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**Speech**

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**– The spoken word applies –**

## Stefan De Loecker

Good morning, Ladies and Gentlemen.

Before we talk about our business performance in the first nine months of 2020, I would like to take a moment to warmly welcome Anke Schmidt, our new Head of *Corporate Communications & Government Relations*. Although we've been working together for a few weeks now, this is her first call in this group – and our first call together. Welcome on board once again, Anke.

Ladies and Gentlemen,

The COVID-19 pandemic has large parts of the world firmly in its grip. The number of reported cases has recently begun to rise sharply again around the world and has resulted in new lockdowns in several countries. We have to assume that the pandemic's impact will continue to make itself clearly felt in the fourth quarter. It is currently impossible to predict when the situation will sustainably improve.

Yet, despite the uncertain times we are experiencing, we saw significant improvement of our financial results in the third quarter compared with the first half of the year, when COVID-19 resulted in a distinct and sharp decline in business. We held our ground well in this difficult market environment and won market share in all skin care categories, particularly in the emerging markets.

The coronavirus is changing consumer behavior. We see fundamental trends – such as sustainability and responsible consumption – will not disappear while the importance of digital consumer engagement and online shopping, have even grown stronger.

Our C.A.R.E.+ strategy addresses precisely these topics; while we continually exploit our growth potential. Beiersdorf is strategically on course.

Let's take a look at sales during the first nine months of the year and the past quarter.

We had Group sales of €5.241 billion and thus saw negative organic growth of 7.1% year on year in the first nine months of the year. However, our performance in the third quarter was much stronger: At Group level, we reported positive organic sales growth of 0.2% during this period. The Consumer Business Segment had sales of €4.267 billion and thus saw negative organic

growth of 7.7% year on year. Sales at our tesa Business Segment suffered a 4.6% decline in organic growth to €974 million year on year in the first nine months. Nonetheless, the segment generated a strong organic gain of 6.2% in the third quarter.

In this challenging market environment, although NIVEA decreased by 6.2% during the first nine months of 2020, year on year, it significantly picked up sales in the third quarter compared with the first half of the year. Without the specifically hard hit sun care business, NIVEA achieved growth of 0.5% in the third quarter. Our derma brands EUCERIN and AQUAPHOR are continuing to grow, with a strong increase of 9.2% during the reporting period; during the third quarter they achieved even stronger growth of 15.5%. In comparison with last year, our healthcare brands are showing a 4.8% decrease in sales. However, when we look at the third quarter and sales growth of 1.1%, we also see significant improvement over the first six months of the year. The market environment for LA PRAIRIE remains difficult. The downturn of the travel retail business resulted in a 34.5% decline in sales, well below the previous year's level. However, our luxury brand achieved a sequential improvement, recording a 16.9 % fall in sales in the third quarter.

I would now like to give you a more detailed view of how our consumer brands developed under the dynamic market conditions of the past few months.

Let's start by looking at how the market has developed: Since the crisis began, demand for personal care products such as shower gel, shampoo and hand soap has exceeded that of skin care products such as face care. While the personal care market has generated renewed positive results in recent months, the skin care market reported a downward trend and remains challenging. The Indian market remained weak and European markets such as Germany, France and Italy recover slowly. Brazil, in contrast, was very resilient. Nonetheless, NIVEA held up well in this difficult environment in the third quarter. Since the COVID-19 pandemic began, we have gained market share in all skin care categories, particularly in face care and sun protection. The drivers of this trend were, above all, Australia and the emerging markets Brazil, India and Indonesia, but also in Germany, the United Kingdom, Benelux and Switzerland, NIVEA continued the trend from the first half of the year with further gains in market share.

Our goal is to continuously expand our innovative strength and steadily develop our brands and product portfolio. We will remain committed to this goal even during times of crisis like the ones

we face today and will also bring strong innovations during the fourth quarter. The additions that we have made to our successful series NIVEA Q10 and NIVEA Naturally Good are two examples of this approach. In our new product NIVEA Naturally Good Body Lotion, we have also achieved a milestone in our efforts to reduce the amount of plastic used in our packaging. Thanks to an innovative packaging technology, we have succeeded in using 50% less material in the bottle, significantly reducing the thickness of the bottle wall, and making the top smaller and lighter. This is an enormous improvement that saves valuable resources and avoids large quantities of waste.

