

# HALF-YEAR FINANCIAL REPORT 2022



# Contents

2	Henkel Group: Key financials
3	Summary: Half-year results
4	Major events
5	Interim Group management report
34	Interim consolidated financial statements
61	Review report
63	Responsibility statement
64	Report of the Audit Committee of the Supervisory Board
65	Multi-year summary
66	Credits
67	Contacts
67	Financial calendar

**Henkel Group: Key financials**

Summary: Half-year results

Interim Group management report

Interim consolidated  
financial statements

Review report

Responsibility statement

Report of the Audit Committee  
of the Supervisory Board

Multi-year summary

Credits

Contacts

Financial calendar

# Henkel Group: Key financials

in million euros	1-6/2021	1-6/2022	+/-
<b>Sales</b>	<b>9,926</b>	<b>10,913</b>	<b>9.9%</b>
Adhesive Technologies	4,752	5,467	15.0%
Beauty Care	1,839	1,842	0.2%
Laundry & Home Care	3,275	3,494	6.7%
<b>Operating profit (EBIT)</b>	<b>1,296</b>	<b>684</b>	<b>-47.2%</b>
<b>Adjusted<sup>1</sup> operating profit (adjusted EBIT)</b>	<b>1,430</b>	<b>1,166</b>	<b>-18.5%</b>
<b>Return on sales (EBIT margin)</b>	<b>13.1%</b>	<b>6.3%</b>	<b>-6.8pp</b>
<b>Adjusted<sup>1</sup> return on sales (adjusted EBIT margin)</b>	<b>14.4%</b>	<b>10.7%</b>	<b>-3.7pp</b>
<b>Net income</b>	<b>947</b>	<b>448</b>	<b>-52.7%</b>
Attributable to non-controlling interests	5	1	-82.7%
Attributable to shareholders of Henkel AG & Co. KGaA	942	447	-52.5%
<b>Earnings per preferred share</b>	<b>2.18</b>	<b>1.04</b>	<b>-52.3%</b>
in euros			
<b>Adjusted<sup>1</sup> earnings per preferred share</b>	<b>2.40</b>	<b>1.95</b>	<b>-18.8%</b>
in euros			
At constant exchange rates			-20.8%
<b>Return on capital employed (ROCE)</b>	<b>13.0%</b>	<b>6.4%</b>	<b>-6.6pp</b>

pp = percentage points

<sup>1</sup> Adjusted for one-time expenses and income, and for restructuring expenses.

Note: All individual figures in this report have been commercially rounded. Addition may result in deviations from the totals indicated.

---

Henkel Group: Key financials

---

**Summary: Half-year results**

---

Interim Group management report

---

Interim consolidated  
financial statements

---

Review report

---

Responsibility statement

---

Report of the Audit Committee  
of the Supervisory Board

---

Multi-year summary

---

Credits

---

Contacts

---

Financial calendar

---

# Summary: Half-year results

**Sales:** 10,913 million euros, nominal growth 9.9%

**Organic sales growth<sup>1</sup>:**

- Henkel Group: 8.9%
- Adhesive Technologies: 12.2%
- Beauty Care: 0.4%
- Laundry & Home Care: 7.4%

**Adjusted<sup>2</sup> return on sales (adjusted<sup>2</sup> EBIT margin):**

- Henkel Group: 10.7% (previous year: 14.4%)
- Adhesive Technologies: 13.6% (previous year: 17.3%)
- Beauty Care: 9.2% (previous year: 10.0%)
- Laundry & Home Care: 9.0% (previous year: 15.0%)

**Adjusted<sup>2</sup> earnings per preferred share (EPS):** 1.95 euros, nominal change -18.8%,  
at constant exchange rates -20.8%

<sup>1</sup> Excluding the effects of the announced exit from business activities in Russia and Belarus and effects from the application of IAS 29 (Financial Reporting in Hyperinflationary Economies) for Turkey.

<sup>2</sup> Adjusted for one-time expenses (281 million euros) and income (-32 million euros), and for restructuring expenses (232 million euros).

---

Henkel Group: Key financials

---

**Summary: Half-year results**

---

Interim Group management report

---

Interim consolidated  
financial statements

---

Review report

---

Responsibility statement

---

Report of the Audit Committee  
of the Supervisory Board

---

Multi-year summary

---

Credits

---

Contacts

---

Financial calendar

---

## Major events

- January 28: Henkel announces the merger of its Laundry & Home Care and Beauty Care businesses to create the new integrated business unit – Consumer Brands – and publishes its preliminary results for fiscal 2021, the guidance for fiscal 2022, and its new mid- and long-term financial ambition for the Group and the two future business units. Henkel also announces a share buyback program with a total volume of up to one billion euros, to be implemented by March 31, 2023, at the latest.
- February 9: To further strengthen its Professional portfolio, Henkel acquires Shiseido's Hair Professional business in the Asia-Pacific region.
- February 23: Henkel publishes the annual report and sustainability report for 2021 and presents its new “2030+ Sustainability Ambition Framework.”
- April 4: The Annual General Meeting 2022 approves payment of an unchanged dividend versus prior year of 1.85 euros per preferred share.
- April 19: Against the background of the developments of the war in Ukraine, Henkel announces the decision to exit from business activities in Russia.
- April 29: Henkel publishes preliminary organic sales growth for the first quarter of 2022 and updates its guidance for fiscal 2022 to reflect both the exceptionally strong price increases for direct materials and logistics, and the significant impacts of discontinuing its business activities in Russia and Belarus.
- May 5: Henkel publishes its final results for the first quarter of 2022 and provides further details related to its future integrated Consumer Brands business unit.

---

[Henkel Group: Key financials](#)

---

[Summary: Half-year results](#)

---

**[Interim Group management report](#)**

---

[Interim consolidated financial statements](#)

---

[Review report](#)

---

[Responsibility statement](#)

---

[Report of the Audit Committee of the Supervisory Board](#)

---

[Multi-year summary](#)

---

[Credits](#)

---

[Contacts](#)

---

[Financial calendar](#)

---

# Interim Group management report

## General economic conditions

The general economic conditions described in this section are based on data published by IHS Markit.

Following the pronounced economic recovery in 2021, the global economy continued to grow in the first six months of 2022, albeit at a slower pace. Economic development was driven by the impacts of Russia's invasion of Ukraine, ongoing protective measures to combat COVID-19, and a generally inflationary environment. Substantial supply chain problems, logistics and material shortages, coupled with exceptionally strong increases in commodity prices, continued to impact overall economic development in the first half of 2022.

In the first six months of 2022, the global economy posted gross domestic product growth of approximately 3.5 percent versus the prior-year period.

Economic growth in the mature markets was approximately 3 percent. Economic output in the first six months increased in Western Europe by approximately 4.5 percent, and in North America by approximately 2.5 percent. Japan recorded slight economic growth of approximately 1 percent versus the previous year.

Economic output in the emerging markets was approximately 4 percent, with the Asia (excluding Japan) region posting gross domestic product growth of approximately 4.5 percent. Compared to the first half of 2021, economic output in Latin America rose by approximately 3 percent, and in Africa/Middle East by approximately 6.5 percent. The war in Ukraine and the associated impacts caused economic output in Eastern Europe to increase only marginally, by approximately 0.5 percent.

At approximately 7 percent, global unemployment was slightly below the first six months of 2021. By contrast, consumer prices rose significantly around the globe, by approximately 7 percent year on year.

---

[Henkel Group: Key financials](#)

---

[Summary: Half-year results](#)

---

**[Interim Group management report](#)**

---

[Interim consolidated financial statements](#)

---

[Review report](#)

---

[Responsibility statement](#)

---

[Report of the Audit Committee of the Supervisory Board](#)

---

[Multi-year summary](#)

---

[Credits](#)

---

[Contacts](#)

---

[Financial calendar](#)

---

Prices for direct materials (raw materials, packaging, and purchased goods and services) increased substantially compared to the first six months of 2021.

On the currency markets, the US dollar appreciated against the euro in the first six months of 2022 versus prior year, averaging a rate of 1.09 US dollars. The currencies in the emerging markets of importance to Henkel showed a mixed development. The Chinese yuan and Mexican peso appreciated, while the Turkish lira devalued appreciably.

**Sectors of importance for Henkel**

Private consumption increased by approximately 4 percent in the first six months of 2022 according to IHS Markit. Consumer spending increased in both Western Europe and North America, with growth of approximately 6.5 percent and approximately 3.5 percent respectively. Consumption in the emerging markets increased moderately, by approximately 3.5 percent, thus significantly below the level of increase recorded in the prior-year period.

According to IHS Markit, the industrial production index (IPX) gained approximately 4 percent in the first half of 2022 compared to the prior-year period, which had been characterized mainly by the recovery in industrial demand from the severe impacts of the COVID-19 pandemic. In the first six months of the year, the IPX gained approximately 3 percent in the mature markets and approximately 5 percent in the emerging markets.

---

 Henkel Group: Key financials
 

---

 Summary: Half-year results
 

---

**Interim Group management report**


---

 Interim consolidated  
financial statements
 

---

 Review report
 

---

 Responsibility statement
 

---

 Report of the Audit Committee  
of the Supervisory Board
 

---

 Multi-year summary
 

---

 Credits
 

---

 Contacts
 

---

 Financial calendar
 

---

## Business performance January–June 2022

### Key financials

in million euros	1–6/2021	1–6/2022	+/-	
Sales	9,926	<b>10,913</b>	9.9%	
Operating profit (EBIT)	1,296	<b>684</b>	-47.2%	
Adjusted <sup>1</sup> operating profit (adjusted EBIT)	1,430	<b>1,166</b>	-18.5%	
Return on sales (EBIT margin)	13.1%	<b>6.3%</b>	-6.8pp	
Adjusted <sup>1</sup> return on sales (adjusted EBIT margin)	14.4%	<b>10.7%</b>	-3.7pp	
Net income – attributable to shareholders of Henkel AG & Co. KGaA	942	<b>447</b>	-52.5%	
Adjusted <sup>1</sup> net income – attributable to shareholders of Henkel AG & Co. KGaA	1,040	<b>840</b>	-19.3%	
Earnings per preferred share	in euros	2.18	<b>1.04</b>	-52.3%
Adjusted <sup>1</sup> earnings per preferred share	in euros	2.40	<b>1.95</b>	-18.8%

pp = percentage points

<sup>1</sup> Adjusted for one-time expenses and income, and for restructuring expenses.

### Sales

In a challenging environment, Henkel's business performance in the first half of 2022 was robust compared to the prior-year period.

In the first six months of 2022, **consolidated sales** increased by 9.9 percent to 10,913 million euros. Foreign exchange effects had a positive impact on sales of 2.4 percent and included the effects of the required application of IAS 29 (Financial Reporting in Hyperinflationary Economies) for Turkey from the start of the reporting period. Conversely, acquisitions and divestments caused a decrease of -1.4 percent in sales, with the effects of the announced exit from business activities in Russia and Belarus having been included since the start of the second quarter of 2022. Organically (i.e. adjusted for foreign exchange and acquisitions/divestments), sales grew by 8.9 percent, driven by prices, with all business units and regions contributing.

 Organic sales growth<sup>1</sup>

# +8.9%

 Adjusted<sup>2</sup>  
EBIT margin

# 10.7%

 Adjusted<sup>2</sup>  
EPS

# 1.95 €

 Development of adjusted<sup>2</sup>  
EPS at constant exchange  
rates

# -20.8%

<sup>1</sup> Excluding the effects of the announced exit from business activities in Russia and Belarus and the effects of the application of IAS 29 (Financial Reporting in Hyperinflationary Economies) for Turkey.

<sup>2</sup> Adjusted for one-time expenses and income, and for restructuring expenses.

---

 Henkel Group: Key financials
 

---

 Summary: Half-year results
 

---

### Interim Group management report

---

 Interim consolidated  
financial statements
 

---

 Review report
 

---

 Responsibility statement
 

---

 Report of the Audit Committee  
of the Supervisory Board
 

---

 Multi-year summary
 

---

 Credits
 

---

 Contacts
 

---

 Financial calendar
 

---

### Sales development

in million euros	Q2/2022	1-6/2022
<b>Sales</b>	<b>5,642</b>	<b>10,913</b>
<b>Change versus previous year</b>	<b>13.8%</b>	<b>9.9%</b>
Foreign exchange <sup>1</sup>	4.7%	2.4%
<b>Adjusted for foreign exchange</b>	<b>9.1%</b>	<b>7.5%</b>
Acquisitions/divestments <sup>2</sup>	-1.8%	-1.4%
<b>Organic</b>	<b>10.9%</b>	<b>8.9%</b>
Of which price	11.2%	10.2%
Of which volume	-0.3%	-1.3%

<sup>1</sup> Including the effects of the application of IAS 29 (Financial Reporting in Hyperinflationary Economies) for Turkey.

<sup>2</sup> Including the effects of the announced exit from business activities in Russia and Belarus.

The **Adhesive Technologies** business unit achieved double-digit organic sales growth of 12.2 percent, to which all business areas contributed. The **Beauty Care** business unit generated sales growth of 0.4 percent. Its Professional business was able to continue its strong performance from the previous year, whereas the Consumer business was down year on year – essentially due to the announced portfolio improvement measures. The **Laundry & Home Care** business unit achieved organic sales growth of 7.4 percent, driven mainly by a double-digit increase in sales in the Laundry Care business area.

---

 Henkel Group: Key financials
 

---

 Summary: Half-year results
 

---

### Interim Group management report

---

 Interim consolidated financial statements
 

---

 Review report
 

---

 Responsibility statement
 

---

 Report of the Audit Committee of the Supervisory Board
 

---

 Multi-year summary
 

---

 Credits
 

---

 Contacts
 

---

 Financial calendar
 

---

The **Western Europe** region recorded organic sales growth of 2.2 percent. We posted organic sales growth of 23.2 percent in the **Eastern Europe** region. In the **Africa/Middle East** region, we achieved organic sales growth of 3.2 percent. The **North America** region recorded organic sales growth of 9.2 percent. We posted organic sales growth of 16.9 percent in the **Latin America** region. In the **Asia-Pacific** region, we registered organic sales growth of 6.1 percent.

Overall, the **emerging markets** of Eastern Europe, Africa/Middle East, Latin America, and Asia (excluding Japan) generated double-digit organic sales growth of 12.9 percent. Nominally, sales in these regions increased by 11.9 percent to 4,557 million euros. At 42 percent, the share of Group sales from emerging markets was slightly above the level of the first half of 2021.

In the first half of 2022, there were no material changes to our business activities and competitive positions as presented in our Annual Report 2021 on pages 72 to 74.

#### Key figures by region first half year

in million euros	Western Europe	Eastern Europe	Africa/Middle East	North America	Latin America	Asia-Pacific	Corporate	Henkel Group
<b>Sales January–June 2022<sup>1</sup></b>	<b>3,060</b>	<b>1,666</b>	<b>632</b>	<b>2,874</b>	<b>733</b>	<b>1,838</b>	<b>110</b>	<b>10,913</b>
Sales January–June 2021 <sup>1</sup>	3,029	1,520	620	2,474	582	1,642	61	9,926
Change versus previous year	1.0%	9.7%	1.9%	16.2%	25.9%	12.0%	–	9.9%
Organic	2.2%	23.2%	3.2%	9.2%	16.9%	6.1%	–	8.9%
<b>Proportion of Group sales January–June 2022</b>	<b>28%</b>	<b>15%</b>	<b>6%</b>	<b>26%</b>	<b>7%</b>	<b>17%</b>	<b>1%</b>	<b>100%</b>
Proportion of Group sales January–June 2021	31%	15%	6%	25%	6%	17%	1%	100%
<b>Operating profit (EBIT) January–June 2022</b>	<b>456</b>	<b>-70</b>	<b>-28</b>	<b>58</b>	<b>43</b>	<b>290</b>	<b>-66</b>	<b>684</b>
Operating profit (EBIT) January–June 2021	880	121	46	15	49	303	-118	1,296
Change versus previous year	-48.1%	–	–	277.3%	-13.0%	-4.3%	–	-47.2%
Adjusted for foreign exchange	-48.4%	–	–	140.5%	-21.4%	-10.8%	–	-49.4%
<b>Return on sales (EBIT margin) January–June 2022</b>	<b>14.9%</b>	<b>-4.2%</b>	<b>-4.4%</b>	<b>2.0%</b>	<b>5.9%</b>	<b>15.8%</b>	<b>–</b>	<b>6.3%</b>
Return on sales (EBIT margin) January–June 2021	29.1%	7.9%	7.4%	0.6%	8.5%	18.4%	–	13.1%

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

---

[Henkel Group: Key financials](#)


---

[Summary: Half-year results](#)


---

### Interim Group management report

---

[Interim consolidated financial statements](#)


---

[Review report](#)


---

[Responsibility statement](#)


---

[Report of the Audit Committee of the Supervisory Board](#)


---

[Multi-year summary](#)


---

[Credits](#)


---

[Contacts](#)


---

[Financial calendar](#)


---

### Operating profit

In the following, we discuss our operating income and expense items up to operating profit, adjusted in each case for one-time expenses and income, and for restructuring expenses.

The one-time expenses of 281 million euros in the first half of 2022 were due mainly to impairment of goodwill, other intangible non-current assets, and of property, plant and equipment. These impairments are related to the planned divestment of the business activities in Russia and Belarus, and of a European consumer goods business in the Beauty Care business unit. To adapt our structures to our markets and customers, we spent 232 million euros on restructuring in the first half of 2022 (previous year: 94 million euros). Restructuring expenses substantially comprise payments related to the termination of employment relationships, and impairment losses recognized for fixed assets and inventories. The figure is impacted in particular by expenses relating to the merger of the Laundry & Home Care and Beauty Care business units into the integrated Consumer Brands business unit. The reconciliation statement and additional disclosures relating to the one-time expenses and income, and to the restructuring expenses, can be found on pages 45 and 46.

