasing and Global Business Solutions*

So, it's Marco speaking. To your first question on gross margin all-time high and then of course the delta to EBIT. Yes, as we said before, we have increased our investments because, of course, we also saw the need that we support our brands stronger than what we have been doing maybe more historically and that is part of the strategy for Consumer Brands that we did also announce earlier.

So investing behind the innovations in absolute must to also build brand equity and also support the top line going forward. And of course, when you see that we divested also significantly over the last years, it had a minor impact also, of course, on the ratio. But the biggest increase is, of course, coming more from advertising spend, where we invest more behind the business.

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**Carsten Knobel** - *Henkel AG & Co KGaA - Chief Executive Officer - Henkel Management AG*

Yes. But Iain, maybe one point because you said growth has not changed. If you only look now in the Henkel Consumer Brands merger, for example, if you take the average over the last two years, our organic growth is 1.5%. That's definitely on a different level than we had before. For sure, there are a lot of effects into that. I don't want to oversell it but also don't let the point that nothing has moved. So therefore, I think we should have that as a as balancing. And on top, I think the quality of the business has significantly improved in comparison to the past. So therefore, I don't let this statement only by that, that nothing has moved. That's not correct, and that's not how I see it.

And to the second – so the second question was more the macro topic. In that context, the exposure to Germany is for us not the biggest one, as you know. We are a very international company. For sure, if there are significantly – if there would be significant step-ups in defense spending until now nothing has been approved – then for sure, that has also impacted, I would say, in a positive way, especially in our Adhesives business. But again, Germany per se as a country is not a big impact factor on the Group overall. So it's low teens. And the overall sentiment, I think I talked already about that there is currently a softer start in the year and that we are seeing a lot of points that this will be better in second half.

And that's, I would say, where the main reasons are why we believe also that the guidance we have given is – for both businesses and for Henkel – continuing what we have delivered also the last two years, which means growing the company and also in a profitable way, means also growing earnings and growing profitability. Hope that helps, Iain.

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**Operator**

Victoria Petrova, Bank of America.

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**Victoria Petrova** - *BofA Global Research - Analyst*

I have kind of one question on organic growth with two parts. Still on Q4, when we look at your Adhesive business, historically, Henkel has been outperforming pretty much all adhesive companies which report. It looks like there was a relatively higher slowdown in Adhesive's performance in the fourth quarter for Henkel. Has there been any market share in that or repricing event in the fourth quarter and should we expect your Adhesive business to continue to outperform in 2025, given that you're exposed to electric vehicles in China, I don't know, electronics, Chinese electronics producers, et cetera.

And my second question, when I think about your comments on the phasing, what exactly would change on your expectations in the second half except for easier comps? Do you expect consumer to get better? Do you think that US retail channel will definitely restock? Do you expect IPX to accelerate? What exactly makes you confident on the positive volume growth in Consumer and Adhesives through the year?

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**Carsten Knobel** - *Henkel AG & Co KGaA - Chief Executive Officer - Henkel Management AG*

Victoria. So to your question of Adhesive Technologies Q4 and the year. So, I start overall. If you look at the year 2025, there is no reason to believe that our business in Adhesive Technologies will have any weaker development or anything like that. Because if you look what the market environment currently forecasts – be it for IPX or light vehicle production indices, whatever it is – we are with our guidance of 2% to 4%, clearly outperforming that, and we are set up performing and for further growth. If you look for Q4, yes, Q4 for us was a little bit softer than the rest of the year. Nevertheless, also it was with the peers who were also predominantly softer.

While for the full year, we were best-in-class. We were not best-in-class for Q4. And I think the reason for that is our over-proportional share of Automotive in that part, which not everybody of our Adhesives competitors had in that. We expect clear positive volumes for 2025, a robust pricing, and with that positive OSG in the magnitude of 2% to 4%. I think if that is not a good guidance, I don't know what a good guidance would look like. And that in combination with increasing margins also into the year for 2025 overall. I think that's very clear. Also from the phasing, I think I said everything – H2 stronger than H1. That's for both businesses, and maybe again on HCB, why we believe that the phasing – or H2 will be stronger than H1 – is one I already alluded to. It's the inno pipeline, which is more H2 driven than H1.

It's about that the non-recurring items, where we talked about some operational excellence topics related to our 1-1-1 approach, I think it's also very normal if you go into a complete change of logistics changes in that context, and you do that in 21 countries at the same time. That was especially also our point. We had to close and shift certain warehouses in order to reduce complexity. It's absolutely normal that you have some impact on that, but these are non-recurring items, which will not happen in H2, that's the other part. And for sure, we have closed the portfolio measures. And in that context, you know that our divestment of the retailer branded business is not an accretive business. It has been in the past dilutive from a top line and the bottom line perspective. And that will also, for sure – I don't have the exact timing of the closing – but also that will have a positive impact in H2 versus H1.

