

# HALF-YEAR REPORT

2020

**Beiersdorf**

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# Business Developments – Overview

## Beiersdorf sales fall due to COVID-19 pandemic Guidance for 2020

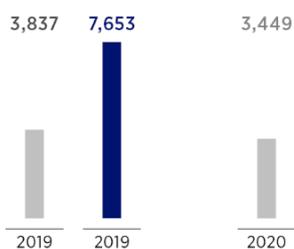
- COVID-19 pandemic leads to 10.7% drop in Group sales
- Organic sales down 10.9% year on year in Consumer Business Segment
- Organic sales at tesa fall 10.0% on the prior-year figure
- Group EBIT margin excluding special factors at 13.7%
- Sales growth on group level negative
- EBIT margin significantly below prior-year level

## Beiersdorf at a Glance

		Jan. 1–June 30, 2019	Jan. 1–June 30, 2020
<b>Group sales</b>	(in € million)	<b>3,837</b>	<b>3,449</b>
Change (organic)	(in %)	4.8	–10.7
Change (nominal)	(in %)	6.2	–10.1
<b>Consumer sales</b>	(in € million)	<b>3,146</b>	<b>2,834</b>
Change (organic)	(in %)	5.3	–10.9
Change (nominal)	(in %)	6.4	–9.9
<b>tesa sales</b>	(in € million)	<b>691</b>	<b>615</b>
Change (organic)	(in %)	2.4	–10.0
Change (nominal)	(in %)	5.5	–11.0
<b>Operating result (EBIT, excluding special factors)</b>	(in € million)	<b>593</b>	<b>472</b>
Operating result (EBIT)	(in € million)	582	441
Profit after tax	(in € million)	417	291
Return on sales after tax	(in %)	10.9	8.4
Earnings per share	(in €)	1.81	1.26
<b>Gross cash flow</b>	(in € million)	<b>491</b>	<b>409</b>
<b>Capital expenditure</b>	(in € million)	<b>136</b>	<b>118</b>
<b>Research and development expenses</b>	(in € million)	<b>117</b>	<b>122</b>
<b>Employees</b>	(number as of June 30)	<b>20,213</b>	<b>20,466</b>

Percentage changes are calculated based on thousands of euros.

### GROUP SALES (IN € MILLION)

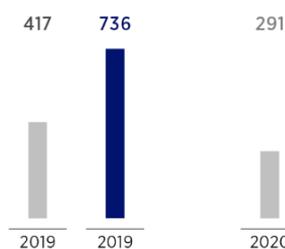


### SALES GROWTH IN %

■ Jan. 1–June 30 ■ Full year

4.8 4.1 –10.7

### PROFIT AFTER TAX (IN € MILLION)



### RETURN ON SALES AFTER TAX IN %

■ Jan. 1–June 30 ■ Full year

10.9 9.6 8.4

# Beiersdorf's Shares

Following on from their strong performance in the previous year, the capital markets continued their positive trend at the beginning of 2020, with the DAX and Dow Jones reaching new heights in February. Stock markets very rapidly priced in the global spread of the coronavirus pandemic and subsequent restrictions on the daily lives of many consumers. "Black Monday" on March 9, 2020, was just the beginning of a pronounced slump in prices on the international financial markets. Governments around the world responded promptly by providing unprecedented packages to support economies and the public. By late March, these measures were already quickly raising risk appetite again on financial markets and resulting in sharp rises in stock prices. In April, lower infection numbers in Europe accompanied by relaxation of restrictions provided a further boost. The recovery on the financial markets gathered pace as the European Central Bank (ECB) and US Federal Reserve (Fed) dramatically expanded the money supply and signaled that interest rates would remain very low. Share price indexes quickly recovered their losses, in some cases returning to pre-crisis levels and beyond in anticipation of catch-up effects. The risks of a major contraction in the world economy in 2020 took a back seat, as did the emerging recession due to the restrictions imposed during the coronavirus pandemic.

The oil price, a global indicator of commodity prices, came under pressure amid the effects of the coronavirus crisis. At the same time, a price war between Russia and Saudi Arabia led to a dramatic fall in the price of oil, which recovered only slowly in the second quarter. The pandemic also made the USD-EUR exchange rate more volatile than in the previous year. The euro ended the January-June 2020 period slightly higher against the US dollar. Thanks to their defensive nature, Beiersdorf's shares held their own in this extraordinary market environment. The losses of over 20% at the peak of the coronavirus crisis were moderate by comparison with the wider market. The price of our shares quickly recovered from this level and found a base around the €95 mark. As the market recovery continued, the price of Beiersdorf shares passed €100 again and ended the first half of the year 2020 close to its pre-crisis level.