Compared to the first six months of 2021, cost of sales increased by 18.0 percent to 6,259 million euros. Gross profit increased slightly by 0.7 percent to 4,654 million euros. At 42.6 percent, adjusted gross margin was below the level of the prior-year period, with double-digit price increases and savings from cost reduction measures and efficiency improvements in our supply chain serving to only partially offset the impact of significantly higher prices for direct materials (raw materials, packaging, and purchased goods and services).

### Reconciliation from sales to adjusted operating profit

in million euros	1-6/2021	%	1-6/2022	%	+/-
<b>Sales</b>	<b>9,926</b>	<b>100.0%</b>	<b>10,913</b>	<b>100.0%</b>	<b>9.9%</b>
Cost of sales	-5,303	-53.4%	-6,259	-57.4%	18.0%
<b>Gross profit</b>	<b>4,623</b>	<b>46.6%</b>	<b>4,654</b>	<b>42.6%</b>	<b>0.7%</b>
Marketing, selling and distribution expenses	-2,543	-25.6%	-2,744	-25.1%	7.9%
Research and development expenses	-240	-2.4%	-263	-2.4%	9.6%
Administrative expenses	-463	-4.7%	-498	-4.6%	7.6%
Other operating income/expenses	53	0.5%	18	0.2%	-66.4%
<b>Adjusted operating profit (adjusted EBIT)</b>	<b>1,430</b>	<b>14.4%</b>	<b>1,166</b>	<b>10.7%</b>	<b>-18.5%</b>

---

[Henkel Group: Key financials](#)

---

[Summary: Half-year results](#)

---

[Interim Group management report](#)

---

[Interim consolidated financial statements](#)

---

[Review report](#)

---

[Responsibility statement](#)

---

[Report of the Audit Committee of the Supervisory Board](#)

---

[Multi-year summary](#)

---

[Credits](#)

---

[Contacts](#)

---

[Financial calendar](#)

---

Marketing, selling and distribution expenses increased by 7.9 percent to 2,744 million euros. Year on year, their ratio to sales rose by 0.5 percentage points to 25.1 percent. We spent a total of 263 million euros for research and development (previous year: 240 million euros), with the ratio to sales remaining flat at 2.4 percent. Administrative expenses amounted to 498 million euros (previous year: 463 million euros). At 4.6 percent, administrative expenses as a proportion of sales were virtually unchanged versus the first six months of 2021.

At 18 million euros, the balance of other operating income and expenses was -35 million euros below the level of the first half year 2021, that period having been characterized in part by higher other operating income related to our active portfolio management.

**Adjusted operating profit** (adjusted EBIT) amounted to 1,166 million euros after 1,430 million euros in the first half of 2021. The decrease was essentially due to the substantially higher prices for direct materials. **Adjusted return on sales** (adjusted EBIT margin) for the Group declined in the wake of considerably higher prices for direct materials, from 14.4 percent to 10.7 percent.

The financial result – adjusted for the effects of first-time application of IAS 29 (Financial Reporting in Hyper-inflationary Economies) for Turkey – decreased, mainly due to a lower currency result, to -44 million euros (first half year 2021: -29 million euros). The tax rate was 27.1 percent (adjusted: 25.0 percent).

Henkel generated net income of 448 million euros in the six months under review (prior-year period: 947 million euros). After allowing for 1 million euros attributable to non-controlling interests, net income for the first six months was 447 million euros (previous year: 942 million euros). Adjusted net income for the first six months after allowing for non-controlling interests was 840 million euros compared to 1,040 million euros in the first half of 2021.

**Earnings per preferred share** came in at 1.04 euros (previous year: 2.18 euros). Adjusted earnings per preferred share decreased by -18.8 percent to 1.95 euros compared to 2.40 euros in the first half of 2021. Here, again, the development was mainly driven by the substantially higher prices for direct materials. At constant exchange rates, adjusted earnings per preferred share decreased by -20.8 percent.

---

[Henkel Group: Key financials](#)

---

[Summary: Half-year results](#)

---

**[Interim Group management report](#)**

---

[Interim consolidated financial statements](#)

---

[Review report](#)

---

[Responsibility statement](#)

---

[Report of the Audit Committee of the Supervisory Board](#)

---

[Multi-year summary](#)

---

[Credits](#)

---

[Contacts](#)

---

[Financial calendar](#)

---

**Comparison between actual business performance and guidance**

On April 29, 2022, Henkel issued guidance that the company expected organic sales growth of 3.5 to 5.5 percent for fiscal 2022. For the Adhesive Technologies business unit, we anticipated organic sales growth in the range of 8.0 to 10.0 percent. We expected organic sales development to come in at between -5.0 and -3.0 percent for the Beauty Care business unit, mainly due to measures to improve the portfolio already decided upon and in implementation, including the discontinuation of activities that will not be part of the future core business. For the Laundry & Home Care business unit, we anticipated organic sales growth in the range of 2.0 to 4.0 percent.

We expected the Henkel Group to generate adjusted return on sales (adjusted EBIT margin) of between 9.0 and 11.0 percent in fiscal 2022. Our expectations with respect to adjusted return on sales in our individual business units were between 13.0 and 15.0 percent for Adhesive Technologies, between 5.0 and 7.0 percent for Beauty Care, and between 7.0 and 9.0 percent for Laundry & Home Care.

Adjusted earnings per preferred share (EPS) at constant exchange rates were expected to decline year on year in the range between -35 and -15 percent.

Based on business performance in the first half of 2022 and assumptions concerning business development in the remaining two quarters, we have updated our forecast for fiscal 2022.

We now expect organic sales growth of 4.5 to 6.5 percent for the Henkel Group. For the Adhesive Technologies business unit, we continue to anticipate an increase of 8.0 to 10.0 percent. For the Beauty Care business unit, we are raising our expectation for organic sales development to -3.0 to -1.0 percent. For the Laundry & Home Care business unit, we now expect organic sales growth in the range of 4.0 to 6.0 percent.

Our forecast for adjusted return on sales (EBIT margin) for the Henkel Group remains in the range of 9.0 to 11.0 percent. We continue to expect an adjusted return on sales in the range of 13.0 to 15.0 percent for the Adhesive Technologies business unit, an adjusted return on sales of between 5.0 and 7.0 percent for the Beauty Care business unit, and an adjusted return on sales of between 7.0 and 9.0 percent for Laundry & Home Care.

For adjusted earnings per preferred share (EPS) at constant exchange rates we continue to anticipate a decline in the range of -35 to -15 percent.

---

[Henkel Group: Key financials](#)

---

[Summary: Half-year results](#)

---

**[Interim Group management report](#)**

---

[Interim consolidated financial statements](#)

---

[Review report](#)

---

[Responsibility statement](#)

---

[Report of the Audit Committee of the Supervisory Board](#)

---

[Multi-year summary](#)

---

[Credits](#)

---

[Contacts](#)

---

[Financial calendar](#)

---

At 8.9 percent, organic sales growth of the Henkel Group in the first half of 2022 was above the updated full-year forecast of 4.5 to 6.5 percent. This positive deviation was due to a stronger sales performance across all business units. The Adhesive Technologies business unit achieved organic sales growth of 12.2 percent, exceeding the range forecasted for the full fiscal year. At 0.4 percent, organic sales growth in the Beauty Care business unit was above the updated forecast range. The Laundry & Home Care business unit was also above the range now expected for full fiscal 2022, with organic sales growth coming in at 7.4 percent. Across all businesses, the development in the first half of the year was driven in particular by the strong increase in selling prices against the backdrop of substantially higher prices for direct materials. In the second half of the year, the Adhesive Technologies business unit is expected to be impacted by, among other things, a higher comparison base for the price component, combined with a slowdown in the growth dynamics of industrial production. In the consumer goods businesses, weaker volume development is expected for the remainder of the year due to the inflationary environment. In addition, sales development in the Beauty Care business unit in the second half of the year is expected to be impacted to a higher degree by the portfolio measures announced for the full year.

Adjusted return on sales (adjusted EBIT margin) for the Henkel Group was 10.7 percent in the first half of 2022 and thus at the upper end of the forecast range for the full fiscal year. With an adjusted return on sales of 13.6 percent, the Adhesive Technologies business unit was within the range expected for the full year. The Beauty Care business unit exceeded the forecast range for the year as a whole, with adjusted return on sales coming in at 9.2 percent. At 9.0 percent, adjusted return on sales in the Laundry & Home Care business unit in the first half of the year was at the upper end of the range expected for 2022.

Adjusted earnings per preferred share at constant exchange rates declined by -20.8 percent, in line with our full-year guidance.

---

 Henkel Group: Key financials
 

---

 Summary: Half-year results
 

---

**Interim Group management report**


---

 Interim consolidated  
financial statements
 

---

 Review report
 

---

 Responsibility statement
 

---

 Report of the Audit Committee  
of the Supervisory Board
 

---

 Multi-year summary
 

---

 Credits
 

---

 Contacts
 

---

 Financial calendar
 

---

**Guidance versus performance first half year 2022**

	Original guidance for 2022	Guidance for 2022 as updated on April 29	Guidance for 2022 as updated on August 15	Results first half year 2022
<b>Organic sales growth</b>				
Henkel Group:	2.0 to 4.0 percent	3.5 to 5.5 percent <sup>2</sup>	4.5 to 6.5 percent <sup>2</sup>	8.9 percent <sup>2</sup>
Adhesive Technologies:	5.0 to 7.0 percent	8.0 to 10.0 percent <sup>2</sup>	8.0 to 10.0 percent <sup>2</sup>	12.2 percent <sup>2</sup>
Beauty Care:	-5.0 to -3.0 percent	-5.0 to -3.0 percent <sup>2</sup>	-3.0 to -1.0 percent <sup>2</sup>	0.4 percent <sup>2</sup>
Laundry & Home Care:	2.0 to 4.0 percent	2.0 to 4.0 percent <sup>2</sup>	4.0 to 6.0 percent <sup>2</sup>	7.4 percent <sup>2</sup>
<b>Adjusted<sup>1</sup> return on sales (adjusted EBIT margin)</b>				
Henkel Group:	11.5 to 13.5 percent	9.0 to 11.0 percent	9.0 to 11.0 percent	10.7 percent
Adhesive Technologies:	15.0 to 17.0 percent	13.0 to 15.0 percent	13.0 to 15.0 percent	13.6 percent
Beauty Care:	7.5 to 10.0 percent	5.0 to 7.0 percent	5.0 to 7.0 percent	9.2 percent
Laundry & Home Care:	10.5 to 13.0 percent	7.0 to 9.0 percent	7.0 to 9.0 percent	9.0 percent
<b>Development of adjusted<sup>1</sup> earnings per preferred share at constant exchange rates</b>	Development in the range of -15 to +5 percent	Decrease in the range of -35 to -15 percent	Decrease in the range of -35 to -15 percent	-20.8 percent

<sup>1</sup> Adjusted for one-time expenses and income, and for restructuring expenses.

<sup>2</sup> Excluding the effects of the announced exit from business activities in Russia and Belarus.

---

 Henkel Group: Key financials
 

---

 Summary: Half-year results
 

---

**Interim Group management report**


---

 Interim consolidated  
financial statements
 

---

 Review report
 

---

 Responsibility statement
 

---

 Report of the Audit Committee  
of the Supervisory Board
 

---

 Multi-year summary
 

---

 Credits
 

---

 Contacts
 

---

 Financial calendar
 

---

## Adhesive Technologies

### Key financials

in million euros	1-6/2021	1-6/2022	+/-
Sales	4,752	5,467	15.0%
Proportion of Group sales	48%	50%	-
Operating profit (EBIT)	814	714	-12.3%
Adjusted <sup>1</sup> operating profit (adjusted EBIT)	820	743	-9.3%
Return on sales (EBIT margin)	17.1%	13.1%	-4.1pp
Adjusted <sup>1</sup> return on sales (adjusted EBIT margin)	17.3%	13.6%	-3.7pp
Return on capital employed (ROCE)	18.5%	15.0%	-3.5pp

pp = percentage points

<sup>1</sup> Adjusted for one-time expenses and income, and for restructuring expenses.
 

---

In the Adhesive Technologies business unit, **sales** grew nominally by 15.0 percent to 5,467 million euros in the first half of 2022.

Acquisitions/divestments reduced sales by -0.8 percent, whereas foreign exchange effects had a positive impact of 3.6 percent. Organically (i.e. adjusted for foreign exchange and acquisitions/divestments), sales increased by 12.2 percent, driven by double-digit pricing, while volumes remained flat.

### Sales development

in million euros	Q2/2022	1-6/2022
<b>Sales</b>	<b>2,836</b>	<b>5,467</b>
Proportion of Group sales	50%	50%
<b>Change versus previous year</b>	<b>18.5%</b>	<b>15.0%</b>
Foreign exchange <sup>1</sup>	5.7%	3.6%
<b>Adjusted for foreign exchange</b>	<b>12.8%</b>	<b>11.4%</b>
Acquisitions/divestments <sup>2</sup>	-0.9%	-0.8%
<b>Organic</b>	<b>13.7%</b>	<b>12.2%</b>
Of which price	14.0%	12.1%
Of which volume	-0.3%	0.1%

<sup>1</sup> Including the effects of the application of IAS 29 (Financial Reporting in Hyperinflationary Economies) for Turkey.

<sup>2</sup> Including the effects of the announced exit from business activities in Russia and Belarus.
 

---

---

[Henkel Group: Key financials](#)

---

[Summary: Half-year results](#)

---

[Interim Group management report](#)

---

[Interim consolidated financial statements](#)

---

[Review report](#)

---

[Responsibility statement](#)

---

[Report of the Audit Committee of the Supervisory Board](#)

---

[Multi-year summary](#)

---

[Credits](#)

---

[Contacts](#)

---

[Financial calendar](#)

---

All business areas in the Adhesive Technologies business unit contributed to the double-digit organic sales growth in the first six months of the year. The **Automotive & Metals** business area achieved very strong organic sales growth. The Automotive business recorded very strong growth, although the development was negatively affected by the global shortage of semiconductors in automobile production. The Metals business achieved significant growth. The **Packaging & Consumer Goods** business area benefited from continued strong demand, generating double-digit sales growth in all businesses. The Packaging business achieved the strongest increase. The **Electronics & Industrials** business area also achieved double-digit organic sales growth. This development was driven in particular by double-digit growth in the Industrials business; the Electronics business recorded significant organic sales growth. The **Craftsmen, Construction & Professional** business area posted significant organic sales growth compared to the first half of the prior year. The Construction business generated strong growth, while the General Manufacturing & Maintenance and Consumers & Craftsmen businesses both posted significant organic sales growth.

From a regional perspective, the Adhesive Technologies business unit generated organic sales growth in all regions. We achieved double-digit growth in the **emerging markets**, driven by double-digit sales increases in the Latin America and Eastern Europe regions, with all business areas contributing. Sales growth was very strong in the Asia (excluding Japan) region and significant in the Africa/Middle East region.

The **mature markets** also posted double-digit organic sales growth. Sales increased very strongly in the mature markets of the Asia-Pacific region and significantly in the Western Europe region. The North America region achieved a double-digit sales growth, with all business areas contributing.

**Adjusted operating profit** (adjusted EBIT) totaled 743 million euros, -9.3 percent below the prior-year level. **Adjusted return on sales** (adjusted EBIT margin) was 13.6 percent compared to 17.3 percent in the first six months of the previous year. Here, substantially higher prices for direct materials had a particularly negative effect on gross margin.

Return on capital employed (ROCE) decreased in the first half of the year to 15.0 percent. At 12.9 percent, the ratio of net working capital to sales in the second quarter was above the prior-year level.

---

 Henkel Group: Key financials
 

---

 Summary: Half-year results
 

---

**Interim Group management report**


---

 Interim consolidated  
financial statements
 

---

 Review report
 

---

 Responsibility statement
 

---

 Report of the Audit Committee  
of the Supervisory Board
 

---

 Multi-year summary
 

---

 Credits
 

---

 Contacts
 

---

 Financial calendar
 

---

## Beauty Care

### Key financials

in million euros	1-6/2021	1-6/2022	+/-
Sales	1,839	<b>1,842</b>	0.2%
Proportion of Group sales	19%	<b>17%</b>	-
Operating profit (EBIT)	167	<b>-75</b>	-
Adjusted <sup>1</sup> operating profit (adjusted EBIT)	183	<b>169</b>	-7.8%
Return on sales (EBIT margin)	9.1%	<b>-4.1%</b>	-13.2pp
Adjusted <sup>1</sup> return on sales (adjusted EBIT margin)	10.0%	<b>9.2%</b>	-0.8pp
Return on capital employed (ROCE)	8.0%	<b>-3.5%</b>	-11.5pp

pp = percentage points

<sup>1</sup> Adjusted for one-time expenses and income, and for restructuring expenses.
 

---

The Beauty Care business unit posted **sales** of 1,842 million euros in the first half of 2022, representing a nominal increase of 0.2 percent versus the prior-year period. Foreign exchange effects increased sales by 2.5 percent, while acquisitions/divestments reduced sales by -2.7 percent.

Organically (i.e. adjusted for foreign exchange and acquisitions/divestments), sales grew by 0.4 percent, driven by pricing.

### Sales development

in million euros	Q2/2022	1-6/2022
<b>Sales</b>	<b>950</b>	<b>1,842</b>
Proportion of Group sales	17%	17%
<b>Change versus previous year</b>	<b>3.9%</b>	<b>0.2%</b>
Foreign exchange <sup>1</sup>	4.8%	2.5%
<b>Adjusted for foreign exchange</b>	<b>-1.0%</b>	<b>-2.3%</b>
Acquisitions/divestments <sup>2</sup>	-3.1%	-2.7%
<b>Organic</b>	<b>2.1%</b>	<b>0.4%</b>
Of which price	7.5%	6.3%
Of which volume	-5.4%	-5.9%

<sup>1</sup> Including the effects of the application of IAS 29 (Financial Reporting in Hyperinflationary Economies) for Turkey.

