

Beiersdorf on track with C.A.R.E.+ strategy – Good growth in Consumer Business Segment

- Group nominal sales up 6.0%, organic sales up 4.3%
- Consumer nominal sales up 6.6%, organic sales up 5.1%
- tesa achieves nominal sales growth of 3.4% and organic sales growth of 1.2%
- Group Guidance for 2019 confirmed

Hamburg, October 29, 2019 – Beiersdorf AG, Hamburg, continued on its growth path during the first nine months of the current financial year. Group sales climbed organically by 4.3%. At €5,725 million, nominal sales were up 6.0% on the previous year’s figure of €5,402 million.

“In times of a challenging and very competitive market environment, it is more important than ever to adapt our business model to new economic and technological conditions. The results of the first nine months show that we have the answer to the new market dynamics with the realignment of our business strategy and a greater willingness to invest. We have tapped new growth markets and business areas and further expanded our global position as skin care expert. With the acquisition of Coppertone and the divestment of the SLEK hair care business, we have strengthened our portfolio. Although we still have a lot to do and some challenges ahead of us, the needle is moving in the right direction,” said Stefan De Loecker, CEO of Beiersdorf AG.

Group sales performance

	(IN € MILLION)			
	Jan. 1 – Sept. 30, 2018	Jan. 1 – Sept. 30, 2019	Change (in %)	
			nominal	organic
Europe	2,801	2,870	2.5	2.2
Americas	912	988	8.3	4.2
Africa/Asia/Australia	1,689	1,867	10.6	8.0
Total	5,402	5,725	6.0	4.3

Group sales increased organically by 4.3% in the reporting period. At €5,725 million, nominal Group sales were up 6.0% year on year (previous year: €5,402 million), positively influenced by exchange rate effects of 1.6% and M&A activities of 0.1 percentage points.



Consumer sales performance

	Jan. 1 – Sept. 30, 2018	Jan. 1 – Sept. 30, 2019	Change (in %)	
			nominal	organic
Europe	2,253	2,320	3.0	2.7
Western Europe	1,821	1,877	3.1	2.7
Eastern Europe	432	443	2.5	2.6
Americas	754	816	8.3	5.3
North America	316	343	8.6	2.1
Latin America	438	473	8.0	7.6
Africa/Asia/Australia	1,388	1,547	11.5	8.8
Total	4,395	4,683	6.6	5.1

The **Consumer** Business Segment achieved organic sales growth of 5.1% in the reporting period. Positive exchange rate effects boosted growth by 1.7 percentage points. Meanwhile, structural effects slightly reduced the growth rate by 0.2 percentage points. The acquisition of the sun care brand Coppertone, which was completed in September after the sun care season, had not yet had a material impact on sales by the reporting date. In nominal terms, sales rose by 6.6% to €4,683 million against the prior-year figure of €4,395 million.

Brands

NIVEA increased its sales by 3.0%. The **Derma** business unit, which includes the Eucerin and Aquaphor brands, ended the first nine months of the year with sales up by 7.5%. The **Healthcare** business unit, mainly comprising the plaster business, also showed above-market growth of 4.2%. **La Prairie** continued the previous year's strong results and achieved growth of 22.7%.

Europe

Organic sales in the **Europe** region grew by 2.7%. At €2,320 million, nominal sales were up 3.0% on the previous year's figure of €2,253 million. In **Western Europe**, the Consumer Business Segment achieved sales growth of 2.7%. This was driven in particular by the very good performance of the travel retail business at La Prairie and the upward trend in Germany. Sales in France and the UK, by contrast, fell short of the previous year. In **Eastern Europe**, there was growth of 2.6%, bolstered by the excellent performance in Ukraine and Kazakhstan. Positive growth was achieved in Poland amid a difficult retail environment.

Americas

Organic sales in the **Americas** region rose by 5.3% year on year. At €816 million, nominal sales were up 8.3% on the prior-year figure of €754 million due to positive exchange rate effects. **North America** achieved sales growth of 2.1%. Sales in **Latin America** were up by a strong 7.6%, fueled especially by very good performance in Brazil and Mexico. Sales in Argentina fell substantially short of the previous year due to the difficult market environment and negative exchange rate effects.

Africa/Asia/Australia

The **Africa/Asia/Australia** region recorded a substantial rise in sales of 8.8%. In nominal terms, sales grew even faster, by 11.5% to €1,547 million against the prior-year figure of €1,388 million. Especially India, Japan, Thailand, Malaysia, Turkey, and South Africa continued their strong performance. La Prairie once again made a major contribution to the positive results in this region. Sales in China decreased compared to previous year's level mainly due to the divestment of the Hair Care business (SLEK) in August.



tesa sales performance

(IN € MILLION)			Change (in %)	
	Jan. 1 – Sept. 30, 2018	Jan. 1 – Sept. 30, 2019	nominal	organic
	Europe	548	550	0.3
Americas	158	172	8.7	-0.8
Africa/Asia/Australia	301	320	6.3	4.1
Total	1,007	1,042	3.4	1.2

In view of the challenging market conditions, **tesa** achieved a solid increase in sales in the first nine months of 2019 compared to the strong prior-year period. In organic terms, tesa lifted sales by 1.2%. Sales by companies acquired in 2018 (+1.1 percentage points) and exchange rate effects (+1.1 percentage points) added 2.2 percentage points. tesa sales were up 3.4% in nominal terms, from €1,007 million to €1,042 million.

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. Higher sales in Asia were based on good performance in the electronics business, especially in the first half of the year.

Group net assets and financial position

There were no significant changes in the Group's net assets and financial position in the reporting period compared with December 31, 2018.

Guidance for 2019

In light of the macroeconomic forecasts, Beiersdorf anticipates sales growth in the **Consumer** Business Segment to outperform the market at 4-5% in financial year 2019. As a result of the investments in C.A.R.E.+, Beiersdorf expects an operating EBIT margin from ongoing operations for 2019 of 14.0-14.5% in the Consumer Business Segment.

In the **tesa** Business Segment, sales growth of 1-2% 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.



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/Elastoplast, and La Prairie. Millions of people around the world choose these Beiersdorf brands every day for their innovative, high-quality products. Further renowned brands such as Labello, Aquaphor, Florena, 8x4, Hidrofugal, arix, 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, 2018.*

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Eucerin

la prairie

Hansaplast

tesa