HALF-YEAR REPORT

2019

Beiersdorf

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Business Developments – Overview

Beiersdorf on track to deliver sustainable competitive growth

- Group sales rise (organic) 4.8%
- Consumer sales (organic) up 5.3% on the previous year
- tesa sales (organic) up 2.4% on the prior-year figure
- Group EBIT margin excluding special factors at 15.4%*

Guidance for 2019 confirmed

- Consumer sales growth of 3–5%
- Consumer EBIT margin from ongoing operations of 14.0–14.5%
- tesa sales growth of 3–4%
- tesa EBIT margin from ongoing operations slightly below the prior-year level

Beiersdorf at a Glance

		Jan. 1–June 30, 2018	Jan. 1–June 30, 2019
Group sales	(in € million)	3,613	3,837
Change (organic)	(in %)	7.7	4.8
Change (nominal)	(in %)	2.8	6.2
Consumer sales	(in € million)	2,957	3,146
Change (organic)	(in %)	7.0	5.3
Change (nominal)	(in %)	1.9	6.4
tesa sales	(in € million)	656	691
Change (organic)	(in %)	10.6	2.4
Change (nominal)	(in %)	7.5	5.5
Operating result (EBIT, excluding special factors)*	(in € million)	585	593
Operating result (EBIT)*	(in € million)	585	582
Profit after tax	(in € million)	407	417
Return on sales after tax	(in %)	11.3	10.9
Earnings per share	(in €)	1.76	1.81
Gross cash flow*	(in € million)	467	491
Capital expenditure	(in € million)	188	136
Research and development expenses	(in € million)	103	117
Employees	(number as of June 30)	19,478	20,213

Percentage changes are calculated based on thousands of euros.

GROUP SALES (IN € MILLION)

PROFIT AFTER TAX (IN € MILLION)

* Special factors of €11 million related to expenditure for the acquisition of the Coppertone™ business. The effects of the first-time application of IFRS 16 on 2019 values can be found in the notes on page 20.

Our Strategy

For almost 140 years, we have helped people feel good in their skin. CARE has been part of our core ever since, and together we want to shape a new era of success. In times of historical disruption we have to act now and decisively. Our strategy **C.A.R.E.+** is our answer to this, based on a strong commitment, five strategic priorities + our ambition to create more value to the people and society. **C.A.R.E.+** also stands for Courage + Aspiration + Responsibility + Empathy. Four attributes that we rely on to sharpen our forward-looking mind-set and to leverage our competitive advantages.

Consumer centricity through digitalization

Digitalization is rewriting all the rules on how consumers engage with brands. We are using this as an opportunity to get as close as possible to our consumers and create unique, personalized brand experiences.

Win with skin care

Impressive innovation lifts us above the competition and makes us the preferred choice for consumers. In turn, this strategic priority solidifies our foundation and our potential.

Accelerate in white spots

This strategic priority reflects everything that makes us a global player – with strong penetration across all markets and channels. We are expanding this presence, both organically and inorganically.

Increase productivity

We operate with business expertise, sensitivity to cost optimization and a continous focus on boosting the value for our customers. We reliably reinvest in areas that are important to consumers and with the aim of creating value for our shareholders.

Culture & society

We look after all of our stakeholders and take our responsibility to society seriously. This forms the basis of our goal to make people proud to work for Beiersdorf.

Beiersdorf's Shares

After a weak prior-year performance, stock markets began 2019 with significant gains despite continuing worries about global economic growth. The disputes between the United States and its trading partners and the ongoing risk of a UK exit from the European Union did not have a lasting impact on the investment sentiment. The stock market recovery was supported by signals from the US Federal Reserve (Fed) and European Central Bank (ECB) that they would enact accommodative monetary policy to further stimulate economic growth. This was a response to the reduction in growth expectations for the world economy by the World Trade Organization and International Monetary Fund. Progress in the negotiations on the US-Chinese trade relationship was also welcomed by the financial markets. The positive trend was interrupted by the surprise decision of the United States to introduce trade tariffs on the import of Chinese goods, which triggered a stock market correction. The Fed and ECB responded by signaling a cut in interest rates. As a result, the yield on the ten-year German government bond reached a historic low of –0.3%, showing that investors were prepared to lend capital to the German state and pay interest in return for the security of this investment. The oil price – a global indicator of raw material costs – remained volatile. By contrast, the euro moved within a narrow range against the US dollar.

