

Annual General Meeting 2021
Beiersdorf AG, Hamburg
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Speech

Stefan De Loecker

Chairman of the Executive Board

- The spoken word applies -

Dear shareholders,

Good morning, ladies and gentlemen,

and a warm welcome to our 2021 Annual General Meeting. For the second time, our shareholders' meeting is taking place in an all-virtual format. When we got together for our first online meeting a year ago, we were in the middle of the first lockdown. The COVID-19 pandemic continues to mean restrictions around the world.

Looking back, 2020 asked a lot of us all. And for Beiersdorf, too, it was a challenging year. But it was not a lost year for us. On the contrary: We announced one year ago that we were not only determined to keep impressing consumers with our products, but would also do everything we could to enable Beiersdorf to emerge from the crisis in a stronger position than before.

Despite the headwind, that is exactly what we have done. We have even stepped up investment in our future. The coronavirus has clearly demonstrated to us that many changes in our business are happening much faster than we originally anticipated. We have capitalized on this momentum,

achieving significant progress in all our strategic focus areas in 2020:

First: We responded swiftly to the crisis, demonstrating great agility and shouldering responsibility.

Second: We have created additional innovations, very successfully introduced new products in all markets and gained market share in many countries as a result.

Third: We significantly increased investment in e-commerce and digital dialogue with customers - boosting our online business in the Consumer Business Segment by 50%.

Fourth: We made major progress on sustainability and set even more ambitious targets once again.

All these successes would have been impossible without our employees. Our team has surpassed itself over the past year. "We care for skin, we care for people, we Care Beyond Skin" - this is not just a slogan; it's the way we live. Experiencing that makes me proud and I would like to express my sincere thanks for it.

Ladies and gentlemen,

I would like now to first give you an overview of the last fiscal year. I will then show you the progress we have made on implementing the C.A.R.E.+ strategy before concluding with a look ahead at our priorities for 2021.

First, let's turn our attention to the 2020 fiscal year.

Sales in the skin care markets dropped significantly last spring. But we held our ground well in this difficult environment. I'll come back to the figures in a moment.

At least as important to me as the figures is that we can say today that we mastered this crisis together.

In as early as January 2020, we set up a crisis team and took the first measures as part of an emergency package to protect our employees in affected regions. Within just a few days, nearly all Beiersdorf employees around the world were able to start working remotely beginning in mid-March. For those whose jobs meant they were unable to do so, we put in place extensive safety precautions. As a result, our research & development work and our supply chain were able to remain in operation. What's more, with our "Solidarity Pact for Employment," we have made it through the crisis without resorting to German government's Kurzarbeit short-time working scheme. I'm very proud of that.

Alongside protecting our employees, our focus was, as always, on the needs of our consumers. In my 30-year career, I have never seen consumer needs change so suddenly - almost from one week to the next - as I did last spring. We reacted swiftly. We quickly ramped up production of hand and body care items and maintained an almost normal service level, despite occasional supply bottlenecks and, in some cases, border closures.

We also lived up to our social responsibility. As part of our 50-million-euro international COVID-19 aid program, for example, we donated over a million liters of disinfectant and five million containers of NIVEA Creme to hospitals and medical personnel all around the world. We launched partnerships with international NGOs such as Plan International in order to provide long-term, targeted support to those social groups that have been worst hit by the pandemic. And we gave financial support to aid organizations and donated products such as tesa "social distancing tapes" to vaccination centers.

As you can see, we have made a wide range of contributions to mitigating the impact of the pandemic as far as possible.

The same applies to our business - despite double-digit declines in our markets for a time. Our Group sales fell organically by 5.7% to around €7 billion. We performed better in the third and fourth quarters in spite of new restrictions imposed for Christmas.

We managed to gain significant market share in this situation - in all strategic brands, in all skin care categories, and in all regions. We took a conscious decision to capitalize on the momentum created by the pandemic and step up investments in digitalization and sustainability, even if this hit profits.

