

**Conference Call
H1 Results 2025
Beiersdorf AG, Hamburg
August 6, 2025**

Speech

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- Please check against delivery -

[Vincent Warnery]

Good morning, everyone, and thank you for joining today's conference call. Astrid and I will now present an overview of our financial performance and key developments for the first half of 2025.

Beiersdorf showed a solid performance in the first half year despite a challenging market environment. Market growth – especially in the emerging markets – was slower than expected due to broader economic uncertainties, geopolitical effects, and lower consumer confidence.

Our core brand NIVEA navigated a weaker mass market and faced a tough comparison base in 2024. This resulted in a disappointing performance below our expectations in the first half of this year, especially in the second quarter.

Our Derma business, on the other hand, once again set a benchmark in the industry. Performing against tougher market conditions, Derma continued its growth trajectory from Q1 and achieved outstanding double-digit sales growth in Q2.

Our strategy of launching breakthrough innovations across our global brands and expanding into white spaces continues to pay off. This is our expertise and our strength, and we have demonstrated it with the outstanding success of our anti-age ingredient Epicelline under Eucerin. This gives us great confidence that the launch of Epicelline under NIVEA will be even more successful and boost our sales in the second half of 2025.

Looking at our Luxury Brand La Prairie, we saw some positive signs in China during the second quarter, while other markets remained soft, particularly the U.S. and Travel Retail.

Altogether, amid a volatile market environment, we continued to advance on our path toward global leadership in Skin Care – because Skin care is what we know and do best. Although we aim for stronger growth, our Skin care performance outpaced that of our key competitors.

Reviewing our sales performance, the first half of the year showed a mixed picture for our brand portfolio, framed by volatile and demanding market dynamics.

NIVEA grew by 1.0% organically in the first six months impacted by slower markets and a high prior-year comparison base of 11.1%. While the first quarter 2025 showed a solid performance, the second quarter did not meet our expectations.

With 12.2%, our Derma business delivered again a strong double-digit organic growth despite a softer market environment. Driven by innovation and expansion into white spaces, our Derma brands continued to be our current growth powerhouse.

The Health Care business, which primarily comprises the Hansaplast and Elastoplast brands, delivered strong organic sales growth of 8.4%, a significant improvement compared to 4.0% in H1 2024. The increase was again innovation-led and mainly driven by the launch of the new and innovative Second Skin Protection plaster in the first half year.

As planned, La Prairie was able to decelerate the sales decline over the past months. After a drop in sales of -17.5% in the first quarter, the second quarter was at -1.5%, leading to -10.7% in the first half year 2025.

All in all, in the challenging market environment, the Consumer business achieved sales growth of 1.9%. tesa reached 3% sales growth in the first half of the year, due to the high-performing Electronics business.

This results in a Group organic sales growth of 2.1%.

NIVEA fell below our expectations in H1 which is the result of a mix of expected and unexpected factors:

- We are comparing against an exceptionally strong first half year 2024 when NIVEA grew 11.1%. As we move into the second half of the year, the comparison base softens, giving us a more favorable setup in the coming quarters together with a stronger second half year innovation pipeline.
- In China, we've taken bold steps to reset and refocus the NIVEA brand – moving away from price-sensitive personal care segments towards premium skincare and growth through a digital-first approach. These planned measures are on track but continue to impact our short-term results.
- In addition, the mass market did not grow as anticipated. Former growth drivers – particularly Emerging Markets and Eastern Europe – have slowed significantly, with market value growth moving from double digit to mid-single digit and volume growth in Emerging Markets declining from mid-single digit to nearly zero. This was due to economic uncertainties and more cautious consumer spending. The unpredictable nature of U.S. tariffs has been adding further uncertainty.
- Like many of our larger competitors, we are facing increased competition from local brands. Many of these small brands are based on a simple ingredient story and have shorter life cycles. We have successfully navigated similar competitive pressures in the past, and we plan to continue to do so through breakthrough innovations and product launches in many markets.

Our Derma business is a showcase for success on a global scale through innovation based on skin science. Our double-digit sales growth continued through Q2 at an impressive 13.3%. We gained market shares across all regions and outperformed the market by 2.1 times.

Expanding into white space markets was a key driver of our business in the first half year.

In North America – our biggest market for Derma – we delivered strong double-digit growth of 11.6%. This was mainly driven by the continued success of Thiamidol. The launch of the Eucerin Radiant Tone Collection in early 2025 shows excellent traction.