At the beginning of October, we began to set new standards for innovations in skin care with our new NIVEA Face Care Luminous 630 line. The line is currently available only in Germany. We are now introducing it step by step in Europe and it will be available worldwide starting in January 2021. Following more than a decade of intensive research, we have developed a new, highly effective ingredient for reducing pigment spots with Luminous630. It demonstrably reduces melanin production and helps prevent the appearance of new pigment spots.

The dermocosmetics market has proven to be particularly resilient during this crisis as sales channels such as pharmacies were less or not affected by the lockdown and consumers' continued need to address real skin problems. The product portfolio and the innovations of our dermocosmetics brands EUCERIN and AQUAPHOR meet these needs precisely. We generated a strong increase in sales once again during the third quarter, thanks in particular to strong demand in North America and Brazil. We have gained market share across all regions – in key markets like Germany and Thailand as well as in newer markets like Brazil, China and Russia.

Powerful innovations, such as the successful Thiamidol range, drive our business and make our brand one of the leading providers of medical cosmetics for skin care. We will not rest on our laurels. Instead, we constantly strive to continue our success story. With Eucerin Hyaluron Filler + Elasticity 3D Serum, a product that went on sale in August, we have introduced the first anti-aging product that offers a holistic solution for mature skin as of the age of 50 thanks to the patented ingredient Thiamidol.

Now we come to our selective cosmetics brand LA PRAIRIE. Business here continues to be very adversely affected by lockdowns and travel restrictions. Compared with previous quarters, however, there has been a sequential improvement in the third quarter – a recovery that was

caused in part by domestic travel in China. Strong growth in our reopened stores, particularly in mainland China, and e-commerce's continuing strong growth have offset some of the lost travel retail business. The online share of sales for 2020 to date is now 8%.

Even in this crisis, we are holding true to our course of safeguarding the exclusivity of LA PRAIRIE. Therefore, notwithstanding the short-term competitive pressure, we decided to forgo discounts. Moreover, as part of the strategic positioning of LA PRAIRIE in Europe, we have initiated the closing of more than 1,000 doors that failed to meet the brand's exclusive standards. The process will be completed in 2021 and is designed to provide consumers with the most-intensive, highest-quality brand experience in selected stores.

Also LA PRAIRIE continues to bring innovations: the new serum Skin Caviar Liquid Lift – an enhancement to the successful Skin Caviar Collection. The two effective and innovative caviar ingredients are combined here in a unique serum for improving the appearance of elasticity and tone.

We also have good news to report about our largest subsidiary, tesa. After a challenging first half of the year, a period in which tesa was also hit hard by the pandemic restrictions and a difficult market environment, we generated new sales growth of 6.2% in the third quarter. While tesa's automotive business continues to face a challenging market environment, the electronics business has developed very positively. The Consumer & Craftsmen segment, in which tesa develops innovative product solutions for households and craftsmen, has proven to be extremely robust. *Do-it-yourself* products in particular were in demand.

The tesa foldable insect screen FALT, which went on sale this year, answers a well-known problem with its unique mechanism: It can be adjusted to exactly fit the dimensions of all standard window frames. Unfolded and telescoped to the right size, the Insect Stop Foldable aluminum frame is easy to hang in a window without requiring drilling.

Ladies and Gentlemen,

This historic crisis has once again highlighted the essence of Beiersdorf and what we stand for. To us, caring for skin means caring for people, and we Care Beyond Skin. We understand our responsibility as a company holistically. And this includes times of crisis.

Therefore at Beiersdorf, we have concentrated since the beginning of the crisis on three priorities: We remain firmly committed to something that we stated at the start of the crisis: The health and safety of our employees are among our top priorities. A key aspect of this is also securing jobs in the long term. Another consideration that has emerged in recent months is flexible ways of working. We are constantly adapting the situation to the “new normality.” As part of this effort, we enabled our employees to return to their office locations in a flexible manner – in addition to working remotely. At this point, I would like to say a special thanks to our employees around the world, whose great dedication, hard work and solidarity under these difficult circumstances are making a decisive contribution to our ability to emerge strengthened from this crisis.

Another priority is to stay close to our consumers during these difficult times and to support them as well as possible. We have adapted agilely to changing consumer needs over the last few months and modified our product assortments. In the process, we have safeguarded our business and ensured its continuation.

