

**Conference Call
FY Results 2025
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Speech

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[Vincent Warnery]

Good morning, everyone, and thank you for joining us for our Full Year 2025 results conference. I am pleased to present an overview of our performance together with Astrid, who will later provide a detailed financial review.

But before we begin, I want to touch on the situation in the Middle East. In situations like these, the safety of our employees and their families is our highest priority. Teams are in place in the regions to offer assistance and support on the ground and we are in close communication with them. Given the volatility of the situation, it is too early to assess any potential impact on our business.

We hope for a peaceful solution soon.

Let me now turn to our Full Year 2025 results.

2025 was a year that demanded a lot from us.

Economic and geopolitical uncertainties, shifting consumer behavior, and continued trade disruptions negatively affected market dynamics. Skin care market growth slowed to levels not seen in recent history, with particularly strong effects in the emerging markets region.

These conditions shaped and challenged our performance more than anticipated at the start of the year. Even so, we continued to make progress in several important areas - and where we fell short, we took immediate action.

At the same time, 2025 showed that the core elements of our strategy remained effective:

Our focus on science-based innovation.

Our global footprint and expansion into new markets.

Our culture of care and responsibility.

This provided important stability throughout the year.

In the challenging market environment, we were able to maintain our position as the best-performing skincare company globally for the 3rd year in a row.

Once again, our Derma business was an undisputed success, driven by innovation, white space expansion, and strong scientific credibility.

La Prairie showed initial signs of improvement toward the end of the year. But the recovery remains fragile in a volatile luxury market and disruptions in the retail landscape negatively impact Q1 2026.

And while our skin care focused strategy has delivered on many fronts, the most recent performance of NIVEA requires a strategic rebalancing.

We have taken decisive actions, laying the foundation for restoring momentum and returning our business to a more attractive and profitable growth trajectory.

In 2025, the global skin care market slowed significantly, decelerating from mid-single-digit growth in 2024 to around 1.5 to 2 percent. This slowdown intensified as the year progressed and was particularly visible in regions that had driven strong growth in previous years, including Eastern Europe and Emerging Markets.

Pricing normalized after inflation driven increases, geopolitical tensions influenced consumer sentiment, and consumers became more cautious and increasingly selective in their routines.

While Beiersdorf was affected by this market slowdown in 2025 and continues to feel its impact in 2026, we were still able to deliver solid growth in a significantly more challenging environment.

NIVEA ended the year with an organic sales growth of 0.9 percent, reflecting the impact of weaker market dynamics, a repositioning of our business in China as well as a backend-loaded innovation pipeline.

Our Derma business delivered double-digit growth for the fifth year in a row, supported by breakthrough innovations and successful expansion into white spaces.

Our Health Care business continued to perform strongly, with close to double-digit growth, providing further evidence for our innovation-driven strategy.

At La Prairie, organic sales declined by 4.5 percent in 2025. The performance improved quarter after quarter, but market conditions remain volatile.

tesa delivered moderate growth of almost 2 percent driven by a strong performance in the electronics business.

Altogether, our Skin Care business grew by 3.7 percent, clearly ahead of the market.

Once again, we outperformed our key competitors in this segment and remained the best-performing skin care player globally.

This performance underscores the strength of our skin care expertise and its ability to deliver sustained outperformance.

Let's dive a little deeper into our Derma business.

The undisputable success story of our Derma brands Eucerin and Aquaphor continued in 2025. Net sales reached a record 1.5 billion Euros, approaching close to 20 percent of Consumer net sales, supported by continuous market share gains in a market growing only at low single-digit rates.

In Q4, facing a tough comparison with the Epicelline® launch in the prior year, Derma still grew by nearly 10%.

Derma growth in 2025 was broad-based across all regions.

In Europe, our home market, Derma delivered an impressive 8.3% organic sales growth as Epicelline® continued to drive the performance.