<sup>2</sup> Including the effects of the announced exit from business activities in Russia and Belarus.
 

---

---

[Henkel Group: Key financials](#)

---

[Summary: Half-year results](#)

---

[\*\*Interim Group management report\*\*](#)

---

[Interim consolidated financial statements](#)

---

[Review report](#)

---

[Responsibility statement](#)

---

[Report of the Audit Committee of the Supervisory Board](#)

---

[Multi-year summary](#)

---

[Credits](#)

---

[Contacts](#)

---

[Financial calendar](#)

---

In the first half of 2022, organic sales performance in the **Consumer** business area was down year on year, mainly due to the measures announced to improve the portfolio, which include the discontinuation of activities that will not be part of the future core business. As part of this portfolio optimization in implementation, business activities that account for around 5 percent of Beauty Care sales in 2021 will be discontinued over the course of this year.

Organic sales growth was flat overall in the Hair Cosmetics category in the first half of 2022, with varying developments among the individual businesses. The Styling business generated double-digit organic sales growth, thereby continuing the recovery that started last year following the decline resulting from the pandemic. By contrast, sales were down in the Hair Colorants category, as demand continued to return to normal after the surge in the prior-year period arising from the COVID-19 pandemic. The Hair Care business also recorded a decline compared to the prior-year period.

The negative sales performance in the Body Care category was driven mainly by the announced measures to optimize the portfolio.

The **Professional** business area continued its strong performance from the previous year, generating double-digit organic sales growth to which both the mature and emerging markets contributed.

Organic sales growth was very strong overall in the **emerging markets** in the first six months of the year. Eastern Europe generated double-digit growth, while the Asia (excluding Japan) and Latin America regions recorded significant sales increases. However, sales development in the Africa/Middle East region was negative, mainly due to the portfolio measures.

The **mature markets** recorded an overall negative organic sales performance. Sales performance in the North America region was very strong, driven by the Professional business area. The mature markets in the Asia-Pacific region generated good sales growth, driven by the Consumer business area. By contrast, sales were below the prior-year level in Western Europe – mainly due to negative sales development in the Hair Colorants category as demand returned to normal, and to the portfolio optimization measures.

---

[Henkel Group: Key financials](#)

---

[Summary: Half-year results](#)

---

**[Interim Group management report](#)**

---

[Interim consolidated financial statements](#)

---

[Review report](#)

---

[Responsibility statement](#)

---

[Report of the Audit Committee of the Supervisory Board](#)

---

[Multi-year summary](#)

---

[Credits](#)

---

[Contacts](#)

---

[Financial calendar](#)

---

**Adjusted operating profit** (adjusted EBIT) reached 169 million euros, down -7.8 percent compared to the prior-year level. Gross margin decreased year on year. While the strong growth in the Professional business area had a positive impact on profitability, considerably higher prices for direct materials had a negative effect. **Adjusted return on sales** (adjusted EBIT margin) declined to 9.2 percent.

At -3.5 percent, return on capital employed (ROCE) was lower year on year. This development was driven by the decline in reported operating profit, which was substantially impacted by significantly higher direct material prices, restructuring expenses related to the creation of the Consumer Brands business unit, and impairment charges relating to the planned disposal of the business activities in Russia and Belarus, and also relating to a European consumer goods business. Net working capital as a proportion of sales in the second quarter improved slightly to 2.5 percent.

---

 Henkel Group: Key financials
 

---

 Summary: Half-year results
 

---

**Interim Group management report**


---

 Interim consolidated  
financial statements
 

---

 Review report
 

---

 Responsibility statement
 

---

 Report of the Audit Committee  
of the Supervisory Board
 

---

 Multi-year summary
 

---

 Credits
 

---

 Contacts
 

---

 Financial calendar
 

---

## Laundry & Home Care

### Key financials

in million euros	1-6/2021	1-6/2022	+/-
Sales	3,275	3,494	6.7%
Proportion of Group sales	33%	32%	-
Operating profit (EBIT)	433	111	-74.4%
Adjusted <sup>1</sup> operating profit (adjusted EBIT)	490	313	-36.1%
Return on sales (EBIT margin)	13.2%	3.2%	-10.1pp
Adjusted <sup>1</sup> return on sales (adjusted EBIT margin)	15.0%	9.0%	-6.0pp
Return on capital employed (ROCE)	12.6%	3.0%	-9.7pp

pp = percentage points

<sup>1</sup> Adjusted for one-time expenses and income, and for restructuring expenses.
 

---

In the Laundry & Home Care business unit, **sales** increased nominally by 6.7 percent to 3,494 million euros in the first half of 2022. Foreign exchange effects had a positive impact of 0.7 percent, while acquisitions/divestments reduced sales by -1.5 percent. Organically (i.e. adjusted for foreign exchange and acquisitions/divestments), sales increased by 7.4 percent, driven by pricing. In contrast, volumes declined.

### Sales development

in million euros	Q2/2022	1-6/2022
<b>Sales</b>	<b>1,802</b>	<b>3,494</b>
Proportion of Group sales	32%	32%
<b>Change versus previous year</b>	<b>11.3%</b>	<b>6.7%</b>
Foreign exchange <sup>1</sup>	3.3%	0.7%
<b>Adjusted for foreign exchange</b>	<b>8.0%</b>	<b>5.9%</b>
Acquisitions/divestments <sup>2</sup>	-2.1%	-1.5%
<b>Organic</b>	<b>10.1%</b>	<b>7.4%</b>
Of which price	9.1%	9.6%
Of which volume	1.0%	-2.2%

<sup>1</sup> Including the effects of the application of IAS 29 (Financial Reporting in Hyperinflationary Economies) for Turkey.

<sup>2</sup> Including the effects of the announced exit from business activities in Russia and Belarus.
 

---

---

[Henkel Group: Key financials](#)

---

[Summary: Half-year results](#)

---

**[Interim Group management report](#)**

---

[Interim consolidated financial statements](#)

---

[Review report](#)

---

[Responsibility statement](#)

---

[Report of the Audit Committee of the Supervisory Board](#)

---

[Multi-year summary](#)

---

[Credits](#)

---

[Contacts](#)

---

[Financial calendar](#)

---

The **Laundry Care** business area recorded double-digit organic sales growth, driven in particular by the double-digit increase generated in the heavy-duty detergents and specialty detergents categories. Our core brand Persil, our American brand all and our fabric finisher brand Perwoll each achieved double-digit organic growth rates.

Organic sales growth in the **Home Care** business area was positive compared to the first half of 2021, which had been characterized by higher demand as a result of the pandemic. This development was driven in particular by very strong growth in the toilet care category and good performance in the dishwashing category, supported by our brand families Bref, Pril and Somat. As demand continued to return to normal, the development of our hard surface cleaners category was, by contrast, slightly negative.

With organic sales increases in the double-digit percentage range in the first half of 2022, the **emerging markets** were the main drivers of the significant organic growth posted by the business unit. In the Eastern Europe and Latin America regions, sales increased by a double-digit percentage, while the Africa/Middle East region achieved significant growth. By contrast, the Asia (excluding Japan) region registered a negative development.

The **mature markets** showed an overall strong organic sales growth in the first six months of the year. This performance was driven by a double-digit increase in the mature markets of the Asia-Pacific region and very strong growth in the North America region. The Western Europe region recorded good organic sales growth.

**Adjusted operating profit** (adjusted EBIT) totaled 313 million euros, representing a decrease of -36.1 percent compared to the prior-year period. At 9.0 percent, **adjusted return on sales** (adjusted EBIT margin) was down compared to the first half of 2021, due mainly to a lower gross margin. Selling price increases served to only partially offset the substantially higher prices for direct materials.

At 3.0 percent, return on capital employed (ROCE) was lower compared to the prior-year level. This development was driven by the decline in reported operating profit, which was substantially impacted by significantly higher direct material prices, restructuring expenses related to the creation of the Consumer Brands business unit, and impairment charges relating to the planned divestment of our business activities in Russia and Belarus. Net working capital as a percentage of sales in the second quarter increased to -5.0 percent.

[Henkel Group: Key financials](#)

[Summary: Half-year results](#)

**[Interim Group management report](#)**

[Interim consolidated financial statements](#)

[Review report](#)

[Responsibility statement](#)

[Report of the Audit Committee of the Supervisory Board](#)

[Multi-year summary](#)

[Credits](#)

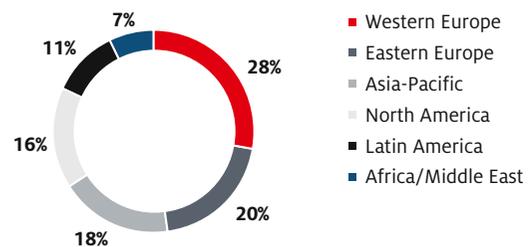
[Contacts](#)

[Financial calendar](#)

## Employees

As of June 30, 2022, we had around 51,800 employees (December 31, 2021: around 52,450).

### Employees by region



At June 30, 2022

---

[Henkel Group: Key financials](#)

---

[Summary: Half-year results](#)

---

**[Interim Group management report](#)**

---

[Interim consolidated financial statements](#)

---

[Review report](#)

---

[Responsibility statement](#)

---

[Report of the Audit Committee of the Supervisory Board](#)

---

[Multi-year summary](#)

---

[Credits](#)

---

[Contacts](#)

---

[Financial calendar](#)

---

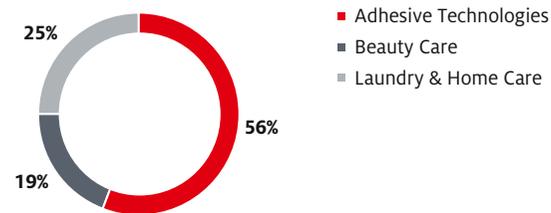
## Research and development

In the first six months of the fiscal year, research and development expenditures amounted to 282 million euros (adjusted for restructuring expenses: 263 million euros) compared to 254 million euros (adjusted: 240 million euros) in the prior-year period. In relation to sales, research and development expenditures and adjusted research and development expenses were 2.6 percent and 2.4 percent respectively, on a par with the prior-year period.

The development of innovative products is of key importance to our business model. The research and development strategy described in our Annual Report 2021 (starting on page 131) has remained unchanged.

### R&D expenditures by business unit

---



---

At June 30, 2022

---

[Henkel Group: Key financials](#)

---

[Summary: Half-year results](#)

---

[Interim Group management report](#)

---

[Interim consolidated financial statements](#)

---

[Review report](#)

---

[Responsibility statement](#)

---

[Report of the Audit Committee of the Supervisory Board](#)

---

[Multi-year summary](#)

---

[Credits](#)

---

[Contacts](#)

---

[Financial calendar](#)

---

## Net assets and financial position

### Net assets

Compared to year-end 2021, total assets rose by 1.3 billion euros to 34.0 billion euros.

Despite impairment of 172 million euros, goodwill and other intangible **non-current assets** rose by 815 million euros, due in particular to foreign exchange effects. Property, plant and equipment increased by 62 million euros in the first six months of the fiscal year. Investments of 247 million euros in property, plant and equipment and additions of 133 million euros in right-of-use assets (excluding acquisitions) were offset mainly by scheduled depreciation of 297 million euros, of which 72 million euros was attributable to right-of-use assets, with impairment losses accounting for 98 million euros. Sundry non-current assets also increased, to 548 million euros (December 31, 2021: 352 million euros), mainly as a result of higher overfunding of portions of our pension schemes.

At 10.6 billion euros, **current assets** were slightly higher compared to December 31, 2021 (10.4 billion euros). Inventories and trade accounts receivable increased in the first half of 2022 by 426 million euros and 492 million euros respectively, whereas there was a significant decline of -498 million euros in the other current financial assets category in particular. This decrease was essentially due to the disposal of financial investments recognized as financial receivables from third parties, and securities and time deposits, and to lower receivables from Henkel Trust e.V. and external pension funds. In addition, cash and cash equivalents recognized as current assets decreased, whereas assets held for sale increased by 468 million euros due to the planned disposal of our business activities in Russia and Belarus. The development of cash and cash equivalents is discussed in the section on our financial position, starting on page 27. For further discussion of the assets held for sale, please refer to the notes on page 51.

---

 Henkel Group: Key financials
 

---

 Summary: Half-year results
 

---

**Interim Group management report**


---

 Interim consolidated  
financial statements
 

---

 Review report
 

---

 Responsibility statement
 

---

 Report of the Audit Committee  
of the Supervisory Board
 

---

 Multi-year summary
 

---

 Credits
 

---

 Contacts
 

---

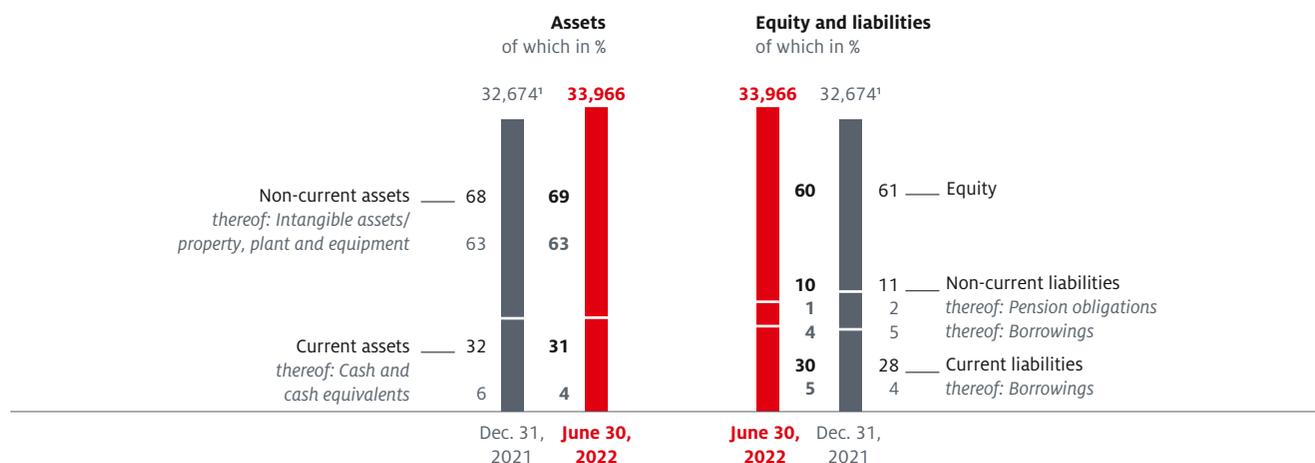
 Financial calendar
 

---

**Financial structure**

 in million euros
 

---


<sup>1</sup> Amended following the revised allocation of the purchase price for the shares in Swania International S.A.
 

---

Compared to year-end 2021, **equity** including non-controlling interests increased by 0.6 billion euros to 20.4 billion euros. The rise results primarily from the addition of net income for the half year of 448 million euros and a further 1,127 million euros emanating from the currency translation of our subsidiaries' financial statements. The dividend distribution to shareholders of Henkel AG & Co. KGaA in April 2022 and dividend payments to minority shareholders had the countervailing effect of reducing equity by a total of -797 million euros. Following purchases as part of our share buyback program, treasury shares rose in the first half of 2022 by 432 million euros, offset by the acquisition cost of 32 million euros for the issuance of treasury shares to fulfill share-based payment plans. The individual components influencing equity development are shown in tables on pages 37 and 38.

**Non-current liabilities** decreased by -0.2 billion euros to 3.4 billion euros, due mainly to the reclassification of a bond with a nominal volume of 330 million Swiss francs from non-current borrowings to current borrowings to reflect its residual term.

---

 Henkel Group: Key financials
 

---

 Summary: Half-year results
 

---

**Interim Group management report**


---

 Interim consolidated  
financial statements
 

---

 Review report
 

---

 Responsibility statement
 

---

 Report of the Audit Committee  
of the Supervisory Board
 

---

 Multi-year summary
 

---

 Credits
 

---

 Contacts
 

---

 Financial calendar
 

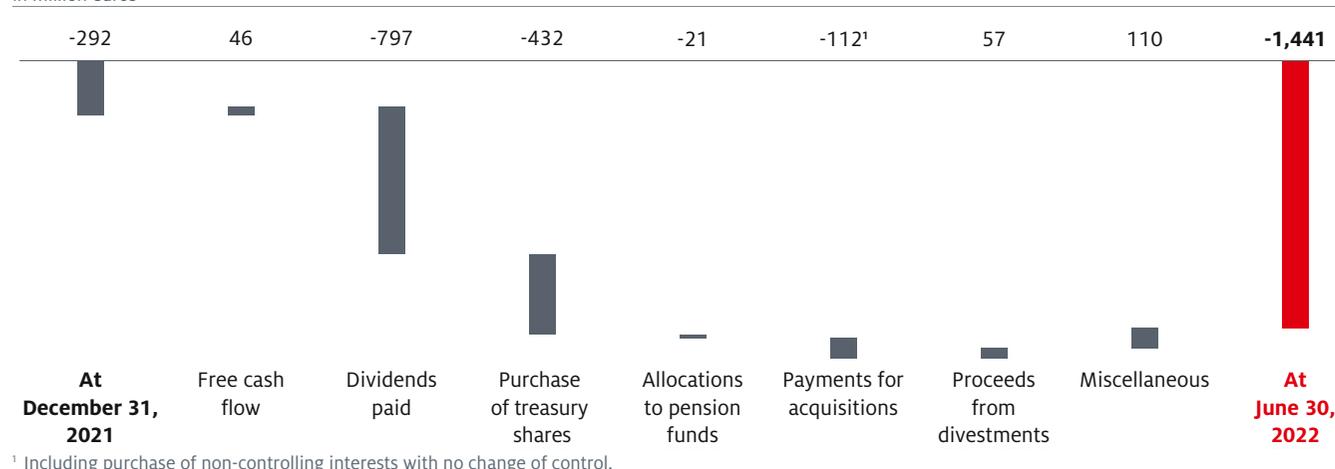
---

Compared to year-end 2021, **current liabilities** increased by 0.9 billion euros to 10.2 billion euros in total, due mainly to the addition of the reclassified bond from non-current borrowings and to the change in trade accounts payable, which rose by 389 million euros in the first six months of fiscal 2022. In light of the planned sale of business activities in Russia and Belarus, the associated liabilities were recognized as liabilities held for sale as of June 30, 2022. However, this mainly resulted in a shift within liabilities stated as current.