Indeed, our EBIT (excluding special factors) fell to €906 million. We also saw a dip in our EBIT margin. Excluding special factors, this was down by 1.4 percentage points on the previous year at 12.9%. The impacts of the pandemic and increased investment can also be seen in the profit after tax. The difficult market environment and increased investments caused profit after tax to fall to 9.1% - 120 basis points down on the previous year's figure.

With the introduction of the C.A.R.E.+ strategy, we deliberately committed to reducing working capital. After a large improvement back in 2019, we managed in 2020 to further improve working capital to 9.1% of sales, despite the challenging environment.

After a strong year in 2019, Beiersdorf's shares held up relatively well in the first half of 2020 thanks to their defensive nature. During the second half of the year, however, the home and personal care sector, including Beiersdorf's shares, came under pressure. Our share closed the year at €94.44, a drop of 11.4% from the previous year's level.

Allow me a quick word on the news that, as of a week ago, we are no longer listed in the DAX index. We would have liked to carry on flying the flag for Hamburg. And we will certainly be happy when Beiersdorf is listed in the new DAX 40 by the end of the year. But this decision has not changed our focus: to be there for our consumers and to continuously excite them. That is what we gear our company toward long-term. We will continue to concentrate going forward on the things we can control - just as we did so successfully last year.

We can illustrate this with a look at our Consumer Business Segment.

The skin care categories, in which our top brand, NIVEA, is positioned, shrank significantly in 2020, with double-digit falls in some cases. While some categories such as body care and shower gels managed to lift their sales, this was not enough to offset the decline in categories such as face care and NIVEA MEN, as well as the heavily affected sun and lip care. NIVEA's sales were down by 6% overall. The good news is that consumers could put

their faith in our brand and that we could gain new consumers: It is a fact that is strongly reflected in the significant increases in market share that we achieved in all skin care categories.

This also applies to the Derma business with our EUCERIN and AQUAPHOR brands. We produced growth totaling more than 8% here, thanks to our successful innovation Thiamidol and our performance in new countries. The strong performance and double-digit growth rates in North America, Latin America, and Asia made a particular contribution to this. We added market share in almost every single country where these brands are available. EUCERIN's entry into the Chinese market was a particular highlight in this context. The first few months saw it get up and running very successfully with its clear positioning as a digital-first brand.

Our Health Care brands, which primarily include HANSAPLAST in Germany, were hit by the lockdown. With stockpiling acting as a major factor driving up sales at the beginning of the pandemic, the subsequent months saw an equally sharp fall in demand. Sports facilities and playgrounds were closed for months in many places. This all added up to a 5.9% fall in sales year on year. Nevertheless, we are positive about the future. We have gained market share in over two-thirds of countries and are optimistic that the positive trend will continue this year as more leisure activities are permitted again.

Our LA PRAIRIE brand initially suffered the most from the pandemic due to the decline in travel volume and the closure of stores. Travel restrictions left their mark particularly in the important travel retail business. Particularly during the crisis, our clear mission was to preserve the brand essence of LA PRAIRIE as the world's most exclusive skin care brand. We therefore deliberately decided against price reductions and refused to make any compromises as regards our innovation pipeline. This decision paid off. In the fourth quarter, we achieved year-on-year growth of over 20%, particularly through our China business.

Like our Consumer Business Segment, our tesa subsidiary once again showed it can rebound quickly from a crisis. Our sales in the third and fourth quarter of 2020 were already up on the previous year, and the full-year sales were close to the level reached in 2019. The EBIT margin of 15.4% was even slightly higher than the previous year's. The secret to the good performance during the pandemic year was tesa's broad position and innovative products. The electronics sector and DIY, or "do-it-yourself," business did particularly well in 2020: Electronics thanks to the strong product range for smartphones, laptops, and

tablets - and Consumer & Craftsmen thanks to the boom in do-it-yourselfers. There was double-digit growth in the digital sales channel.

Dear shareholders,

Looking back at this extraordinary year, we tackled this challenge head-on and are emerging in good shape from the crisis. We shouldered responsibility, and our crisis management was successful. That was and still is the basis for commercial success in the current situation. We also measure ourselves on our position in each individual market.