In North America, our largest derma market, we grew by nearly 9%, an outstanding result driven by Face Care and Radiant Tone, our Thiamidol® product in the US.

In Emerging Markets, at 16.3% organic sales growth, Thailand, Mexico and Brazil were the key performance drivers. In addition, India, domestic China and Japan were important white spaces that we expanded into.

We also continued to outperform competition.

This is a testament to the success of our science-based growth strategy of launching breakthrough innovations and successfully expanding into white space opportunities.

On innovations, our hero ingredients Thiamidol® and Epicelline® are continuing their success stories.

Thiamidol®, in its eighth year, continued to grow at double-digit rates. In early 2025, we launched it in the US and later in the year, we brought this innovation to the domestic Chinese market.

Epicelline®, our anti-aging breakthrough ingredient, continued its successful rollout across Europe and in Emerging Markets.

Our Derma innovation pipeline remains strong and sets industry standards.

The entry into white spaces has unlocked new growth opportunities for Eucerin. Let me share a few examples:

In India, Eucerin's launch generated strong momentum. It was one of the first global dermocosmetics brands to enter the market and quickly became a top dermatologist recommendation.

In China, following regulatory approval, Eucerin's Thiamidol® Serum was launched on the domestic market and has become the number one derma anti-pigment serum.

And in Japan, we introduced Eucerin, marking another important milestone. As the world's third largest cosmetics market, expectations for quality and innovation are extremely high. For this debut, we developed a premium anti-aging line, tailored to local consumer needs.

Our Healthcare brands, Hansaplast and Elastoplast, delivered one of their strongest years in history with organic sales growth of more than 9 percent.

The launch of our Second Skin Protection plaster illustrates how we continue to drive innovation even in mature categories. This advanced technology offers superior healing and protection. It is setting a new benchmark in wound care and resonates strongly with consumers.

We continue to invest in research and development to reinforce our leadership in this segment with new innovations coming soon.

NIVEA faced a particularly challenging year, navigating difficult market conditions and delivering growth below our initial expectations. There were three key factors behind this development.

First, the market slowdown was more severe than we expected.

Second, we completed a comprehensive repositioning of our business in China, which temporarily affected our performance negatively.

And third, most of our major innovations were scheduled for the second half of the year, which limited momentum early on.

In 2025, the mass market for skin and personal care products slowed significantly.

The decline was most notable in emerging markets where value growth rates more than halved vs. 2024 and further deteriorated throughout the year with volume growth turning negative in Q4. Skin and personal care were more affected than other beauty categories. This had a direct impact on NIVEA's performance over the year.

The speed and scale of the market downturn exceeded our initial assumptions, requiring adjustments to our guidance during the year.

In China we successfully completed a fundamental repositioning of NIVEA to prepare the brand for long-term success in this key market. Our strategy in China is clear: we aim to win through innovation in skin care.

Therefore, we shifted our focus away from price-sensitive personal care categories and partners, prioritizing premium skin care and accelerating growth through digital-first channels.

This involved streamlining our portfolio, optimizing distribution, and tailoring innovation to local consumer needs. These measures were completed by the end of the third quarter, and NIVEA is now better positioned to compete in China's dynamic market and capture future opportunities.

Subsequently, we launched Thiamidol® under NIVEA in the domestic Chinese market leading to impressive double-digit growth rates of NIVEA in the fourth quarter.

Our innovation pipeline in 2025 was strong, but the major launches were concentrated late in the year.

As a result, the contribution from innovations to our full-year performance was limited, particularly in the first half. The rollout of breakthrough innovations, such as Epicelline®, began to contribute in the later part of the year, especially in Q4.

In 2025, we launched Epicelline® on the mass market. Our NIVEA Cellular Epigenetics Serum represented the strongest NIVEA face care roll-out in our history.

The sell-in performance has been strong and in line with our expectations reflecting robust retailer demand and effective distribution.

We also saw very good sell-out momentum. The product quickly reached number one positions at leading retailers and continues to be the number 1 serum across Europe.