Effective June 30, 2022, our **net financial position**<sup>1</sup> amounted to -1,441 million euros (December 31, 2021: -292 million euros).

**Net financial position**

in million euros


<sup>1</sup> Including purchase of non-controlling interests with no change of control.

<sup>1</sup> The net financial position is defined as cash and cash equivalents plus readily monetizable securities & time deposits and financial collateral provided, less borrowings, plus positive and minus negative fair values of derivative financial instruments.

---

 Henkel Group: Key financials
 

---

 Summary: Half-year results
 

---

### Interim Group management report

---

 Interim consolidated  
financial statements
 

---

 Review report
 

---

 Responsibility statement
 

---

 Report of the Audit Committee  
of the Supervisory Board
 

---

 Multi-year summary
 

---

 Credits
 

---

 Contacts
 

---

 Financial calendar
 

---

### Net financial position

in million euros	
June 30, 2021	-1,035
December 31, 2021	-292
<b>June 30, 2022</b>	<b>-1,441</b>

### Financial position

At 177 million euros, **cash flow from operating activities** in the first six months of 2022 was significantly below the comparable figure of the prior-year period (685 million euros). Despite higher non-cash amortization/depreciation and impairment, the lower cash flow was, above all, the result of the 612 million euros decline in operating profit compared to the first six months of 2021, and an increase in net working capital<sup>1</sup> as a result, in particular, of the rise in both trade accounts receivable and inventories. Compared to the prior-year period, the change in trade accounts payable resulted in a strong improvement in cash flow from operating activities; however, this only partially offset the aforementioned effects. Compared to the prior-year period, the ratio of net working capital to second-quarter sales increased by 1.6 percentage points from 3.6 percent to 5.2 percent.

In the first six months of fiscal 2022, **cash flow from investing activities** showed a cash inflow of 120 million euros, while in the prior-year period, the Henkel Group had recorded a cash inflow of 228 million euros. The difference was due to higher proceeds on disposal of subsidiaries, other business units and investments in the previous year. A discussion of the divestments implemented in the first six months of 2022 can be found in the “Acquisitions and divestments” section on page 29.

**Cash flow from financing activities** totaled -1,234 million euros in the first half of 2022, up slightly from the comparable outflow figure for the first half of 2021 (-1,151 million euros). The cash outflow in the prior-year period had been mainly due to the repayment of commercial paper liabilities, whereas this year payments affecting cash flow from financing activities relate primarily to the acquisition of treasury shares.

<sup>1</sup> Inventories plus payments on account, trade accounts receivable and receivables from suppliers, less liabilities to customers, trade accounts payable and current sales provisions.

---

 Henkel Group: Key financials
 

---

 Summary: Half-year results
 

---

### Interim Group management report

---

 Interim consolidated  
financial statements
 

---

 Review report
 

---

 Responsibility statement
 

---

 Report of the Audit Committee  
of the Supervisory Board
 

---

 Multi-year summary
 

---

 Credits
 

---

 Contacts
 

---

 Financial calendar
 

---

**Cash and cash equivalents** decreased compared to December 31, 2021, by -906 million euros to 1,210 million euros.

At 46 million euros, **free cash flow** was down compared to the first half of 2021 (471 million euros), due in particular to lower cash flow from operating activities in the period under review.

The development of our financial position is indicated in detail in the consolidated statement of cash flows on pages 39 and 40.

#### Key financial ratios

	Dec. 31, 2021	June 30, 2022
<b>Leverage</b>		
Net financial position extended <sup>1</sup> *(-1)/EBITDA	0.4	<b>0.9</b>
<b>Interest coverage ratio</b>		
EBITDA/financial result <sup>2</sup> excluding investment result	49.2	<b>29.8</b>
<b>Equity ratio</b>		
equity/total assets	60.6%	<b>60.0%</b>

<sup>1</sup> For the extension, provisions for pensions and similar obligations, lease liabilities and sundry financial liabilities are subtracted. The receivables from Henkel Trust e.V. and external pension funds are added.

<sup>2</sup> In 2022 adjusted financial result (please refer to notes on page 11).

Leverage in the first half of 2022 was 0.9 compared to 0.4 in 2021. The interest coverage ratio was 29.8 in the year under review, following 49.2 in fiscal 2021. The equity ratio as of June 30, 2022 was 60.0 percent (previous year: 60.6 percent).

Our long-term ratings remain at “A flat” (Standard & Poor’s), “A2” (Moody’s) and “A” (Scope Ratings).

#### Capital expenditures

Investments in property, plant and equipment for existing operations totaled 247 million euros, following 292 million euros in the first six months of 2021. We invested 22 million euros in intangible assets (previous year: 29 million euros). Most of the expenditure was channeled into expansion projects, innovations and streamlining measures, which included, for example, increasing our production capacity, introducing innovative product lines and optimizing our supply chain.

Major individual projects in 2022 to date:

- Expansion of sulfation capacities for surfactant production in the USA (Laundry & Home Care)
- Conversion of liquid detergent packaging to recycled plastic (Laundry & Home Care),
- Construction of an Innovation Center in Düsseldorf, Germany (Adhesive Technologies)

---

 Henkel Group: Key financials
 

---

 Summary: Half-year results
 

---

### Interim Group management report

---

 Interim consolidated  
financial statements
 

---

 Review report
 

---

 Responsibility statement
 

---

 Report of the Audit Committee  
of the Supervisory Board
 

---

 Multi-year summary
 

---

 Credits
 

---

 Contacts
 

---

 Financial calendar
 

---

In regional terms, capital expenditures focused primarily on Europe and North America.

### Capital expenditures first half year 2022

in million euros	Existing operations	Acquisitions	Total
Intangible assets	22	-	22
Property, plant and equipment	247	-	247
<b>Total</b>	<b>269</b>	<b>-</b>	<b>269</b>

### Right-of-use assets

In the course of its business operations, Henkel enters into various lease agreements as a lessee. In the first half of 2022, the Henkel Group recognized additions to right-of-use assets in property, plant and equipment totaling 133 million euros (previous year: 109 million euros).

### Acquisitions and divestments

In the first half of 2022, Henkel signed an agreement governing the acquisition of Shiseido's hair salon business in Asia-Pacific. The transaction was completed on July 1, 2022, which was after the close of the reporting period, and covered the acquisition of the majority stake in a Japanese company, all shares in a Thai company, and various other assets.

In addition, effective March 31, 2022, we acquired all the outstanding shares in our US-American subsidiary eSalon.com LLC from the former minority shareholder.

Active portfolio management continues to be an essential element in determining the future strategic direction of the Henkel Group. Both the acquisition and sale of trademark rights and businesses are integral to our strategy.

As part of our active portfolio management in our Adhesive Technologies business unit, we sold the global soldering agents business effective June 1, 2022.

In the Beauty Care business unit, the Henkel Group sold the Latin American Consumer business with Hair Care brands Pert, Funk and Linea Natural effective June 1, 2022.

On February 15, 2022, the Laundry & Home Care business unit sold the cleaning wipes business of its brand Ballerina, which is distributed in Europe, and on May 2, 2022, its European air freshener business with the brands Croc odor and Iba.

The aforementioned transactions did not have any material effect on our net assets, financial position and results of operations.

---

[Henkel Group: Key financials](#)

---

[Summary: Half-year results](#)

---

[\*\*Interim Group management report\*\*](#)

---

[Interim consolidated financial statements](#)

---

[Review report](#)

---

[Responsibility statement](#)

---

[Report of the Audit Committee of the Supervisory Board](#)

---

[Multi-year summary](#)

---

[Credits](#)

---

[Contacts](#)

---

[Financial calendar](#)

---

## Outlook

### Macroeconomic development

The following assessment of future world economic development is based on information provided by IHS Markit.

Current estimates indicate a positive global economic growth in 2022. For the second half of 2022, the impacts of Russia's war against Ukraine are expected to still be noticeable, while the high inflation and cost pressures and substantial supply chain problems, logistics bottlenecks and material shortages are predicted to continue. IHS Markit expects a moderate year-on-year increase of around 3 percent in gross domestic product for 2022.

For the mature markets, IHS Markit anticipates economic output to increase by approximately 2 percent, with Western Europe expected to show growth of approximately 2.5 percent and North America an increase of approximately 1.5 percent. Japan's economic output is expected to expand by around 2 percent.

Economic output in the emerging markets is expected to increase by approximately 3.5 percent in fiscal 2022. IHS Markit forecasts growth of around 4 percent in Asia (excluding Japan), approximately 5.5 percent for the Africa/Middle East region and approximately 2 percent for Latin America. In view of the impacts of Russia's war against Ukraine, economic output in Eastern Europe is expected to decrease by approximately -2.5 percent.

Global inflation is predicted to be around 7 percent in 2022, representing a significant increase year on year. IHS Markit anticipates an increase in price levels of approximately 7 percent in the mature markets, while inflation of approximately 7.5 percent is expected for the emerging markets.

For prices for direct materials (raw materials, packaging and purchased goods and services), we expect an increase in the mid-twenties percentage range in 2022 compared to the previous year's average.

We expect the currency markets to remain volatile. On average for 2022, we expect mixed developments in the major emerging market currencies compared to 2021. We expect a stronger US dollar versus the euro.

### Development by sector

IHS Markit forecasts that global private consumption will increase moderately by approximately 3 percent in 2022. Consumers in the mature markets are expected to spend approximately 3 percent more. An increase of around 3 percent is also predicted for the emerging markets, albeit with trends differing between the regions. IHS Markit anticipates higher consumer spending in Asia (excluding Japan) and Latin America but a decline in private consumption of around -2 percent in Eastern Europe.

---

[Henkel Group: Key financials](#)

---

[Summary: Half-year results](#)

---

[\*\*Interim Group management report\*\*](#)

---

[Interim consolidated financial statements](#)

---

[Review report](#)

---

[Responsibility statement](#)

---

[Report of the Audit Committee of the Supervisory Board](#)

---

[Multi-year summary](#)

---

[Credits](#)

---

[Contacts](#)

---

[Financial calendar](#)

---

The industrial production index (IPX) is expected to show an annual increase of approximately 3.5 percent worldwide. IHS Markit is predicting IPX growth of this magnitude in both the mature and emerging markets.

### **Risks and opportunities**

The presentation of the major risk and opportunity categories and of our risk management system can be found on pages 149 to 169 of our Annual Report 2021.

In the first half of 2022, the geopolitical environment deteriorated considerably, particularly in the wake of the war in Ukraine, with negative consequences for the overall economic environment. In addition to the COVID-19 restrictions in China, the war in Ukraine has significantly worsened the strain on the commodity markets and in global supply chains. A further reduction in gas supplies from Russia would lead to a deterioration in the situation. Many areas at Henkel are being affected by the impacts of this situation. Procurement is being significantly affected by rising prices and shortages. Further risks are posed by potential production shutdowns or disrupted supply chains, and by declining demand – in the automotive industry, for example, as a result of the global shortage of semiconductors. The geopolitical risks, that is to say the possible loss of assets due to major political events, have likewise increased. Interdisciplinary task forces are monitoring the current situation very closely so that appropriate steps may be initiated as early as possible to mitigate the risks.

Compared to our presentation of the evaluation categories in our Annual Report 2021, the probability of occurrence of geopolitical risks has been raised from low to moderate, and that of procurement market risks from moderate to high, while the probability of currency risks occurring has been reduced from moderate to low. Apart from the aforementioned, no major changes have occurred in the reporting period compared to the discussion in our Annual Report 2021.

At the time this report was prepared, there were no identifiable risks related to future developments that could endanger the existence either of Henkel AG & Co. KGaA, or a material subsidiary included in the consolidation, or the Group, as a going concern.

---

[Henkel Group: Key financials](#)

---

[Summary: Half-year results](#)

---

**[Interim Group management report](#)**

---

[Interim consolidated financial statements](#)

---

[Review report](#)

---

[Responsibility statement](#)

---

[Report of the Audit Committee of the Supervisory Board](#)

---

[Multi-year summary](#)

---

[Credits](#)

---

[Contacts](#)

---

[Financial calendar](#)

---

**Outlook for the Henkel Group in 2022**

Based on business development in the first half of 2022 and assumptions regarding our performance in the remaining two quarters, the Management Board of Henkel AG & Co. KGaA has decided to update the guidance for the full year.

According to current estimates, industrial demand is expected to develop positively overall and consumer demand in key consumer goods areas of importance to Henkel are expected to continue to normalize through fiscal 2022. At the macroeconomic level, it is anticipated that growth dynamics will soften in the second half of the year. In addition, Henkel and some key customer industries are likely to continue to be adversely affected by scarcity in the raw material markets. At the same time, raw materials and logistics services of key importance for Henkel have seen significant price increases across a broad base. The effects of the war in Ukraine have further exacerbated the already highly strained situation on the global raw materials and logistics markets. The overall inflationary environment is characterized by a high degree of volatility and uncertainty.

We assume that there will be no new widespread pandemic-related business and production closures in industry and retail and that the effects of the war in Ukraine will not worsen significantly. In addition, our guidance is based on the assumption that there will be no production shutdowns in industry due to a gas shortage in Europe.

Taking these factors into account, we expect organic sales growth of 4.5 to 6.5 percent for the Henkel Group in fiscal 2022 (previously: 3.5 to 5.5 percent).

For the Adhesive Technologies business unit, we continue to expect organic sales growth in the range of 8.0 to 10.0 percent. An organic sales development of -3.0 to -1.0 percent is now expected for the Beauty Care business unit (previously: -5.0 to -3.0 percent). As announced, this development is mainly due to measures to improve the portfolio already decided upon and in implementation, including the discontinuation of activities that will not be part of the future core business. For Laundry & Home Care, we now expect organic sales growth in the range of 4.0 to 6.0 percent (previously: 2.0 to 4.0 percent).

Given the decision to exit from business activities in Russia and Belarus, these countries have been excluded from Henkel's organic sales growth figures since the second quarter.

---

[Henkel Group: Key financials](#)

---

[Summary: Half-year results](#)

---

**[Interim Group management report](#)**

---

[Interim consolidated financial statements](#)

---

[Review report](#)

---

[Responsibility statement](#)

---

[Report of the Audit Committee of the Supervisory Board](#)

---

[Multi-year summary](#)

---

[Credits](#)

---

[Contacts](#)

---

[Financial calendar](#)

---

We expect the acquisitions and divestments made in 2021, together with the impact arising from the exit from business activities in Russia and Belarus, to have a negative impact on the Henkel Group's nominal sales growth in the low to mid-single-digit percentage range. Effects from additional divestments and discontinuations of business activities, brands and categories as part of our active portfolio management beyond the discontinuation of activities in the Beauty Care business unit already in implementation are not reflected in this forecast. We expect the translation of sales in foreign currencies to have a positive impact in the low to mid-single-digit percentage range (previously: low single-digit percentage range).

In addition to the effects of the exit from business activities in Russia and Belarus, dramatically rising prices for direct materials and logistics are impacting earnings development. For 2022, we continue to expect average price increases in the mid-twenties percentage range compared to the previous year. We anticipate that further selling price increases in combination with our strict cost discipline will not be sufficient to fully offset these in the current fiscal year.

Our forecast for adjusted return on sales (EBIT margin) for the Henkel Group remains in the range of 9.0 to 11.0 percent. We continue to expect an adjusted return on sales in the range of 13.0 to 15.0 percent for the Adhesive Technologies business unit, an adjusted return on sales of between 5.0 and 7.0 percent for the Beauty Care business unit, and an adjusted return on sales of between 7.0 and 9.0 percent for Laundry & Home Care.

Adjusted earnings per preferred share (EPS) at constant exchange rates are still expected to decline in the range of -35 to -15 percent.

In addition, we have the following expectations for 2022:

- Restructuring expenses in the range of 450 to 500 million euros. This also includes expenses related to the merger of the Laundry & Home Care and Beauty Care business units;
- Cash outflows for investments in property, plant and equipment and intangible assets of around 700 million euros (previously: between 700 and 800 million euros).

