

Annual Press Conference Full Year Results 2021
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Speech

Vincent Warnery

Chairman of the Executive Board

Astrid Hermann

Chief Financial Officer

Patrick Rasquinet

Member of the Executive Board

Pharmacy & Selective

- The spoken word applies-

Vincent Warnery

Good morning, ladies and gentlemen,

We all know how wrong it feels to talk about business figures these days. Given the current developing situation in Eastern Europe, all our thoughts and deepest sympathy are with the people in Ukraine, especially our colleagues and their families.

As part of our commitment to Care Beyond Skin, to foster peaceful togetherness across borders, Beiersdorf has initiated an immediate aid donation to our partners the German Red Cross and the aid organization CARE Deutschland.

Both organizations will receive €1 million each. The financial resources are to be used as quickly as possible to implement projects and measures to support people in the Ukraine.

We provide humanitarian aid to those in need. As a caring company, we believe in thriving together, and care is inclusive, always.

Let me now take a hard swing and talk about the 2021 annual results.

Astrid Hermann, Patrick Rasquinet and I have the honor of presenting the results of our past financial year and also providing you with an outlook for the current year.

2021 was an extremely successful year for Beiersdorf. Our C.A.R.E.+ strategy again proved its worth and showed that it is the right strategy for Beiersdorf. Our investments and our strategic focus on sustainability, innovation, digitalization and growth are clearly paying off: We are impressing our consumers with sustainable skin care innovations and thus asserting ourselves in a challenging market environment. We are further expanding our e-commerce business and ensuring that we reach our consumers digitally wherever they might be. We are tapping growth potential and investing in a state-of-the-art, efficient and sustainable global production and logistics network.

This is also reflected in our 2021 business figures. Here are some of the highlights.

Despite ongoing COVID-19-related turmoil, we delivered strong organic sales growth of 9.7 percent at Group level, which brings us 3.2% above the pre-crisis level of 2019.

Organic sales in the Consumer business segment were up 8.8 percent. There was a significant contribution from our e-commerce business, which grew by a strong 32 percent. As a result, our online share of total sales in the Consumer business segment now exceeds 10 percent.

Growth was particularly encouraging in the Face Care business where we grew ten times faster than the market in the last two years. This is due in no small part to our successful NIVEA LUMINOUS630® products. At the same time, our Personal and Body Care products are also posting dynamic growth.

In our tesa business segment, we achieved exceptional sales growth of 13.6 percent. This growth was driven in particular by the electronics business and the strong recovery in the automotive business.

Despite rising material and procurement costs, we were able to keep our gross margins largely stable. EBIT margin excluding special items at Group level increased year-on-year to 13.0 percent despite accelerating cost pressures in the fourth quarter.

Astrid Hermann

I would like to welcome you to our presentation of the full year 2021. This was also my first year as a CFO of Beiersdorf. We are very proud of our strong results and I'm happy to guide you through our key financial figures.

As Vincent already mentioned and despite the current challenging market environment, we were able to achieve growth at group level, both on the topline as well as the bottom line. One reason being our high service levels despite significant supply constraints.

Organic sales grew by 9.7% year on year. FX and structural effects had an impact of 1.1 percentage points leading to a nominal growth of 8.6%.

Excluding special factors, our EBIT margin at Group level increased by 10 basis points to 13.0%.

We see a much-improved tax rate, from 29.7% in 2020 to 27.8% in 2021. This is in line with our long-standing tax guidance of around 28%, and it will be our benchmark going forward.

The return on sales after tax also went up by 10 basis points to 9.2%, resulting in increased earnings per share of 3.00 euro after 2.73 euros in the previous year.

Looking at our individual business segments in more detail.

We grew organic sales in Consumer by 8.8%. The EBIT margin benefited from this rise in sales, although the effect was offset by investments in digitalization and sustainability as well as by significantly higher input costs in the second half and especially in Q4. Nevertheless, we were able to keep our gross margin stable which results in an EBIT margin of 12.1% for the full year 2021 and a slight decrease of 20 basis points versus previous year.