Beiersdorf shares experienced a varied but overall very positive first six months of the year. After the publication of a lower-than-expected guidance for the 2019 fiscal year, the share price fell by almost 10%. At the same time, the Executive Board also presented the new C.A.R.E.+ corporate strategy at the Financial Analyst Meeting in Hamburg. This was well received by investors, allowing Beiersdorf's shares not only to recover the losses but to reach new highs for the year in March and April. The Beiersdorf share price reached almost €100 in connection with the strong quarterly sales reported at the end of April. Following the announcement of the acquisition of the American sun care brand Coppertone™ – the first takeover in the Consumer segment in 12 years – the shares reached new all-time highs and substantially exceeded the €100 mark.

This year's Annual General Meeting took place on April 17. More than 1,400 shareholders accepted the invitation to the Hamburg Messehallen. Beiersdorf's shares ended the first half of 2019 at €105.55.

KEY FIGURES – SHARES

		2018	2019
Earnings per share as of June 30	(in €)	1.76	1.81
Market capitalization as of June 30	(in € million)	24,504	26,599
Closing price as of June 30	(in €)	97.24	105.55
Closing high for the period Jan. 1–June 30	(in €)	100.70	107.80
Closing low for the period Jan. 1–June 30	(in €)	86.08	81.56

BEIERSDORF'S SHARE PRICE PERFORMANCE
January 1–June 30, 2019/relative change in %

Interim Management Report – Group
Results of Operations – Group

- Organic group sales up by 4.8%
- EBIT margin excluding special factors at 15.4%*
- Profit after tax of €417 million

GROUP SALES (IN € MILLION)

	Jan. 1–June 30, 2018	Jan. 1–June 30, 2019	Change (in %) nominal	Change (in %) organic
Europe	1,913	1,960	2.4	2.3
Americas	589	644	9.3	4.2
Africa/Asia/Australia	1,111	1,233	11.1	9.4
Total	**3,613**	**3,837**	**6.2**	**4.8**

Organic Group sales in the first six months of 2019 were up 4.8% on the previous year. Nominal Group sales rose by 6.2% year on year to €3,837 million (previous year: €3,613 million). The Consumer Business Segment increased sales by 5.3%, and tesa by 2.4%.

In **Europe**, sales were up 2.3% on the same period of the previous year. In nominal terms, sales amounted to €1,960 million (previous year: €1,913 million), 2.4% higher than the previous year's figure. Growth in the **Americas** region was 4.2%. In nominal terms, sales rose by 9.3% to €644 million (previous year: €589 million). The **Africa/Asia/Australia** region reported growth of 9.4%. Sales increased in nominal terms by 11.1% to €1,233 million (previous year: €1,111 million).

INCOME STATEMENT (IN € MILLION)

	Jan. 1–June 30, 2018	Jan. 1–June 30, 2019	Change in %
Sales	**3,613**	**3,837**	**6.2**
Cost of goods sold	–1,504	–1,582	5.2
Gross profit	**2,109**	**2,255**	**6.9**
Marketing and selling expenses	–1,248	–1,310	5.1
Research and development expenses	–103	–117	13.8
General and administrative expenses	–201	–206	2.4
Other operating result	28	–29	–
Operating result (EBIT, excluding special factors)*	**585**	**593**	**1.4**
Special factors	–	–11	–
Operating result (EBIT)*	**585**	**582**	**–0.6**
Financial result	–19	6	–
Profit before tax	**566**	**588**	**3.8**
Income taxes	–159	–171	7.4
Profit after tax	**407**	**417**	**2.3**
Basic/diluted earnings per share (in €)	**1.76**	**1.81**	–

The operating result (EBIT, excluding special factors) reached €593 million (previous year: €585 million). Besides the investments in the Consumer segment within the scope of the C.A.R.E.+ strategy, a lower other operating result affected the EBIT negatively. The previous year result was positively influenced by, among other one-off factors, income from sales of fixed assets, while this year,

* Special factors of €11 million related to expenditure for the acquisition of the Coppertone™ business. The effects of the first-time application of IFRS 16 on 2019 values can be found in the notes on page 20.

especially exchange rate hedging effects had a negative impact. Excluding special factors, the EBIT margin for the first six months of 2019 was 15.4% (previous year: 16.2%).