Reliable data on consumer repurchase rates is not yet available, given the recent launch. This will be a key metric to monitor in the coming months to assess long-term consumer loyalty and the sustained performance of Epicelline® in the mass market.

Our luxury brand La Prairie represents a smaller share of our business, but it remains a strategically important part of our portfolio.

The full year remained below 2024 levels, but as we had expected, the business showed a sequential improvement quarter over quarter, growing +3.8% in Q4. This was mainly driven by more favorable developments in China, particularly in e-commerce.

At the same time, the luxury market remains highly volatile, with persistent weakness in the US and in travel retail markets. Ongoing disruptions in the US department store landscape as well as travel retail in China are expected to negatively impact our performance in the first quarter of 2026.

With that, let me hand over to Astrid to walk you through tesa and our financials.

[Astrid Hermann]

Thank you, Vincent, and good morning from my side as well. Let me start with the performance of our tesa business.

In 2025, tesa delivered organic sales growth of 1.8% in a challenging global economic environment, characterized by tariff disruptions and ongoing challenges in the Automotive industry.

Within our Industry segment, Electronics was once again the main growth driver, with particularly strong results in Greater China and Asia Pacific. The product ranges for mounting front and back modules, solutions for battery bonding, and conductive tapes were further developed and converted into customer-specific solutions.

The Automotive business closed the year broadly in line with the prior year. Ongoing volatility in Europe and North America continued to weigh on the performance, while China and Latin America delivered growth supported by successful customer projects.

Printing & Packaging Solutions also recorded year-on-year growth. The performance was driven by expanded activities in splicing tapes and

flexographic printing, with notable contributions from North and Latin America and continued positive development in China.

Finally, the Consumer segment delivered growth despite a challenging market environment, especially in Europe. E-commerce showed strong year-on-year development and made a meaningful contribution to the overall result.

Let me now walk you through our 2025 financial performance.

Overall, we delivered a stable performance in a challenging market environment with organic sales growth of 2.4%.

We also made further progress with our profitability. Our EBIT margin increased to 14.0%, up 10 basis points versus last year, reflecting continued cost discipline and ongoing operational improvements.

Earnings per share increased to 4 Euros 25, up 4.9% compared to 2024 driven by improvements in profitability and our tax rate. This outcome underlines the financial stability of our business in a year marked by significant external pressures.

These results provide a strong foundation as we recalibrate our NIVEA strategy, continue to innovate, and drive sustainable long-term growth.

Let's now turn to our segment-level performance:

In 2025, Beiersdorf's Consumer business' net sales grew to 8.176 billion Euros at an organic growth rate of +2.5%. Adverse foreign exchange effects including a softer US Dollar resulted in lower nominal growth of +0.2%. Profitability improved, with EBIT excluding special factors growing to 1.108 billion Euros, a 20 basis points margin increase, driven by disciplined cost management despite cost pressure on our gross margin.

Our tesa business recorded organic growth of +1.8% during the same period, closing the year with net sales of 1.676 billion Euros. Due to unfavorable foreign exchange effects, nominal sales slightly declined by

-0.7%. The EBIT margin excluding special factors was 16.1% in line with our guidance.

Now, let's take a closer look at our performance across the different regions.

In Western Europe, we achieved robust organic sales growth of 1.8%, particularly in key markets like the UK, Italy, and Spain. As always, it is important to highlight that our Luxury Travel Retail business is also included in this region and had a negative impact of nearly 100 basis points. Our business in Eastern Europe declined by 2.3% driven by softer markets, an overexposure to personal care, retailer disruptions as well as intensified competition from local brands, particularly in our key market Poland.

The Americas region closed the year with sales growth of +3.1%. This good performance was largely attributable to the outstanding results of our Derma brands in the United States and Canada at high single digit growth rates, as well as the continued strong growth of NIVEA in Canada. At the same time, Latin America experienced a notable slowdown, particularly in the personal care segment. As a result, softer NIVEA sales in key markets such as Brazil and Argentina weighed on our overall regional performance while Derma sales grew at double digit rates.

