

**Annual General Meeting
of Beiersdorf AG, Hamburg
on April 17, 2019**

Speech by the Chairman of the Executive Board

Stefan De Loecker

– Check against delivery –



Dear Shareholders,

Ladies and gentlemen,

A very good morning to you. On behalf of the Executive Board of Beiersdorf AG, I would like to welcome each of you to this year's Annual General Meeting for the financial year 2018.

Today is a premiere for me. It is my first official appearance in the Hamburg Messehallen in my new role as CEO. When I joined Beiersdorf, I had one main ambition: To further advance Beiersdorf and its unmistakable brands throughout the world. I have known these brands since my teenage years. It is an honor for me to continue to support their success story in my new role.

Beiersdorf is a company with purpose. This is not some buzzword to us. It is a reality: For more than 100 years, our overarching mission is skin care. This is where our strengths lie. In research and among our consumers. We want to continue this heritage.

Let me say a few words about myself for those of you who don't know me yet. I have been involved in the consumer industry for nearly 30 years. I have spent more than half of my career working in Europe and worked in growth markets for the last 10 years. At the same time, I have a long-standing and close relationship with Germany in both my professional and private lives. I joined Beiersdorf nearly seven years ago. I know the Company and the people who make it successful. I have a clear idea of where Beiersdorf currently stands. And I understand the opportunities that the Company, your Company, has and the challenges that it faces.

I recently took a "Listen & Learn" tour that enabled me to speak with our consumers, retail partners, and employees all over the world and to gain an even better understanding of Beiersdorf. All of this helps me implement the vision I have as new CEO:

To sustainably bolster the future of Beiersdorf amid the historic change that is sweeping through our industry. I want to ensure that we will be just as successful in 20 years as we have been during the past decades. This is how I view my job.

We will succeed in doing so if

- we place consumers at the center of all of our activities,
- we work as a team, applying the very best in each of us and working closely together,
- we continuously strengthen the relationship between brands and people,
- we offer relevant innovations,
- we enhance our successful core business and, at the same time, boldly invest in new business fields and markets.
- And if we keep our eye on the big picture in everything we do – that is, on society and the environment.

I will talk in detail about these issues today. About topics that are on your mind as well as mine: What challenges does Beiersdorf have to face? How will we tackle them? And what opportunities will be created for us?

To begin with, I would now like to go over some of our achievements during financial year 2018.

How did Beiersdorf perform in 2018?

The Company outpaced the market in the reporting year. We hit our profitability target even while facing unfavorable exchange rates and increased price and purchasing costs.

In organic terms – that is, excluding acquisitions – sales rose 5.4 percent. In nominal terms, sales climbed by 2.5 percent. This difference was mainly due to negative exchange rate effects. As planned, the EBIT margin remained at the previous year's level, 15.4 percent. The return on sales after tax rose 0.7 percentage point to 10.5 percent. Earnings per share improved by 8.4 percent to €3.21.

Let's now discuss the performance of our Consumer Business Segment. Sales increased here by 5.0 percent in organic terms. In nominal terms, growth measured 1.6 percent. Unlike our competitors, we use the current exchange rate when calculating organic growth for Argentina. If we had applied previous year's average exchange rate, organic

growth for the Consumer Business Segment would have been as high as 5.9 percent. La Prairie performed exceptionally well. It generated half of the sales growth produced by Consumer. In doing so, it was the Company's most powerful sales driver during this past financial year. However, overall, our growth momentum slowed noticeably in the second half of the year.

Let's now turn our attention to the sales of our brands.

NIVEA achieved a plus of 2.8 percent in a highly competitive market. Pricing trends remained a serious challenge in Western Europe, as did the weakened currencies of some developing countries, as I mentioned earlier, that diminished the buying power of local consumers. Price increases did not manage to completely offset these negative factors.

Our Derma brands Eucerin and Aquaphor grew by 5.9 percent. The United States, Germany, and Thailand were the key drivers of this performance.

In contrast, the Healthcare business unit, with its Hansaplast and Elastoplast brands, had a difficult year. Sales declined by 1.8 percent. The key reasons for this drop were delayed product introductions and operative challenges that we have since addressed. The economic crisis in Argentina also had a negative effect.