In the tesa Business Segment, we look back at a remarkable year, with strong organic sales growth of 13.6%. Here we could increase our EBIT margin by 150 basis points to 16.9%.

Since the beginning of this year, we have seen a strong recovery in the Consumer Segment. Besides the outstanding recovery in Q2, which had been hit hard by Co in 2020, we are pleased to report positive growth in all four quarters which also brings us above the 2019 level for the full year.

Let us now take a closer look at the individual brands in the Consumer Business Segment.

NIVEA generated organic growth of 1.7% in the fourth quarter which leads to an overall growth of 5.5% in the Full Year 2021. The transformation of our iconic brand is progressing well. We have made NIVEA one of the fastest growing brands in Face Care in the mass market. This growth was supported by the launch of products around our breakthrough innovation LUMINOUS630®. Furthermore, the Body and Sun categories within Skin Care also recorded strong growth year on year. Additionally, we kept the momentum in Personal Care, led by the good development in our deodorant business.

The Derma business completed another strong year with 19.5% organic growth. The key markets in Germany and the US as well as the newer markets Latin America and China contributed strongly to this performance. Derma is the business unit with the highest share and growth in e-Commerce in 2021. On product level, Thiamidol remains one of the main growth contributors. We were not only successful in terms of net sales, but at the same time gained market share in most categories and regions.

Also, our Hansaplast and Elastoplast brands recorded strong broad-based growth with 13.7% sales growth. Our successful plaster relaunch in the beginning of the year and a strong recovery in the sports category boosted our sales.

La Prairie finished the year up 6.1% in the fourth quarter, a growth of over 30% when compared to the fourth quarter 2019. This performance was primarily driven by strong acceleration of sellout between the third and fourth quarter 2021 with especially strong sales in Hainan and Travel Retail more in general. Additionally, we saw a strong recovery in the US. For the full year this leads to an overall growth of 20.1%.

Next, let us turn to the performance of the individual regions in the Consumer Business Segment:

In Europe, organic sales rose by 5.8%.

We achieved growth of +5.7% in Western Europe. Healthy growth rates were recorded in UK and Italy. Face, Sun and Body were successful categories, not only for NIVEA but also for Eucerin. We also saw a significant contribution from the recovery of the travel retail business at La Prairie, which is reported under Western Europe.

In the Eastern Europe region, sales were up across all countries with an organic sales growth of 6.3%. Poland and Russia were among the main contributors.

In the Americas region, organic sales rose by 15.9%.

Organic sales in North America increased by 13.0%. This was predominantly driven by strong double-digit growth in the Coppertone Sun Care business and continued sales growth at a high level in the Eucerin and Aquaphor brands.

Latin America continued its success story in Q4 and recorded overall very strong sales growth of 18.8% for the full year. We can report double-digit sales growth in just about all countries, with Brazil, Mexico and Chile making the biggest contributions to this performance.

The Africa/Asia/Australia region recorded organic sales growth of 8.9%. Our sales performance was particularly strong in China, India, Indonesia as well as in African countries: Nigeria, Ghana and South Africa.

On a brand level, La Prairie achieved significant year-on-year sales growth in Asia, accompanied by good performances in Eucerin and NIVEA in the complete Africa/Asia/Australia region.

Coming back to our gross margin development. We are very pleased to report a stable gross margin development despite significant headwinds in the second half of the year which even accelerated in Q4. Excluding the diluting effects of acquired businesses, we would have reported a slight margin increase. Pricing had a positive effect and was mainly coming from Emerging Markets, Derma, Health Care and La Prairie in 2021. The strong La Prairie and Derma businesses, the recovery in Sun and the push into Skin Care

with innovations like LUMINOUS630® helped improve the quality of our gross margin. Cost of sales and logistics were significant negatives due to rising material prices, transportation costs, energy costs and headwinds from operational FX.