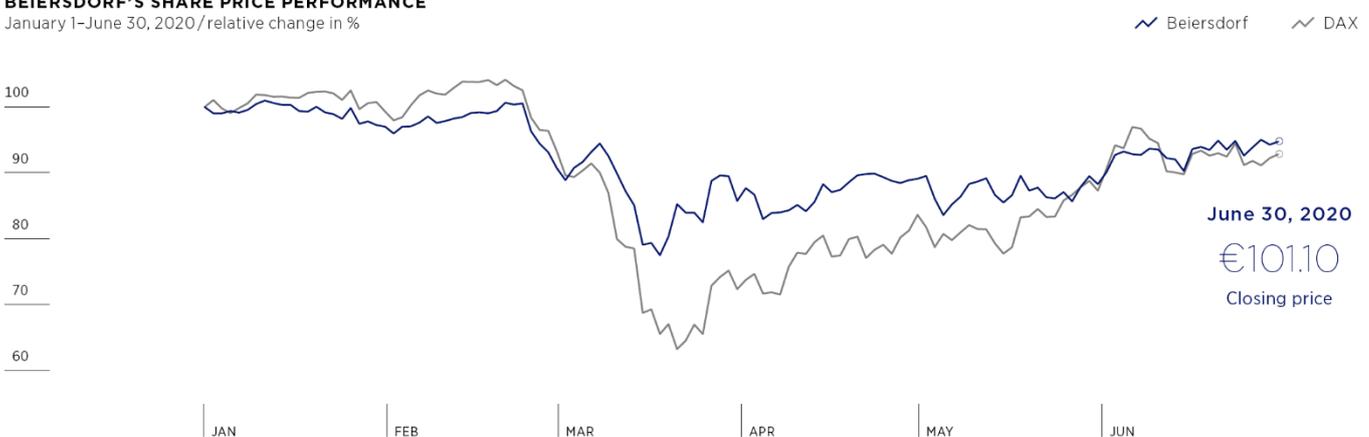
This year's Annual General Meeting took place in a virtual format for the first time at the Group's headquarters in Hamburg. Over 350 shareholders participated online in the meeting on April 29 and took part in live voting via the digital platform – another first for Beiersdorf AG. Our shares ended the first half of 2020 at €101.10.

## KEY FIGURES - SHARES

		2019	2020
Earnings per share as of June 30	(in €)	1.81	1.26
Market capitalization as of June 30	(in € million)	26,599	25,477
Closing price as of June 30	(in €)	105.55	101.10
Closing high for the period Jan. 1-June 30	(in €)	107.80	107.70
Closing low for the period Jan. 1-June 30	(in €)	81.56	82.82

## BEIERSDORF'S SHARE PRICE PERFORMANCE

January 1-June 30, 2020/relative change in %



# Interim Management Report – Group Results of Operations – Group

- Group sales fall by 10.7% due to COVID-19 pandemic
- EBIT margin excluding special factors at 13.7%
- Profit after tax of €291 million

## GROUP SALES (IN € MILLION)

	Jan. 1–June 30, 2019	Jan. 1–June 30, 2020	Change (in %)	
			nominal	organic
Europe	1,960	1,724	–12.1	–11.8
Americas	644	681	5.8	–3.4
Africa/Asia/Australia	1,233	1,044	–15.3	–13.0
<b>Total</b>	<b>3,837</b>	<b>3,449</b>	<b>–10.1</b>	<b>–10.7</b>

Sales performance was hit across the board by the COVID-19 pandemic, especially in the second quarter. Organic Group sales in the first six months of 2020 were down 10.7% on the previous year. Nominal Group sales fell by 10.1% to €3,449 million (previous year: €3,837 million). Sales declined by 10.9% in the Consumer Business Segment and 10.0% in the tesa Business Segment.

In **Europe**, sales were 11.8% down on the same period of the previous year. In nominal terms, sales amounted to €1,724 million (previous year: €1,960 million), down 12.1% year on year. In the **Americas** region, sales fell by 3.4%. Nominal sales grew 5.8% year on year to €681 million (previous year: €644 million). Sales in the Africa/Asia/Australia region declined by 13.0%. In nominal terms, sales fell by 15.3% to €1,044 million (previous year: €1,233 million).

## INCOME STATEMENT (IN € MILLION)

	Jan. 1–June 30, 2019	Jan. 1–June 30, 2020	Change in %
<b>Sales</b>	<b>3,837</b>	<b>3,449</b>	<b>–10.1</b>
Cost of goods sold	–1,582	–1,451	–8.3
<b>Gross profit</b>	<b>2,255</b>	<b>1,998</b>	<b>–11.4</b>
Marketing and selling expenses	–1,310	–1,204	–8.1
Research and development expenses	–117	–122	3.3
General and administrative expenses	–206	–210	1.8
Other operating result*	–29	10	–
<b>Operating result (EBIT, excluding special factors)</b>	<b>593</b>	<b>472</b>	<b>–20.4</b>
Special factors	–11	–31	–
<b>Operating result (EBIT)</b>	<b>582</b>	<b>441</b>	<b>–24.2</b>
Financial result	6	–14	–
<b>Profit before tax</b>	<b>588</b>	<b>427</b>	<b>–27.4</b>
Income taxes	–171	–136	–20.7
<b>Profit after tax</b>	<b>417</b>	<b>291</b>	<b>–30.1</b>
<b>Basic/diluted earnings per share (in €)</b>	<b>1.81</b>	<b>1.26</b>	<b>–</b>

\*No special factors are included in the line other operating result.

The operating result (EBIT, excluding special factors) reached €472 million (previous year: €593 million). The decline in operating profit by €121 million was mainly due to the COVID-19 pandemic. Positive effects from reduced marketing and selling expenses and a €39 million year-on-year improvement in the other operating result were unable to fully offset the negative sales performance. Excluding special factors, the EBIT margin for the first six months of 2020 was 13.7% (previous year: 15.4%).

The Beiersdorf Group's results of operations are determined on the basis of the operating result (EBIT) excluding special factors. This figure is not part of IFRS Standards and should be treated merely as voluntary additional information. Special factors of €31 million (previous year: €11 million) resulted mainly from expenditure of €12 million for the Beiersdorf donation program "Care Beyond Skin," expenditure of €8 million for the integration of the COPPERTONE business, and impairment of goodwill in Northeast Asia amounting to €10 million due to the general business development (further information in the notes under "Notes on Impairment Testing"). EBIT including special factors stood at €441 million (previous year: €582 million). The EBIT margin was 12.8% (previous year: 15.2%).