The Beiersdorf Group's results of operations are determined on the basis of the operating result (EBIT) excluding special factors. This figure is not part of IFRSs and should be treated merely as voluntary additional information. In the reporting period, extraordinary expenses of €11 million, reflecting the one-off costs in connection to the acquisition of Coppertone™, were recognized, compared to no special factors in the previous year. The EBIT including special factors amounted to €582 million (previous year: €585 million), the corresponding EBIT margin reached 15.2% (previous year: 16.2%).

The financial result amounted to €6 million (previous year: €-19 million) due to the positive development of the other financial result.

Profit after tax increased to €417 million (previous year: €407 million). The return on sales after tax was 10.9% (previous year: 11.3%). Excluding special factors, profit after tax amounted to €425 million (previous year: €407 million). The corresponding return on sales after tax was 11.1% (previous year: 11.3%). Earnings per share were €1.81, calculated on the basis of 226,818,984 shares (previous year: €1.76). Excluding special factors, earnings per share amounted to €1.84 (previous year: €1.76).

Results of Operations – Business Segments

Consumer

CONSUMER SALES (IN € MILLION)

			Change (in %)	
	Jan. 1–June 30, 2018	**Jan. 1–June 30, 2019**	nominal	organic
Europe	**1,543**	**1,588**	**2.9**	**2.8**
Western Europe	1,247	1,294	3.8	3.3
Eastern Europe	296	294	-0.7	0.4
Americas	**488**	**530**	**8.5**	**5.9**
North America	211	226	7.0	0.7
Latin America	277	304	9.7	10.0
Africa/Asia/Australia	**926**	**1,028**	**11.0**	**9.2**
Total	**2,957**	**3,146**	**6.4**	**5.3**

The **Consumer** Business Segment recorded organic sales growth of 5.3% in the first six months of the year. Positive exchange rate effects boosted growth by 1.1 percentage points. In nominal terms, sales therefore rose by 6.4% to €3,146 million (previous year: €2,957 million).

NIVEA sales increased by 3.2% on the prior-year figure. The **Derma** business unit, which includes the Eucerin and Aquaphor brands, increased sales by 6.0%. The **Healthcare** business unit, mainly comprising the plaster business, also performed positively with growth of 3.7%. **La Prairie** continued on the previous year's strong results and achieved sales growth of 26.8%.

Europe

Organic sales in the **Europe** region grew by 2.8%. At €1,588 million, nominal sales were up 2.9% year on year (previous year: €1,543 million).

In **Western Europe**, sales were 3.3% higher than in the previous year, driven by the very good performance of the travel retail business at La Prairie, Switzerland. Substantial growth was also achieved in Germany and Austria. France and the United Kingdom, meanwhile, had weaker results. In **Eastern Europe**, there was only a slight year-on-year increase in sales. This was due to a strong prior-year period and a challenging retail environment in Poland.

Americas

Organic sales in the **Americas** region increased by 5.9%. At €530 million, nominal sales were up 8.5% on the previous year (€488 million) due to positive exchange rate effects.

In **North America**, sales were slightly up on the previous year. **Latin America** recorded strong sales growth of 10.0%, which was driven especially by double-digit growth rates in Brazil and Mexico. Sales in Argentina were negative due to the difficult market environment and due to the weaker local currency's impact as we report the growth converted in € at reported rates.

Africa/Asia/Australia

The **Africa/Asia/Australia** region recorded an 9.2% growth in organic sales. Positive exchange rate effects meant that nominal growth reached 11.0%. Sales increased to €1,028 million (previous year: €926 million). Very strong growth was achieved especially in Japan, India, Indonesia, Malaysia, Turkey, and South Africa. La Prairie once again made a major contribution to the positive sales trend in this region. In China, the skincare segment performed well, while hair care sales fell substantially short of the previous year’s level.

The strategic investments in the market as part of C.A.R.E.+ announced in the spring as well as additional effects in the other operation result reduced **EBIT**, as expected, in the Consumer Business Segment. EBIT excluding special factors for the first half of the year stood at €482 million (previous year: €472 million), while the EBIT margin was 15.3% (previous year: 15.9%).

tesa

tesa SALES (IN € MILLION)

			Change (in %)	
	Jan. 1–June 30, 2018	**Jan. 1–June 30, 2019**	nominal	organic
Europe	370	372	0.3	0.2
Americas	101	114	12.9	-3.7
Africa/Asia/Australia	185	205	11.9	10.2
Total	**656**	**691**	**5.5**	**2.4**

tesa achieved solid increases in sales in the first half of 2019 compared to the strong prior-year period. In organic terms, tesa increased sales by 2.4%. Sales by companies acquired in 2018 (+2.3 percentage points) and exchange rate effects (+0.8 percentage points) added 3.1 percentage points. In nominal terms, sales therefore rose by 5.5% to €691 million (previous year: €656 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. In Asia, sales rose strongly due to the positive development in the electronics business.