Sales of La Prairie products skyrocketed, rising 38.5 percent. The main momentum for this rise was generated by the strong growth produced by the luxury market in East Asia and the travel retail business. But the dynamic of the demand is not the only reason for this strong performance: La Prairie's continuing success is also the result of tremendous ingenuity.

tesa continued to rebound in 2018. In this business segment, we develop high-quality self-adhesive systems and product solutions for industry, trades and private consumers.

Organic growth climbed by 6.8 percent during the reporting year. This was a significant rise from the previous year's level. The main reasons were the good performance in

Consumer Electronics in Asia and continued growth in demand from the U.S. automotive industry.

tesa acquired four companies in the first half of 2018 – and already in the previous year. These companies ideally complement tesa's national and international product portfolio.

One of the companies is *nie wieder bohren AG*. The latest acquisition involved the London-based *FormFormForm Ltd.*, a well-known maker of the kneadable glue Sugru. With these acquisitions, tesa further bolstered the strong position it already has in the global market.

Dear shareholders,

It is people who move Beiersdorf forward. For this reason, I would now like to express my sincere thanks to the nearly 20,000 people who work at our Company around the world. Their work and perseverance were crucial. What characterizes our employees? They stand up to the headwinds and see challenges as an opportunity. It is a trait that I really respect about them. I am sure I can also speak for our shareholders when I express my gratitude to them all.

I would also like to take this opportunity to expressly thank my predecessor, Stefan F. Heidenreich, for all of his good work.

Ladies and gentlemen,

Our brands stand for the highest level of skin-care expertise around the world. We have earned this reputation with the exceptional quality of our products, our ingenuity, and, increasingly, our ability to tailor our products to the needs of local markets. This creates trust.

I would like to share a few examples of this approach from the reporting year:

- Our Q10 product range has been a success story for 20 years now. We constantly enhance and optimize it by applying the latest research findings. In 2018, we

launched NIVEA Q10 Power, a highly effective facial care series. The products contain not just cell-active Q10; they now also include 10 times more creatine, a solution that increases the nourishing effect significantly.

- With our new series NIVEA Sun UV Face, we have developed sun protection products that meet the special needs of the face's skin. The product's light texture provides immediate protection from UV-A and UV-B rays while adding a layer of moisture.
- One of the most successful market launches for men in 2018 was aimed particularly at younger consumers: the NIVEA MEN Deep series. We simultaneously rolled out four product lines in this series worldwide: face care, deodorant, shower gel, and hair care.

Our Derma brands also excelled with innovations last year.

- We were the first to launch an anti-age peeling and serum that is suitable for all skin types. Eucerin Hyaluron-Filler Night Peeling & Serum refines the skin texture, promotes skin cell renewal, and plumps up even the deepest wrinkles.
- Eucerin Aquaphor Protect & Repair Ointment helps irritated skin to rapidly regenerate. Aquaphor is the ointment of choice for dermatologists in the United States, ranking No. 1 on the recommendation list.

Our plaster brand Hansaplast advanced the area of wound healing from a single source in 2018. Thanks to our efforts, normal consumers can professionally care for wounds from the start to finish. That is, they can clean a wound, protect it, and heal it. In addition to our range of adhesive bandages, we provide Hansaplast Wound Healing Ointment and Hansaplast Wound Spray.

As I previously mentioned, La Prairie has produced breathtaking success in recent years. 2018 once again saw a number of innovations for the most popular collections: Skin Caviar, White Caviar, and Platinum Rare.

Ladies and gentlemen,

Even though we talk a lot about globalization, we know that we ultimately serve local markets. This factor will play an even greater role as we move forward. Consumer needs exist locally, consumer decisions are tied to local surroundings.

- In a German health and beauty store around the corner.
- While making a digital purchase with a smartphone in China.
- In a mom & pop store in Kenya.
- Or at the airport, in hotels or in our online shop.

This is why we have set up regional research and development centers. The goal here is to develop products that suit different climatic or cultural characteristics. We want to offer local consumers exactly what they are looking for.

- In 2018, for instance, the first NIVEA Hydration Super Mousse won over female consumers in Asia. This facial cleanser provides three times more moisture to the skin during the washing process than typical cleansers do.
- Another example is the deodorant NIVEA MEN Duo we launched in India. Its formulation ensures that the body stays fresh even in constantly high ambient temperatures.
- It is also possible that a regionally developed product will turn out to be so popular that it can be successfully marketed internationally. My favorite example is Micellair Rose Water that was developed in the Middle East. This product combines rose water, a regionally favorite ingredient, with micellar water and valuable almond oil. The result is a product that gently and thoroughly cleans the face's skin. The product is now being sold in more than 50 countries.