The financial result amounted to €-14 million (previous year: €6 million) due to the negative development of the other financial result.

Profit after tax fell to €291 million (previous year: €417 million). The return on sales after tax was 8.4% (previous year: 10.9%). Excluding special factors, profit after tax amounted to €316 million (previous year: €425 million). The corresponding return on sales after tax was 9.2% (previous year: 11.1%). Earnings per share were €1.26, calculated on the basis of 226,818,984 shares (previous year: €1.81). Excluding special factors, earnings per share amounted to €1.37 (previous year: €1.84).

## Results of Operations – Business Segments

### Consumer

#### CONSUMER SALES (IN € MILLION)

	Jan. 1–June 30, 2019	Jan. 1–June 30, 2020	Change (in %)	
			nominal	organic
<b>Europe</b>	<b>1,588</b>	<b>1,382</b>	<b>-13.0</b>	<b>-12.8</b>
Western Europe	1,294	1,116	-13.8	-14.3
Eastern Europe	294	266	-9.4	-6.3
<b>Americas</b>	<b>530</b>	<b>593</b>	<b>11.8</b>	<b>1.5</b>
North America	226	321	42.0	-0.2
Latin America	304	272	-10.6	2.8
<b>Africa/Asia/Australia</b>	<b>1,028</b>	<b>859</b>	<b>-16.3</b>	<b>-14.4</b>
<b>Total</b>	<b>3,146</b>	<b>2,834</b>	<b>-9.9</b>	<b>-10.9</b>

Organic sales in the **Consumer** Business Segment fell by 10.9% in the first half of the year. Negative exchange rate effects of 1.5 percentage points were offset by structural effects, which added 2.5 percentage points to growth. In nominal terms, sales therefore fell by 9.9% to €2,834 million (previous year: €3,146 million).

**NIVEA** sales decreased by 8.8% on the prior-year figure. The **Healthcare** business unit, mainly comprising the plaster business, recorded a 7.7% fall in sales. Meanwhile, the **Derma** business unit with the EUCERIN and AQUAPHOR brands continued to perform very positively with growth of 6.2%. The LA PRAIRIE brand was particularly hit by the drop in international travel and recorded a 41.9% decline in sales.

## Europe

Organic sales in the **Europe** region fell by 12.8%. In nominal terms, sales amounted to €1,382 million (previous year: €1,588 million), 13.0% down on the previous year's figure.

In **Western Europe**, sales were down 14.3% on the previous year, affected by weak performance in countries such as France, Italy, Spain, and the United Kingdom, which have suffered particularly badly from the COVID-19 pandemic, and especially by the sharp fall in sales in the travel retail business at LA PRAIRIE. In **Eastern Europe**, sales were down 6.3% on the same period of the previous year. The sales trend in key markets such as Poland and Ukraine was only slightly in negative territory.

## Americas

Organic sales in the **Americas** region increased by 1.5%. The acquisition of the COPPERTONE business lifted growth in the region by 16.9 percentage points. Exchange rate effects reduced sales by 6.6 percentage points. At €593 million, nominal sales were up 11.8% on the previous year (€530 million).

In **North America**, organic sales growth was slightly down on the previous year, even though EUCERIN and AQUAPHOR achieved strong sales growth. **Latin America** recorded growth of 2.8% despite the ongoing COVID-19 pandemic. This was driven especially by double-digit growth rates in Brazil and Chile. In a difficult market environment, sales in Argentina were considerably down on the same period of the previous year and were additionally affected by negative exchange rate effects.

## Africa/Asia/Australia

The **Africa/Asia/Australia** region reported a 14.4% fall in organic sales. In nominal terms, sales fell by 16.3% to €859 million, partly due to the sale of the SLEK brand (previous year: €1,028 million). While sales in India, Turkey, Indonesia, and Japan declined, sales in Australia, Malaysia, and Saudi Arabia developed positively. LA PRAIRIE declined due to the COVID-19 pandemic. EUCERIN, on the other hand, increased its sales. The picture in Africa was mixed.

Special factors in the Consumer Business Segment comprised expenditure of €11 million from the "Care Beyond Skin" program, expenditure of €8 million in relation to the integration of the COPPERTONE business, and impairment of goodwill in Northeast Asia amounting to €10 million (further information in the notes under "Notes on Impairment Testing").

EBIT excluding special factors for the first half of the year stood at €376 million (previous year: €482 million), while the EBIT margin was 13.3% (previous year: 15.3%).

## tesa

### tesa SALES (IN € MILLION)

	Jan. 1–June 30, 2019	Jan. 1–June 30, 2020	Change (in %)	
			nominal	organic
Europe	372	342	–8.1	–7.3
Americas	114	88	–22.3	–20.7
Africa/Asia/Australia	205	185	–9.9	–9.1
<b>Total</b>	<b>691</b>	<b>615</b>	<b>–11.0</b>	<b>–10.0</b>

tesa recorded a considerable fall in sales from January to June compared to the first half of the previous year. Organic sales at tesa declined by 10.0%. Negative exchange rate effects added an extra percentage point to the decline. In nominal terms, tesa therefore recorded an 11.0% fall in sales to €615 million (previous year: €691 million).

The coronavirus pandemic severely affected the global economy in the second quarter and also had a major impact on tesa's business. tesa's sales fell especially in the **Direct Industries** division, which handles business directly with industrial customers. tesa also saw declining sales in the **Trade Markets** division.

In a difficult global market environment, automotive business in particular showed a clearly negative sales trend. This downward trend was especially evident in the Americas and in Europe. Falling sales in Asia were due especially to declines in the electronics business.

