

## Beiersdorf outperforms declining skin care market in the first half of 2020

- Group's organic sales down 10.7% on previous year
  - Organic sales down 10.9% year on year in Consumer Business Segment
  - Organic sales at tesa Business Segment fall 10.0% on the prior-year figure
- Strong growth in Dermocosmetics
- Market share gains in Skin Care
- Group EBIT margin excluding special factors at 13.7%

**Hamburg, August 6, 2020** – Beiersdorf AG, Hamburg, recorded a decline in sales in the first half of 2020 as a result of the continued global spread of the COVID-19 pandemic. Organic Group sales fell by 10.7% in the first six months of the year. At €3,449 million, nominal sales were down 10.1% year on year (previous year: €3,837 million). The Group achieved earnings before interest and taxes (EBIT) and special factors of €472 million (previous year: €593 million). This corresponds to an EBIT margin of 13.7%, compared with 15.4% in the previous year.

“In this extremely turbulent year, our business has been strongly impacted by the COVID-19 pandemic. The entire skin care market significantly declined and, as a consequence, the effect on sales was clearly felt in the first half of 2020. However, Beiersdorf was able to grow shares in this challenging market environment. This demonstrates the strength of our trusted iconic brands, our ability to react to rapidly changing consumer demand and the resilience of our people and the organization. From the very beginning of the crisis, we have focused on ensuring the health and safety of our employees, on continuing to serve our consumers, and on supporting vulnerable communities, for which we continue to deliver on our €50 million international aid program to support society's long term fight against COVID-19,” says Stefan De Loecker, CEO of Beiersdorf AG. “The COVID-19 pandemic is unfortunately not over yet and the situation remains exceptionally volatile. But as we are determined to emerge stronger from this unparalleled crisis, we are continuing to further invest in the initiatives of our C.A.R.E.+ strategy.”

## Group sales performance

(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>

Organic Group sales in the first six months of 2020 were down 10.7% on the previous year. Exchange rate changes cut 1.4 percentage points from sales performance. The acquisition of the COPPERTONE brand in the Consumer Business Segment lifted sales figures by 2.0 percentage points. In nominal terms, sales therefore fell by 10.1% to €3,449 million (previous year: €3,837 million). The Group achieved earnings before interest and taxes (EBIT) and special factors of €472 million (previous year: €593 million). This corresponds to an EBIT margin of 13.7%, compared with 15.4% in the previous year. Special factors of €31 million related primarily to the €12 million spent to date on the Beiersdorf international aid program, expenditures of €8 million on the integration of the COPPERTONE brand, and an impairment on the northeast Asian business of €10 million due to general business trends in that region. Group EBIT including special factors declined from €582 million in the previous year to €441 million; the EBIT margin including special factors stood at 12.8%, compared with 15.2% in the previous year.

## Consumer sales performance

(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. In nominal terms, sales fell by 9.9% to €2,834 million (previous year: €3,146 million). Negative exchange rate effects of 1.5 percentage points were offset by structural effects, which added 2.5 percentage points to growth. EBIT excluding special factors in the Consumer Business Segment fell to €376 million (previous year: €482 million). The EBIT margin was 13.3%, compared with the previous year's 15.3%. Special factors totaling €29 million had a negative impact on profit. EBIT including special factors thus stood at €347 million (previous year: €471 million), while the EBIT margin including special factors was 12.2% (previous year: 15.0%).

**NIVEA** sales fell by 8.8%. 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 achieved very good sales growth of 6.2%. The **LA PRAIRIE** brand was particularly hit by the drop in international travel and recorded a 41.9% fall in sales.

### Europe

Organic sales in the **Europe** region fell by 12.8%. At €1,382 million, nominal sales were 13.0% below the previous year's figure of €1,588 million.

In **Western Europe**, sales were down 14.3% on the previous year, affected by 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 were up 1.5% year on year. 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 11.8% higher than in 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 sales. Nominal sales fell by 16.3% to €859 million (previous year: €1,028 million), partly due to the divestment of the SLEK brand. 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.

## tesa sales performance

(IN € MILLION)	Jan. 1 – June 30, 2019	Jan. 1 – June 30, 2020	Change (in %)	
			nominal	organic
			Europe	372
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 one 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 primarily due to a decline in the electronics business.

EBIT in the tesa Business Segment excluding special factors recorded a year-on-year fall to €96 million (previous year: €111 million). The EBIT margin was 15.6% (previous year: 16.0%). Special factors of €2 million related in particular to the "Care Beyond Skin" donation program. EBIT including special factors therefore stood at €94 million (previous year: €111 million), while the EBIT margin including special factors was 15.3% (previous year: 16.0%).

## 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, 2019.

## Guidance for 2020

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.

## 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 around 20,000 employees worldwide and is listed on the DAX, the German benchmark equities index. Beiersdorf generated sales of more than €7.7 billion in fiscal year 2019. Its product portfolio comprises strong, international leading skin and body care brands including NIVEA – the world’s largest skin care brand\* – EUCERIN, HANSAPLAST/ELASTOPLAST, 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, ATRIX, MAESTRO, and COPPERTONE 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, 2019.*

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