But local R&D on its own is not enough. We also have to be there! Consumer centricity is all-important for us. For this reason, we systematically invested in the development and expansion activities in 2018. And we did so at both locations as well as research and production units. Examples include Brazil, India, Thailand, Poland, and Nigeria.

In 2018, we also expanded our portfolio of more than 160 subsidiaries to include Egypt and Pakistan.

But that doesn't mean we are neglecting our home market. Two weeks ago, we laid the foundation stone for our new headquarters in Eimsbüttel. The new Beiersdorf Campus will finally bring us even closer together. Even in this digital age, local collaboration among people is essential. We can serve consumers in the best-possible way if functions like research & development, marketing, sales and supply chain work closely together.

We will have an expanded R&D center in Eimsbüttel. About 3,000 state-of-the-art work stations will be created at the campus. This project is of great significance not simply from a business perspective; it is a conscious expression of our commitment to the city of Hamburg and to our roots. I am already looking forward to the relocation in 2021. And then really to the completion of the project in 2023.

The year of 2018 is now history.

My focus has been the future for some time now. We are building on a solid foundation. Nonetheless, we are facing far-reaching changes. The dynamics of today's markets bear little resemblance to those of the past. In addition, consumer expectations change particularly fast. We must now take on these challenges. As we do so, we know one thing: They all represent excellent growth opportunities. But we must take decisive action now!

The consumer goods industry is on the verge of historic disruption. Digitalization of the global economy is empowering consumers in a new way: They can express individual wishes like never before. And they are now in a position to forcefully express these expectations. They can use new means of communications to share their message directly with millions of people.

A new era has dawned for retailers and suppliers as well. With the help of digitalization, they can respond to individual needs in an unimagined way. Immediate, that is, in real time.

The future of skin care is personalization. Unlike anything else, skin is an expression of personality and as a result highly emotional. This is already reflected in the success of small, focused brands that serve special target groups with specific wishes. In just a few

years, they have conquered nearly 40 percent of the European mass market for skin care products.

This trend represents a huge challenge to Beiersdorf. It is applying pressure to our existing business. Particularly in Europe. Growth, market share, profits: These are not metrics that have “eternal lives.” We generate 50 percent of our global sales in Europe. You can indeed continue to succeed for a while by following the same game plan. But we cannot secure the future of Beiersdorf by taking this approach.

The situation requires immediate, effective action.

In addition to these far-reaching changes, Beiersdorf as THE skin-care expert has tremendous long-term opportunities. Skin care is a highly attractive market. It will continue to grow continuously. And consumers search for products and services that offer true added value. And they are willing to pay for them as well.

What needs to be done?

We must now take steps that will enable future Beiersdorf generations to look back at us and say: The foundation for the Company’s long-range future was laid in 2019. At the time, decisions were made to produce competitive growth – not just for years, but for decades. Steps were taken to ensure that Beiersdorf would continue to grow sustainably.

Unlike virtually any other company, Beiersdorf has the potential to successfully shape the future.

We have iconic brands that are loved all over the world.

We focus on skin care – this is our core area of expertise. In 1911, we developed NIVEA Creme, the first creme based on a water-in-oil emulsion. We produced the first sun protection product in 1936. Body lotion followed in 1963. We created a new care market, for men, in 1980. The extremely successful entry in the deodorant market followed in 1991. In short: Continuously exciting people with new innovations that mean something to them is part of our DNA.

We are interested in long-term success, not a quick profit. We will remain on course because we believe in the correctness of our strategy. This is what has made us successful these many years – and this is the shared and deep conviction of the majority shareholder, the Supervisory Board, and the Executive Board.

Our balance sheet is strong. It enables us to take any action we need to take on our own. This is necessary if you want to be successful over the long term. The best example of this is our current decision to invest €70 million to €80 million in growth initiatives. We are shaping a successful future, and not stealing resources from the Company.

Not least: Emotionality means relationship. A relationship that people have with our brand. A relationship that our exceptional employees have with Beiersdorf. Our employees are passionate about their Company. And they know how to get people excited about our products.

What will we do?

We presented our plan at the end of February. It is a strategic program that we call C.A.R.E.+ It points us toward the future while reminding us of Beiersdorf's essential core.