Including special factors, EBIT in the tesa Business Segment recorded a year-on-year fall to €94 million (previous year: €111 million). The EBIT margin was 15.3% (previous year: 16.0%). This included special factors of around €2 million, which particularly comprised spending on the "Care Beyond Skin" program. The EBIT margin excluding special factors was 15.6% (previous year: 16.0%).

## Net Assets – Group

<b>NET ASSETS (IN € MILLION)</b>			
Assets	Dec. 31, 2019*	June 30, 2019	June 30, 2020
Non-current assets	5,319	4,400	5,482
Inventories	1,012	994	1,043
Other current assets	2,589	2,879	2,426
Cash and cash equivalents	1,145	1,118	871
	<b>10,065</b>	<b>9,391</b>	<b>9,822</b>
Equity and liabilities	Dec. 31, 2019	June 30, 2019	June 30, 2020
Equity	6,093	5,794	6,118
Non-current provisions	987	978	978
Non-current liabilities	148	158	102
Current provisions	491	416	432
Current liabilities	2,346	2,045	2,192
	<b>10,065</b>	<b>9,391</b>	<b>9,822</b>

\*The figures as of December 31, 2019, have been amended due to the finalization of the purchase price allocation for the COPPERTONE business.

Non-current assets grew by €163 million as against December 31, 2019, to €5,482 million, particularly due to an increase in long-term securities. Capital expenditure on property, plant, and equipment and on intangible assets in the first six months of 2020 amounted to €118 million (previous year: €136 million). Of this amount, €97 million was attributable to the Consumer Business Segment (previous year: €110 million), primarily for securing the future of the Beiersdorf sites and expanding capacity at the production locations, but also for the construction of the new Beiersdorf headquarters. Capital expenditure by the tesa Business Segment was €21 million (previous year: €26 million). Inventories rose by €31 million as against December 31, 2019, to €1,043 million. Other current assets fell by €163 million as against December 31, 2019, to €2,426 million. This item includes short-term securities of €621 million, a decline of €149 million as against year-end 2019. Trade receivables fell by €41 million compared with the figure for December 31, 2019, to €1,401 million.

Cash and cash equivalents declined by €274 million as against December 31, 2019, to €871 million. Net liquidity (cash, cash equivalents, and long- and short-term securities less current liabilities to banks and leasing liabilities) declined by €146 million compared with the figure for December 31, 2019, to €4,104 million. Current liabilities to banks fell by €41 million and amounted to €240 million on the reporting date.

Total non-current provisions and liabilities fell by €55 million compared to December 31, 2019, and stood at €1,080 million. The decline in current liabilities to €2,192 million was primarily due to the €146 million decrease in trade payables.

### FINANCING STRUCTURE (IN %)



# Financial Position – Group

## CASH FLOW STATEMENT (IN € MILLION)

	Jan. 1–June 30, 2019	Jan. 1–June 30, 2020
Gross cash flow	491	409
Change in working capital	-190	-223
Net cash flow from operating activities	301	186
Net cash flow from investing activities	55	-164
Free cash flow	356	22
Net cash flow from financing activities	-168	-250
Other changes	11	-43
Net change in cash and cash equivalents	199	-271
<b>Cash and cash equivalents as of Jan. 1</b>	<b>919</b>	<b>1,142</b>
<b>Cash and cash equivalents as of June 30</b>	<b>1,118</b>	<b>871</b>

Gross cash flow amounted to €409 million and was thus €82 million below the prior-year value. The cash outflow from the change in net current assets was €223 million (previous year: €190 million). The increase in inventories of €27 million was offset by a decrease in receivables and other assets by €13 million and in liabilities and provisions by €209 million. Overall, the net cash flow from operating activities totaled €186 million (previous year: €301 million).

The cash outflow from investing activities amounted to €164 million (previous year: net inflow of €55 million). Interest and other financial inflows of €22 million were in contrast to net outflows for the purchase of securities of €68 million and outflows for investments in property, plant, and equipment and intangible assets of €118 million.

Free cash flow at €22 million was therefore €334 million lower than the previous year (€356 million). The net cash outflow from financing activities amounted to €250 million (previous year: €168 million).

Cash and cash equivalents amounted to €871 million (previous year: €1,118 million).

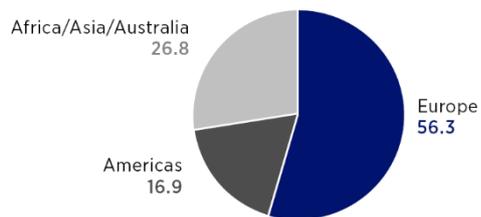
# Employees

The number of employees decreased by 188 compared with the figure on December 31, 2019, from 20,654 to 20,466. As of June 30, 2020, 15,710 employees worked in the Consumer Business Segment and 4,756 at tesa.

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## EMPLOYEES BY REGION (IN %)

as of June 30, 2020; total 20,466 employees



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# Opportunities and Risks

For more information on opportunities and risks, please refer to our Risk Report in the Group Management Report as of December 31, 2019. With the exception of effects on business development arising from the worldwide coronavirus pandemic, which we have already described in the company's current announcements as far as possible, there are no significant changes to our opportunities and risks as of June 30, 2020.

# Outlook for 2020

## Expected Macroeconomic Developments

The COVID-19 pandemic will result in a marked fall in global economic output in 2020. Given the sudden interruption to economic activity and the various measures to contain and tackle the pandemic, it is still difficult to estimate the global scale of this decline. Trade conflicts and associated uncertainty about the future economic policy of the United States, geopolitical unrest, and the long-term consequences of Brexit continue to generate uncertainty about the development of the global economy. These uncertainties significantly affect the ability to forecast.

