

RUNNING BUSINESS IN AN INFLATIONARY ENVIRONMENT

ANDREY YEKIMOV, 21 NOVEMBER 2022



DID YOU KNOW THAT...

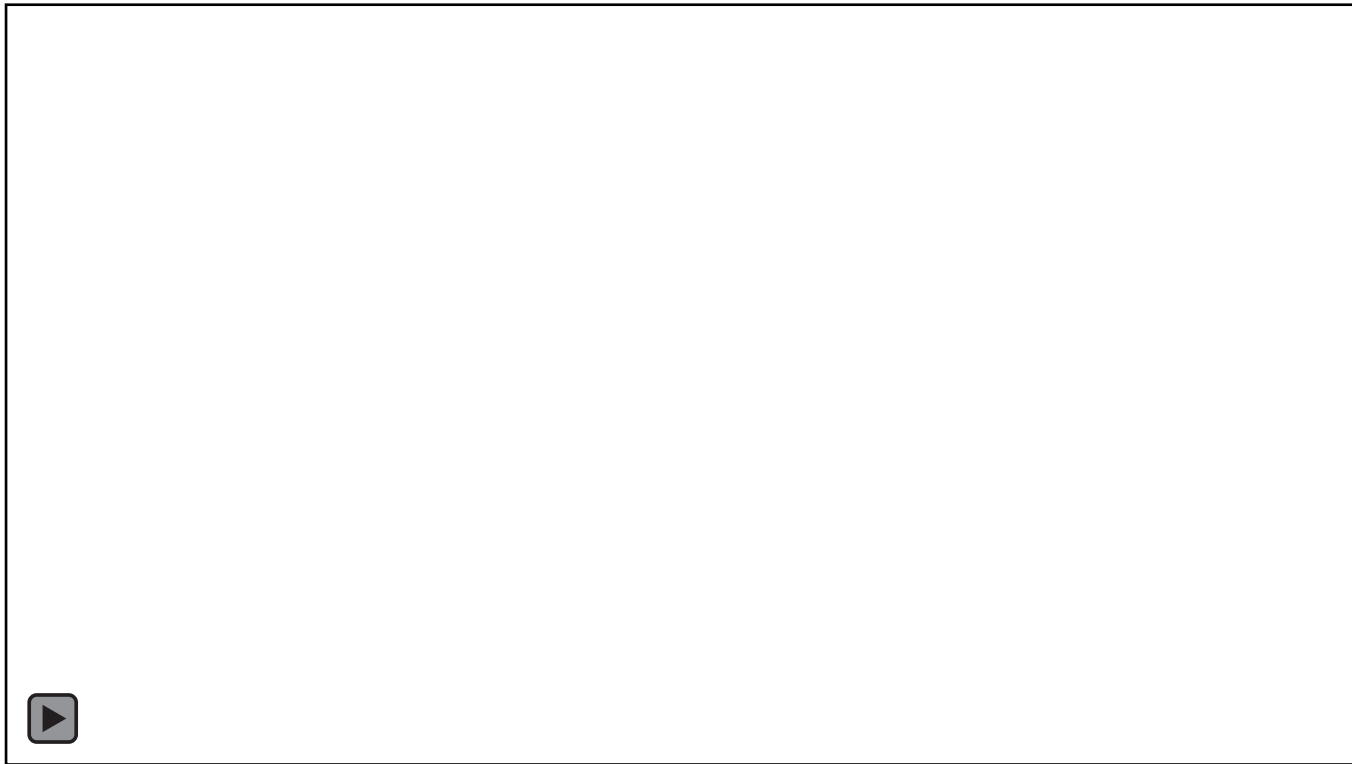
...Henkel is a **global leader in adhesive technologies**?

...every second worldwide, around **24 hair colorants** from Henkel are purchased?

...Henkel sells around **30 billion wash loads of detergents** every year?



MESSAGE FROM THE GENERAL MANAGER OF HENKEL UKRAINE



MANAGING THE BUSINESS IN CHALLENGING ENVIRONMENT



SUPPLY CHAIN
RESILIENCE

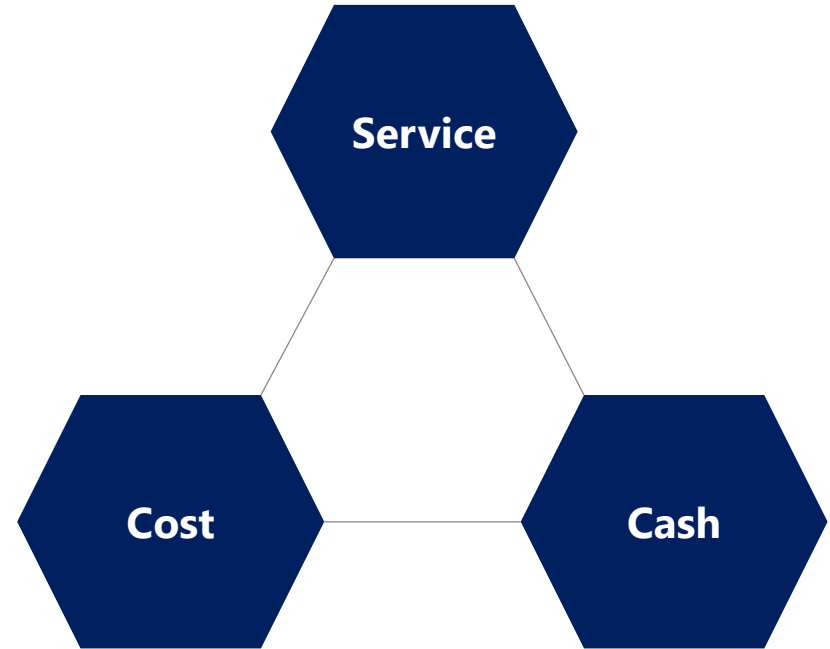
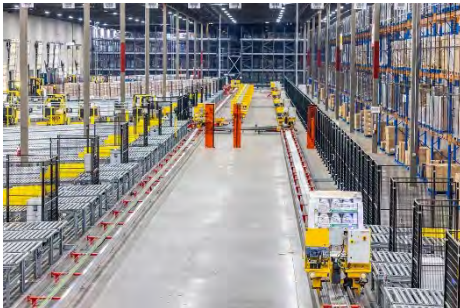