As already mentioned in our half-year presentation, we are very pleased to see our working capital management paying off. We reduced working capital significantly also in the full year, to 5.3% of Consumer sales. There is significant improvement in all components of the working capital, and it demonstrates once more our strong dedication to this topic throughout the organization.

Turning to the tesa Business Segment. The fourth quarter had a strong prior-year comparable, leading to a decrease of -2.6% in Q4. However, the full-year 2021 performance of 13.6% is outstanding, especially in view of the difficult supply market for semiconductors, just to name one major bottleneck.

This growth is broad-based and coming from various business areas and regions, clearly led by the electronics business in Asia and the global recovery of the automotive industry. Additionally, the building industry in the US showed strong momentum. The Direct Industries segment generated growth of 16.6%.

tesa's trade market business finished the year with growth of 9.1%. The business around general industrial markets performed well throughout the year. A positive contribution came also from Consumer & Craftsmen and its e-commerce business.

On the back of these very strong results and with continued headwinds from input costs, we expect a challenging year 2022. We have a special focus on the following three business fields:

After two consecutive years of growth in the consumer part of tesa, we are looking to further strengthen our portfolio and the business. We have set up a new management unit and a dedicated board member at tesa for this business. We are expanding our online presence on third party platforms as well as in our own D2C shop which was launched in Germany last year.

The automotive business is a fast-paced industry that benefits from two major trends: e-mobility and automation. Going into 2022, we will be ready to serve our customers once the bottlenecks in the semiconductor industry are resolved.

The electronics business remains one of the most important growth drivers for tesa. This part of the business is very much project driven with major customers. To remain competitive in this area, we are keeping our high innovation power. We are in a top position when it comes to the bonding of smartphone covers and we will make sure to defend this position also in 2022.

With these remarks I am closing the review of our financial results 2021 and the tesa business.

Vincent Warnery

To give you an idea of the priorities we are setting for the coming financial year, we would like to take a more detailed look at the following three topics:

1. Our activities in the area of selective skin care
2. Our efforts related to the further development of NIVEA

3. Our activities to strengthen our innovation network and grow our markets in the US and China

Patrick Rasquinet

As you have most likely already noticed, our range of premium skin care now consists of two brands: La Prairie and Chantecaille. Before I get to our new Chantecaille brand, I'd first like to highlight the key developments at La Prairie.

As Astrid just pointed out, financial year 2021 was very successful for La Prairie. After a difficult 2020, La Prairie was able to navigate successfully through the Covid crisis and accelerated in Q4 versus Q3. This resulted in a FY NS growth of above 20%. But more remarkably it translated in a growth of 26% in terms of retail sales, performing more than twice as fast as the market.

Most importantly, the NS in Q4 21 showed an increase of 30% versus the same quarter in 2019. This is due, on the one hand, to the consistent execution of our luxury strategy of focusing on a very selective distribution, refusing to engage in dilutive promotional activities and offering our consumers the highest possible level of service. On the other hand, we were also very successful with four strategic initiatives, that we further accelerated in 2021 and that will be the key pillars for a successful financial year 2022 which we started strongly, recording a significant growth versus LY in the current trading.

In China, we continued our highly selective expansion, focusing on the boutique channel, which is becoming extremely important. As a result, our sales in mainland China outpaced the market average with a jump of 70 percent over 2019 and over 30 percent versus 2020.

The Travel Retail business - one of the sectors most severely impacted by the Corona pandemic - recovered significantly in the past financial year. In China, sales in our Travel Retail business increased 73 percent over 2019 and doubled vs 2020. This growth was largely driven by Hainan where we selectively expanded our presence. The selective expansion of doors in Hainan will continue into 2022 and will strengthen our footprint there.

Through our cooperation with Tmall, we have achieved a considerable online presence in China and have been able to drive the e-commerce business with strong growth rates. This allowed us to reach a lot of new and younger consumers. We are currently laying the groundwork for further partnerships of this kind in other major markets around the world.