For **Europe**, we expect a major decline in economic growth. A dramatic fall in output is anticipated for 2020 especially in countries hard hit by the COVID-19 pandemic, such as Italy, Spain, France, and the United Kingdom. In the second half of the year, economic performance is likely to recover somewhat from the deep contraction seen in the first half. However, continuing restrictions in many industries must be anticipated. A major year-on-year decline in consumer spending, subdued investment, and a rise in unemployment are in store.

In **Germany**, we anticipate a substantial fall in economic output. The stimulus package announced by the German government, including a temporary VAT cut, should counteract this trend. Compared to other European countries, we expect the rise in unemployment in 2020 to be less severe in Germany as a result of the short-time working model known as *Kurzarbeit*. Sharp declines are expected in consumer spending and especially in Germany's important export sector.

The **US economy** is particularly badly affected by the COVID-19 pandemic. A heavy fall in economic output is expected for 2020 as a whole. The sharp rise in unemployment will hit consumer spending in 2020. Domestic political conflicts are also weighing on economic performance. The future direction of economic policy remains difficult to predict, creating further uncertainty.

In **Japan**, we also anticipate a substantial fall in economic output. There were signs of an economic slowdown even before the COVID-19 pandemic. Given the restrictive measures to combat the virus, a sharp fall in consumer spending, investment, and export demand is expected for 2020 as a whole.

In the **emerging markets**, too, we expect to see shrinking economies. China was already affected in January of this year by the government-ordered closure of large parts of the economy. Economic activity in the Chinese market has increasingly been returning to normal since the lockdowns began to ease in March. Given the major contraction at the beginning of the year and the recession elsewhere in the world, economic output in China is likely to fall sharply in 2020. Extensive measures to contain the pandemic have also been taken in the Middle East, India, and the Southeast Asian emerging markets, which will lead to a major decline in economic activity and a collapse in output for 2020. Major falls in output are also emerging in Brazil and Russia, and this will lead to a sharply negative economic performance for the year as a whole.

Due to the global economic slowdown, prices on the raw materials markets relevant to Beiersdorf are expected to fall in the further course of the year.

## **Business Developments**

2020 sales growth in both business segments and on group level will be negative. Group EBIT margin is expected to be significantly below prior-year level.

We firmly believe we are well positioned for the future thanks to our internationally successful brand portfolio, our innovative and high-quality products, and our dedicated employees.

Hamburg, August 5, 2020

Beiersdorf AG

The Executive Board

# Interim Consolidated Financial Statements

## Income Statement

(IN € MILLION)

	Jan. 1–June 30, 2019	Jan. 1–June 30, 2020
<b>Sales</b>	<b>3,837</b>	<b>3,449</b>
Cost of goods sold	-1,582	-1,451
<b>Gross profit</b>	<b>2,255</b>	<b>1,998</b>
Marketing and selling expenses	-1,310	-1,204
Research and development expenses	-117	-122
General and administrative expenses	-206	-210
Other operating result	-40	-21
<b>Operating result (EBIT)</b>	<b>582</b>	<b>441</b>
Interest income	18	17
Interest expense	-3	-7
Net pension result	-7	-4
Other financial result	-2	-20
<b>Profit before tax</b>	<b>588</b>	<b>427</b>
Income taxes	-171	-136
<b>Profit after tax</b>	<b>417</b>	<b>291</b>
Of which attributable to		
– Equity holders of Beiersdorf AG	410	285
– Non-controlling interests	7	6
<b>Basic/diluted earnings per share (in €)</b>	<b>1.81</b>	<b>1.26</b>

## Statement of Comprehensive Income

(IN € MILLION) \*

	Jan. 1–June 30, 2019	Jan. 1–June 30, 2020
<b>Result after tax</b>	<b>417</b>	<b>291</b>
<b>Other comprehensive income that will be reclassified subsequently to profit or loss</b>	<b>28</b>	<b>-99</b>
Remeasurement cash flow hedges	-3	9
Remeasurement securities	6	-4
Exchange differences	25	-104
<b>Other comprehensive income that will not be reclassified subsequently to profit or loss</b>	<b>-123</b>	<b>9</b>
Remeasurement defined benefit pension plans	-123	9
<b>Other comprehensive income</b>	<b>-95</b>	<b>-90</b>
<b>Total comprehensive income</b>	<b>322</b>	<b>201</b>
Of which attributable to		
– Equity holders of Beiersdorf AG	314	195
– Non-controlling interests	8	6

\* net of tax

# Balance Sheet

<b>(IN € MILLION)</b>			
	Dec. 31, 2019	June 30, 2019	June 30, 2020
<b>Assets</b>			
Intangible assets*	592	211	575
Property, plant, and equipment*	1,619	1,486	1,585
Non-current financial assets/securities	2,795	2,426	3,005
Other non-current assets	37	36	49
Deferred tax assets*	276	241	268
<b>Non-current assets</b>	<b>5,319</b>	<b>4,400</b>	<b>5,482</b>
Inventories*	1,012	994	1,043
Trade receivables	1,442	1,605	1,401
Other current financial assets	82	95	86
Income tax receivables	140	111	166
Other current assets	155	149	152
Securities	770	919	621
Cash and cash equivalents*	1,145	1,118	871
<b>Current assets</b>	<b>4,746</b>	<b>4,991</b>	<b>4,340</b>
	<b>10,065</b>	<b>9,391</b>	<b>9,822</b>
<b>Equity and liabilities</b>			
Equity attributable to equity holders of Beiersdorf AG	6,066	5,778	6,102
Non-controlling interests	27	16	16
<b>Equity</b>	<b>6,093</b>	<b>5,794</b>	<b>6,118</b>
Provisions for pensions and other post-employment benefits	878	860	868
Other non-current provisions	109	118	110
Non-current financial liabilities	119	126	76
Other non-current liabilities	2	2	2
Deferred tax liabilities	27	30	24
<b>Non-current liabilities</b>	<b>1,135</b>	<b>1,136</b>	<b>1,080</b>
Other current provisions	491	416	432
Income tax liabilities	163	183	191
Trade payables	1,660	1,559	1,514
Other current financial liabilities	412	183	378
Other current liabilities	111	120	109
<b>Current liabilities</b>	<b>2,837</b>	<b>2,461</b>	<b>2,624</b>
	<b>10,065</b>	<b>9,391</b>	<b>9,822</b>