At the same time, we have not lost sight of what is happening around us. In these times of the coronavirus, we have initiated the largest, global humanitarian aid project in our corporate history with an investment of about €50 million – utterly in the spirit of Care Beyond Skin. It will combine uncomplicated emergency aid with measures that have a long-term orientation. All of this has one goal: to support our company around the globe in its fight against COVID-19 and the spread of the virus.

The relevance and long-term orientation of our C.A.R.E.+ strategy have never been so tangible as they are right now, in this time of crisis. This is why we will also continue to invest in our initiatives under C.A.R.E.+ and to pursue our strategic priorities – even amid today’s huge economic challenges.

More than ever, consumers are using digital media and are searching for suitable skin care products and buying them online. The COVID-19 pandemic has given a strong boost to e-commerce worldwide. During the first nine months of the year, we have achieved a growth rate of more than 45% in e-commerce. Long before the pandemic set in, we understood one thing quite clearly: The digital transformation is a key success factor. We are systematically expanding our digital capacities and technologies. This effort has one clear goal: to expand our reach and

digital interaction with our consumers around the world and to provide them with a tremendous brand experience in every sales channel they use.

We are where consumers expect us to be and are systematically expanding our presence in countries, where growth opportunities exist. Our tapping of the Chinese market is an important example of this work. China offers enormous potential, particularly for brands such as NIVEA and EUCERIN. But China will require us to be very patient. As part of this, we initiated a transformation process last year with the divestment of our SLEK hair care business. This has enabled us to focus more intensely on our core expertise in the area of skin care and on NIVEA, and to ensure the sustainability of our Chinese business.

We, therefore, also recently opened our new innovation center in Shanghai. It is the second largest research center around the world and ranks only behind our headquarters here in Hamburg. This significant investment in our R&D represents a clear commitment to growth in China and Asia, a strategically important region for us.

We will not permit the coronavirus crisis to diminish our commitment to sustainability. On the contrary, we intend to make a substantial, long-range contribution to people, society, and the environment. We have underscored this determination in recent months with our sustainability agenda and our clear commitments.

## Dessi Temperley

As already mentioned, we reported improved growth performance in the third quarter. Starting with the sales figures for the Beiersdorf Group: On a YTD-basis sales decreased organically by 7.1%. Foreign exchange movements of –2.9% and structural effects of 1.5% led to nominal growth in euro of –8.5%. Sales in Consumer business decreased by 7.7%. The nominal growth of –8.9% is explained by negative foreign exchange movements of –3.1% and positive net structural impact of 1.9%. tesa had a strong third quarter growth which reduced the organic sales decrease YTD to 4.6%. Negative foreign exchange effects of 1.9% led to a nominal sales decrease of 6.5% in the first nine months.

Taking a closer look at the sales development of our Consumer business. The second quarter was heavily impacted by the pandemic outbreak and ended with sales decreasing by –18.7%. The third quarter, however, saw a strong recovery of our Consumer business with a sales decline of just –1.2%, despite the LA PRAIRIE and NIVEA SUN businesses still being significantly impacted by travel restrictions. The solid third quarter growth performance brought our YTD sales development to –7.7%.

Looking now at the growth performance of our major brands for the first nine months, as well as for the single Q3 of this year. Overall you can see that all our brands performed better in the third quarter:

While NIVEA recorded a sales decrease of –6.2% for the first nine months, the development in the single third quarter was more positive at -1.0%. Shower and body care are the main growth drivers in the mass market. The skin care categories recovered at a slower pace, with Sun still being the most affected category in the NIVEA portfolio. Our Derma brands EUCERIN and AQUAPHOR delivered strong growth of 9.2% in the first nine months and even stronger growth of 15.5% in the third quarter. This growth is mostly driven by strong double-digit growth in North America, as well as by the ongoing success of Thiamidol, our formula for skin pigmentation treatment. After a volatile first half of 2020 and a strong decrease in the second quarter, Healthcare is now back to growth in the third quarter with sales increasing by 1.1%. The growth in the third quarter was fueled by an increasing demand in the wound care and sports categories. Coming now to LA PRAIRIE: While we continue to report a double-digit decline in the third quarter of –16.9%, LA PRAIRIE's performance tangibly improved compared to the previous quarters. On a nine-months basis, sales decreased by 34.5%. We continued with the strategy execution of rationalizing our doors in Europe, purposefully positioning LA PRAIRIE as the most exclusive skin care brand on the market. Looking at single regions, LA PRAIRIE's recovery in the third quarter is led by a double-digit growth in Asia while international travel retail remains very weak.