Here, too, the picture is positive: We have further boosted our consumer appeal. We have invested in the right areas. We have gained significant market share. In the process, we have set our sights on future growth. And we did it all on the basis of the financial solidity that we created in recent years. This will enable us to pay you a stable and reliable dividend of €0.70 per share for the year of 2020.

Two years ago, I became CEO to make Beiersdorf fit for the future in an era of profound transformation. Digitalization, the increasing personalization of skin care, and the growing awareness of sustainability are changing our consumers' expectations. The COVID-19 pandemic has further accelerated these trends, and we believe that they will continue when it is over.

For this reason, we have to be where our consumers are - with the right products, the right messaging and the right response to their wishes and expectations. This was the thinking behind our C.A.R.E.+ strategy, which we have been pursuing for the last two years.

We made huge strides in this area last year.

Our products have been making people feel good in their skin for almost 140 years. People trust our brands. But we have to earn their trust every single day with our hard work. The importance of acting with a social conscience is a focus at all our brands. For this reason, we once again sharpened the clear brand purpose for NIVEA, EUCERIN, and HANSAPLAST last year.

2020 was also a year of ground-breaking skin care innovations at Beiersdorf. Thiamidol, our patented ingredient to reduce hyperpigmentation, shows better than anything else just how strongly our focus on innovation serves as the foundation of our long-term

success. EUCERIN's Thiamidol range was the most successful product launch in the brand's history

We have also been investing at scale in the digital transformation for the last two years. In 2020, we saw that this was exactly the right thing to focus on.

We reacted quickly to the increasing demand for e-commerce at the beginning of the pandemic and stepped up investment in this area considerably, with visible success: We have lifted our online sales by 50%. This despite the fact that Beiersdorf is only just starting to gradually tap into the most important market for e-commerce: China.

A second focal point is our digital messaging to consumers. In 2020, we invested nearly 40% of our marketing budget in digital marketing.

Alongside online business, the digitalization of skin care itself is also playing an ever-greater role. We are using the extensive insights from our scientific projects on the human skin to research and develop new products. With the help of artificial intelligence, we are also enabling our consumers to use this information too, for example with our NIVEA SKiN GUiDE web app. Users can upload selfies to analyze the needs of their individual skin and receive a recommended care routine to match. The service was used around 700,000 times in 2020 alone.

In 2020, we also tapped new growth potential. China is the fastest-growing skin care market and has tremendous potential, particularly for our brands LA PRAIRIE, EUCERIN, and NIVEA. A key part of our growth strategy in China is proximity to our consumers. Last year, we therefore opened a new innovation center in Shanghai. This is our second-largest research center globally after our headquarters here in Hamburg, making it a key milestone for the future development of our company in China.

In the United States, too, we have considerably expanded our presence with the acquisition of COPPERTONE in 2019, allowing us to access the world's largest sun care market. We have made the most of the wait for markets to recover by optimizing the business and bolstering its online presence - an approach that has paid off already. In 2020, COPPERTONE was one of the fastest growing sunscreen brands in the United States in terms of e-commerce. To ensure it stays that way, we are relying on local know-how in the United States, too. This is why we are turning the development center of COPPERTONE in New Jersey into an innovation center for all of our brands.

Our other growth markets, including Brazil, South Africa, and Southeast Asia, generated digital growth in 2020. We produced above-average growth in our online business in some countries and gained new consumers in the process.

With our “Care Beyond Skin” sustainability agenda, established in early 2020, we have driven the transformation toward more sustainability. A climate-positive future is one of the focuses of our commitment to sustainability: all our production sites will be

climate-neutral by 2030. We plan to reduce greenhouse gas emissions along our entire value chain by 30% by 2025. The electricity that powers both of our business segments already comes from 100% renewable sources.

Promoting a circular economy is another focus of our sustainability agenda. In terms of sustainable packaging, we have also set ambitious targets that we aim to achieve by 2025. 100% of our packaging will be refillable, reusable, or recyclable. We also want to reduce the use of fossil fuel-based plastic by 50% by 2025 and increase the proportion of recycled materials in our plastic packaging to 30%. We are making good progress with this. In Germany, we switched our entire shower gel and shampoo range to recycled PET bottles by the end of 2020, and at European level we have so far achieved a 90% share of recycled PET.