Our highly selective sales presence has enabled us to enter into groundbreaking agreements with our major retailers to collect client data across all channels and markets. This makes it possible for us to communicate with our clients even in times of lockdowns and other restrictions. To this end, we rolled out a new app and a powerful CRM program that we can use to build and intensify relationships with our local client base all over the world in all touchpoints.

Allow me to turn now to Chantecaille.

Founded in 1997, Chantecaille is headquartered in New York and has a global presence with a strong foothold in North America and Asia. The company offers more than 100 innovative skincare, cosmetic and fragrance products based on botanical ingredients, combining effective formulas with a strong focus on sustainability and philanthropy.

We acquired Chantecaille Beaute Inc. this year. For us, this acquisition is another important milestone in the execution of our C.A.R.E.+ strategy: We want to win with skin care while unlocking growth potential. Chantecaille ideally complements our premium skin care range. While La Prairie is positioned as a luxury brand, Chantecaille serves consumers in the prestige cosmetics segment and is therefore aimed at a wider consumer group.

With Chantecaille, we aim to further accelerate our growth in the North American and Asian markets - with a particular focus on China and South Korea. Chantecaille is well-positioned in these markets. Additionally, we are pleased with its strong e-Commerce position which drives a quarter of total sales.

We will manage Chantecaille within our Consumer business as a complementary selective brand and aim to make Chantecaille the market leader in natural beauty.

I hope my brief overview of key developments in selective skin care provided you with some good insights into the exciting opportunities we are pursuing. Vincent will now talk about our plans for NIVEA.

Vincent Warnery

We have a clearly defined goal at NIVEA: We want to reinvent our flagship brand as a leading global skin care brand. This is the reason why we appointed Grita Loeb sack to the Executive Board in December 2021. In her position as President NIVEA, she assumes global responsibility for the brand and will play a key role in making NIVEA an even more global, digital, and sustainable brand that inspires our consumers around the world.

To accomplish this goal, we will take the same approach that I already used for our successful brands Eucerin, Hansaplast, and La Prairie: We introduced a new operating model for these brands a few years ago - a model that embraces a much stronger global focus while allowing highly successful product innovations such as Thiamidol to emerge. Part of this approach also involves an even stronger positioning of the brands - both online and offline. The result is double-digit growth for all three brands, despite global economic challenges.

We intend to apply this successful approach to our iconic NIVEA brand as well. For this purpose, we are beginning to take a more global approach to product launches and marketing campaigns for our NIVEA range. We want to implement fewer, but better and larger product launches and campaigns. In specific terms, this means that in the future, innovations and campaigns will generally be implemented in all markets that are relevant for us.

A good example of the NIVEA's potential is the LUMINOUS630® anti-pigment spot face care range launched in 2020 - a product that is now a global success story and a major source of growth. It contains the highly effective active ingredient W630, an in-house development that reduces pigmentation and age spots. Last year, we rolled out the

successful care range and entered new product categories. With the serum, we are present in more than 40 countries and we successfully established ourselves as market leader in eight countries in Europe, thereby assuming the position of market leader in anti-spot serum throughout Europe. The serum is our most expensive product in the entire NIVEA assortment.

We intend to build on this success even further in 2022. We will expand the range in the Hand Care and Sun Care segments and have an intensified focus on eye cream that is even more effective against hyperpigmentation. Our goal is to double sales of the range this year and thereby expand growth in the Face Care segment and broaden our market leadership beyond Europe.

Digitalization has a key role to play in these efforts. We view it as an increasingly important component for the success of our business model and for the development of our brands. For this reason, we are pressing ahead with our digital transformation.

We invest extensively in digital media to engage with Consumers all over the world and to meet their individual aspirations. Thanks to our precision marketing programmes and our teams' effective work in the markets, we are increasingly personalising content. We strive to deliver the right message at the right time. In 2021, our digital media grew 43%. Through our precision marketing campaigns we have delivered an outstanding performance. In 2022, we will roll out over 30 precision marketing campaigns in all top markets, including the NIVEA LUMINOUS630® campaign.