---

 Henkel Group: Key financials
 

---

 Summary: Half-year results
 

---

 Interim Group management report
 

---

**Interim consolidated  
financial statements**


---

 Review report
 

---

 Responsibility statement
 

---

 Report of the Audit Committee  
of the Supervisory Board
 

---

 Multi-year summary
 

---

 Credits
 

---

 Contacts
 

---

 Financial calendar
 

---

## Consolidated statement of financial position

### Assets

in million euros	June 30, 2021 <sup>1</sup>	%	Dec. 31, 2021 <sup>2</sup>	%	June 30, 2022	%
Goodwill	12,649	41.1	13,157	40.3	13,908	40.9
Other intangible assets	3,628	11.8	3,490	10.7	3,553	10.5
Property, plant and equipment	3,847	12.5	3,909	12.0	3,971	11.7
Other financial assets	148	0.5	161	0.5	189	0.6
Other assets	341	1.1	352	1.1	548	1.6
Deferred tax assets	905	2.9	1,195	3.7	1,216	3.6
<b>Non-current assets</b>	<b>21,519</b>	<b>70.0</b>	<b>22,264</b>	<b>68.1</b>	<b>23,385</b>	<b>68.8</b>
Inventories	2,520	8.2	2,629	8.0	3,055	9.0
Trade accounts receivable	3,576	11.6	3,456	10.6	3,948	11.6
Other financial assets	853	2.8	1,209	3.7	711	2.1
Income tax refund claims	188	0.6	340	1.0	438	1.3
Other assets	554	1.8	601	1.8	692	2.0
Cash and cash equivalents	1,498	4.9	2,116	6.5	1,210	3.6
Assets held for sale	52	0.2	58	0.2	527	1.6
<b>Current assets</b>	<b>9,241</b>	<b>30.0</b>	<b>10,410</b>	<b>31.9</b>	<b>10,581</b>	<b>31.2</b>
<b>Total assets</b>	<b>30,759</b>	<b>100.0</b>	<b>32,674</b>	<b>100.0</b>	<b>33,966</b>	<b>100.0</b>

<sup>1</sup> Since the end of fiscal 2021, all income tax refund claims and receivables relating to incidental income tax expenses are presented as current assets. Prior-year figures have been amended accordingly. Additional amendments resulted from the revised allocation of the purchase price for the acquisition of Henkel Beauty & IB Holding GmbH, the subsidiaries of which operate the businesses involving the HelloBody, Banana Beauty and Mermaid+Me brands.

<sup>2</sup> Amended following the revised allocation of the purchase price for the acquisition of Swania S.A.

---

 Henkel Group: Key financials
 

---

 Summary: Half-year results
 

---

 Interim Group management report
 

---

**Interim consolidated  
financial statements**


---

 Review report
 

---

 Responsibility statement
 

---

 Report of the Audit Committee  
of the Supervisory Board
 

---

 Multi-year summary
 

---

 Credits
 

---

 Contacts
 

---

 Financial calendar
 

---

## Consolidated statement of financial position

### Equity and liabilities

in million euros	June 30, 2021 <sup>1</sup>	%	Dec. 31, 2021 <sup>2</sup>	%	June 30, 2022	%
Issued capital	438	1.4	438	1.3	438	1.3
Capital reserve	652	2.1	652	2.0	652	1.9
Treasury shares	-91	-0.3	-91	-0.3	-491	-1.4
Retained earnings	19,445	63.2	20,360	62.3	20,216	59.5
Other components of equity	-2,062	-6.7	-1,644	-5.0	-509	-1.5
<b>Equity attributable to shareholders of Henkel AG &amp; Co. KGaA</b>	<b>18,382</b>	<b>59.8</b>	<b>19,715</b>	<b>60.3</b>	<b>20,307</b>	<b>59.8</b>
Non-controlling interests	93	0.3	79	0.2	81	0.2
<b>Equity</b>	<b>18,475</b>	<b>60.1</b>	<b>19,794</b>	<b>60.6</b>	<b>20,388</b>	<b>60.0</b>
Provisions for pensions and similar obligations	501	1.6	510	1.6	450	1.3
Other provisions	359	1.2	326	1.0	302	0.9
Borrowings	1,724	5.6	1,543	4.7	1,243	3.7
Other financial liabilities	673	2.2	501	1.5	575	1.7
Other liabilities	28	0.1	14	0.0	14	0.0
Deferred tax liabilities	631	2.1	717	2.2	784	2.3
<b>Non-current liabilities</b>	<b>3,916</b>	<b>12.7</b>	<b>3,611</b>	<b>11.1</b>	<b>3,368</b>	<b>9.9</b>
Other provisions	1,882	6.1	2,064	6.3	1,997	5.9
Borrowings	1,052	3.4	1,295	4.0	1,680	4.9
Trade accounts payable	4,218	13.7	4,385	13.4	4,774	14.1
Other financial liabilities	380	1.2	416	1.3	371	1.1
Other liabilities	401	1.3	412	1.3	534	1.6
Income tax liabilities	436	1.4	697	2.1	626	1.8
Liabilities held for sale	-	-	-	-	228	0.7
<b>Current liabilities</b>	<b>8,368</b>	<b>27.2</b>	<b>9,268</b>	<b>28.4</b>	<b>10,211</b>	<b>30.1</b>
<b>Total equity and liabilities</b>	<b>30,759</b>	<b>100.0</b>	<b>32,674</b>	<b>100.0</b>	<b>33,966</b>	<b>100.0</b>

<sup>1</sup> Since the end of fiscal 2021, besides all income tax liabilities, all provisions and liabilities relating to incidental income tax expenses are presented as current provisions or current liabilities. Prior-year figures have been amended accordingly. Additional amendments resulted from the revised allocation of the purchase price for the acquisition of Henkel Beauty & IB Holding GmbH, the subsidiaries of which operate the businesses involving the HelloBody, Banana Beauty and Mermaid+Me brands.

<sup>2</sup> Amended following the revised allocation of the purchase price for the acquisition of Swania S.A.

---

 Henkel Group: Key financials
 

---

 Summary: Half-year results
 

---

 Interim Group management report
 

---

**Interim consolidated  
financial statements**


---

 Review report
 

---

 Responsibility statement
 

---

 Report of the Audit Committee  
of the Supervisory Board
 

---

 Multi-year summary
 

---

 Credits
 

---

 Contacts
 

---

 Financial calendar
 

---

## Consolidated statement of income

### First half year

in million euros	1-6/2021	%	1-6/2022	%	+/-
<b>Sales</b>	<b>9,926</b>	<b>100.0</b>	<b>10,913</b>	<b>100.0</b>	<b>9.9%</b>
Cost of sales	-5,342	-53.8	-6,397	-58.6	19.7%
<b>Gross profit</b>	<b>4,584</b>	<b>46.2</b>	<b>4,516</b>	<b>41.4</b>	<b>-1.5%</b>
Marketing, selling and distribution expenses	-2,580	-26.0	-2,963	-27.1	14.8%
Research and development expenses	-254	-2.6	-282	-2.6	11.2%
Administrative expenses	-484	-4.9	-549	-5.0	13.4%
Other operating income	115	1.2	87	0.8	-24.6%
Other operating expenses	-85	-0.9	-125	-1.1	47.1%
<b>Operating profit (EBIT)</b>	<b>1,296</b>	<b>13.1</b>	<b>684</b>	<b>6.3</b>	<b>-47.2%</b>
Interest income	13	0.1	14	0.1	6.2%
Interest expense	-22	-0.2	-24	-0.2	10.8%
Other financial result	-21	-0.2	-60	-0.5	>100%
Investment result	0	0.0	0	0.0	-98.0%
<b>Financial result</b>	<b>-29</b>	<b>-0.3</b>	<b>-70</b>	<b>-0.6</b>	<b>&gt;100%</b>
<b>Income before tax</b>	<b>1,267</b>	<b>12.8</b>	<b>614</b>	<b>5.6</b>	<b>-51.5%</b>
Taxes on income	-321	-3.2	-167	-1.5	-48.1%
Tax rate	in %	25.3	27.1		
<b>Net income</b>	<b>947</b>	<b>9.5</b>	<b>448</b>	<b>4.1</b>	<b>-52.7%</b>
Attributable to non-controlling interests	5	0.0	1	0.0	-82.7%
Attributable to shareholders of Henkel AG & Co. KGaA	942	9.5	447	4.1	-52.5%
Earnings per ordinary share – basic and diluted	in euros	2.17	1.03		-52.5%
Earnings per preferred share – basic and diluted	in euros	2.18	1.04		-52.3%

[Henkel Group: Key financials](#)[Summary: Half-year results](#)[Interim Group management report](#)[Interim consolidated financial statements](#)[Review report](#)[Responsibility statement](#)[Report of the Audit Committee of the Supervisory Board](#)[Multi-year summary](#)[Credits](#)[Contacts](#)[Financial calendar](#)

## Consolidated statement of comprehensive income

### First half year

in million euros	1-6/2021	1-6/2022
<b>Net income</b>	<b>947</b>	<b>448</b>
Results subject to possible future reclassification:		
Exchange differences on translation of foreign operations and hyperinflation adjustments due to IAS 29	344	1,127
Gains/losses from derivative financial instruments (hedge reserve)	-48	8
Gains/losses from debt instruments	0	0
Income taxes on these items	7	-3
Results not subject to future reclassification:		
Remeasurement of net liability from defined benefit pension plans	165	274
Gains/losses from equity instruments	2	7
Income taxes on these items	-22	-98
<b>Other comprehensive income (net of taxes)</b>	<b>448</b>	<b>1,315</b>
<b>Total comprehensive income for the period</b>	<b>1,395</b>	<b>1,763</b>
Attributable to non-controlling interests	-	6
Attributable to shareholders of Henkel AG & Co. KGaA	1,395	1,757

---

 Henkel Group: Key financials
 

---

 Summary: Half-year results
 

---

 Interim Group management report
 

---

**Interim consolidated  
financial statements**


---

 Review report
 

---

 Responsibility statement
 

---

 Report of the Audit Committee  
of the Supervisory Board
 

---

 Multi-year summary
 

---

 Credits
 

---

 Contacts
 

---

 Financial calendar
 

---

## Consolidated statement of changes in equity

 First half year
 

---

	Issued capital		Capital reserve	Treasury shares	Retained earnings	Other components of equity			Share- holders of Henkel AG & Co. KGaA	Non- controlling interests	Total
	Ordinary shares	Preferred shares				Currency translation reserve	Hedge reserve	Equity and debt capital instruments reserve			
in million euros											
<b>At January 1, 2021'</b>	<b>260</b>	<b>178</b>	<b>652</b>	<b>-91</b>	<b>19,150</b>	<b>-2,206</b>	<b>-164</b>	<b>-3</b>	<b>17,776</b>	<b>95</b>	<b>17,870</b>
Net income	-	-	-	-	942	-	-	-	942	5	947
Other comprehensive income (net of taxes)	-	-	-	-	142	349	-41	3	453	-5	448
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,084</b>	<b>349</b>	<b>-41</b>	<b>3</b>	<b>1,395</b>	<b>0</b>	<b>1,395</b>
Dividends	-	-	-	-	-798	-	-	-	-798	-2	-800
Share-based payments	-	-	-	-	-22	-	-	-	-22	-	-22
Other changes in equity	-	-	-	-	31	-	-	-	31	-	31
<b>Equity transactions with shareholders</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-789</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-789</b>	<b>-2</b>	<b>-791</b>
<b>At June 30, 2021</b>	<b>260</b>	<b>178</b>	<b>652</b>	<b>-91</b>	<b>19,445</b>	<b>-1,857</b>	<b>-205</b>	<b>0</b>	<b>18,382</b>	<b>93</b>	<b>18,475</b>

TABLE CONTINUED ON NEXT PAGE

Henkel Group: Key financials	Issued capital		Capital reserve	Treasury shares	Retained earnings	Other components of equity			Shareholders of Henkel AG & Co. KGaA	Non-controlling interests	Total
	Ordinary shares	Preferred shares				Currency translation reserve	Hedge reserve	Equity and debt capital instruments reserve			
Summary: Half-year results	in million euros										
Interim Group management report	260	178	652	-91	20,360	-1,445	-212	13	19,715	79	19,794
<b>Interim consolidated financial statements</b>											
Review report	-	-	-	-	447	-	-	-	447	1	448
Responsibility statement	-	-	-	-	176	1,122	5	7	1,310	5	1,315
Report of the Audit Committee of the Supervisory Board	-	-	-	-	623	1,122	5	7	1,757	6	1,763
Multi-year summary	-	-	-	-	-795	-	-	-	-795	-2	-797
Credits	-	-	-	-	-68	-	-	-	-68	-	-68
Contacts	-	-	-	-	2	-	-	-	2	-2	-
Financial calendar	-	-	-	-	-432	-	-	-	-432	-	-432
	-	-	-	32	28	-	-	-	60	-	60
	-	-	-	-	28	-	-	-	28	-	28
	-	-	-	-400	-805	-	-	-	-1,205	-4	-1,209
	260	178	652	-491	20,216	-323	-207	20	20,307	81	20,388

<sup>1</sup> Amended to reflect the purchase price allocation for the shares in Henkel Beauty & IB Holding GmbH, the subsidiaries of which operate the businesses involving the HelloBody, Banana Beauty and Mermaid+Me brands.

---

 Henkel Group: Key financials
 

---

 Summary: Half-year results
 

---

 Interim Group management report
 

---

**Interim consolidated  
financial statements**


---

 Review report
 

---

 Responsibility statement
 

---

 Report of the Audit Committee  
of the Supervisory Board
 

---

 Multi-year summary
 

---

 Credits
 

---

 Contacts
 

---

 Financial calendar
 

---

## Consolidated statement of cash flows

### First half year

in million euros	1-6/2021	1-6/2022
<b>Operating profit (EBIT)</b>	<b>1,296</b>	<b>684</b>
Income taxes paid	-364	-359
Amortization/depreciation/impairment/write-ups of intangible assets and property, plant and equipment, and assets held for sale <sup>1</sup>	380	639
Net gains/losses on disposal of intangible assets and property, plant and equipment, and from divestments	-36	-33
Change in inventories	-286	-514
Change in trade accounts receivable	-447	-554
Change in other assets	-63	-76
Change in trade accounts payable	194	391
Change in other liabilities, provisions and equity	10	-1
<b>Cash flow from operating activities</b>	<b>685</b>	<b>177</b>
Purchase of intangible assets and property, plant and equipment including payments on account	-312	-273
Acquisition of subsidiaries and other business units	0	-0
Acquisition of associated companies and other investments	-8	-6
Proceeds on disposal of subsidiaries, other business units and investments	211	57
Proceeds on disposal of intangible assets and property, plant and equipment	10	8
Cash inflow from financial receivables from third parties	0	-
Change in other current financial assets	327	335
<b>Cash flow from investing activities</b>	<b>228</b>	<b>120</b>
Dividends paid to shareholders of Henkel AG & Co. KGaA	-798	-795
Dividends paid to non-controlling shareholders	-2	-2
Interest received	14	13
Interest paid <sup>2</sup>	-21	-22
<i>Dividends and interest paid and received</i>	<i>-807</i>	<i>-806</i>
Other changes in borrowings	-421	-19
Redemption of lease liabilities	-76	-71
Allocations to pension funds	-21	-21
Other changes in pension obligations <sup>3</sup>	172	214

TABLE CONTINUED ON NEXT PAGE

Henkel Group: Key financials
Summary: Half-year results
Interim Group management report
<b>Interim consolidated financial statements</b>
Review report
Responsibility statement
Report of the Audit Committee of the Supervisory Board
Multi-year summary
Credits
Contacts
Financial calendar

in million euros	1-6/2021	1-6/2022
Cash outflow for the purchase of treasury shares	-	-413
Payments for the acquisition of non-controlling interests with no change in control	-	-106
Other financing transactions	3	-14
<b>Cash flow from financing activities</b>	<b>-1,151</b>	<b>-1,234</b>
Net change in cash and cash equivalents	-238	-937
Effect of exchange rates on cash and cash equivalents	10	31
<b>Change in cash and cash equivalents</b>	<b>-229</b>	<b>-906</b>
Cash and cash equivalents at January 1	1,727	2,116
<b>Cash and cash equivalents at June 30</b>	<b>1,498</b>	<b>1,210</b>

#### Additional voluntary information: Reconciliation to free cash flow

in million euros	1-6/2021	1-6/2022
Cash flow from operating activities	685	177
Purchase of intangible assets and property, plant and equipment including payments on account	-312	-273
Redemption of lease liabilities	-76	-71
Proceeds on disposal of intangible assets and property, plant and equipment	10	8
Net interest paid	-7	-9
Other changes in pension obligations <sup>3</sup>	172	214
<b>Free cash flow</b>	<b>471</b>	<b>46</b>

<sup>1</sup> Impairments in fiscal 2022 amount to 269 million euros (previous year: 28 million euros). The figures also include the depreciation, impairment and write-ups on right-of-use assets.

<sup>2</sup> Including interest paid in connection with lease liabilities.

<sup>3</sup> Other changes in pension obligations include payment receipts of 250 million euros in fiscal 2022 constituting the refund of pension payments to retirees for which a right of reimbursement exists with respect to Henkel Trust e.V. and to an external pension fund. The amount reimbursed in the previous year totaled 200 million euros.