So therefore, I fully see that the start is not easy. But again, we have now three years in a row promised and delivered. And what we today bring out is, I think, a good guidance for the year, continuing growth and profitability, and we will deliver on that what we have promised. Hope that helps.

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**Operator**

Celine Pannuti, JPMorgan.

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**Celine Pannuti** - *JPMorgan - Analyst*

I would like to ask first of all, in terms of your free cash flow, what do you think your free cash flow level is? I think that you are around [2.4]. Do you think, how comfortable you think about free cash flow as we look into '25. And as you look at M&A opportunity, which I think you mentioned in your introduction, do you still see that happening in the environment where there is maybe a bit more question mark about political changes about weakening demand.

And if you allow me a second question, Carsten, since you've been talking about delivering. And obviously, there has been an issue in terms of the impact of your systems of warehousing that you mentioned in Q1, the one-off, but can you talk about how the business is progressing in terms of market share, your discussion with retailers with the innovation, how to sell out really, how you see that happening as we look into '25 in Consumer Brands?

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**Carsten Knobel** - *Henkel AG & Co KGaA - Chief Executive Officer - Henkel Management AG*

So Marco will take the question to free cash flow, and then I will allude to M&A and also the warehousing part. Marco, will you start?

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**Marco Swoboda** - *Henkel AG & Co KGaA - Chief Financial Officer, Executive Vice President - Finance, Purchasing and Global Business Solutions*

So obviously, EUR2.4 billion was another very good result. Historically, you remember probably the all-time high was with EUR2.6 billion in 2023 only. So EUR2.4 billion, again, a very high mark. And we don't guide, obviously, now on cash flow, but you see that we also projected further profit growth and EPS growth. So me, I do expect free cash flow again to come out above the EUR2 billion mark for sure. That's what I can say so far.

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**Carsten Knobel** - *Henkel AG & Co KGaA - Chief Executive Officer - Henkel Management AG*

Yes. And that leads exactly also then to the M&A. So being very confident also in continuing delivering on the free cash flow and taking also the starting position in which we are in. Marco talked about that, net debt free, despite the fact that we did M&A in 2024, despite the fact that we did and paid dividends. I think it came out net debt free more or less net debt free. And with the topic of the future cash flows, we have a very strong financial foundation to grow not just organically, but also via M&A. That's also valid for both businesses as you have seen it in 2024 where we invested into Asia in HCB and into the MRO business in Adhesives.

And that's very good and we will, for sure, cannot talk about concrete targets, but we see attractive opportunities in both businesses which we are working on. And yes, that's maybe overall. Which maybe also brings me to the point of if you look in the sentiment, I think nothing what we see is, for us, at least not surprising. In most of the companies, we see similar situations. And Marco also said it, despite the weaker or softer start in the year, we see in the first two months, we are well underway when it comes to our bottom line performance, which is also maybe back to Iain's question that we also see continuous strong gross margins in our business, for sure, also continuously supported and which brings me to the last questions, Celine, when you were talking or when you were asking about the warehousing topic, and I think I gave the details that this is related to the 1-1-1 approach.

For us, we wanted to bring that all together to the end of 2024, beginning of '25 which is the launch of that. And as I talked about that, that had some impact, but again, not recurring. When we look at the business progress, I think it is what we have seen also through the year. We are concentrating on our top 10 brands which in HCB account for 50%. We have seen not only good growth rates, but we have also seen with these brands volume – a positive volume development. And that makes me also confident in terms of that this will continue in '25. Combined with a good inno pipeline – the only difference is that the inno pipeline has a different phasing than in 2024. As I said in '24, it was more early of the year, so predominantly in Q2. But for sure, we sell-ins in Q1 while for this year we see that more for the more pronounced in the second half.

And that is also, in these top brands, we also see good market share developments, which we have also talked about during the call, be it Perwoll, be it in Styling, be it in Color and in Professional. So I think we are on the right track, and we will continue to do that. And we, for sure, will have new launches when it comes to inno in H2 as I mentioned before. I hope that helps, Celine.

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**Operator**

Thank you, ladies and gentlemen, I will now hand over to Mr. Knobel for his closing remarks.

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**Carsten Knobel** - *Henkel AG & Co KGaA - Chief Executive Officer - Henkel Management AG*

So thank you for all your questions. And with that, let me close today's call with reminding you of the upcoming financial reporting dates. We are looking forward to connecting with you again in May when we will release our Q1 results. And with this, I would like to thank you for joining our call today, also for sure in the name of Marco. And have a good day. Take care, see you soon, and goodbye.

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**Marco Swoboda** - *Henkel AG & Co KGaA - Chief Financial Officer, Executive Vice President - Finance, Purchasing and Global Business Solutions*

Bye-bye.

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**Operator**

Ladies and gentlemen, the conference is now over. Thank you for choosing Chorus Call and thank you for participating in the conference. You may now disconnect your lines. Goodbye.

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