All of these efforts were recognized by outside parties. In 2020, the CDP, a non-governmental organization, recognized us as a “Climate A” company for our work to protect the climate, putting us among the top companies in this area.

Ladies and gentlemen, enough about this special year 2020.

Looking ahead, I’m cautiously optimistic. For despite the current challenges of the pandemic, I also see great opportunities for Beiersdorf in 2021.

That is why we are accelerating our transformation with another €300 million to boost sustainability, digitalization, and growth markets in our Consumer Business Segment in the next five years. tesa has similar investment focal points - with an additional €18 million planned for fiscal year 2021 alone. We are taking this approach from a position of strength and financial solidity. We have worked hard over the past years to give ourselves the flexibility to invest now.

We have taken a deliberate decision to deviate from the original medium-term targets in the next phase. This approach will pay off in the long term both in terms of sustained growth and a higher financial result. In the remuneration policy you are voting on today, we are making the strategic priorities of C.A.R.E.+ an even more important part of long-term remuneration for the management team.

Though it remains difficult to make reliable predictions about the year as a whole, we expect sales growth in both business segments in 2021. Based on the extensive investments we will be making, we anticipate an EBIT margin below the previous year's level at tesa. For the Consumer Business Segment and the Group as a whole, we expect an EBIT margin on a par with the previous year.

That concludes the figures. Now to our plans for the current year.

Groundbreaking skin care innovations will once again be key in 2021.

Let me review a few highlights with you. At our core brand NIVEA, we will continue to roll out the NIVEA CELLULAR LUMINOUS630® face care range in 2021 following a very successful test-marketing phase. The range helps women suffering irregular skin pigmentation. Since January, we have also had NIVEA Hyaluron Cellular Filler 3in1 Care Make-up on the market in Germany - an extension of our successful NIVEA hyaluron care cushion. We are also launching promising new product ranges at NIVEA MEN this year, such as NIVEA MEN FRESH KICK and NIVEA MEN SENSITIVE PRO, offering all-round face care for the special needs of men's skin. In January, we introduced a new generation of deodorants in Europe called NIVEA Magnesium Dry. The deodorants use natural magnesium, a change that eliminates the need for aluminum salts but does not hurt the product's effectiveness. NIVEA is also raising the game in the sun care category. For example, our new vegan product line NIVEA SUN MINERAL UV PROTECTION contains a 100% mineral UV filter and offers all-round protection for the whole family. It is now gradually being introduced on the European market.

At EUCERIN, too, sun care is one of the main topics for 2021. A few days ago, we launched the brand's first medical product. EUCERIN Actinic Control with sun protection factor 100 offers clinically proven protection against sun-induced skin damage. With EUCERIN, we also want to continue the success of Thiamidol and conquer new categories. LA PRAIRIE brought its Platinum Rare Skin-Rejuvenation Protocol to the market a few days ago. This new product activates key rejuvenation processes and so reduces visible signs of skin

aging. It has also been a strong start to the year for our Health Care brands. January saw the biggest brand relaunch ever at HANSAPLAST, ELASTOPLAST, and CURITAS - with innovations that enable even better protection from bacteria and provide the best possible support for wound healing.

In digitalization, we expect a similar dynamic in 2021 to what we saw last year. For this reason, we will continue to focus on digital messaging with our consumers and will further strengthen our e-commerce business.

At the same time - wherever there is an opportunity and consumer demand - we will also further customize our products themselves. Personalization is the future of skin care. The best example of this is our direct-to-consumer brand O.W.N that we announced just a few weeks ago. O.W.N stands for "Only what's needed." It uses artificial intelligence to develop a care routine that precisely matches the consumer's personal needs from more than 380,000 formula combinations.

Customization is one of the growth drivers for us this year. Another is our positioning in the most important and most dynamic markets. In China, we recently launched LA PRAIRIE on Tmall - China's largest e-commerce platform. Our other brands such as NIVEA, EUCERIN, and HANSAPLAST already enjoy great success on Tmall.