\*The figures as of December 31, 2019, have been amended due to the finalization of the purchase price allocation for the COPPERTONE business.

# Cash Flow Statement

(IN € MILLION)

	Jan. 1–June 30, 2019	Jan. 1–June 30, 2020
<b>Profit after tax</b>	<b>417</b>	<b>291</b>
<i>Reconciliation of profit after tax to net cash flow from operating activities</i>		
Income taxes	171	136
Financial result	–6	14
Income taxes paid	–188	–153
Depreciation and amortization	106	121
Change in non-current provisions (excluding interest components and changes recognized in OCI)	–10	–
Gain/loss on disposal of property, plant, and equipment, and intangible assets	1	–
<b>Gross cash flow</b>	<b>491</b>	<b>409</b>
Change in inventories	–8	–27
Change in receivables and other assets	–188	13
Change in liabilities and current provisions	6	–209
<b>Net cash flow from operating activities</b>	<b>301</b>	<b>186</b>
Investments in property, plant, and equipment, and intangible assets	–136	–118
Proceeds from the sale of property, plant, and equipment, and intangible assets	3	–
Payments to acquire securities	–509	–586
Proceeds from the sale/final maturity of securities	679	518
Interest received	11	11
Proceeds from dividends and other financing activities	7	11
<b>Net cash flow from investing activities</b>	<b>55</b>	<b>–164</b>
<b>Free cash flow</b>	<b>356</b>	<b>22</b>
Proceeds from loans	137	106
Loan repayments (inkl. lease liabilities)	–114	–178
Interest paid	–1	–5
Other financing expenses paid	–15	3
Cash dividends paid (Beiersdorf AG)	–159	–159
Cash dividends paid (non-controlling interests)	–16	–17
<b>Net cash flow from financing activities</b>	<b>–168</b>	<b>–250</b>
Effect of exchange rate fluctuations and other changes on cash held	11	–43
Net change in cash and cash equivalents	199	–271
<b>Cash and cash equivalents as of Jan. 1</b>	<b>919</b>	<b>1,142</b>
<b>Cash and cash equivalents as of June 30</b>	<b>1,118</b>	<b>871</b>

# Statement of Changes in Equity

(IN € MILLION)

	Share capital	Additional paid-in capital	Retained earnings*	Accumulated other comprehensive income			Total attributable to equity holders	Non-controlling interests	Total
				Currency translation adjustment	Hedging instruments from cash flow hedges	Debt and Equity Securities			
<b>Jan. 1, 2019</b>	<b>252</b>	<b>47</b>	<b>5,526</b>	<b>-197</b>	<b>-2</b>	<b>-3</b>	<b>5,623</b>	<b>24</b>	<b>5,647</b>
Total comprehensive income for the period	–	–	287	24	–3	6	314	8	322
Dividend of Beiersdorf AG for previous year	–	–	-159	–	–	–	-159	–	-159
Dividend of non-controlling interests for previous year	–	–	–	–	–	–	–	-16	-16
<b>June 30, 2019</b>	<b>252</b>	<b>47</b>	<b>5,654</b>	<b>-173</b>	<b>-5</b>	<b>3</b>	<b>5,778</b>	<b>16</b>	<b>5,794</b>
<b>Jan. 1, 2020</b>	<b>252</b>	<b>47</b>	<b>5,944</b>	<b>-174</b>	<b>-6</b>	<b>3</b>	<b>6,066</b>	<b>27</b>	<b>6,093</b>
Total comprehensive income for the period	–	–	294	-104	9	-4	195	6	201
Dividend of Beiersdorf AG for previous year	–	–	-159	–	–	–	-159	–	-159
Dividend of non-controlling interests for previous year	–	–	–	–	–	–	–	-17	-17
<b>June 30, 2020</b>	<b>252</b>	<b>47</b>	<b>6,079</b>	<b>-278</b>	<b>3</b>	<b>-1</b>	<b>6,102</b>	<b>16</b>	<b>6,118</b>

\*The cost of treasury shares amounting to €955 million has been deducted from retained earnings.