---

 Henkel Group: Key financials
 

---

 Summary: Half-year results
 

---

 Interim Group management report
 

---

**Interim consolidated  
financial statements**


---

 Review report
 

---

 Responsibility statement
 

---

 Report of the Audit Committee  
of the Supervisory Board
 

---

 Multi-year summary
 

---

 Credits
 

---

 Contacts
 

---

 Financial calendar
 

---

## Group segment report by business unit

### First half year

	Adhesive Technologies	Beauty Care	Laundry & Home Care	Operating business units total	Corporate	Henkel Group
in million euros						
<b>Sales January–June 2022</b>	<b>5,467</b>	<b>1,842</b>	<b>3,494</b>	<b>10,803</b>	<b>110</b>	<b>10,913</b>
Proportion of Group sales	50%	17%	32%	99%	1%	100%
Sales January–June 2021	4,752	1,839	3,275	9,866	61	9,926
Change versus previous year	15.0%	0.2%	6.7%	9.5%	81.9%	9.9%
Adjusted for foreign exchange	11.4%	-2.3%	5.9%	7.0%	–	7.5%
Organic	12.2%	0.4%	7.4%	8.5%	–	8.9%
<b>Operating profit (EBIT) January–June 2022</b>	<b>714</b>	<b>-75</b>	<b>111</b>	<b>750</b>	<b>-66</b>	<b>684</b>
Operating profit (EBIT) January–June 2021	814	167	433	1,415	-118	1,296
Change versus previous year	-12.3%	–	-74.4%	-47.0%	–	-47.2%
<b>Return on sales (EBIT margin) January–June 2022</b>	<b>13.1%</b>	<b>-4.1%</b>	<b>3.2%</b>	<b>6.9%</b>	<b>–</b>	<b>6.3%</b>
Return on sales (EBIT margin) January–June 2021	17.1%	9.1%	13.2%	14.3%	–	13.1%
<b>Adjusted operating profit (adjusted EBIT) January–June 2022</b>	<b>743</b>	<b>169</b>	<b>313</b>	<b>1,225</b>	<b>-60</b>	<b>1,166</b>
Adjusted operating profit (adjusted EBIT) January–June 2021	820	183	490	1,493	-63	1,430
Change versus previous year	-9.3%	-7.8%	-36.1%	-17.9%	–	-18.5%
<b>Adjusted return on sales (adjusted EBIT margin) January–June 2022</b>	<b>13.6%</b>	<b>9.2%</b>	<b>9.0%</b>	<b>11.3%</b>	<b>–</b>	<b>10.7%</b>
Adjusted return on sales (adjusted EBIT margin) January–June 2021	17.3%	10.0%	15.0%	15.1%	–	14.4%
<b>Capital employed January–June 2022<sup>1</sup></b>	<b>9,530</b>	<b>4,269</b>	<b>7,463</b>	<b>21,261</b>	<b>116</b>	<b>21,378</b>
Capital employed January–June 2021 <sup>1</sup>	8,806	4,203	6,859	19,868	101	19,969
Change versus previous year	8.2%	1.6%	8.8%	7.0%	–	7.1%
<b>Return on capital employed (ROCE) January–June 2022</b>	<b>15.0%</b>	<b>-3.5%</b>	<b>3.0%</b>	<b>7.1%</b>	<b>–</b>	<b>6.4%</b>
Return on capital employed (ROCE) January–June 2021	18.5%	8.0%	12.6%	14.2%	–	13.0%

TABLE CONTINUED ON NEXT PAGE

---

 Henkel Group: Key financials
 

---

 Summary: Half-year results
 

---

 Interim Group management report
 

---

**Interim consolidated  
financial statements**


---

 Review report
 

---

 Responsibility statement
 

---

 Report of the Audit Committee  
of the Supervisory Board
 

---

 Multi-year summary
 

---

 Credits
 

---

 Contacts
 

---

 Financial calendar
 

---

## First half year 2022

	Adhesive Technologies	Beauty Care	Laundry & Home Care	Operating business units total	Corporate	Henkel Group
in million euros						
<b>Amortization/depreciation/impairment/write-ups of intangible assets, property, plant and equipment and assets held for sale January–June 2022<sup>2</sup></b>	<b>219</b>	<b>188</b>	<b>220</b>	<b>626</b>	<b>13</b>	<b>639</b>
<b>Of which impairment 2022</b>	<b>49</b>	<b>130</b>	<b>88</b>	<b>267</b>	<b>3</b>	<b>269</b>
<b>Of which write-ups 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Amortization/depreciation/impairment/write-ups of intangible assets, property, plant and equipment and assets held for sale January–June 2021 <sup>2</sup>	160	56	151	367	12	380
Of which impairment 2021	-	-	28	28	-	28
Of which write-ups 2021	-	-	-	-	-	-
<b>Additions to non-current assets January–June 2022</b>	<b>129</b>	<b>54</b>	<b>211</b>	<b>394</b>	<b>8</b>	<b>402</b>
Additions to non-current assets January–June 2021	154	62	192	408	21	430
<b>Operating assets January–June 2022<sup>3</sup></b>	<b>12,972</b>	<b>5,946</b>	<b>11,105</b>	<b>30,023</b>	<b>595</b>	<b>30,618</b>
<b>Operating liabilities January–June 2022</b>	<b>3,917</b>	<b>1,868</b>	<b>3,354</b>	<b>9,139</b>	<b>479</b>	<b>9,618</b>
<b>Net operating assets January–June 2022<sup>3</sup></b>	<b>9,055</b>	<b>4,078</b>	<b>7,750</b>	<b>20,884</b>	<b>116</b>	<b>21,000</b>
Operating assets January–June 2021 <sup>3</sup>	11,802	5,985	10,289	28,075	521	28,596
Operating liabilities January–June 2021	3,449	1,967	3,168	8,584	420	9,004
Net operating assets January–June 2021 <sup>3</sup>	8,353	4,018	7,120	19,491	101	19,592

<sup>1</sup> Including goodwill at cost prior to any accumulated impairment.

<sup>2</sup> Including depreciation, impairment and write-ups of right-of-use assets.

<sup>3</sup> Including goodwill at net carrying amounts.

## Second quarter

	Adhesive Technologies	Beauty Care	Laundry & Home Care	Operating business units total	Corporate	Henkel Group
in million euros						
<b>Sales April–June 2022</b>	<b>2,836</b>	<b>950</b>	<b>1,802</b>	<b>5,588</b>	<b>54</b>	<b>5,642</b>
Proportion of Group sales	50%	17%	32%	99%	1%	100%
Sales April–June 2021	2,394	914	1,619	4,927	31	4,958
Change versus previous year	18.5%	3.9%	11.3%	13.4%	75.5%	13.8%
Adjusted for foreign exchange	12.8%	-1.0%	8.0%	8.7%	-	9.1%
Organic	13.7%	2.1%	10.1%	10.4%	-	10.9%

---

 Henkel Group: Key financials
 

---

 Summary: Half-year results
 

---

 Interim Group management report
 

---

**Interim consolidated  
financial statements**


---

 Review report
 

---

 Responsibility statement
 

---

 Report of the Audit Committee  
of the Supervisory Board
 

---

 Multi-year summary
 

---

 Credits
 

---

 Contacts
 

---

 Financial calendar
 

---

## Performance by region

### Key figures by region first half year

	Western Europe	Eastern Europe	Africa/ Middle East	North America	Latin America	Asia- Pacific	Corporate	Henkel Group
in million euros								
<b>Sales January–June 2022<sup>1</sup></b>	<b>3,060</b>	<b>1,666</b>	<b>632</b>	<b>2,874</b>	<b>733</b>	<b>1,838</b>	<b>110</b>	<b>10,913</b>
Sales January–June 2021 <sup>1</sup>	3,029	1,520	620	2,474	582	1,642	61	9,926
Change versus previous year	1.0%	9.7%	1.9%	16.2%	25.9%	12.0%	–	9.9%
Organic	2.2%	23.2%	3.2%	9.2%	16.9%	6.1%	–	8.9%
<b>Proportion of Group sales January–June 2022</b>	<b>28%</b>	<b>15%</b>	<b>6%</b>	<b>26%</b>	<b>7%</b>	<b>17%</b>	<b>1%</b>	<b>100%</b>
Proportion of Group sales January–June 2021	31%	15%	6%	25%	6%	17%	1%	100%
<b>Operating profit (EBIT) January–June 2022</b>	<b>456</b>	<b>-70</b>	<b>-28</b>	<b>58</b>	<b>43</b>	<b>290</b>	<b>-66</b>	<b>684</b>
Operating profit (EBIT) January–June 2021	880	121	46	15	49	303	-118	1,296
Change versus previous year	-48.1%	–	–	277.3%	-13.0%	-4.3%	–	-47.2%
Adjusted for foreign exchange	-48.4%	–	–	140.5%	-21.4%	-10.8%	–	-49.4%
<b>Return on sales (EBIT margin) January–June 2022</b>	<b>14.9%</b>	<b>-4.2%</b>	<b>-4.4%</b>	<b>2.0%</b>	<b>5.9%</b>	<b>15.8%</b>	<b>–</b>	<b>6.3%</b>
Return on sales (EBIT margin) January–June 2021	29.1%	7.9%	7.4%	0.6%	8.5%	18.4%	–	13.1%

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

### Key figures by region second quarter

	Western Europe	Eastern Europe	Africa/ Middle East	North America	Latin America	Asia- Pacific	Corporate	Henkel Group
in million euros								
<b>Sales April–June 2022<sup>1</sup></b>	<b>1,558</b>	<b>888</b>	<b>316</b>	<b>1,516</b>	<b>395</b>	<b>916</b>	<b>54</b>	<b>5,642</b>
Sales April–June 2021 <sup>1</sup>	1,501	778	301	1,240	302	805	31	4,958
Change versus previous year	3.8%	14.2%	4.8%	22.2%	30.7%	13.8%	–	13.8%
Organic	4.8%	26.3%	5.1%	11.7%	18.5%	6.9%	–	10.9%
<b>Proportion of Group sales April–June 2022</b>	<b>28%</b>	<b>16%</b>	<b>6%</b>	<b>27%</b>	<b>7%</b>	<b>16%</b>	<b>1%</b>	<b>100%</b>
Proportion of Group sales April–June 2021	30%	16%	6%	25%	6%	16%	1%	100%

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

---

 Henkel Group: Key financials
 

---

 Summary: Half-year results
 

---

 Interim Group management report
 

---

**Interim consolidated  
financial statements**


---

 Review report
 

---

 Responsibility statement
 

---

 Report of the Audit Committee  
of the Supervisory Board
 

---

 Multi-year summary
 

---

 Credits
 

---

 Contacts
 

---

 Financial calendar
 

---

## Reconciliation of adjusted net income

### Reconciliation from operating profit to adjusted net income

in million euros	1-6/2021	1-6/2022	+/-
<b>Operating profit (EBIT) (as reported)</b>	<b>1,296</b>	<b>684</b>	<b>-47.2%</b>
One-time income	-12	-32	-
One-time expenses	51	281	-
Restructuring expenses	94	232	-
<b>Adjusted operating profit (adjusted EBIT)</b>	<b>1,430</b>	<b>1,166</b>	<b>-18.5%</b>
Adjusted return on sales	in % 14.4	10.7	-3.7pp
Financial result (adjusted)	-29	-44	52.1%
Taxes on income (adjusted)	-356	-280	-21.2%
Adjusted tax rate	in % 25.4	25.0	-0.4pp
<b>Adjusted net income</b>	<b>1,045</b>	<b>841</b>	<b>-19.5%</b>
Attributable to non-controlling interests	4	1	-67.1%
Attributable to shareholders of Henkel AG & Co. KGaA	1,040	840	-19.3%
<b>Adjusted earnings per ordinary share</b>	<b>2.39</b>	<b>1.94</b>	<b>-18.8%</b>
<b>Adjusted earnings per preferred share</b>	<b>2.40</b>	<b>1.95</b>	<b>-18.8%</b>
At constant exchange rates			-20.8%

 pp = percentage points
 

---

Of the one-time income of 32 million euros, 26 million euros relates to the sale by our Adhesive Technologies business unit of its global soldering agents business. The remaining one-time income from the reporting period is essentially attributable to various smaller divestments.

Of the one-time expenses reported for the first half of 2022, 258 million euros relates to impairment in connection with the planned disposal of our business activities in Russia and Belarus and the impairment of a European consumer goods business in Beauty Care. The figure for one-time expenses also includes 22 million euros relating to the merger of the Beauty Care and Laundry & Home Care business units. This expenditure is essentially attributable to external consultancy services and project management costs. An amount of 2 million euros relates to incidental acquisition costs (previous year: 1 million euros).

Restructuring expenses essentially comprise payments related to the termination of employment relationships, and unscheduled write-downs of non-current assets and inventories. The figure has been particularly impacted by expenses relating to the merger of the Laundry & Home Care and Beauty Care business units to create the Consumer Brands business unit. Of the restructuring expenses in the first half of 2022, 52 million euros is attributable to cost of sales (previous year: 36 million euros) and 119 million euros to marketing, selling and distribution expenses (previous year: 27 million euros). A further 19 million euros of the total restructuring expenses is attributable to research and development expenses (previous year: 13 million euros), while 42 million euros is attributable to administrative expenses (previous year: 17 million euros).

---

 Henkel Group: Key financials
 

---

 Summary: Half-year results
 

---

 Interim Group management report
 

---

**Interim consolidated  
financial statements**


---

 Review report
 

---

 Responsibility statement
 

---

 Report of the Audit Committee  
of the Supervisory Board
 

---

 Multi-year summary
 

---

 Credits
 

---

 Contacts
 

---

 Financial calendar
 

---

The financial result for the first half of 2022 was adjusted for the net loss of 25 million euros incurred in Turkey during the first two quarters due to the inflation of non-monetary assets, liabilities and equity items, as determined through application of financial reporting rules for hyperinflationary economies (previous year: no adjustment).

## Other disclosures

### Earnings per share

In calculating earnings per share for the period January through June 2022, we have included the standard dividend differential between ordinary and preferred shares for the full year of 2 eurocents (as stipulated in the Articles of Association), weighted on a time-proportional basis.

### Earnings per share

	1-6/2021		1-6/2022	
	Reported	Adjusted	Reported	Adjusted
<b>Net income attributable to shareholders of Henkel AG &amp; Co. KGaA</b>				
	in million euros			
	<b>942</b>	<b>1,040</b>	<b>447</b>	<b>840</b>
Number of outstanding ordinary shares <sup>1</sup>	259,795,875	259,795,875	<b>259,269,606</b>	<b>259,269,606</b>
<b>Basic earnings per ordinary share</b>	in euros			
	<b>2.17</b>	<b>2.39</b>	<b>1.03</b>	<b>1.94</b>
Number of outstanding preferred shares <sup>1</sup>	174,482,323	174,482,323	<b>173,025,840</b>	<b>173,025,840</b>
<b>Basic earnings per preferred share</b>	in euros			
	<b>2.18</b>	<b>2.40</b>	<b>1.04</b>	<b>1.95</b>
<b>Diluted earnings per ordinary share</b>	in euros			
	<b>2.17</b>	<b>2.39</b>	<b>1.03</b>	<b>1.94</b>
<b>Diluted earnings per preferred share</b>	in euros			
	<b>2.18</b>	<b>2.40</b>	<b>1.04</b>	<b>1.95</b>

<sup>1</sup> Weighted average
 

---

### Recognition and measurement methods

The interim financial report of the Henkel Group has been prepared in accordance with Section 115 of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG), in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting – and consequently in compliance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Essentially, the same accounting principles have been applied as for the consolidated financial statements for fiscal 2021, with the exception of the changes to IFRSs listed on pages 197 and 198 of our Annual Report 2021, which became mandatory on January 1, 2022. The changes do not, however, have any material impact on the consolidated financial statements of Henkel. Following Turkey's classification as a hyperinflationary economy for reporting periods ending on or after June 30, 2022, IAS 29 Financial Reporting in Hyperinflationary Economies was also applied for the first time for the reporting period beginning on January 1, 2022. For more information, please refer to the section "Financial Reporting in Hyperinflationary Economies."

---

 Henkel Group: Key financials
 

---

 Summary: Half-year results
 

---

 Interim Group management report
 

---

**Interim consolidated  
financial statements**


---

 Review report
 

---

 Responsibility statement
 

---

 Report of the Audit Committee  
of the Supervisory Board
 

---

 Multi-year summary
 

---

 Credits
 

---

 Contacts
 

---

 Financial calendar
 

---

In light of continuing significant increases in the cost of energy, commodities and logistics services, together with the local and global impacts of the ongoing war in Ukraine and the continuing global influence being exerted by the COVID-19 pandemic, the estimates required for the preparation of the interim consolidated financial statements are subject to much greater uncertainty than is normally the case. This is especially true of estimates of any possible impairment of non-financial assets, such as goodwill and other intangible assets and financial assets. For further details, please refer to the sections “Goodwill and other intangible assets” and “Impacts of the war in Ukraine.”

To simplify interim financial reporting, IAS 34.41 allows certain estimates and assumptions to be made beyond the scope permitted for consolidated financial statements, on condition that all material financial information is appropriately presented to enable a proper assessment of the net assets, financial position and results of operations of the business. In calculating taxes on income, the interim tax expense is determined on the basis of the estimated effective income tax rate for the current fiscal year.

The interim report for the first half year, composed of condensed consolidated financial statements and an interim Group management report, was duly subjected to an auditor’s review. The Management Board of Henkel Management AG – which is the Personally Liable Partner of Henkel AG & Co. KGaA – compiled the interim consolidated financial statements and the interim Group management report and released them for forwarding to the Supervisory Board and for publication on August 11, 2022.

#### **Scope of consolidation**

In addition to Henkel AG & Co. KGaA as the ultimate parent company, the scope of consolidation as of June 30, 2022 includes 23 German and 180 non-German companies in which Henkel AG & Co. KGaA has a dominating influence over financial and operating policies, based on the concept of control. The Group controls a company when it is exposed, or has rights, to variable returns from its involvement with the company and has the ability to affect those returns through its power over the company.

The following table shows the changes to the scope of consolidation compared to December 31, 2021:

---

 Henkel Group: Key financials
 

---

 Summary: Half-year results
 

---

 Interim Group management report
 

---

### Interim consolidated financial statements

---

 Review report
 

---

 Responsibility statement
 

---

 Report of the Audit Committee of the Supervisory Board
 

---

 Multi-year summary
 

---

 Credits
 

---

 Contacts
 

---

 Financial calendar
 

---

### Scope of consolidation

<b>At January 1, 2022</b>	<b>207</b>
Additions	–
Mergers	-1
Disposals	-2
<b>At June 30, 2022</b>	<b>204</b>

The changes in the scope of consolidation have not had any material effect on the main items of the consolidated financial statements.

### Acquisitions

In the first half of 2022, Henkel signed an agreement governing the acquisition of Shiseido's hair salon business in Asia-Pacific. The transaction was completed on July 1, 2022, which was after the close of the reporting period, and relates to the acquisition of the majority stake in a Japanese company, all shares in a Thai company, and various other assets.