The Africa/Asia/Australia region recorded +4.5% organic sales growth. India was the most important positive contributor to this growth next to Japan. Our NIVEA repositioning activities in China negatively impacted this region in the first nine months of 2025. Following the successful completion of our repositioning activities, China contributed significantly to increasing the region's organic sales growth to +9.3% in the fourth quarter.

Now, let's take a look at the development of our Consumer gross margin.

Our Consumer gross margin decreased by 70 basis points year on year, from 61.0 percent in 2024 to 60.3 percent in 2025.

Pricing contributed positively, adding 30 basis points, underscoring the continued strength of our brands and our ability to partly offset cost inflation, despite a more moderate pricing environment.

Increased costs driven by higher raw material prices and limited volume growth weighed on our gross margin.

Mix-effects positively contributed +40 basis points, primarily driven by the continued outperformance of our Derma business.

Lastly, unfavorable foreign exchange effects contributed -50 basis points.

Let me conclude our financial overview by highlighting the key elements of our Group income statement for the year.

Our Group's net sales grew slightly to 9.852 billion Euros in 2025.

Our Group gross margin declined to 57.7%, with tesa experiencing similar cost and foreign exchange pressures as our Consumer business.

Our marketing and selling expenses remained roughly at the previous year's level, reflecting a slight increase in the Consumer and a small decrease in the tesa business. We continue to drive strong support of our brands with consumer facing activities which we were able to increase in 2025, while also driving effectiveness and efficiency of our marketing expense.

As in previous years, we have taken the decision to continue to increase our R&D spending, reflecting our strong commitment to fostering breakthrough innovations that will shape our future.

At the same time, we maintained a disciplined approach to our general and administrative costs, leading to a reduction of these expenses in 2025.

Our EBIT excluding special factors grew to 1.378 billion Euros, a 10 basis point EBIT margin increase, in line with our guidance.

Lower special factors as well as an improved effective tax rate were additional drivers to increase our profit after tax to 955 million Euros or 4 Euros 25 per share, a 20 cents increase compared to 2024.

Back to you, Vincent.

[Vincent Warnery]

Thank you, Astrid!

After five years in our roles, this is the right moment to take a closer look at what has driven our performance and how effective our strategy has been.

Over the past five years, we increased net sales by almost 30 percent, reaching a level of 9.9 billion Euros in 2025. Despite the slowdown in 2025 we continue to be the best performing skin care company, outgrowing our key competitors in this important category.

EBIT excluding special factors also improved significantly by almost 40%, a clear proof of our commitment to profitable growth.

Our topline outperformance was fueled by three key pillars:

First, breakthrough innovations. Science-based research and development are at the heart of what we do.

Second, successful expansion into white spaces, both in terms of categories and markets.

And third, a strong and growing e-commerce business. We have been growing double-digit in e-commerce for more than 5 years in a row and gaining market share. In 2025, we generated 17% of our net sales online.

Let's start with innovation.

One of the clearest examples is Thiamidol®. This highly effective ingredient has been cascaded across our brands and markets, the latest additions being Chantecaille as well as the US and China.

Since I started at Beiersdorf, we have turned the Thiamidol® franchise into a 500 million Euro business. We are continuing to grow double digit and are gaining market share again supported by high recognition of the ingredient in the scientific community. Thiamidol® was validated by a scientific consensus of the ten world-leading dermatologists as the only dermocosmetic solution for the management of hyperpigmentation.

Another breakthrough innovation is Epicelline®, a game changer in anti-age. And while everybody speaks about longevity, our epigenetics technology already provides a solution.

After its success in the Derma segment, we launched Epicelline® to the mass market through NIVEA. This reflects the same principle as Thiamidol®: developing highly effective ingredients based on strong science and systematically making them accessible across brands and markets.