PRICING
MEASURES



RELEVANT
INNOVATIONS

#invisible





#disrupted



CONTINUED INPUT COST PRESSURES

- **Raw material and logistic prices still impacted** by war in Ukraine, COVID lockdowns in China as well as strained supply chains
- **Further price increases** throughout H1 **while dynamics slowing down recently**, partially differentiated developments across feedstocks
- **Continued high volatility and uncertainty**, in particular driven by potential gas shortages in Europe

Development of key feedstock prices¹



Brent
Crude Oil **+70%**



Paper **+41%**



Palm
Kernel Oil **+45%**

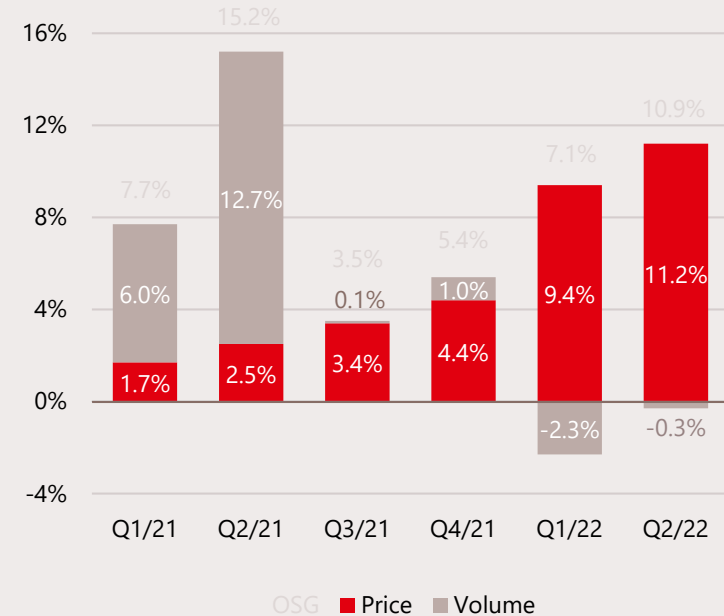


Ethylene **+49%**

MANAGING BUSINESS IN INFLATIONARY ENVIRONMENT

- Step up of pricing initiatives across all business units and regions to compensate for unprecedented input cost pressures
- Close monitoring and analysis of market developments, price elasticities as well as customer and consumer behavior
- Cost discipline and realization of efficiency gains in supply chain and procurement

Price and volume development
Henkel Group



CONSUMER RELEVANT INNOVATION EXAMPLE 2015



Persil

COLD ZYME
Екологічна формула для подолання плям

Економте електроенергію з Persil

Вражаючий результат вже при 20° C

*Підвищує ефективність температури прання з 40°C до 20°C. За показів економія до 62% електроенергії.

INNOVATIONS 2023

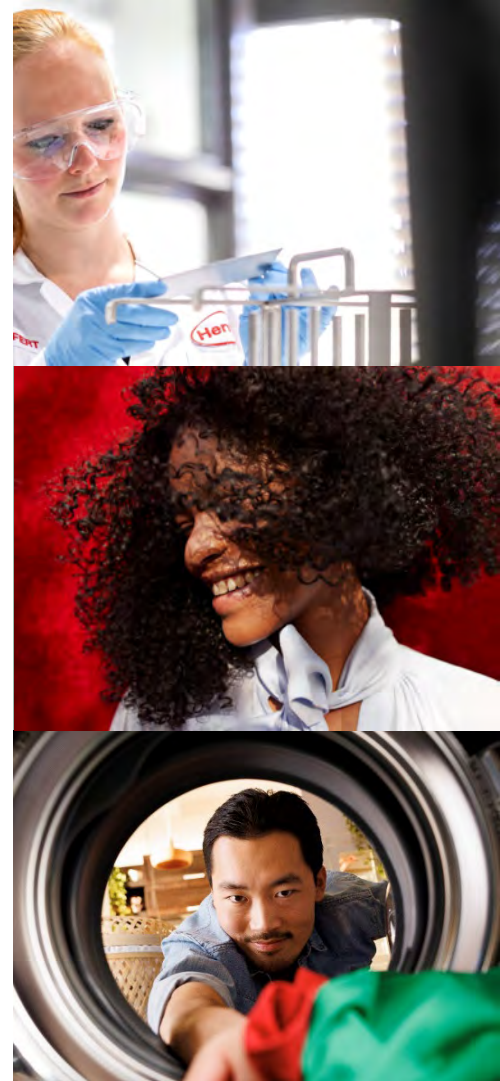


Improved new formulas allow to switch from hot water cycle to Eco program/ cold wash cycle

Besides sustainability impact energy saving is a relevant benefit in the time of high inflation.

KEY TAKE-AWAYS

- **Supply chain resilience** became extremely important given the present volatility.
- Majority of FMCG companies are implementing major **price increases**.
- Relevant **consumer innovations** will make a big difference for the consumers' choice in inflationary environment .



THANK YOU.