In the US, we are increasingly using social media channels to communicate, since this is now the best way to reach our target groups. We have also had very positive experience working with influencers, viral campaigns, and extending user-generated content - for example on TikTok. To leverage this potential, we will monitor and invest in social platforms even more closely in the future and intensify our partnerships with influencers as well as digital technology providers such as MikMak, Google and Amazon.

Sustainability is of course a crucial driver of innovation for us.

Looking back over the past year, where do we stand?

1. We launched our first climate-neutralized NIVEA products. This marks an important milestone in our product transformation towards sustainability. With optimized packaging and formulas, we decrease our carbon footprint and make our climate engagement tangible on a product level to consumers.
2. We reduced the amount of plastic we use where possible. The packaging of our NIVEA Naturally Good Body Lotion, for example, uses 50% less plastic than our other body lotion bottles and marks a true lighthouse in the context of material reduction. We plan to extend our lightweight packaging approach to other assortments this year.
3. We have broken new ground by using recycled aluminum in our aerosol products - one of the first companies in our industry to take this step.

So where do we go from here? We can achieve the most significant impact in terms of reducing CO₂ emissions by revamping existing and especially popular products. After all, that is how we enable millions of people to make their skin care routines more sustainable and make their own contribution to climate protection.

I am proud to announce today that we will be relaunching one of our classic products during the course of this year: our NIVEA Soft. This represents a major step forward in our climate engagement, especially as we will be able to climate-neutralize NIVEA Soft, due to its improved environmental footprint.

Now let me talk about our activities to strengthen our innovation network.

We want to invest in our ability to develop innovations earlier and more successfully than the rest of the market. We are convinced that the global presence of our research and development is key to empower impactful skin care innovations that touch people's lives.

We have assembled a global research and development network, centered around our skin research center in Hamburg, Germany. Here we conduct important application-oriented research. As we gain a better understanding of the skin's own metabolic processes, we are able to develop high-impact products tailored to specific needs.

With our innovation center in Shanghai, which opened in 2020, we are leveraging the potential from the growth and innovative power of the region and also promoting local skin care innovations through strong partnerships - I will come back to this later.

Our newly built, state-of-the-art innovation center in New Jersey in the United States is our first global center of excellence for sun care products outside of Hamburg. Since the US represents the world's largest sun care market, a strong R&D presence in North America and an enhanced position in skin and sun care is crucial to growing our business in the region. Our outstanding performance with Coppertone in the US demonstrates the potential of the region.

In the US, we achieved strong double-digit organic sales growth with Coppertone in 2021, both offline and online. This was particularly driven by successful launches of new products in the last year. We have successfully completed the acquisition and integration of the brand: Coppertone gained market share for the first time since 2012.

We intend to build on this success in 2022. As part of these efforts, we have taken a number of important steps to strengthen Coppertone's brand positioning: We realigned the portfolio, developed innovative products in the key application areas of family and sports, revamped the packaging and expanded digital consumer communications.

We also want to leverage our high level of R&D expertise at Coppertone for other brands. I would point to Eucerin Sun as one such example. We recently launched Eucerin in the Sun category in the US. We introduced seven Sun products that combine advanced sun protection and skin care benefits. In the face care category, for example, these include a product specifically designed for oily and acne-prone skin. Developed in collaboration with dermatologists, the products have clinically proven efficacy and benefit from Coppertone's extensive sun expertise.

While our main focus in the US is the sun care business, we see significant growth potential in face care in the Asian markets - especially in China, the world's largest face care market.

In recent years, we have succeeded in establishing ourselves in the premium segment with La Prairie and Eucerin, thanks above all to our skin care expertise.

We are currently in the process of registering our patented active ingredient against hyperpigmentation in China. We hope this will make us the first company after the introduction of China's new cosmetics regulation last year to receive approval for the use

of such an effective ingredient in the domestic market. We are convinced that this will open up significant growth potential for us.