EBIT in the tesa Business Segment reached €111 million (previous year: €113 million). The EBIT margin was 16.0% (previous year: 17.3%).

Net Assets – Group

NET ASSETS (IN € MILLION)

Assets	Dec. 31, 2018	June 30, 2018	**June 30, 2019**
Non-current assets	4,301	3,955	4,400
Inventories	986	939	994
Other current assets	2,665	2,804	2,879
Cash and cash equivalents	919	792	1,118
	8,871	**8,490**	**9,391**
Equity and liabilities	Dec. 31, 2018	June 30, 2018	**June 30, 2019**
Equity	5,647	5,335	5,794
Non-current provisions	801	765	978
Non-current liabilities	73	66	158
Current provisions	426	423	416
Current liabilities	1,924	1,901	2,045
	8,871	**8,490**	**9,391**

Non-current assets increased by €99 million as against December 31, 2018, to €4,400 million. Long-term securities were reclassified due to shorter maturities and new purchases were made. Capital expenditure on property, plant, and equipment and on intangible assets in the first six months of 2019 amounted to €136 million (previous year: €188 million). Of this amount, €110 million was attributable to the Consumer Business Segment (previous year: €147 million), primarily for securing the future of the Beiersdorf sites and expanding capacity at the production locations, but also for the construction of the new Beiersdorf headquarters. Capital expenditure by the tesa Business Segment was €26 million (previous year: €41 million). Recognition of right-of-use assets from leases as a result of the first-time application of IFRS 16 increased property, plant, and equipment by €180 million. Depreciation and impairment losses, including depreciation of right-of-use assets (€28 million), stood at €106 million (previous year: €71 million). Inventories rose by €8 million as against December 31, 2018, to €994 million. Other current assets increased by €214 million as against December 31, 2018, to €2,879 million. This item includes short-term securities of €919 million, an increase of €30 million as against year-end 2018. Trade receivables increased by €211 million compared with the figure for December 31, 2018, to €1,605 million. This was due to seasonal effects.

Cash and cash equivalents increased by €199 million as against December 31, 2018, to €1,118 million. Net liquidity (cash, cash equivalents, and long- and short-term securities less current liabilities to banks) declined by €8 million compared with the figure for December 31, 2018, to €4,394 million. Current liabilities to banks increased by €51 million and amounted to €69 million on the reporting date.

Total non-current provisions and liabilities have increased by €262 million since December 31, 2018, to €1,136 million, mainly due to a lower discount rate for pension provisions and the first-time application of IFRS 16 (€123 million). The growth in current liabilities to €2,045 million was primarily due to the €107 million increase in other current financial liabilities. Thereof, €55 million are attributable to the application of IFRS 16.

FINANCING STRUCTURE (IN %)

Financial Position – Group

CASH FLOW STATEMENT (IN € MILLION)

	Jan. 1–June 30, 2018	**Jan. 1–June 30, 2019**
Gross cash flow	467	491
Change in working capital	–227	–190
Net cash flow from operating activities	240	301
Net cash flow from investing activities	–168	55
Free cash flow	72	356
Net cash flow from financing activities	–172	–168
Other changes	–9	11
Net change in cash and cash equivalents	–109	199
Cash and cash equivalents as of Jan. 1	**901**	**919**
Cash and cash equivalents as of June 30	**792**	**1,118**

Gross cash flow amounted to €491 million, up €24 million on the prior-year value. The net cash outflow from the change in working capital was €190 million (previous year: €227 million). The change in working capital is due to an increase of €8 million in inventories and in receivables and other assets of €188 million. In contrary, liabilities and provisions reduced the change in working capital by €6 million. Overall, the net cash flow from operating activities totaled €301 million (previous year: €240 million).

The net cash flow from investing activities amounted to €55 million (previous year: net outflow of €168 million). Interest and other financial income received of €18 million and proceeds of €3 million from the sale of intangible assets and property, plant, and equipment were offset by net cash inflows of €170 million for the purchase of securities as well as capital expenditure of €136 million for property, plant, and equipment and intangible assets.