In addition, effective March 31, 2022, we acquired all the outstanding shares in our US-American subsidiary eSalon.com LLC from the former minority shareholder.

These acquisitions do not have any material effect on the net assets, financial position and results of operations of the Henkel Group.

### Divestments

Active portfolio management remains an essential element in determining the future strategic direction of the Henkel Group. Both the acquisition and sale of trademark rights and businesses are integral to our strategy.

As part of our active portfolio management in our Adhesive Technologies business unit, we sold our global soldering agents business effective June 1, 2022.

In the Beauty Care business unit, the Henkel Group sold the Latin American Consumer business with Hair Care brands Pert, Funk and Linea Natural effective June 1, 2022.

On February 15, 2022, the Laundry & Home Care business unit sold the cleaning wipes business of its brand Ballerina, which is distributed in Europe, and on May 2, 2022, its European air freshener business with the brands Croc odor and Iba.

The aforementioned transactions did not have any material effect on our net assets, financial position and results of operations.

---

[Henkel Group: Key financials](#)

---

[Summary: Half-year results](#)

---

[Interim Group management report](#)

---

[\*\*Interim consolidated financial statements\*\*](#)

---

[Review report](#)

---

[Responsibility statement](#)

---

[Report of the Audit Committee of the Supervisory Board](#)

---

[Multi-year summary](#)

---

[Credits](#)

---

[Contacts](#)

---

[Financial calendar](#)

---

### Financial reporting in hyperinflationary economies

Financial statements of subsidiaries of which the functional currency is the currency of a hyperinflationary economy as defined in IAS 29 must, prior to translation into the Group currency and before consolidation, be adjusted for the amount relating to the change in purchasing power resulting from inflation. Non-monetary items on the statement of financial position that are measured at acquisition cost or amortized acquisition cost, as well as equity, and the amounts stated on the consolidated statement of income must be indexed on the basis of a general price index and represented at current purchasing power from the time of initial recognition in the financial statements. Monetary items are not adjusted. Corresponding gains and losses from current inflation are recognized in financial result.

In the wake of inflation, all items on the statement of financial position and all income and expenses on the consolidated statement of income are converted to the functional currency of the Group (euro) on the reporting date. On consolidation, Henkel recognizes changes resulting from the current inflation of the equity of its subsidiaries in the currency translation reserve.

When applying IAS 29 for the first time, this procedure must be adopted for all items on the statement of financial position, with the exception of retained earnings, that are subject to inflation and applied as though the corresponding economy had always been hyperinflationary. The effects on the items of the statement of financial position arising from the requisite adjustment at the start of the reporting period in which first-time application occurs are recognized in retained earnings. Prior-year figures are not amended.

Determining whether an economy is classifiable as hyperinflationary is based on qualitative and quantitative criteria, including in particular whether cumulative inflation has exceeded 100 percent over the past three years. For reporting periods ending on or after June 30, 2022, Turkey is classifiable as a hyperinflationary economy as defined in IAS 29. Accordingly, Henkel must apply the standard for subsidiaries whose functional currency is the Turkish lira, starting from January 1, 2022. For the purpose of preparing the interim consolidated financial statements, a change of 40.8 percent in general purchasing power was assumed, with input from experts, as the actual inflation rate for the month of June was not yet available when the financial statements were being prepared. The price index assumed for June 30, 2022, was 978 (December 31, 2021: 687).

Following first-time application of IAS 29 as of January 1, 2022 for our subsidiaries in Turkey, non-current assets rose by 43 million euros. Deferred tax provisions increased by 4 million euros and Group equity by 39 million euros. In the first half of 2022, net losses from current inflation were recognized in other financial result in the amount of 29 million euros.

IAS 29 was not applied to subsidiaries in other economies classified as hyperinflationary due to their immaterial impact on the net assets, financial position and results of operations of the Henkel Group.

---

Henkel Group: Key financials

---

Summary: Half-year results

---

Interim Group management report

---

**Interim consolidated  
financial statements**

---

Review report

---

Responsibility statement

---

Report of the Audit Committee  
of the Supervisory Board

---

Multi-year summary

---

Credits

---

Contacts

---

Financial calendar

---

### Impacts of the war in Ukraine

In light of the developments surrounding the war in Ukraine, Henkel announced mid-April that it would withdraw from all business activity in Russia and Belarus, which may involve both the sale and discontinuation of business activities.

As we continued to analyze the options, we reclassified the assets and liabilities attributable to the operations earmarked for disposal as assets and liabilities held for sale as of June 30, 2022. For details of the impairment of the assets that was recognized prior to the reclassification, please refer to the section “Goodwill, other intangible assets and property, plant and equipment.” Given the high level of uncertainty with regard to implementation feasibility, further impairment in the future cannot be ruled out.

The restrictions imposed by the war on our business activities in Ukraine did not give rise to a requirement for any material impairment charges in the first half of 2022.

### Goodwill, other intangible assets and property, plant and equipment

In light of the planned disposal of the operational activities of all our business units in Russia and Belarus and the impacts arising from the war and related sanctions, we recognized impairment of 184 million euros on the goodwill (88 million euros), trademarks and other rights with indefinite useful lives (15 million euros) and property, plant and equipment (82 million euros) attributable to the business operations concerned. In response to a change in business performance, we also recognized impairment totaling 70 million euros on a European consumer goods business in the Beauty Care business unit that we intend to discontinue and sell. The expenses related primarily to the full impairment of the associated trademark and other rights with indefinite useful lives. The aforementioned impairment relates solely to assets classified as held for sale as of the reporting date. The impairment was applied to the respective fair value less cost to sell as derived from purchase price indications.

Prompted by the continuing rise in energy, commodity and logistics prices and by the local and global impacts of the war in Ukraine, we also tested our other goodwill and other intangible assets with indefinite useful lives for impairment as of June 30, 2022. The increased level of uncertainty with respect to future cash flows was duly taken into account in the corresponding sensitivity analyses. The impairment test did not reveal any requirement to recognize impairment losses.

---

[Henkel Group: Key financials](#)

---

[Summary: Half-year results](#)

---

[Interim Group management report](#)

---

[\*\*Interim consolidated financial statements\*\*](#)

---

[Review report](#)

---

[Responsibility statement](#)

---

[Report of the Audit Committee of the Supervisory Board](#)

---

[Multi-year summary](#)

---

[Credits](#)

---

[Contacts](#)

---

[Financial calendar](#)

---

### **Assets and liabilities held for sale**

Compared to December 31, 2021, assets held for sale increased from 58 million euros to 527 million euros. There were liabilities held for sale amounting to 228 million euros as of June 30, 2022, whereas no corresponding liabilities were recognized at year-end 2021. The additions to the assets and liabilities held for sale relate primarily to assets and liabilities attributable to the Henkel Group's business activities in Russia and Belarus. Reclassifications to assets and liabilities held for sale within this context related in the main to property, plant and equipment (163 million euros), current assets (323 million euros) and current liabilities (224 million euros).

Disposals of assets held for sale in the first half of 2022 relate to the sale of assets pertaining to the divestments discussed in the section entitled "Divestments." The assets that were disposed of essentially comprise trademark rights and proportionate goodwill. The remaining assets held for sale as of June 30, 2022, continue to be recognized at the lower of carrying amount or fair value less cost to sell.

### **Disclosures relating to treasury shares**

Treasury shareholdings – stated as 3,680,552 preferred shares as of December 31, 2021 – underwent the following changes during the first half of 2022:

During the reporting period, a total of 925,972 preferred shares (equivalent to a notional share of 0.9 million euros or 0.2 percent of the share capital) were taken from the aforementioned holdings to fulfill commitments from the share-based Global Long Term Incentive Plan 2020<sup>+</sup>. They were issued to employees at a total value of 59.6 million euros, which resulted in equity increasing by 32 million euros.

As part of the share buyback program, due to run until March 31, 2023, at the latest, Henkel repurchased 1,415,251 ordinary shares in the first half of 2022 (equivalent to a notional share of 1.4 million euros or 0.3 percent of the share capital) for a total of 86.5 million euros, and 5,545,308 preferred shares (equivalent to a notional share of 5.5 million euros or 1.3 percent of the share capital) for a total of 345.7 million euros. For details of the share buyback, please refer to the summaries on our website. Treasury shares are recognized at acquisition cost.

As of June 30, 2022, treasury shareholdings amounted to

- 1,415,251 ordinary shares (equivalent to a notional share of 1.4 million euros or 0.3 percent of the share capital) and
- 8,299,888 preferred shares (equivalent to a notional share of 8.3 million euros or 1.9 percent of the share capital).

---

[Henkel Group: Key financials](#)

---

[Summary: Half-year results](#)

---

[Interim Group management report](#)

---

[\*\*Interim consolidated financial statements\*\*](#)

---

[Review report](#)

---

[Responsibility statement](#)

---

[Report of the Audit Committee of the Supervisory Board](#)

---

[Multi-year summary](#)

---

[Credits](#)

---

[Contacts](#)

---

[Financial calendar](#)

---

### **Financial instruments**

All financial assets and liabilities – with the exception of financial derivatives, other investments, certain money market investments stated as securities and time deposits or cash equivalents, and the Virtual Power Purchase Agreement included under sundry financial assets and liabilities – are measured at amortized cost using the effective interest method. In addition, a risk provision was accrued in the amount of the expected credit losses for financial assets that are measured at amortized cost or at fair value through other comprehensive income.

The following table summarizes the allocation of items on the statement of financial position to the financial instrument classes according to IFRS 7 and compares the carrying amounts of the financial assets and liabilities with their respective fair values:

---

 Henkel Group: Key financials
 

---

 Summary: Half-year results
 

---

 Interim Group management report
 

---

**Interim consolidated  
financial statements**


---

 Review report
 

---

 Responsibility statement
 

---

 Report of the Audit Committee  
of the Supervisory Board
 

---

 Multi-year summary
 

---

 Credits
 

---

 Contacts
 

---

 Financial calendar
 

---

### Comparison of carrying amounts and fair values of financial instruments

in million euros		Dec. 31, 2021	Dec. 31, 2021	June 30, 2022	June 30, 2022
Financial assets	Financial instruments class (Valuation hierarchy of fair values)	Carrying amount	Fair value	Carrying amount	Fair value
Trade accounts receivable	Amortized cost	3,456	–	3,948	–
Other financial assets		1,370	–	900	–
Receivables from non-consolidated subsidiaries and associated companies	Amortized cost	0	–	0	0
Financial receivables from third parties	Amortized cost	224	–	17	–
Derivative financial instruments not included in a designated hedging relationship	Fair value through profit or loss (level 2)	68	68	77	77
Derivative financial instruments included in a designated hedging relationship	Derivatives included in a designated hedging relationship (level 2)	61	61	93	93
Derivative financial instruments included in a designated hedging relationship	Derivatives included in a designated hedging relationship (level 3)	–	–	2	2
Investments in non-consolidated subsidiaries and associated companies	Not assigned to any valuation category under IFRS 9	4	–	5	–
Other investments	Fair value through other comprehensive income (level 3)	97	97	111	111
Receivables from Henkel Trust e.V. and external pension funds	Amortized cost	407	–	219	–
Securities and time deposits	Amortized cost	8	–	–	–
Securities and time deposits	Fair value through other comprehensive income (level 1)	246	246	–	–
Securities and time deposits	Fair value through profit or loss (level 1)	13	13	198	198
Securities and time deposits	Fair value through profit or loss (level 2)	9	9	6	6
Financial collateral provided	Amortized cost	147	–	71	–
Sundry financial assets	Amortized cost	86	–	101	–
Cash and cash equivalents	Amortized cost	1,766	–	1,210	–
Cash and cash equivalents	Fair value through profit or loss (level 2)	350	350	–	–
<b>Total</b>		<b>6,942</b>	<b>–</b>	<b>6,058</b>	<b>–</b>

TABLE CONTINUED ON NEXT PAGE

	in million euros	Dec. 31, 2021	Dec. 31, 2021	June 30, 2022	June 30, 2022	
	<b>Financial liabilities</b>	<b>Financial instruments class (Valuation hierarchy of fair values)</b>	<b>Carrying amount</b>	<b>Fair value</b>	<b>Carrying amount</b>	<b>Fair value</b>
Henkel Group: Key financials	Borrowings		2,838	–	2,923	–
Summary: Half-year results	Bonds	Amortized cost (level 1)	2,500	2,498	2,519	2,347
Interim Group management report	Other borrowings	Amortized cost	338	–	404	–
<b>Interim consolidated financial statements</b>	Trade accounts payable	Amortized cost	4,385	–	4,774	–
Review report	Other financial liabilities		917	–	946	–
Responsibility statement	Lease liabilities	Not assigned to any valuation category under IFRS 9	604	–	701	–
Report of the Audit Committee of the Supervisory Board	Liabilities to non-consolidated subsidiaries and associated companies	Amortized cost	2	–	3	–
Multi-year summary	Liabilities to customers	Amortized cost	67	–	41	–
Credits	Derivative financial instruments not included in a designated hedging relationship	Fair value through profit or loss (level 2)	82	82	113	113
Contacts	Derivative financial instruments included in a designated hedging relationship	Derivatives included in a designated hedging relationship (level 2)	27	27	48	48
Financial calendar	Derivative financial instruments included in a designated hedging relationship	Derivatives included in a designated hedging relationship (level 3)	–	–	3	3
	Sundry financial liabilities	Amortized cost (level 3)	117	120	3	3
	Sundry financial liabilities	Amortized cost	17	–	30	–
	Sundry financial liabilities	Fair value through profit or loss (level 3)	-12	-12	-10	-10
	Sundry financial liabilities	Not assigned to any valuation category under IFRS 9	13	–	14	–
	<b>Total</b>		<b>8,140</b>	<b>–</b>	<b>8,643</b>	<b>–</b>

IFRS 13 Fair Value Measurement defines fair value as the price that would be payable in a principal market – or in the most favorable market, in the absence of the former – if an asset were to be sold or a liability transferred. Valuation parameters as close to market reality as possible must be used as input factors to determine fair value. The fair value hierarchy prioritizes the input factors used in the valuation methods in three descending levels, depending on market proximity:

- Level 1: Fair values which are determined on the basis of quoted, unadjusted prices in active markets.
- Level 2: Fair values which are determined on the basis of parameters for which either directly or indirectly derived market prices are available.
- Level 3: Fair values which are determined with the aid of parameters for which the input factors are not derived from observable market data.

---

 Henkel Group: Key financials
 

---

 Summary: Half-year results
 

---

 Interim Group management report
 

---

**Interim consolidated  
financial statements**


---

 Review report
 

---

 Responsibility statement
 

---

 Report of the Audit Committee  
of the Supervisory Board
 

---

 Multi-year summary
 

---

 Credits
 

---

 Contacts
 

---

 Financial calendar
 

---

The fair value of securities and time deposits classified as level 1 is based on the quoted market prices on the reporting date. Observable market data are used to measure the fair value of level 2 securities, time deposits and cash equivalents. If bid and ask prices are available, the mid-price is used to determine fair value. When using the discounted cash flow method to determine fair values, the contractually specified cash flows are discounted using currency-specific yield curves. When measuring derivative financial instruments, the credit risk is determined by netting all financial assets, liabilities, collateral received and collateral provided for each counterparty to determine the net credit exposure. Credit risk is taken into account by adjusting the fair values concerned on the basis of credit risk premiums.

We determine the fair value of forward exchange contracts and cross-currency interest rate swaps on the basis of the reference rates issued by the European Central Bank for the reporting date, taking into account forward premiums/forward discounts for the remaining term of the respective contract versus the contracted foreign exchange rate. Interest rate hedges are measured on the basis of discounted cash flows expected in the future, taking into account market interest rates applicable for the remaining term of the contracts. These are indicated for the two most important currencies in the following table. It shows the interest rates quoted on the interbank market in each case on December 31 and June 30.

#### Interest rates in percent p.a.

At Dec. 31/June 30 Term	Euro		US dollar	
	2021	2022	2021	2022
1 month	-0.58	-0.51	0.10	1.79
3 months	-0.57	-0.20	0.21	2.29
6 months	-0.55	0.26	0.34	2.94
1 year	-0.48	0.84	0.54	3.29
2 years	-0.30	1.36	0.94	3.28
5 years	0.02	1.79	1.37	3.06
10 years	0.30	2.17	1.58	3.07

---

 Henkel Group: Key financials
 

---

 Summary: Half-year results
 

---

 Interim Group management report
 

---

**Interim consolidated  
financial statements**


---

 Review report
 

---

 Responsibility statement
 

---

 Report of the Audit Committee  
of the Supervisory Board
 

---

 Multi-year summary
 

---

 Credits
 

---

 Contacts
 

---

 Financial calendar
 

---

The changes in the fair values of the level 3 financial instruments are discussed in the following:

#### Development of level 3 assets and liabilities January–June 2021

	Derivative financial assets included in a designated hedging relationship	Derivative financial liabilities included in a designated hedging relationship	Other investments	Contracts with embedded derivatives
in million euros				
<b>Carrying amount at January 1, 2021</b>	–	–	57	12
Purchases	–	–	10	–
Gains/losses (realized) recognized in operating profit or loss	–	–	–	-0
Of which attributable to assets and liabilities held at the end of the reporting period	–	–	–	-0
Gains/losses recognized in other comprehensive income	–	–	1	–
Foreign exchange effects/Other changes	–	–	1	–
<b>Carrying amount at June 30, 2021</b>	–	–	69	11

#### Development of level 3 assets and liabilities January–June 2022

	Derivative financial assets included in a designated hedging relationship	Derivative financial liabilities included in a designated hedging relationship	Other investments	Contracts with embedded derivatives
in million euros				
<b>Carrying amount at January 1, 2022</b>	–	–	97	13
Purchases	–	–	5	–
Gains/losses (realized) recognized in operating profit or loss	–	–	–	-2
Of which attributable to assets and liabilities held at the end of the reporting period	–	–	–	-2
Gains/losses recognized in other comprehensive income	2	-3	7	–
Foreign exchange effects/Other changes	–	–	2	-0
<b>Carrying amount at June 30, 2022</b>	2	-3	111	10

---

[Henkel Group: Key financials](#)

---

[Summary: Half-year results](#)

---

[Interim Group management report](#)

---

[\*\*Interim consolidated financial statements\*\*](#)

---

[Review report](#)

---

[Responsibility statement](#)

---

[Report of the Audit Committee of the Supervisory Board](#)

---

[Multi-year summary](#)

---

[Credits](#)

---

[Contacts](#)

---

[Financial calendar](#)

---

The derivative financial instruments categorized as level 3 are commodity forwards recognized in hedge accounting. In the absence of forward quotes in the market, the fair value is determined on the basis of bids obtained from several banks for new contracts involving similar products.