Chinese consumers can currently order Eucerin and NIVEA with the active ingredient W630 through a special cross-border e-commerce channel. We are receiving such positive feedback from consumers, that we will expand the range of products in the NIVEA LUMINOUS630® series in 2022. This cross-border e-commerce channel currently covers only 10 percent of the total online market potential of this product range. Once we receive the registration, we can expect a dynamic growth trajectory.

Our focus also includes the development of face care products for Chinese consumers that are specifically designed to meet their needs. In this connection, we have high expectations for our cooperation with the TMall Innovation Center (TMIC), which began in 2020. TMIC helps brands develop new strategies and channels to reach the Chinese market. In collaboration with TMIC, we have developed and launched a number of products in 2020 and 2021 that are specifically designed to meet the needs of Chinese consumers, for example the NIVEA MEN Eye Gel and NIVEA Tone-up Cream. More than ten additional projects have already been agreed for 2022.

In the years ahead, we want to accelerate our pace of innovation in closer cooperation with our external partners such as TMall and thereby make Eucerin and NIVEA as successful as La Prairie in China.

That concludes our overview of Beiersdorf most important developments: our ambition to accelerate growth with selective skincare, to reinvent Nivea as a Global Skincare brand and to empower impactful skincare innovations with a special focus on the US and China.

Astrid Hermann

In our last call we gave you a high-level outlook for the year 2022 which already reflected rising input cost at that time. Since then, input costs have risen even more than forecasted. Raw materials, transportation and energy costs increased to new highs. At the same time, we continue to invest significantly in Digital and Sustainability, in line with the investment program introduced earlier. All these factors are reflected in our guidance for the current year.

We expect the Consumer Business Segment to reach mid-single-digit full-year sales growth. Regarding operating profitability, we continue to aim at slightly improving our Consumer EBIT margin for the full year 2022. While achieving this will be a significant challenge and depends on the development of the market and commodity environment, we have specific plans to help us get there. One major contributor to this margin improvement will be consistent pricing action throughout all regions. Another important factor for mitigating input cost inflation will be our brand, channel and category mix. Further growth in the high margin businesses of La Prairie, Derma and the Sun category is essential. We will leverage additional potential by pursuing even more Skin Care and premium innovations. In addition, we will work on operational efficiencies.

tesa faces strong comparatives from an outstanding year 2021, on both the top and bottom line. Nevertheless, we expect mid-single-digit full year sales growth. Looking at the margin development, 2022 will be a challenging year at tesa. We have seen significant input cost inflation as well as bottlenecks in the supply chain, affecting our results already in the second half of 2021 and going into this year. Tesa will partially offset

these factors with pricing actions. Moreover, profitability will be affected by more investments in sustainability, innovation and digital. We therefore expect tesa's full-year EBIT margin from ongoing operations to be noticeably below the previous year.

On a combined basis, for the Group we are calling for mid-single-digit growth and an EBIT margin from ongoing operations at the level of previous year.

Vincent Warnery

Ladies and gentlemen,

Looking back, 2021 was a very successful year for us - a year in which we made excellent progress in all areas of our C.A.R.E.+ strategy.

We unlocked substantial new growth potential, primarily in selective cosmetics with La Prairie and Chantecaille.

We outperformed the market in the face care area.

We enhanced our innovative capabilities through the creation of a global R&D network as well as through partnerships.

We achieved all the milestones we defined as part of the digital and sustainable transformation of our company - despite the many adverse circumstances that we faced, particularly as a result of the Corona pandemic and higher material and transport costs.

The fact that we managed to do all this is due in particular to our employees. I would therefore like to end my remarks by expressing my sincere gratitude to them. In an extraordinary year, they achieved results that were truly exceptional. It is thanks to their commitment, discipline and flexibility that we can look to the future with great confidence.

We thank you for listening and would now be happy to answer any questions you may have.