C.A.R.E.+ is an acronym:

- C stands for courageous,
- A for aspiring,
- R for responsible,
- E for empathetic,
- and the plus sign means: This plan will make Beiersdorf stronger than ever before.

The goal with our strategy is

- to convince more and more people of our products and services,
- to significantly increase our growth and market penetration despite all of the changes we face in the entire market,
- and to create added value with high-margin products.

With the help of C.A.R.E.+ , we will grow competitively and sustainably. This is our commitment – and, yes, our responsibility.

The uncompromising implementation of C.A.R.E.+ is the top priority for me, the management team, and the entire organization. The program contains five strategic priorities.

- We intend to intensify and expand our direct contact with consumers. We can accomplish this only through digital means. For this reason, we must accelerate Beiersdorf's digitalization.
- We will find success where we can offer consumers added value: in the skin care segment. With powerful innovations. This has been our supreme skill for more than 100 years.
- We will significantly increase our presence in growth markets, entering new regions and business fields in the process.

This is our strategic plan for accelerating growth. The two other strategic priorities are:

- Continuous improvements in productivity. This is nothing more than a standard operating procedure for every well-managed company. Profitable growth is the foundation that we will use to finance the continued development of the Company. What makes us special is our pledge to reinvest the resources earned over the next few years in future growth.
- And a sustainability strategy that adds value for society. I will return to this topic in a few minutes.

Ladies and gentlemen,

I would now like to present some growth initiatives and innovations that illustrate the approach we are taking.

I'm particularly proud of this first example because I'm convinced that it represents another breakthrough in Beiersdorf's research and product history and will serve as a blueprint for future innovation. The new product addresses a skin problem that affects half of the world's female population: hyperpigmentation.

For 11 years, we carried out research and testing, rejected what didn't work and kept plugging away. Now, we finally have a result. We have identified an active ingredient that will help millions of people combat irregular skin pigmentation: Thiamidol®. This active ingredient, which has been patented in important key countries, reduces melanin production – an effect that has been clinically proven – and gives the skin a more even complexion.

Other product innovations reaching the market in 2019 and promising high growth potential include:

- The NIVEA Hyaluron Cellular Filler that we introduced in the first quarter. It is designed in particular for the skin needs of women who are 60 and older, visibly reducing age spots within four weeks.
- For the second quarter, our new products include NIVEA MEN Sensitive Balsam, a face-care product for men with beards. After all, we have seen the return of the three-day beard. The balsam nourishes shaved and unshaved men's skin, and it does not leave behind any fatty residues.

As you see, consumer needs are becoming more individual. We will have to create opportunities to gain a better understanding of these needs in the future and to meet them by offering the right products. Digitalization is creating a tremendous opportunity. We are currently working with leading skin experts and data scientists to develop a digital ecosystem that can use artificial intelligence to create individual, dynamic and holistic skin analyses – exclusively for every consumer. As a result, the consumer can find the product that exactly suits his or her skin type with the help of personalized recommendations.

In addition to innovations, C.A.R.E.+ focuses on successfully expanding business in growth regions. It makes sense at this point to take a moment and outline the history of

Beiersdorf in India. This example will show you just how dynamically we can generate profitable growth in developing countries. You have to be locally relevant. And you have to energetically set up your business. Just as we did in India.

We succeeded in lifting our net sales in India from the low tens of millions to more than €130 million. This represents a sevenfold increase. And we are already the No. 2 for deodorants and body care in this country of more than 1 billion people. We even occupy the top spot when it comes to state-of-the-art retail and e-commerce, the two most dynamic channels. We increased the number of points of sale fivefold, to 400,000. And our Indian subsidiary posted a profit just five years after being established, that is, beginning in 2016.

How did we pull it off?

Like many growth markets, NIVEA has a high level of brand recognition and a very good image even if its market penetration has been rather limited up until now. This is an ideal foundation for activation.

We assembled a strong local team here. This team then carefully analyzed the market and consumer expectations. The brand was then positioned in accordance with local needs rather than global standards. The focal point was the brand's local relevance. We then created our own research and development unit that enables us to develop tailored products. We also set up a local supply chain. This was something we needed in order to make our products affordable and available everywhere.

This success story shows us just how much we can grow also outside Germany and Europe. Today, our revenue share in growth markets is 43 percent. Each European spends an average of €9 on Beiersdorf products. But half of the people in the world spend less than 10 euro cents per capita on them. The growth potential of all of our brands cannot be overestimated.