On the next slides, I will give you more background on our regional performance, starting with Europe, where our sales decreased by 9.8% on a nine-months basis. Western Europe decreased by 10.8%. This is a slight improvement over the first half year result, with sales still significantly impacted by COVID-19 in countries like Germany, France, Spain and the United Kingdom.

Additionally, the very weak international travel retail results of LA PRAIRIE have a strong impact as these are reported under Western Europe. At -5.5%, the decline in Eastern Europe was less pronounced. The largest sales decreases in this region are reported in Russia, Serbia and Croatia, whereas Hungary and Ukraine had a resilient demand with only slightly negative sales growth.

Next is the Americas, our region with the strongest regional performance. We had double-digit growth in the third quarter in both continents which brought the YTD growth of the region to 5.1%. Adjusted for Argentina at constant foreign exchange rates, the growth rate would have been 7.3%.

North America reported strong growth in the third quarter, in particular in the Derma segment, with our Aquaphor brand being the major growth driver. After delivering positive growth of 2.8% in H1 2020, Latin America further accelerated the momentum to 5.9% on a nine-month basis; adjusted for Argentina at constant FX this would be 9.6%. On a country level, our businesses Brazil and Chile reached double-digit growth. Mexico's sales were below last year's level, but also here we are recently seeing positive signs of recovery.

Moving to the Africa, Asia and Australia region, where we reported an organic sales decrease of -11.4% YTD and a mid-single-digit decrease in a single quarter. We see significant sales decreases in India, Indonesia and Japan, due to the sharp decline in demand, caused by numerous lockdowns and restrictions. LA PRAIRIE sales were also significantly affected by the lockdowns and travel restrictions in this region, but in our reopened stores, in particular in mainland China, we are back to strong growth. The recovery of the Healthcare segment in the third quarter was significantly influenced by Australia, where sport amateurs and professionals are back to action, leading to increased demand in wound care and sports.

Moving onto our tesa business. As we already mentioned earlier, tesa recorded a strong third quarter with 6.2% growth, despite the economic impact of the pandemic weighing down on our adhesives business. The Direct Industries segment, with a -6.8% decrease in sales in the first nine months of 2020, continues to be impacted by the significant demand slowdown from the automotives industry. In Q3 we reported strong growth with our Electronics customers, specifically from China, also boosted by the innovative adhesive solutions for the Electronics

sector. The Trade Market segment has shown resilient development throughout the crisis situation. The Consumer & Craftsmen segment continued to report good growth rates throughout Europe, driven by the demand from DIY stores.

This last slide is to re-iterate our commitment on some of the key financial objectives that we communicated at the start of 2019 with our C.A.R.E.+ strategy:

Working capital management had been a focus area before the start of the pandemic, but its importance became even more relevant during the crisis in terms of safeguarding our liquidity. Despite the crisis headwinds, particularly in trade receivables, we managed to achieve a continuous reduction of working capital levels throughout 2020 and we expect to report an improvement of our working capital as % of Sales at the end of 2020.

We continued to build on opportunities through our Value Engineering Initiative with new projects kicked off this year, and we are on a solid track to deliver the savings we set forward as part of the C.A.R.E.+ strategic pillars. We aim at maximizing the value for consumers in all of our products, while taking out any costs in product design that bring no consumer benefits. A good example is the light-weighting of our packaging materials for the new Naturally Good Body Lotion. Another one is the termination of physical leaflets for our derma products going forward. And these are not only about cost savings, but also many of the projects are aligned with our strategic sustainability goals.

Our effective tax rate continues to be a point of focus. We already indicated in our last call that we are on good track to bring the ETR down to 29% by the end of 2020 and we are confident in reconfirming our 2021 target of 28%, a result of a strong execution of our tax roadmap, even during this challenging period.

Let's turn to the guidance for the year 2020 now. The ongoing volatility due to the continuously evolving pandemic has a significant impact on our outlook. Based on the assumption of no widespread regional lockdown situations for the rest of the year, we provide the following guidance for the full year 2020:

In this continuously volatile environment, we expect sales growth of the Beiersdorf group for the FY2020 to be at YTD level or slightly better. EBIT margins of the Group and of the Consumer

business segment are expected to be significantly below prior-year level. For tesa we expect an EBIT margin at around prior-year level. Thank you for your attention.