

Despite pandemic: Beiersdorf gains market share and increases investment in sustainability, digitalization, and growth markets

- Beiersdorf gains market share in all core brands, all skin care categories, and all regions in 2020
- Investment in implementing C.A.R.E.+ strategy continues apace
- 2020 results down on previous year due to pandemic: Group sales of €7.025 billion (down organically by 5.7%), EBIT margin excluding special factors down 1.4 percentage points on previous year
- Additional investments of €300 million for sustainability, digitalization, and growth markets over next 5 years
- Outlook for 2021: Beiersdorf Group expects positive sales growth and EBIT margin at the prior year's level

Hamburg, February 16, 2021 – Beiersdorf AG's business performance was significantly affected by the coronavirus pandemic last year. Global lockdowns in key markets and travel restrictions had a considerable impact, especially in the second quarter. At €7.025 billion, Beiersdorf AG's Group sales for the reporting period were down 5.7% on the previous year in organic terms. This compared well with the significant decline in the market as a whole.

Despite the fall in sales, Beiersdorf continued full speed ahead with its investment program to implement the C.A.R.E.+ strategy. It gained market share in all skin care categories. High investment levels and increased expenditure in these areas reduced the operating result (EBIT) excluding special factors to €906 million (2019: €1.095 billion). The Group also saw a dip in its EBIT margin. Excluding special factors, this was down by 1.4 percentage points on the previous year at 12.9%.

Stefan De Loecker, CEO of Beiersdorf AG, said: "2020 was challenging, but it was also a landmark year for Beiersdorf. Our clear priorities in the crisis were to ensure the safety of our employees, continue meeting the needs of our consumers, and do our utmost to help society battle COVID-19. At the same time, we accelerated the implementation of our strategic priorities as part of C.A.R.E.+. We continued to invest in sustainability, digitalization, and growth markets. This approach has paid off in terms of added brand appeal right across our Group. We want to continue building on this by investing an additional €300 million over the next five years."

Strong performance in Derma business adds momentum in Consumer Business Segment

The enormous impact of the pandemic on Beiersdorf's sales markets caused total sales in the Consumer Business Segment to fall to €5.700 billion in 2020. This was 6.6% lower than the previous year's figure in organic terms. The decline was cushioned by the strong performance in the Derma business with the EUCERIN and AQUAPHOR brands. Here, Beiersdorf recorded year-on-year organic sales growth of 8.3%, with double-digit growth rates in North America, Latin America, and Asia. EBIT excluding special factors fell to €702 million (2019: €883 million) in the Consumer Business Segment. The EBIT margin excluding special factors was 12.3% (2019: 14.1%).

The global skin care market declined in 2020 – some months saw a double-digit drop – due to the coronavirus pandemic. This resulted in a 6.0% fall in organic sales at Beiersdorf's core brand NIVEA in the reporting year. Despite this, NIVEA maintained its strong overall position worldwide in all categories and gained additional market share in over half of countries.

In Health Care, which mainly comprises the plaster business, sales were down organically by 5.9% year on year and were hit particularly by the heavy restrictions imposed in Spain and Italy due to the COVID-19 pandemic. Business remained steady in Germany, the Netherlands, and the United Kingdom. HANSAPLAST held up particularly well in this challenging market environment and expanded its market share in two thirds of the countries.



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The impact of the COVID-19 pandemic was also clearly felt at LA PRAIRIE. The selective cosmetics brand recorded a 23.9% fall in organic sales due to significantly reduced travel and the resulting fall in sales in the important travel retail business. Despite sales recovering for a time in the course of the year and double-digit growth in China, the brand was unable to match its strong prior-year figures. With the recent launch of LA PRAIRIE at Tmall, Beiersdorf expects to further strengthen the brand's presence in this key market.

Rapid second-half recovery at tesa

Business at Beiersdorf's tesa subsidiary recovered swiftly from the crisis. After difficult first six months, tesa saw growth again in the third and fourth quarter, driven especially by improvements in electronics and DIY business. The rapid recovery in the second half of the year left sales for 2020 as a whole almost unchanged to the previous year. They were down just 1.5% at €1.325 billion (2019: €1.379 billion). EBIT excluding special factors remained largely stable at €204 million (2019: €212 million). The EBIT margin excluding special factors recorded a slight increase to 15.4% (previous year: 15.3%).

Strong balance sheet

The results for both business segments show that Beiersdorf has maintained its strong balance sheet. Profit after tax (excluding special factors) for 2020 was €636 million (2019: €788 million). Beiersdorf had net liquidity of €4.690 billion and equity of €6.263 billion in 2020. Adjusted earnings per share were down from €3.40 to €2.73.

"Our continuously strong cash generation and net liquidity position demonstrate Beiersdorf's resilience in the face of the global pandemic. Given this strong foundation, we were able to take a deliberate decision not to cut back on our investment program during the crisis. On the contrary, we have pushed ahead with all our plans," said **Dessi Temperley, CFO of Beiersdorf AG**.