# Segment Reporting

## Business Developments by Business Segment

NET SALES (IN € MILLION)	Jan. 1–June 30, 2019		Jan. 1–June 30, 2020		Change in %	
		% of total		% of total	nominal	organic
Consumer	3,146	82.0	2,834	82.2	–9.9	–10.9
tesa	691	18.0	615	17.8	–11.0	–10.0
<b>Total</b>	<b>3,837</b>	<b>100.0</b>	<b>3,449</b>	<b>100.0</b>	<b>–10.1</b>	<b>–10.7</b>

EBITDA (IN € MILLION)	Jan. 1–June 30, 2019		Jan. 1–June 30, 2020		Change in %	
		% of sales		% of sales	nominal	
Consumer	545	17.3	465	16.4	–14.7	
tesa	143	20.7	129	21.0	–9.6	
<b>Total</b>	<b>688</b>	<b>17.9</b>	<b>594</b>	<b>17.2</b>	<b>–13.5</b>	

OPERATING RESULT (EBIT, EXCLUDING SPECIAL FACTORS) (IN € MILLION)	Jan. 1–June 30, 2019		Jan. 1–June 30, 2020		Change in %	
		% of sales		% of sales	nominal	
Consumer	482	15.3	376	13.3	–22.0	
tesa	111	16.0	96	15.6	–13.2	
<b>Total</b>	<b>593</b>	<b>15.4</b>	<b>472</b>	<b>13.7</b>	<b>–20.4</b>	

GROSS CASH FLOW (IN € MILLION)	Jan. 1–June 30, 2019		Jan. 1–June 30, 2020		Change in %	
		% of sales		% of sales	nominal	
Consumer	394	12.5	321	11.3	–18.2	
tesa	97	14.0	88	14.3	–8.4	
<b>Total</b>	<b>491</b>	<b>12.8</b>	<b>409</b>	<b>11.9</b>	<b>–16.3</b>	

## Regional Reporting

NET SALES (IN € MILLION)	Jan. 1–June 30, 2019		Jan. 1–June 30, 2020		Change in %	
		% of total		% of total	nominal	organic
Europe	1,960	51.1	1,724	50.0	–12.1	–11.8
Americas	644	16.8	681	19.7	5.8	–3.4
Africa/Asia/Australia	1,233	32.1	1,044	30.3	–15.3	–13.0
<b>Total</b>	<b>3,837</b>	<b>100.0</b>	<b>3,449</b>	<b>100.0</b>	<b>–10.1</b>	<b>–10.7</b>

OPERATING RESULT (EBIT, EXCLUDING SPECIAL FACTORS) (IN € MILLION)	Jan. 1–June 30, 2019		Jan. 1–June 30, 2020		Change in %	
		% of sales		% of sales	nominal	
Europe	343	17.5	241	14.0	–29.9	
Americas	56	8.7	48	7.0	–14.1	
Africa/Asia/Australia	194	15.7	183	17.5	–5.3	
<b>Total</b>	<b>593</b>	<b>15.4</b>	<b>472</b>	<b>13.7</b>	<b>–20.4</b>	

# Selected Explanatory Notes

## Information on the Company and on the Group

The registered office of Beiersdorf AG is located at Unnastrasse 48 in Hamburg (Germany), and the company is registered with the commercial register of the Hamburg Local Court under the number HRB 1787. Beiersdorf AG is included in the consolidated financial statements of maxingvest ag. The activities of Beiersdorf AG and its affiliates (“Beiersdorf Group”) consist primarily of the manufacture and distribution of branded consumer goods in the area of skin and body care, and of the manufacture and distribution of technical adhesive tapes.

## Basis of Preparation

The interim consolidated financial statements for the period from January 1 to June 30, 2020, were prepared in accordance with IAS 34 “Interim Financial Reporting” and IFRS, as adopted by the EU. The interim consolidated financial statements should be read in conjunction with the consolidated financial statements as of December 31, 2019.

## Accounting Policies

The figures disclosed in this interim report were prepared in accordance with the International Financial Reporting Standards (IFRS). The same accounting policies were used in the interim consolidated financial statements as in the annual consolidated financial statements for 2019. Accounting for the merger with the COPPERTONE business was finalized in the reporting period, which has led to an adjustment in the balance sheet figures as of December 31, 2019. The changes resulting from the purchase price allocation were as follows:

### CHANGE IN CONSOLIDATED BALANCE SHEET FIGURES DUE TO FINALIZATION OF PURCHASE PRICE ALLOCATION (IN MILLION €)

	Published in consolidated financial statements 31 December 2019	Amended consolidated balance sheet 31 December 2019
Intangible assets	590	592
Property, plant, and equipment	1,626	1,619
Deferred tax assets	270	276
Inventories	1,016	1,012
Cash and cash equivalents	1,142	1,145

The final purchase price allocation has no material effect on any other components of the consolidated financial statements as of December 31, 2019. Further details on the finalization of the purchase price allocation can be found in the “Consolidated Group, Acquisitions, and Divestments” section.

## Related Party Disclosures

Please refer to the consolidated financial statements as of December 31, 2019, for related party disclosures. There were no significant changes as of June 30, 2020.

## Consolidated Group, Acquisitions, and Divestments

Beiersdorf acquired the sun care business COPPERTONE for a final purchase price of €492 million (USD 551 million) with a purchase agreement dated May 13, 2019. The sun care brand is mainly sold in the United States, Canada, and China and has been part of the Beiersdorf Group since August 31, 2019. The 2019 consolidated financial statements contain a provisional purchase price allocation, as not all the information relevant for the purchase price allocation had yet been prepared and audited at that time. The purchase price allocation was completed in June 2020. Based on this final allocation, the assets acquired as of August 31, 2019, were as follows:

**ALLOCATION OF THE PURCHASE PRICE FOR THE ACQUISITION OF THE COPPERTONE-BUSINESS (IN € MILLION)**

<b>Purchase price</b>	<b>492</b>
Trademark rights	188
Technology and patents	17
Customer base	13
Property, plant, and equipment	51
Inventories	47
Deferred Tax Assets	5
<b>Goodwill</b>	<b>171</b>

The values recognized for the acquired assets are largely within the ranges indicated in the 2019 annual report. At €13 million, the value of the customer base is below the range shown in the consolidated financial statements as of December 31, 2019 due to an adjustment of the assumption regarding the average term of the customer relationships.