The entry of Eucerin in domestic China exceeded expectations with an outstanding 61.9% organic sales growth in the first half of the year. And there is more to come: Following the official approval of our patented ingredient Thiamidol in China last year, we are ready to unlock the full potential of this market.

A key driver of this result was Epicelline, which reactivates youth genes to reverse signs of aging. In less than a year after the launch last September, we have taken number 1 positions in many markets across the globe. In Germany, Mexico, Brazil and Chile, our Eucerin Epigenetic Serum has become the number 1 anti-aging product in the respective markets.

We have not only reached number 1 positions in many markets. The true power of innovation lies in how it resonates with consumers and performs against top products from peers over time.

Our repurchase rates are impressive across markets with a 51% top score in Thailand followed by France, Germany and Mexico. While a cumulative 23% of consumers in Germany have repurchased the Epigenetics serum since launch, an outstanding 37% of consumers who bought the product in the first month of launch have repurchased it in the meantime. This is three times higher than other top innovative products in the markets.

Further growth potential is expected as we continue to roll out our Eucerin Epigenetic Serum across the world and unlock the full consumer potential.

Now, it's time for NIVEA to bring Epicelline to a new level. By launching Epicelline in our iconic brand, we tap into even greater potential as we enter the mass market and make this breakthrough ingredient available to a large, attractive consumer base.

Introducing the NIVEA Epigenetics Serum is a major milestone in our innovation strategy and a game changer in the mass anti-ageing market. We are extremely excited about this launch.

Longevity is top of mind for consumers, and our goal is to lead the way in longevity science by cutting-edge research based on real consumer insights. By leveraging the power of epigenetics with our breakthrough ingredient Epicelline, we provide an effective solution for more youthful skin already today. For us, true skin longevity means scientifically proven ingredients that target the root causes of aging.

The launch of the NIVEA Epigenetics Serum is underway. Starting in September, consumers in Europe will benefit from this innovation which is scientifically proven to reverse skin age by reactivating youth cell functions.

And we are fast. By the end of 2025, NIVEA Epigenetics Serum will already be available in 30 countries worldwide.

This ambitious launch plan – realized in just a few months – reflects the strength of our organization. With Eucerin, we've seen that this product can truly make a difference. With NIVEA, we make this difference even more accessible – which is why we aim to roll out the product globally as quickly as possible.

I look forward to sharing the results with you in our future quarterly calls.

Innovations will pave the way for a stronger second half of the year for NIVEA. With a strong innovation pipeline ready to be rolled out, we are confident to improve our growth and gain market share in the coming months. We expect net sales from launches to be almost double the 2024 level.

As already mentioned, the market entry of the NIVEA Epigenetics Serum is anticipated to be the biggest launch ever for Beiersdorf.

Other examples are:

- the launch of the NIVEA Derma Control Deodorant range, which brings skincare expertise and personal care performance together. I will come back to that in a moment.
- And: the new NIVEA Skin Glow range with Thiamidol. Building on the success of NIVEA Luminous630, this new range makes our hyperpigmentation ingredient available to a broader, more diverse consumer base.

Coming to La Prairie: The luxury brand was able to decelerate the decline in sales over the past few months. The second quarter showed encouraging dynamics with organic sales growth of -1.5% after a -17.5% in the first quarter of this year. Overall, the brand recorded an organic decline in sales of -10.7% in the first half year of 2025.

In China, La Prairie managed to grow by 3% in the second quarter, amid a volatile market environment. This result was driven by the continued outstanding performance of our online business of +36% organic sales growth in the second quarter.

However, despite first signs of improvement in China, other regions remain challenged. The markets in the US and Travel Retail were negative in Q2. We expect market conditions to remain volatile in the coming months and are therefore cautious in our outlook.

Chantecaille delivered outstanding double-digit sales growth of 16.1% in the first half of 2025. The already impressive performance in the first quarter was followed by organic sales growth of 16.3% in the second quarter. The US contributed to this result with +15.3% growth.

Following the record-time launch of Chantecaille in China in 2024, we are on track with our business in the market – particularly in e-commerce, where we continued to build momentum.

In May this year, we took the next step by opening our first brick-and-mortar boutique in Shanghai – a key milestone in our growing presence and commitment to the Chinese market.