In North America, COPPERTONE will be focusing during the 2021 season on sun protection for athletic activities - and for good reason: Once the lockdowns end, people will want to enjoy outdoor activities more frequently. We will therefore introduce a new sports range based on natural minerals.

In addition to creating new products and innovations, we are also concentrating on digitalization and automation to improve our existing processes. We are investing in a new state-of-the-art IT infrastructure, a central data platform, and automation processes in our plants as part of this effort. In Leipzig-Seehausen, for instance, we are currently building a new plant. We are investing €220 million in this site. The plant will be one of Beiersdorf's most modern facilities and will use the latest technologies. Work began on the ground in December, and the site is set to open in 2022.

We will energetically press forward with our sustainability agenda in 2021.

I'm delighted today to be able to present to you one of our first pieces of packaging made from renewable plastic. We use this for the jars in our Naturally Good range. The bio-based polypropylene is made from a "waste product" of the forestry industry. This makes it a real

win-win, if I can put it that way, as we are using a natural raw material that would otherwise go to waste.

But we are taking things another step further: Our NIVEA Naturally Good face care products will not only have a reduced carbon footprint, but also be climate neutralized. The products will be available in stores soon. We are taking the same approach with our large NIVEA Shower product range that will be available in Germany starting in May. I'm very proud to be able to announce these milestones in our product sustainability today.

In 2021, we will introduce NIVEA's first solid facial-cleansing product that is eco-certified and uses no plastic at all: NIVEA Wonderbar. NIVEA Wonderbars are soap-free cleansing bars that are both skin and environmentally friendly. The concept is designed to support the entire facial-cleansing routine - from make-up removal to deep cleansing and peeling - and to offer a plastic-free option as well.

Sustainability and a forward-looking approach are not just the preserve of our products but are also an elementary part of our corporate culture. We firmly believe that the diversity and different perspectives in our company are the key to meeting the needs of our consumers. A few weeks ago, we therefore formulated a clear ambition: By 2025, we want to achieve a 50/50 gender balance in our management team in the Consumer Business Segment. We have countless talented women in our ranks. We want to offer

Ladies and gentlemen,

We have big plans for 2021 in our Consumer Business Segment. We are focusing on innovations, growth markets, digitalization, and sustainability. The priorities at tesa this year are similar. We want to continue growing there too and expand our presence in key markets. We aim to achieve this with innovations and sustainable products.

By the end of 2021, we will complete the expansion of our plant in Suzhou, China. This is a truly high-tech facility. Mass production will begin there in the summer. The thinnest of the double-sided tapes manufactured in Suzhou will be just three micrometers thick - 16 times finer than a human hair. These high-value products will be used in the fast-growing Asian electronics market.

Innovations in e-mobility are another important part of our plans. Our special adhesives weigh less than conventional screws or rivets and are heat-resistant, making them ideal for the insulation and mounting of battery cells.

Sustainability will be at the top of the agenda again for tesa in 2021. We are working flat-out on technologies that allow products bonded by tesa adhesives to be separated again when they reach the end of their life. This will mean components can be more easily exchanged or recycled – for example in smartphones.

Ladies and gentlemen,

Our iconic brands put us in a unique position to emerge from the coronavirus pandemic stronger. Every crisis is also an opportunity – and we want to take advantage of this.

C.A.R.E.+ continues to guide our actions and our path to the future.

I would like to take this opportunity to thank the Supervisory Board for our good working relationship during this challenging time – for its trust and the continuous support it has provided during the implementation of the C.A.R.E.+ strategy. This is not something that could be taken for granted during this crisis.

I would also like to thank my colleagues on the Executive Board for our trusting and intensive working relationship. Right from the beginning of the pandemic, the desire to help brought everyone together in agreement. The adoption of our aid program was one of the fastest Executive Board decisions I have ever experienced. This is how I define leadership. I am looking forward to jointly working with my colleagues in the next phase that lies ahead.

Dear shareholders, thank you once again. Thank you for your support over the last 12 months and for trusting us to lead Beiersdorf through this crisis and into a stronger future.

I look forward to seeing you again next year, and I hope we will be able to meet in person by then. Until then, take care and stay healthy.