Free cash flow was therefore €356 million, up by €284 million on the prior-year value (€72 million). The net cash outflow from financing activities amounted to €168 million (previous year: €172 million).

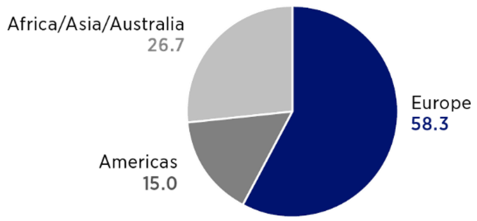
The initial application of IFRS 16 led to a €30 million increase in gross cash flow and a €28 million increase in cash flow from financing activities.

Cash and cash equivalents amounted to €1,118 million (previous year: €792 million).

Employees

The number of employees increased by 154 compared with the figure on December 31, 2018, from 20,059 to 20,213. As of June 30, 2019, 15,237 employees worked in the Consumer Business Segment and 4,976 at tesa.

EMPLOYEES BY REGION (IN %)
as of June 30, 2019; total 20,213 employees



Opportunities and Risks

For more information on opportunities and risks, please refer to our Risk Report in the Group Management Report as of December 31, 2018. There were no significant changes in opportunities and risks as of June 30, 2019.

Outlook for 2019

Expected Macroeconomic Developments

The **global economy** will continue to grow in 2019 but at a slightly weaker pace than in the previous year. The ongoing trade disputes and associated uncertainty about the future economic policy of the United States, geopolitical unrest, the lack of clarity about the outcome of the Brexit negotiations with the United Kingdom, and the long-term consequences of Brexit are continuing to generate uncertainty with regard to the development of the global economy.

In **Europe**, we now expect growth to fall substantially short of the prior-year level. In addition to a downturn in consumer spending, a backlog of reforms in some countries, political tensions, and weaker export demand are having a negative impact on the growth rate. The long-term consequences of Brexit, trade conflicts, Italian budgetary policy, and the future interest rate policy of the ECB are also creating uncertainty.

In **Germany**, we anticipate further growth, though considerably below the previous year's level. Growth expectations have declined in the course of the year. The global trade dispute, weak export demand, and Brexit are generating additional uncertainty. As a result, a slowdown in the labor market and domestic consumption are becoming apparent.

For the **US economy**, we still expect the growth rate to fall slightly year on year. Recent rate hikes and trade disputes are increasingly putting the brakes on economic expansion. Leading indicators point to a loss of momentum in consumer spending and corporate investment. The future direction of economic policy remains difficult to predict, creating further uncertainty.

In **Japan**, we expect steady but slow growth for the year. The continuing expansionary monetary policy of the Bank of Japan is propping up growth. The output gap in industry is unlikely to fully close given the ongoing weakness of investment. An increase in consumption tax is planned for fall 2019, which could lead consumers to pull spending forward. A drop in consumer spending and short-term higher inflation could then follow.

In the **emerging markets**, we expect demand overall to be slightly weaker than in the previous year. For the **Chinese** economy, we expect growth to be slightly down on the previous year's level. The emerging slowdown in momentum will be offset by continued expansionary fiscal policy. The risk of a depreciating renminbi, the continued high level of indebtedness in state-owned enterprises, and the impact of trade policy continue to cause uncertainty. In **India**, we expect growth to remain strong, albeit slightly below the previous year. In the **Middle East**, we expect trade barriers and other protectionist measures to continue to slow economic growth in the region. For the **Southeast Asian** emerging markets, we expect growth to be slightly down on the previous year's level due to lower growth in production and poorer financing conditions following the normalization of monetary policy in the United States. In **Brazil**, the economy is recovering but more slowly than initially expected. We therefore expect only slightly higher growth than in the previous year. Consumer spending is driving this performance. There is still uncertainty about the effectiveness of the new government's economic stimulus measures. We do not expect a strong recovery in **Russia**. We anticipate a substantial fall in growth year on year with declining consumer spending.

Our expectation of slightly increasing prices within the commodity markets relevant for Beiersdorf remains unchanged for 2019.

Business Developments

In light of our macroeconomic forecasts, Beiersdorf anticipates sales growth in the **Consumer** Business Segment to outperform the market at 3–5% in the financial year 2019. As a result of the additional investments in C.A.R.E.+, Beiersdorf expects an operating EBIT margin for 2019 of 14.0–14.5% in the Consumer Business Segment. This guidance is based on ongoing operations only, hence it does not consider effects from the acquisition of the Coppertone™ business.