Altogether, our Skin Care business grew by 2.6% organically in the first half of the year. While we certainly aspire to drive stronger growth, we performed better than our key competitors in this category, even in uncertain market environments.

Because it is Skin Care expertise that sets Beiersdorf apart.

It's not just what we do – it's what we do best.

We focus on what matters most to our consumers.

We target future-defining skin care needs – from hyperpigmentation to aging skin.

With innovations that make a difference.

Take Thiamidol for example: our patented solution designed to reduce pigmentation marks. It's a global growth driver across our key brands.

And Epicelline: After years of pioneering research in epigenetics, we're setting new standards with our age clock technology and the breakthrough anti-age ingredient. And we deliver: With Epicelline in Eucerin and now with NIVEA.

With our innovative product offering, we attract consumers across the world and are able to expand into white spaces.

With success.

Take India as an example. With the right assortment and launch strategy, we were able to successfully introduce Eucerin and lift NIVEA to new heights. In this highly competitive market, our business grew by more than 30% in the first half of the year.

And we are succeeding in effectively competing against private labels.

Take Sun Care.

In Sun Care, we have managed to successfully outperform the market and gain market share this season across our key markets, most prominently in Europe, the largest region for NIVEA Sun. Here, we grew by 12.7% in the first half of the year.

Our Deodorant business is one of our long-standing contributors to Beiersdorf's success. With the launch of the NIVEA Derma Control Deodorant range, we are bringing something truly new to our consumers.

For the first time, we are combining high-performance personal care with our trusted skin care promise. The result: superior skin care without compromising on efficacy.

Now, over to you, Astrid, for the results of our tesa segment and the financials for the first half of the year.

[Astrid Hermann]

Thank you, Vincent. Now let us review tesa's business performance for the first half of 2025.

During this period, tesa achieved organic sales growth of +3.0% year-over-year, despite a challenging economic environment marked by rising political uncertainty which continues to weigh on demand across markets.

The Electronics segment was a significant contributor to this growth, benefiting from a favorable phasing linked to earlier phone and tablet launches and strong demand in Greater China and Asia Pacific.

The Automotive market, on the other hand, remains volatile, especially in Europe and North America offset by a strong performance in Asia-Pacific and Greater China.

The Consumer segment continues to face difficulties, particularly in Europe, but showed strong double-digit growth in the e-commerce channel.

I'm excited to share some great news: tesa has partnered with ZEISS Microoptics to develop next-generation holographic solutions. By combining tesa's advanced optical clear adhesives with ZEISS's optics expertise, we're speeding up the creation of transparent, high-performance applications for the automotive and home tech markets.

Together, we are working on industrializing holographic films, starting with automotive windshields. This technology will allow us to integrate holographic displays seamlessly, enhancing both functionality and design.

The automotive industry will benefit a lot from this development. Holographic windshields can support features like head-up displays and augmented reality, completely transforming the driving experience. This innovation not only boosts safety and user experience but also offers more design flexibility while simplifying the overall structure.

Our partnership with ZEISS is a strategic move that leverages our strengths to deliver innovative solutions that will shape the future of automotive and home technology.

Now let's continue with the detailed financial results.

Let's start by reviewing our sales performance at both the segment and group levels:

- In the first half of 2025, Beiersdorf's Consumer division grew by +1.9% organically. Due to unfavorable foreign exchange effects including an appreciation of the Euro, nominal sales remained flat at €4.3 billion.
- The tesa division reported strong organic sales growth of +3.0% for the same period. In nominal terms, net sales increased by +1.6% to €858 million.
- Overall, the Group generated €5.2bn net sales in the first half of 2025, translating into a +2.1% organic and +0.2% nominal growth rate.

Let's take a closer look at the organic sales growth of our Consumer business in the first half of the year across regions.

In Europe, we grew by +1.0%, with Western Europe growing +1.1% and Eastern Europe +0.4%. Western Europe continued to be impacted negatively by our global luxury travel retail business, especially in Q1 this year. Eastern Europe was impacted by a market slowdown compared to previous years.

The Americas region concluded the first half of 2025 with a solid +2.5% growth. Consistent with Q1, North America experienced a mixed performance resulting in +2.3% growth. Our Derma business continued its double-digit trajectory, while we were facing challenges with Coppertone in a weak sun season. Latin America grew by +2.7%, also a result of a mixed performance. Eucerin grew at excellent double-digit rates in our key markets Mexico and Brazil, while our NIVEA business was affected by an overall slowdown of the market compared to previous years.