Microbiome research at S-Biomedic is the next frontier of our innovation pipeline. What started as a venture capital investment and R&D partnership several years ago, has turned into the development of a breakthrough Microbiome Innovation for acne-prone skin.

We developed Probiom8 to correct blemishes from acne-prone skin using the first ever skin-native probiotics. With significant results proven in clinical studies, it is planned to be launched under Eucerin DERMOPURE CLINICAL in the second half of this year. Evaluated by hundreds of dermatologists and tested on thousands of consumers, Probiom8 significantly improves acne-prone skin with no side effects.

More to come later this year, stay tuned.

Turning to the second pillar of our strategy: expansion into white spaces. We have focused on a defined set of key markets and made strong progress in the US, Brazil, India, China, and Japan.

Let me briefly zoom in on the US, Brazil, and India. In all three markets our white space strategy has translated into measurable progress.

In the US, we launched Eucerin Sun followed by Eucerin Face and introduced Thiamidol® in 2025. This strengthened our foothold in one of the world's most competitive dermatological skincare markets. Our Consumer business in North America has reached 1 billion Euros.

In Brazil, Eucerin advanced from a niche position to one of the leading players in the market. Within just 5 years we managed to move from number 15 in the market to a number 4 position.

And India remains a clear success story for us. While we have been present in India with NIVEA and our Healthcare business for a long time, we managed to more than double our business within the last 5 years. This was driven by an outstanding performance of NIVEA as well as the launch of our full skin care portfolio including Eucerin, La Prairie and Chantecaille.

Our Derma business has fully delivered on our strategy. Since 2021 we almost doubled our business, reaching sales of 1.5 billion Euros in 2025. Even in the slowing derma markets last year, our Eucerin and Aquaphor brands demonstrated double-digit growth.

Also NIVEA, the largest skin care brand in the world, grew by an impressive 34% over the last 5 years.

We succeeded in regaining credibility in Face Care through Thiamidol® and Epicelline®. However, the required investment has not allowed us to maintain the right advertising focus on other categories. And through our exclusively global innovation program, we lost some momentum on core local ranges in some key countries.

As a result, we were not able to outperform the market to the same extent as in prior years, and NIVEA's growth slowed significantly in 2025. We have therefore taken decisive action to recalibrate our strategy for NIVEA to restore the brand's growth trajectory, which is a key priority for 2026 and 2027.

What exactly does this recalibration mean? We are rebalancing our NIVEA strategy along three pillars:

First, we are broadening our focus by strengthening categories next to face care such as deodorant and body care.

Second, next to major global franchises, we will support important local product lines by giving key markets such as China, the US, India, Japan, and Brazil greater flexibility in local execution.

And third, we are putting more effort behind accessible Face Care products.

Let me dive a little deeper into each of the pillars.

NIVEA already has a strong foundation in categories such as Deodorant and Body Care.

Building on this base, we are shifting parts of our investments in R&D, marketing and new launches in these categories. By broadening our range, we are strengthening NIVEA's position across a wider set of segments and creating additional growth opportunities.

In recent years, NIVEA focused strongly on global launches and centralized campaigns.

Going forward we will continue to rely on global innovation platforms and hero ingredients as a foundation, but give local teams greater freedom to tailor launches, products and marketing to local needs and push key local franchises. One example is Luminous Glow, a successful innovation for Emerging Markets. Another one is NIVEA Facial, a key face care line in Brazil that we will launch in other markets as well.

Lastly, we will rebalance the focus also to popular Face Care products at a more accessible price range next to the premium Face Care lines like Luminous and Epicelline®.

NIVEA remains an iconic, yet accessible brand. Our portfolio deliberately spans from everyday essentials to premium innovations. And as you know, the vast majority of our portfolio is priced at very accessible levels.

The rebalancing of NIVEA is underway.

In the fourth quarter of 2025, we initiated a shift in our advertising and promotional spending, reallocating resources to support a broader range of categories and local initiatives. This marked the first step in the rebalancing process.