In the **tesa** Business Segment, we are predicting sales growth of 3–4% in 2019. The EBIT margin from ongoing operations is expected to be slightly below the prior-year level.

Based on the forecasts of the two business segments, **Group** sales growth is expected to be around 3–5%. The consolidated operating EBIT margin is predicted to be around 14.5%.

We firmly believe that we are well positioned for the future thanks to our internationally successful brand portfolio, our innovative and high-quality products, and our dedicated employees.

Hamburg, August 2019
Beiersdorf AG

The Executive Board

Interim Consolidated Financial Statements
Income Statement

(IN € MILLION)

	Jan. 1–June 30, 2018	Jan. 1–June 30, 2019
Sales	**3,613**	**3,837**
Cost of goods sold	–1,504	–1,582
Gross profit	**2,109**	**2,255**
Marketing and selling expenses	–1,248	–1,310
Research and development expenses	–103	–117
General and administrative expenses	–201	–206
Other operating result	28	–40
Operating result (EBIT)	**585**	**582**
Interest income	19	18
Interest expense	–4	–3
Net pension result	–6	–7
Other financial result	–28	–2
Profit before tax	**566**	**588**
Income taxes	–159	–171
Profit after tax	**407**	**417**
Of which attributable to		
– Equity holders of Beiersdorf AG	399	410
– Non-controlling interests	8	7
Basic/diluted earnings per share (in €)	**1.76**	**1.81**

Statement of Comprehensive Income

(IN € MILLION) *

	2018	2019
Result after tax	**407**	**417**
Other comprehensive income that will be reclassified susequently to profit or loss	**–27**	**28**
Remeasurement cash flow hedges	–1	–3
Remeasurement securities	–4	6
Exchange differences	–22	25
Other comprehensive income that will not be reclassified subsequently to profit or loss	**7**	**–123**
Remeasurement defined benefit pension plans	7	–123
Other comprehensive income	**–20**	**–95**
Total comprehensive income	**387**	**322**
Of which attributable to		
– Equity holders of Beiersdorf AG	378	314
– Non-controlling interests	9	8

* net of tax

Balance Sheet

(IN € MILLION)

Assets	Dec. 31, 2018	June 30, 2018	**June 30, 2019**
Intangible assets	211	160	211
Property, plant, and equipment	1,239	1,112	1,486
Non-current financial assets/securities	2,613	2,386	2,426
Other non-current assets	30	85	36
Deferred tax assets	208	212	241
Non-current assets	**4,301**	**3,955**	**4,400**
Inventories	986	939	994
Trade receivables	1,394	1,547	1,605
Other current financial assets	116	116	95
Income tax receivables	108	98	111
Other current assets	158	177	149
Securities	889	866	919
Cash and cash equivalents	919	792	1,118
Current assets	**4,570**	**4,535**	**4,991**
	8,871	**8,490**	**9,391**

Equity and liabilities	Dec. 31, 2018	June 30, 2018	**June 30, 2019**
Equity attributable to equity holders of Beiersdorf AG	5,623	5,321	5,778
Non-controlling interests	24	14	16
Equity	**5,647**	**5,335**	**5,794**
Provisions for pensions and other post-employment benefits	677	641	860
Other non-current provisions	124	124	118
Non-current financial liabilities	7	4	126
Other non-current liabilities	2	2	2
Deferred tax liabilities	64	60	30
Non-current liabilities	**874**	**831**	**1,136**
Other current provisions	426	423	416
Income tax liabilities	189	173	183
Trade payables	1,554	1,495	1,559
Other current financial liabilities	76	106	183
Other current liabilities	105	127	120
Current liabilities	**2,350**	**2,324**	**2,461**
	8,871	**8,490**	**9,391**

Cash Flow Statement

(IN € MILLION)