To get this business moving globally, we have been expanding in growth markets since 2012 – with locally developed business strategies like the one in India. New additions

include our subsidiaries in Ghana, Nigeria, Saudi Arabia, Egypt, and Pakistan. We plan to establish subsidiaries in Bangladesh and Myanmar this year. Through these alone, we will reach an additional 800 million people.

In China, Beiersdorf has two different realities. La Prairie and tesa have been successful there for years. But the wider consumer business of NIVEA and Sleek has not lived up to our expectations.

In light of this situation, we recently decided to evaluate strategic options related to the Sleek hair care business, an operation we acquired 10 years ago.

In addition, we will also invest more than €10 million in a new innovation center for skin care in Shanghai. It will become the headquarters of research and development for eastern and northeastern Asia and enable us to also develop locally relevant innovations for China.

China has enormous potential, particularly for brands like NIVEA and Eucerin. But China also requires a lot of patience. We will have this patience.

So much for our business projects.

C.A.R.E.+ also represents another dimension of our commitment: sustainability and social responsibility. We offer more than 20,000 high-quality jobs around the world. We invest continuously in solutions that will minimize the impact of our business activities on the environment. We take consumers' needs seriously. We play an active role in the communities and neighborhoods where we work. In the past years, we gave a name to these activities: "We care." We even achieved some of the goals we set in the three areas of "Products," "Planet," and "People" ahead of schedule. We will achieve the other goals this year.

As part of C.A.R.E.+ , we are working on a comprehensive new strategy on sustainability.

Let's be clear about one thing: One of the biggest challenges the cosmetic industry is facing is the usage of plastic. At the end of 2015, Beiersdorf decided to forgo the use of scrub particles made of plastic in our products. But we must take many more steps:

We have made two pledges:

- First, we will ensure by 2025 that 100 percent of our packaging is recyclable, compostable or reusable.
- Second, we plan to increase the proportion of recycled materials in our plastic packaging in Europe to 25 percent by 2025 as well.

Specifically: We will introduce the first bottles made of recycled PET in a few months. Other steps will follow at the end of 2019.

Sustainability is one of the most important expectations that consumers have. This is an obligation for us. Sustainability is an integral element of innovation. The entire business process must be adapted to these criteria if we are to move forward. It starts with R&D, continues in purchasing and does not end once we reach production. We are not just prepared to take this step. We will also invest significantly more money in coming years in order to lay a strong foundation for sustainability in the entire Company.

Ladies and gentlemen,
dear shareholders,

C.A.R.E.+ will lay the foundation for a successful future.

C.A.R.E.+ underscores our willingness to invest.

C.A.R.E.+ underscores our willingness to change.

The world and the consumer are changing. That's why we also have to change - the management team and the employees. We must become faster, simpler, more agile. These will be key aspects of a renewed corporate culture.

The price of the Beiersdorf share since we announced the new strategy is a clear sign of the market's confidence in us. We “simply” have to deliver now. During 2019 we will do everything we can to forcefully and comprehensively implement C.A.R.E.+.

I am counting on dedicated employees to do their part.

I am also counting on a diverse Executive Board team that is composed of members from seven countries and has the expertise that we need to succeed.

In particular, I would like to welcome my new colleagues Dessi Temperley, Asim Naseer, and Ramon A. Mirt.

Dessi Temperley introduced herself to you at last year's Annual General Meeting. She is busy developing new ways to boost the productivity of Beiersdorf. Asim Naseer will draw on his many years of international experience in Asia, a business that is so critical to us, to develop our brand and product future. Ramon A. Mirt will apply his broad management experience in growth markets to further fuel consumer and market centricity in growth regions. The new colleagues join an Executive Board that has been writing Beiersdorf's success for years, in some cases for decades.

We also decided to improve Company-wide collaboration by setting up the Executive Committee at the beginning of January. In doing so, we have assured that strategic decisions made in a complex reality are broadly based. In addition to the members of the Executive Board, the Executive Committee consists of Dr. May Shana'a, our Head of R&D, and Harald Emberger, who oversees our supply chains.

Dear shareholders,

It is a great privilege and honor to lead Beiersdorf. It is also a great obligation to deliver what we have promised to deliver.

Thank you for the confidence you have placed in me. I am counting on your support.