In 2026 and beyond, we are implementing a set of pipeline measures to strengthen our innovation roadmap. These include:

- Breakthrough ingredient line extensions on the one hand and,
- broader launches across categories on the other.
- We are fostering fast track execution of innovation to meet current trends, and
- allowing for certain regional innovations tailored to local consumer needs.

These measures will take some time to show their full impact.

We are confident in our ability to return NIVEA to sustained growth and will report on our progress in each of the coming quarters.

Now let me turn to the outlook for our business.

We own and manage some of the most iconic skin care brands in the world and operate in the highly attractive skincare market, the largest category in the beauty space. Over decades, this market has demonstrated strong resilience and a consistent ability to recover within one or two years after periods of slowdown or decline. Our well-established and trusted brands together with our Win With Care strategy provide a strong foundation to navigate the current market environment and to deliver sustained long-term growth.

Let us now look at our mid-term guidance.

In an evolving market environment, our focus remains firmly on outperforming the market. We will do so by continuing to expand into white spaces, launching breakthrough innovations, and responding dynamically to changing market conditions.

A key priority will be to return NIVEA to an elevated growth trajectory through a clear action plan and targeted measures as part of our strategic rebalancing.

On top of that, the use of our cash position to pursue inorganic growth opportunities remains an important element of our strategy and should provide additional upside.

We also remain committed to profitable growth in the mid-term which translates into growing EBIT at least as fast as net sales. We are convinced of the continued EBIT margin expansion potential for our business. In light of the global market dynamics, we will not quote a specific number. We will have to be flexible to respond to market conditions and will not sacrifice long-term value creation opportunities for short-term margin gains.

While the use of cash for inorganic growth remains a core element of our capital allocation strategy, we have also strengthened our commitment to returning cash to shareholders. This is reflected in enhanced cash distribution through share buybacks and dividends.

As a next step within this framework, we are continuing to strengthen shareholder returns.

The Executive and Supervisory Boards of Beiersdorf propose that the dividend for the 2025 financial year is confirmed at 1 Euro per share. This proposal will be submitted to the Annual General Meeting on April 23.

Following the successful share buyback programs in 2024 and 2025, Beiersdorf will initiate a further share buyback program, valued at up to 750 million Euros over a period of 2 years.

While we remain very confident in our profitable growth prospects over the mid and long term, it is important to acknowledge that market dynamics have not improved at the start of this year. We saw a clear slowdown over the course of last year, and this softer environment has continued into early 2026, without clear signs of a near-term recovery.

And while we have initiated our NIVEA rebalancing strategy the measures will take some time to become fully visible.

In parallel, the luxury skin care market remains volatile. And while improvements were visible in China in 2025, severe disruptions in the US department store landscape and travel retail in China negatively impact the current performance. We view these disruptions, especially in China Travel Retail as temporary and not a full reflection of the underlying consumer demand. Nevertheless, they will have a noticeable negative effect on our Q1 luxury performance.

Let us turn to our guidance for 2026.

Against a continued challenging and volatile market environment, we expect sales to be flat to slightly growing organically across our business segments. This applies to both the Consumer and tesa segments, as well as at Group level. We still expect to be able to outperform the market as demonstrated in previous years.

The first quarter of 2026 is expected to land below this range at a low single digit negative organic growth rate. While Derma is expected to deliver another strong quarter, NIVEA's innovation momentum that positively affected Q4 2025 is less impactful this quarter. In addition, the disruptions in US retail and China travel retail landscape will put significant pressure on our luxury brands in Q1.

On profitability, we expect the EBIT margin excluding special factors in Consumer, tesa, and for the Group to come in slightly below the 2025 level. This is driven by raw material cost increases, unfavorable FX and only limited fixed cost leverage on gross margin. At the same time, we will not decrease our marketing spend proportionately as we want to ensure sufficient investment behind our brands.