The Africa/Asia/Australia region delivered sales growth of +2.7%, negatively impacted by the ongoing NIVEA portfolio clean-up in China which is progressing as planned. Strong performance, on the other hand, was recorded in countries like India and Thailand.

Now, let's review the key figures at the Group level. I already spoke about the sales figures, so let us focus on profitability.

In the first half of the year we generated EBIT excluding special factors of €836 million, which translates to an EBIT margin of 16.1%. The slight decrease versus 2024 was due to the lower tesa EBIT. Excluding special factors, our earnings per share remained unchanged versus last year and amounted to €2.54 per share.

Let's turn to the performance by segment, again with a focus on profitability:

- We increased our Consumer EBIT to €691 million in the first half of 2025, corresponding to an EBIT margin of 16.0%. The 10 basis points increase versus 2024 was mainly a result of a higher gross profit margin.
- Tesa's EBIT at €145 million was slightly lower than last year, mainly as a result of unfavorable foreign exchange effects, phasing and additional investments in growth.

The gross margin of our Consumer business increased by 30 bps in the first half of 2025.

- We faced an 80 basis points pressure on the cost, mainly due to unfavorable transactional foreign exchange effects. Thanks to the strength of our brands, our global pricing power, and favorable mix effects, we were able to more than offset the higher cost of sales.
- The positive mix effect, driven by our focus on skin care and the success of our Derma business contributed to the gross margin improvement, while the weaker performance of La Prairie had a dilutive effect on the overall gross margin.

Finally, I would like to walk you through the key figures of our Group income statement for the half year.

As I mentioned previously, we reported sales of €5.2 billion in the first half of 2025, growing at +2.1% organically.

Our Group gross profit margin improved by 20 basis points driven by the positive development in the Consumer business.

Our commitment to growth through innovation is visible in our ongoing investments in research and development work.

Our marketing and selling expenses increased both in absolute and relative terms, and we plan to continue investing behind our strong launches in the second half of the year. However, we want to emphasize our commitment to improving the return on investment within our marketing budget, with a focus on working media, digital advertising and precision marketing.

Our general and administrative expenses slightly increased due to phasing effects and an extraordinary low first half last year. We expect this to normalize throughout the year.

As a result, we achieved an EBIT of €836 million, slightly below the previous year's level.

Our profit after tax amounted to €561 million, which is €29 million below the 2024 level and mainly a result of the extraordinary expenses, which occurred in the first half of 2025 on the back of an extraordinary gain due to the sale of real estate in the prior year period. Our financial result was also below the level of the first half year 2024, largely due to an extraordinary income in 2024 and revaluations due to currency fluctuations in 2025. The underlying interest income in the first half year 2025 was comparable to the prior year period.

With that, I would like to hand over to Vincent, who will provide the outlook for the rest of the year.

[Vincent Warnery]

Thank you, Astrid. Let us conclude with our guidance for 2025.

We acknowledge that our first half year results with an organic sales growth of 1.9% for Consumer were below our initial expectations. The volatile developments in large areas of the world result in a high degree of uncertainty in the markets which have remained challenging through July. Nevertheless, we remain optimistic about our ability to drive growth through strong innovations and the expansion into white spaces. We have strong confidence in our brands and our ability to navigate these circumstances successfully. We also expect to deliver a stronger second half of the year than the first half as outlined in our presentation.

As a result, we expect an organic sales growth of the Consumer business for the full year 2025 of 3-4%, reduced from the previous 4-6%. We have also taken the decision not to reduce our marketing budget proportionally, as we want to ensure continued investments in our strategic launches. We remain committed to delivering profitable growth and an improvement of our EBIT margin. For 2025 the EBIT margin (excluding special factors) in the Consumer segment is therefore expected to be 20 basis points above last year's level, down from the previous 50 basis points guidance.

In the tesa Business Segment, we continue to expect organic net sales growth of 1-3%, with the development of the Automotive market playing a crucial role in determining whether we reach the upper or lower end of this range. Additionally, we confirm our guidance for the EBIT margin (excluding special factors), which is expected to be around 16%.

Overall, our Group organic sales growth is expected to be at around 3%, with the EBIT margin (excluding special factors) projected to be slightly above last year's level.