For the purposes of the impairment test, the goodwill acquired in the course of the business combination was allocated with effect from the time of acquisition to the cash-generating units expected to benefit from the business potential of the merger and generate resulting cash flows. As part of the COPPERTONE acquisition, goodwill of €161 million was allocated to the North American cash-generating unit (Beiersdorf USA and Beiersdorf Canada). Goodwill of €10 million was allocated to the northeast Asian cash-generating unit (NIVEA Shanghai, Beiersdorf Hong Kong, and Beiersdorf Taiwan). The goodwill allocated to North America is tax deductible.

### Notes on Impairment Testing

The North American and northeast Asian cash-generating units were subjected to an impairment test as of June 30, 2020. Forecast cash flows were used to calculate value in use in order to determine the recoverable amount. The main estimates on which the impairment tests were based included market shares and rates of sales growth, price trends for commodities, gross profit margins, and corresponding discount rates. The detailed planning anticipates moderate sales growth and a typical EBIT margin for the Group. Estimated future cash flows were based on financial planning with a five-year horizon. Cash flows beyond the planning period were extrapolated using an individual growth rate taking into account relevant market information. Beyond the planning horizon, this growth rate (terminal growth rate) was assumed to be 1.0% for both North America and northeast Asia. The weighted pre-tax discount rate used to discount the estimated cash flows was 5.7% for North America and 8.3% for northeast Asia.

Due to the general business development in the northeast Asian cash-generating unit, the impairment test showed an impairment of goodwill amounting to €10 million. The goodwill from the COPPERTONE acquisition attributable to the northeast Asian cash-generating unit has been fully written off as of June 30, 2020. The impairment was recognized in other operating expenses and is attributable to the Consumer Business Segment.

As forecasts for the performance of major economies have worsened as a result of the COVID-19 pandemic, impairment tests were conducted at the level of all other cash-generating units as of June 30, 2020. These did not identify any impairment losses. Even in the event of changes in economic performance considered to be reasonably possible scenarios, the Group expects the recoverable amount to exceed the carrying amount in the case of these cash-generating units.

## Corporate Governance

The declaration of compliance with the recommendations of the German Corporate Governance Code issued by the Supervisory Board and the Executive Board for fiscal year 2019 in accordance with § 161 *Aktiengesetz* (German Stock Corporation Act, *AktG*) was published in December 2019 and updated in April 2020. This is permanently available on our website at [WWW.BEIERSDORF.COM/INVESTORS/CORPORATE-GOVERNANCE/DECLARATION-OF-COMPLIANCE.HTML](http://WWW.BEIERSDORF.COM/INVESTORS/CORPORATE-GOVERNANCE/DECLARATION-OF-COMPLIANCE.HTML).

## Events after the Reporting Date

No significant effects occurred after the balance sheet date that would have a material effect on the Beiersdorf Group's business development.

# Review Report

To Beiersdorf Aktiengesellschaft

We have reviewed the interim condensed consolidated financial statements of Beiersdorf Aktiengesellschaft, Hamburg, which comprise the income statement, statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, segment reporting and selected explanatory notes, and the interim group management report for the period from 1 January 2020 to 30 June 2020, which are part of the half-year financial report pursuant to Sec. 115 WpHG [“Wertpapierhandelsgesetz”: German Securities Trading Act]. The executive directors are responsible for the preparation of the interim condensed consolidated financial statements in accordance with IFRSs on interim financial reporting as adopted by the EU and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports. Our responsibility is to issue a report on the interim condensed consolidated financial statements and the interim group management report based on our review.

We conducted our review of the interim condensed consolidated financial statements and of the interim group management report in compliance with German Generally Accepted Standards for the Review of Financial Statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the review to obtain a certain level of assurance in our critical appraisal to preclude that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IFRSs on interim financial reporting as adopted by the EU and that the interim group management report is not prepared, in all material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to making inquiries of the Company’s employees and analytical assessments and therefore does not provide the assurance obtainable from an audit of financial statements. Since, in accordance with our engagement, we have not performed an audit of financial statements, we cannot issue an auditor’s report.

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IFRSs on interim financial reporting as adopted by the EU or that the interim group management report is not prepared, in all material respects, in accordance with the provisions of the WpHG applicable to interim group management reports.

Hamburg, August 5, 2020

Ernst & Young GmbH  
Wirtschaftsprüfungsgesellschaft

Jeschonneck	Siemer
Wirtschaftsprüfer	Wirtschaftsprüferin
[German Public Auditor]	[German Public Auditor]

# Responsibility Statement by the Executive Board

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group in the remainder of the fiscal year.

Hamburg, August 5, 2020

Beiersdorf AG

The Executive Board



**Stefan De Loecker**  
Chairman of the  
Executive Board



**Thomas Ingelfinger**  
Member of the  
Executive Board



**Zhengrong Liu**  
Member of the  
Executive Board



**Ramon A. Mirt**  
Member of the  
Executive Board



**Asim Naseer**  
Member of the  
Executive Board



**Dessi Temperley**  
Member of the  
Executive Board



**Vincent Warnery**  
Member of the  
Executive Board

# Financial Calendar

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## 2020

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October 28

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**Quarterly Statement  
January to September 2020**

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## 2021

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February

—  
**Publication of Annual Report 2020,  
Annual Accounts Press Conference,  
Financial Analyst Meeting**

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April

—  
**Annual General Meeting**

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April

—  
**Quarterly Statement  
January to March 2021**

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August

—  
**Half-Year Report  
2021**

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October

—  
**Quarterly Statement  
January to September 2021**

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→ Note

The Half-Year Report is also available in German.