C.A.R.E.+ strategy on track

Despite the setbacks in the operating business, Beiersdorf followed through with the implementation of C.A.R.E.+ in 2020. As a result, Beiersdorf gained market share in all skin care categories, in all regions around the world, and in almost two-thirds of the countries with its NIVEA, EUCERIN, and HANSAPLAST brands. This success was based on the development of innovative skin care solutions, including EUCERIN Hyaluron Filler + Elasticity 3D Serum, which contains the patented active ingredient Thiamidol®, and additions to the NIVEA Naturally Good range. Beiersdorf also further accelerated the digital transformation in the reporting year. E-commerce business recorded growth of 50% across the Group, and new digital innovations such as the NIVEA SKiN GUiDE web app made a successful debut. Beiersdorf further expanded its presence in key growth markets with strong innovations and a more digital approach. Despite the sharp decline in travel retail business, LA PRAIRIE achieved strong double-digit growth rates particularly in China, where Beiersdorf's other brands such as NIVEA and EUCERIN also significantly grew their market share. The company also invested in its global research and development network with a new innovation center in Shanghai, boosting local expertise in the strategically important Asia region.

These successes are partly the result of a consistent product focus on the purpose of each brand. Beiersdorf further stepped up its efforts in sustainability in the reporting year with the "Care Beyond Skin" sustainability agenda. In the current ranking of the NGO "Carbon Disclosure Project", Beiersdorf has been listed as a "Climate A List Company" for its environmental transparency and ambitious targets on climate action. Both business segments - Consumer and tesa - now meet 100% of their electricity needs from renewable sources. In 2020, Consumer switched to recycled materials for 90% of all its PET bottles in Europe. It also met the target of using 100% sustainably certified palm oil in all cosmetics manufacturing.

Investment initiative accelerated

Beiersdorf reoriented its Consumer Business Segment back in 2019 with the C.A.R.E.+ strategy program. The strategy involved additional annual investments of €70-80 million. This investment initiative is now being stepped up further. €300 million of extra investment is planned for sustainability, digitalization, and growth markets in the next five years. The aim of this investment is to benefit from the strong market position, further increase the brands' appeal, and gain further market share. Post COVID-19, the Consumer EBIT will grow ahead of sales, including significant investments in the strategic C.A.R.E.+ priorities.

Beiersdorf is optimistic about its business prospects for 2021. "There is still some uncertainty this year. However, I am confident that we will see clear improvements by the end of the year as vaccinations gather pace in many countries," said **Stefan De Loecker**.

The Beiersdorf Group and Consumer Business Segment expect positive sales growth and an operative EBIT margin at the prior year's level. The tesa Business Segment anticipates positive sales growth, the operative EBIT margin will be down on the previous year due to significant investments in tesa's strategic focus areas.



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2020 results at a glance

GROUP		2019	2020	Change in % nominal/organic
Sales	(in € million)	7,653	7,025	-8.2/-5.7
Consumer	(in € million)	6,274	5,700	-9.1/-6.6
tesa	(in € million)	1,379	1,325	-3.9/-1.5
Operating result (EBIT)*	(in € million)	1,095	906	-17.3
Consumer*	(in € million)	883	702	-20.5
tesa*	(in € million)	212	204	-3.8
EBIT margin*	(in %)	14.3	12.9	-140 bp
Consumer*	(in %)	14.1	12.3	-180 bp
tesa*	(in %)	15.3	15.4	+10 bp
Profit after tax*	(in € million)	788	636	-19.3
Earnings per share*	(in €)	3.40	2.73	-19.7
Dividend per share	(in €)	0.70	0.70	
Net liquidity	(in € million)	4,250	4,690	+10.4
Equity	(in € million)	6,093	6,263	+2.8
Working capital to sales ratio (Consumer, rolling 12-month period)*	(in %)	9.2	9.1	-10 bp
Employees	(as of Dec. 31, 2020)	20,654	20,306	

* Excluding special factors.



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About Beiersdorf AG

Beiersdorf has stood for innovative, high-quality skin care products as well as pioneering skin research for more than 135 years. Leading international brands such as NIVEA, the world's no. 1 skin care brand*, EUCERIN (dermocosmetics), LA PRAIRIE (selective cosmetics), and HANSAPLAST/ELASTOPLAST (plasters and wound care) are cherished by millions of people around the world day after day. Other renowned brands such as LABELLO, AQUAPHOR, FLORENA, 8X4, HIDROFUGAL, GAMMON, COPPERTONE, MAESTRO, CHAUL, and STOP THE WATER WHILE USING ME! round off our extensive portfolio. Through the wholly owned affiliate tesa SE, Beiersdorf is also a globally leading manufacturer of technical adhesive tapes and provides self-adhesive solutions to industry, craft businesses, and consumers.

The Hamburg-based company is listed on the DAX, the German benchmark equities index, and generated sales of €7,025 million as well as an operating result (EBIT) of €828 million in fiscal year 2020. Beiersdorf has more than 20,000 employees worldwide, who are connected by shared core values, a strong corporate culture and the Beiersdorf purpose "Care Beyond Skin." With its [C.A.R.E.+](#) business strategy, the company pursues a multi-year investment program focusing on competitive, sustainable growth. The program is consistent with the ambitious [sustainability agenda](#), with which Beiersdorf is generating clear added value for consumers, society, and the environment.

*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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