Changes in the fair values determined using this procedure are recognized in full under other comprehensive income in the hedge reserve. Reclassification of the corresponding amounts to the cost of hedged inventories is performed when the derivatives are realized. This occurs when the hedged inventories are recognized. A 10 percent higher (lower) forward price of the derivatives on the reporting date would have resulted in other comprehensive income increasing (decreasing) by 2 million euros.

Other investments include shares in companies that are currently not intended for sale. The fair value of other investments is based either on information derived from recent financing transactions, on a cost-based method, or on valuation using the discounted cash flow method taking into account the free cash flow of the investment. Appropriate risk-adjusted costs of capital are applied when using the discounted cash flow method.

The individual other investments are of minor importance for the presentation of the net assets and results of operations of the Henkel Group. The sensitivity analysis revealed that in the event of any conceivably realistic change in the valuation parameters, the change in the fair values would not exceed a range in the mid-single-digit euro millions. The changes would be included in full in other comprehensive income. No valuation results recognized in equity were reclassified to retained earnings in the reporting period, nor in the comparison period.

The Virtual Power Purchase Agreement signed in 2020 as part of our sustainability strategy is recognized in total through profit or loss due to the embedded derivative it contains. The fair value allocated to level 3 is derived from the present value of the expected cash flows from the agreement. In this case, the material valuation parameters are the anticipated electricity prices and the US dollar interest rate used for discounting.

If the anticipated electricity prices had been 10 percent higher or lower on the valuation date, the fair value of the agreement would have been 0 million euros higher or 1 million euros lower respectively. An increase of 100 basis points in the US dollar interest rate would lead to a reduction in the fair value of 1 million euros, whereas a corresponding decrease would lead to an increase in the fair value of 1 million euros.

---

 Henkel Group: Key financials
 

---

 Summary: Half-year results
 

---

 Interim Group management report
 

---

**Interim consolidated  
financial statements**


---

 Review report
 

---

 Responsibility statement
 

---

 Report of the Audit Committee  
of the Supervisory Board
 

---

 Multi-year summary
 

---

 Credits
 

---

 Contacts
 

---

 Financial calendar
 

---

At the time of initial recognition, the fair value of the agreement was higher than the transaction price. The corresponding difference was deferred. Since the wind farm on which the Virtual Power Purchase Agreement is based started operating in the first half of 2022, the difference is being recognized pro rata temporis in the statement of income over the term of the agreement. As of January 1, 2022, the deferred difference amounted to 13 million euros (previous year: 12 million euros). In the reporting period, 0 million euros was recognized as other operating income (previous year: no reversal). The difference remaining as of June 30, 2022 amounted to 14 million euros as a result of exchange rate differences (previous year: 12 million euros). The deferred difference is recognized in the statement of financial position under other financial assets or other financial liabilities together with the positive or negative fair value of the agreement. Changes in the fair value and in the deferred amount are recognized in other operating income or other operating expenses in the statement of income.

The liability recognized in sundry financial liabilities for the puttable instrument issued to the minority shareholder of Henkel Beauty & IB Holding GmbH is measured at amortized cost. The fair value indicated in the notes, which is allocable to level 3, corresponds to the present value of the expected payment obligation. The liability was calculated using a multiple-factor approach based on the sales of the company and an adjustment to net working capital and is discounted at the current market rate for comparable debt instruments to determine the fair value. In addition to the sales of the company, the average annual growth rate in sales that forms the basis for determining the multiplier is a further material valuation parameter.

The liability for the puttable instrument issued to the minority shareholder of eSalon.com LLC – which was also recognized under sundry financial liabilities as of December 31, 2021 – was derecognized in the first half of 2022, since Henkel has acquired the outstanding non-controlling interests.

#### Voting rights/Related party disclosures

The company has been notified that, on April 4, 2022, the proportion of voting rights held by the members of the Henkel family share-pooling agreement represented in total a share of 61.82 percent of the voting rights (160,599,023 votes) in Henkel AG & Co. KGaA.

#### Notes to the consolidated statement of cash flows

The main items of the consolidated statement of cash flows and the changes thereto are explained on pages 40 and 41.

The other changes in borrowings take into account a number of cash inflows and outflows, particularly arising from the issuance and redemption of commercial paper and current liabilities to banks, plus changes in collateral received. The change, both in the first half of 2022 and in the prior-year period, was essentially due to payments made and received in connection with our revolving short-term commercial paper financing program. It affected cash flow from financing activities to the tune of 19 million euros in the first six months of the fiscal year (previous year: -443 million euros). Of the dividend of 795 million euros paid to shareholders of Henkel AG & Co. KGaA, an amount of 475 million euros was paid on ordinary shares, with 321 million euros being paid on preferred shares.

---

Henkel Group: Key financials

---

Summary: Half-year results

---

Interim Group management report

---

**Interim consolidated  
financial statements**

---

Review report

---

Responsibility statement

---

Report of the Audit Committee  
of the Supervisory Board

---

Multi-year summary

---

Credits

---

Contacts

---

Financial calendar

---

**Notes to the Group segment report**

Organic growth is adjusted for exchange rate effects and acquisitions/divestments. Foreign exchange effects also include the effects from the application of IAS 29 (Financial Reporting in Hyperinflationary Economies) for Turkey, which has been required since the beginning of the reporting period. Effective from the beginning of the second quarter, acquisitions and divestments also include the impacts arising from the announced exit from business activities in Russia and Belarus.

The Group measures the performance of its segments on the basis of a segment income variable referred to internally and in our reporting procedures as “adjusted EBIT,” which is calculated by adjusting operating profit (EBIT) for one-time expenses and income, and also for restructuring expenses.

The reportable segments account for 31 million euros (previous year: 12 million euros) of the one-time income and for 261 million euros (previous year: 34 million euros) of the one-time expenses. Of the restructuring expenses, 227 million euros (previous year: 57 million euros) is attributable to the reportable segments. Of these restructuring expenses, 8 million euros (previous year: 16 million euros) is attributable to Adhesive Technologies, 114 million euros (previous year: 6 million euros) to Beauty Care and 105 million euros (previous year: 34 million euros) to Laundry & Home Care.

For reconciliation with the figures for the Henkel Group, Group management overheads are reported under Corporate together with income and expenses that cannot be allocated to the individual business units.

For reconciliation with the pre-tax earnings of the Henkel Group, please refer to the consolidated statement of income and the financial result reported therein.

**Other unrecognized financial commitments**

As of June 30, 2022, commitments arising from orders for property, plant and equipment amounted to 89 million euros (previous year: 194 million euros).

Payment commitments under the terms of agreements for capital increases and share purchases contracted prior to the reporting date amounted to 21 million euros (previous year: 14 million euros).

---

Henkel Group: Key financials

---

Summary: Half-year results

---

Interim Group management report

---

**Interim consolidated  
financial statements**

---

Review report

---

Responsibility statement

---

Report of the Audit Committee  
of the Supervisory Board

---

Multi-year summary

---

Credits

---

Contacts

---

Financial calendar

---

## Subsequent events

Effective July 1, 2022, we completed the acquisition of Shiseido's hair salon business in Asia-Pacific. Further details of this transaction can be found on page 48 within the section entitled "Other disclosures."

Düsseldorf, August 11, 2022

Henkel Management AG,  
Personally Liable Partner  
of Henkel AG & Co. KGaA

Management Board  
Carsten Knobel,  
Jan-Dirk Auris, Wolfgang König, Sylvie Nicol,  
Bruno Piacenza, Marco Swoboda

---

[Henkel Group: Key financials](#)

---

[Summary: Half-year results](#)

---

[Interim Group management report](#)

---

[Interim consolidated financial statements](#)

---

[Review report](#)

---

[Responsibility statement](#)

---

[Report of the Audit Committee of the Supervisory Board](#)

---

[Multi-year summary](#)

---

[Credits](#)

---

[Contacts](#)

---

[Financial calendar](#)

---

## Review report

To Henkel AG & Co. KGaA, Düsseldorf:

We have reviewed the condensed interim consolidated financial statements – comprising the consolidated statement of financial position, the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows, and selected explanatory notes – and the interim Group management report of Henkel AG & Co. KGaA, Düsseldorf, for the period from January 1 to June 30, 2022, which form part of the half-year financial report in accordance with Section 115 of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG).

The preparation of the condensed interim consolidated financial statements in accordance with those IFRSs applicable to interim financial reporting as adopted by the EU, and of the interim Group management report in accordance with the requirements of the German Securities Trading Act applicable to interim group management reports, is the responsibility of the Company's legal representatives. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim Group management report based on our review.

We conducted our review of the condensed interim consolidated financial statements and the interim Group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) and in supplementary compliance with the International Standard on Review Engagements "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE 2410). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material aspects, in accordance with the IFRSs applicable to interim financial reporting as adopted by the EU, and that the interim Group management report has not been prepared, in material aspects, in accordance with the regulations of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor's report.

---

Henkel Group: Key financials

---

Summary: Half-year results

---

Interim Group management report

---

Interim consolidated  
financial statements

---

**Review report**

---

Responsibility statement

---

Report of the Audit Committee  
of the Supervisory Board

---

Multi-year summary

---

Credits

---

Contacts

---

Financial calendar

---

Based on our review, no matters have come to our attention that cause us to believe that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with the IFRSs applicable to interim financial reporting as adopted by the EU, or that the interim Group management report has not been prepared, in material respects, in accordance with the regulations of the German Securities Trading Act applicable to interim group management reports.

Düsseldorf, August 11, 2022

PricewaterhouseCoopers GmbH  
Wirtschaftsprüfungsgesellschaft

Dr. Peter Bartels  
German Public Auditor

Michael Reuther  
German Public Auditor

---

Henkel Group: Key financials

---

Summary: Half-year results

---

Interim Group management report

---

Interim consolidated  
financial statements

---

Review report

---

**Responsibility statement**

---

Report of the Audit Committee  
of the Supervisory Board

---

Multi-year summary

---

Credits

---

Contacts

---

Financial calendar

---

# Responsibility statement

To the best of our knowledge, and in accordance with the applicable accounting principles for interim financial reporting, the interim consolidated financial statements for the half year give a true and fair view of the net assets, financial position and results of operations of the Henkel Group, and the interim management report of the Group includes a fair review of the development, performance and results of the business and the position of the Group, together with a cogent description of the principal opportunities and risks associated with the expected development of the Group over the remainder of the fiscal year.

Düsseldorf, August 11, 2022

Henkel Management AG,  
Personally Liable Partner  
of Henkel AG & Co. KGaA

Management Board  
Carsten Knobel,  
Jan-Dirk Auris, Wolfgang König, Sylvie Nicol,  
Bruno Piacenza, Marco Swoboda

---

[Henkel Group: Key financials](#)

---

[Summary: Half-year results](#)

---

[Interim Group management report](#)

---

[Interim consolidated financial statements](#)

---

[Review report](#)

---

[Responsibility statement](#)

---

[\*\*Report of the Audit Committee of the Supervisory Board\*\*](#)

---

[Multi-year summary](#)

---

[Credits](#)

---

[Contacts](#)

---

[Financial calendar](#)

---

# Report of the Audit Committee of the Supervisory Board

In the meeting of August 11, 2022, the half-year financial report for the first six months of fiscal 2022 and the report prepared by PricewaterhouseCoopers GmbH, Wirtschaftsprüfungsgesellschaft, on its review of the interim consolidated financial statements and the interim Group management report were presented to the Audit Committee, who also received verbal explanations from the Management Board and the auditor pertaining to the above. The Audit Committee has approved and endorses the half-year financial report.

Düsseldorf, August 11, 2022

Chairman of the Audit Committee  
Prof. Dr. Michael Kaschke

---

 Henkel Group: Key financials
 

---

 Summary: Half-year results
 

---

 Interim Group management report
 

---

 Interim consolidated  
financial statements
 

---

 Review report
 

---

 Responsibility statement
 

---

 Report of the Audit Committee  
of the Supervisory Board
 

---

### Multi-year summary

---

 Credits
 

---

 Contacts
 

---

 Financial calendar
 

---

# Multi-year summary

## First half year 2018 to 2022

in million euros	2018	2019	2020	2021	2022
<b>Sales</b>	<b>9,978</b>	<b>10,090</b>	<b>9,485</b>	<b>9,926</b>	<b>10,913</b>
Adhesive Technologies	4,702	4,731	4,153	4,752	5,467
Beauty Care	2,000	1,962	1,818	1,839	1,842
Laundry & Home Care	3,213	3,334	3,460	3,275	3,494
Adjusted <sup>1</sup> operating profit (EBIT)	1,768	1,641	1,191	1,430	1,166
Adjusted <sup>1</sup> earnings per preferred share	3.01	2.77	1.96	2.40	1.95

<sup>1</sup> Adjusted for one-time expenses and income, and for restructuring expenses.

## Second quarter 2018 to 2022

in million euros	2018	2019	2020	2021	2022
<b>Sales</b>	<b>5,143</b>	<b>5,121</b>	<b>4,558</b>	<b>4,958</b>	<b>5,642</b>
Adhesive Technologies	2,432	2,422	1,944	2,394	2,836
Beauty Care	1,035	1,002	883	914	950
Laundry & Home Care	1,644	1,666	1,705	1,619	1,802

---

Henkel Group: Key financials

---

Summary: Half-year results

---

Interim Group management report

---

Interim consolidated  
financial statements

---

Review report

---

Responsibility statement

---

Report of the Audit Committee  
of the Supervisory Board

---

Multi-year summary

---

**Credits**

---

Contacts

---

Financial calendar

---

# Credits

## Published by

Henkel AG & Co. KGaA  
40191 Düsseldorf, Germany  
Phone: +49 211-797-0  
© 2022 Henkel AG & Co. KGaA

## Edited by

Corporate Communications, Investor Relations,  
Corporate Accounting and Subsidiary Controlling

## Coordination

Martina Flögel, Jennifer Ott, Dr. Dennis Starke,  
Rabea Laakmann

## Design and typesetting in SmartNotes

MPM Corporate Communication Solutions,  
Mainz

## Photographs

Nils Hendrik Müller; Henkel

## Translation

RWS Group, London

## Pre-print proofing

Paul Knighton, Cambridge; Thomas Krause, Krefeld

## Date of publication of this report

August 15, 2022  
PR No.: 08 22 0

Except as otherwise noted, all marks used in this publication are trademarks and/or registered trademarks of the Henkel Group in Germany and elsewhere.

This document contains forward-looking statements which are based on the current estimates and assumptions made by the corporate management of Henkel AG & Co. KGaA. 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 not to be understood as in any way guaranteeing that those expectations will turn out to be accurate. Future performance and the results actually achieved by Henkel AG & Co. KGaA and its affiliated companies depend on a number of risks and uncertainties and may therefore differ materially from the forward-looking statements. Many of these factors are outside Henkel's control and cannot be accurately estimated in advance, such as the future economic environment and the actions of competitors and others involved in the marketplace. Henkel neither plans nor undertakes to update forward-looking statements. This document has been issued for information purposes only and is not intended to constitute an investment advice or an offer to sell, or a solicitation of an offer to buy, any securities.

---

Henkel Group: Key financials

---

Summary: Half-year results

---

Interim Group management report

---

Interim consolidated  
financial statements

---

Review report

---

Responsibility statement

---

Report of the Audit Committee  
of the Supervisory Board

---

Multi-year summary

---

Credits

---

**Contacts**

---

**Financial calendar**

---

## Contacts

### Corporate Communications

Phone: +49 211 797-3533

Email: [corporate.communications@henkel.com](mailto:corporate.communications@henkel.com)

### Investor Relations

Phone: +49 211 797-3937

Email: [info@ir.henkel.com](mailto:info@ir.henkel.com)

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

[www.henkel.com](http://www.henkel.com)

**Our financial publications:**

[www.henkel.com/financial-reports](http://www.henkel.com/financial-reports)

**Our sustainability publications:**

[www.henkel.com/sustainability/reports](http://www.henkel.com/sustainability/reports)

**Henkel app available for iOS and Android:**



**Henkel in social media:**



[www.linkedin.com/company/henkel](http://www.linkedin.com/company/henkel)

[www.twitter.com/henkel](http://www.twitter.com/henkel)

[www.facebook.com/henkel](http://www.facebook.com/henkel)

[www.instagram.com/henkel](http://www.instagram.com/henkel)

[www.youtube.com/henkel](http://www.youtube.com/henkel)

## Financial calendar

### Publication of

#### Statement for Third Quarter 2022:

Tuesday, November 8, 2022

### Publication of

#### Report for Fiscal 2022:

Tuesday, March 7, 2023

### Annual General Meeting

#### Henkel AG & Co. KGaA 2023:

Monday, April 24, 2023