

Beiersdorf on track with C.A.R.E.+ strategy – Good business performance in the first half of 2019

- Group sales up 4.8%
- Consumer increases sales by 5.3%
- tesa achieves sales growth of 2.4%
- Group EBIT margin excluding special factors at 15.4%
- Guidance for 2019 confirmed

Hamburg, August 6, 2019 – Beiersdorf AG, Hamburg, continued its growth path in the first half of 2019. The Group generated organic sales growth of 4.8% in the first six months of the year. Sales were up 6.2% in nominal terms, from €3,613 million to €3,837 million. The Group achieved earnings before interest and taxes (EBIT) and special factors of €593 million (previous year: €585 million). Impacted by the C.A.R.E.+ investments, the EBIT margin excluding special factors was 15.4% (previous year: 16.2%). Special factors of €11 million related to expenditure for the acquisition of the Coppertone™ business. The guidance for 2019 is confirmed.

“The consumer goods industry is undergoing a historical disruption. Our entire business model needs timely adaptation due to new market realities and fast-changing technology developments. Our response to these disruptions is our C.A.R.E.+ strategy. The results of the first six months show that we are on track. We see that the needle is moving in the right direction – throughout the entire business. Our commitment is to outperform the market, create added value for our consumers with accretive innovations, and ensure sustainable profitability. In the second quarter, we consistently drove forward the implementation of our strategic priorities. The agreed acquisition of Coppertone™ is the first major milestone of C.A.R.E.+ , with which we are strengthening our global position in a strategically important growth area. It underlines our continuous focus on competitive, sustainable growth,” said Stefan De Loecker, CEO of Beiersdorf AG.

Group sales performance

(IN € MILLION)				Change (in %)	
	Jan. 1-June 30, 2018	Jan. 1-June 30, 2019	nominal	organic	
Europe	1,913	1,960	2.4	2.3	
Americas	589	644	9.3	4.2	
Africa/Asia/Australia	1,111	1,233	11.1	9.4	
Total	3,613	3,837	6.2	4.8	

Organic Group sales in the first six months of 2019 were up 4.8% on the previous year. Exchange rate changes added 1.0 percentage point to growth. Acquisitions in the tesa Business Segment had an additional positive effect of 0.4 percentage points. In nominal terms, sales rose by 6.2% to €3,837 million (previous year: €3,613 million).

Consumer sales performance

(IN € MILLION)

	Jan. 1–June 30, 2018	Jan. 1–June 30, 2019	Change (in %)	
			nominal	organic
Europe	1,543	1,588	2.9	2.8
Western Europe	1,247	1,294	3.8	3.3
Eastern Europe	296	294	–0.7	0.4
Americas	488	530	8.5	5.9
North America	211	226	7.0	0.7
Latin America	277	304	9.7	10.0
Africa/Asia/Australia	926	1,028	11.0	9.2
Total	2,957	3,146	6.4	5.3

The **Consumer** Business Segment achieved organic sales growth of 5.3% in the first six months of the year. In nominal terms, sales rose by 6.4% to €3,146 million (previous year: €2,957 million). Positive exchange rate effects boosted growth by 1.1 percentage points. EBIT excluding special factors in the Consumer Business Segment stood at €482 million (previous year: €472 million). The EBIT margin was 15.3%, compared with the previous year's 15.9%.

NIVEA achieved growth of 3.2%. The **Derma** business unit, which includes the Eucerin and Aquaphor brands, achieved an increase in sales of 6.0%. The **Healthcare** business unit, mainly comprising the plaster business, also performed positively with growth of 3.7%. The **La Prairie** brand continued the previous year's excellent results and achieved sales growth of 26.8%.

Europe

Organic sales in the **Europe** region grew by 2.8%. At €1,588 million, nominal sales were up 2.9% on the previous year (€1,543 million).

In **Western Europe**, sales were 3.3% higher than in the previous year, driven by the very good performance of the travel retail business at La Prairie. Substantial growth was also achieved in Germany and Austria again. In contrast, sales in France and the United Kingdom had weaker results. The sun care business was negatively affected by adverse weather conditions compared to the previous year. In **Eastern Europe**, there was only a slight year-on-year increase in sales. This was due to a strong prior-year quarter and the difficult retail environment in Poland.

Americas

Organic sales in the **Americas** region were up 5.9% year-on-year. At €530 million, nominal sales were 8.5% higher than in the previous year (€488 million).

In **North America**, sales were slightly up on the previous year's figure. **Latin America** recorded strong growth of 10.0%, which was driven especially by double-digit growth rates in Brazil and Mexico. Sales in Argentina were negative due to the difficult market environment and due to the weaker local currency's impact as we report the growth converted in € at reported rates.

Africa/Asia/Australia

The **Africa/Asia/Australia** region grew by a strong 9.2%. In nominal terms, sales rose by 11.0% to €1,028 million (previous year: €926 million). Very strong growth was achieved especially in Japan, India, Indonesia, Malaysia, Turkey, and South Africa. La Prairie once again made a major contribution to the positive results in this region. In China, the skin care segment performed well, while hair care sales fell substantially below the previous year's level.

tesa sales performance

(IN € MILLION)			Change (in %)	
	Jan. 1–June 30, 2018	Jan. 1–June 30, 2019	nominal	organic
	Europe	370	372	0.3
Americas	101	114	12.9	–3.7
Africa/Asia/Australia	185	205	11.9	10.2
Total	656	691	5.5	2.4

tesa achieved a solid increase in sales in the first six months of 2019 compared to the strong prior-year period. In organic terms, tesa lifted sales by 2.4%. Sales by companies acquired in 2018 (+2.3 percentage points) and exchange rate effects (+0.8 percentage points) added 3.1 percentage points. In nominal terms, sales therefore rose by 5.5% to €691 million (previous year: €656 million). EBIT stood at €111 million, compared to €113 million in the previous year. The EBIT margin was 16.0% (previous year: 17.3%).

tesa achieved sales growth in both the **Direct Industries** segment, which handles business directly with industrial customers, and the **Trade Markets** segment, which includes the retail consumer business. In an uncertain market environment, automotive business in particular saw a negative sales trend. This was the primary reason for the declining sales in the Americas. The increase in sales in Asia was mainly due to the strong performance in the electronics business.

Group net assets and financial position

There were no significant changes in the Group's net assets and financial position in the first six months of the year compared with December 31, 2018.

Guidance for 2019

In light of the macroeconomic forecasts, Beiersdorf anticipates sales growth in the **Consumer Business Segment** outperforming the market at 3–5% in financial year 2019. As a result of the additional investments in C.A.R.E.+, Beiersdorf expects an EBIT margin for 2019 of 14.0–14.5% in the Consumer Business Segment from ongoing operations.

In the **tesa Business Segment**, sales growth of 3–4% is expected. tesa anticipates a slight year-on-year decline in the EBIT margin from ongoing operations.

Based on the forecasts of the two business segments, **Group** sales growth is expected to be around 3–5%. The consolidated EBIT margin from ongoing operations is predicted to be around 14.5%.

Sales development is on an organic basis and the operating EBIT margin is based on ongoing operations. These figures do not include the impact of the Coppertone™ acquisition.

About Beiersdorf AG

Beiersdorf AG is a leading provider of innovative, high-quality skin care products and has over 135 years of experience in this market segment. The Hamburg-based company has about 20,000 employees worldwide and is listed on the DAX, the German benchmark equities index. Beiersdorf generated sales of over €7.2 billion in financial year 2018. Its product portfolio comprises strong, international leading skin and body care brands including NIVEA – the world's largest skin care brand* –, Eucerin, Hansaplast, and La Prairie. Millions of people around the world choose the Beiersdorf brands every day for their innovative, high-quality products. Further renowned brands such as Labello, Aquaphor, Florena, 8x4, Hidrofugal, arix, SLEK, and Maestro round off the extensive portfolio. Beiersdorf's wholly owned affiliate tesa SE, another globally leading manufacturer in its field, supplies self-adhesive products and system solutions to industry, craft businesses, and consumers.

** Source: Euromonitor International Limited; NIVEA by umbrella brand name in the categories Body Care, Face Care, and Hand Care; in retail value terms, 2018.*

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