	Jan. 1–June 30, 2018	**Jan. 1–June 30, 2019**
Profit after tax	**407**	**417**
Reconciliation of profit after tax to net cash flow from operating activities		
Income taxes	159	171
Financial result	19	–6
Income taxes paid	–160	–188
Depreciation and amortization	71	106
Change in non-current provisions (excluding interest components and changes recognized in OCI)	–12	–10
Gain/loss on disposal of property, plant, and equipment, and intangible assets	–17	1
Gross cash flow	**467**	**491**
Change in inventories	–85	–8
Change in receivables and other assets	–235	–188
Change in liabilities and current provisions	93	6
Net cash flow from operating activities	**240**	**301**
Investments in property, plant, and equipment, and intangible assets	–188	–136
Proceeds from the sale of property, plant, and equipment, and intangible assets	26	3
Payments to acquire securities	–428	–509
Proceeds from the sale/final maturity of securities	388	679
Interest received	18	11
Proceeds from dividends and other financing activities	16	7
Net cash flow from investing activities	**–168**	**55**
Free cash flow	**72**	**356**
Proceeds from loans	35	137
Loan repayments (inkl. lease liabilities)	–4	–114
Interest paid	–4	–1
Other financing expenses paid	–24	–15
Cash dividends paid (Beiersdorf AG)	–159	–159
Cash dividends paid (non-controlling interests)	–16	–16
Net cash flow from financing activities	**–172**	**–168**
Effect of exchange rate fluctuations and other changes on cash held	–9	11
Net change in cash and cash equivalents	–109	199
Cash and cash equivalents as of Jan. 1	**901**	**919**
Cash and cash equivalents as of June 30	**792**	**1,118**

Statement of Changes in Equity

(IN € MILLION)

	Share capital	Additional paid-in capital	Retained earnings*	Accumulated other comprehensive income: Currency translation adjustment	Accumulated other comprehensive income: Hedging instruments from cash flow hedges	Accumulated other comprehensive income: Debt and Equity Securities	Total attributable to equity holders	Non-controlling interests	**Total**
Jan. 1, 2018	**252**	**47**	**4,969**	**–169**	**–**	**5**	**5,104**	**21**	**5,125**
Restatement IFRS 9	–	–	–2	–	–	–	–2	–	–2
Jan. 1, 2018	**252**	**47**	**4,967**	**–169**	**–**	**5**	**5,102**	**21**	**5,123**
Total comprehensive income for the period	–	–	406	–23	–1	–4	378	9	387
Dividend of Beiersdorf AG for previous year	–	–	–159	–	–	–	–159	–	–159
Dividend of non-controlling interests for previous year	–	–	–	–	–	–	–	–16	–16
June 30, 2018	**252**	**47**	**5,214**	**–192**	**–1**	**1**	**5,321**	**14**	**5,335**
Jan. 1, 2019	**252**	**47**	**5,526**	**–197**	**–2**	**–3**	**5,623**	**24**	**5,647**
Total comprehensive income for the period	–	–	287	24	–3	6	314	8	322
Dividend of Beiersdorf AG for previous year	–	–	–159	–	–	–	–159	–	–159
Dividend of non-controlling interests for previous year	–	–	–	–	–	–	–	–16	–16
June 30, 2019	**252**	**47**	**5,654**	**–173**	**–5**	**3**	**5,778**	**16**	**5,794**

* The cost of treasury shares amounting to €955 million has been deducted from retained earnings.

Segment Reporting

Business Developments by Business Segment

NET SALES (IN € MILLION)	Jan. 1–June 30, 2018		**Jan. 1–June 30, 2019**		Change in %	
		% of total		**% of total**	nominal	organic
Consumer	2,957	81.9	3,146	82.0	6.4	5.3
tesa	656	18.1	691	18.0	5.5	2.4
Total	**3,613**	**100.0**	**3,837**	**100.0**	**6.2**	**4.8**

EBITDA* (IN € MILLION)	Jan. 1–June 30, 2018		**Jan. 1–June 30, 2019**		Change in %
		% of sales		**% of sales**	nominal
Consumer	522	17.6	545	17.3	4.4
tesa	134	20.4	143	20.7	6.8
Total	**656**	**18.0**	**688**	**17.9**	**4.8**

OPERATING RESULT (EBIT, EXCLUDING SPECIAL FACTORS)* (IN € MILLION)	Jan. 1–June 30, 2018		**Jan. 1–June 30, 2019**		Change in %
		% of sales		**% of sales**	nominal
Consumer	472	15.9	482	15.3	2.2
tesa	113	17.3	111	16.0	–2.1
Total	**585**	**16.2**	**593**	**15.4**	**1.4**

GROSS CASH FLOW* (IN € MILLION)	Jan. 1–June 30, 2018		**Jan. 1–June 30, 2019**		Change in %
		% of sales		**% of sales**	nominal
Consumer	371	12.5	394	12.5	6.2
tesa	96	14.7	97	14.0	0.1
Total	**467**	**12.9**	**491**	**12.8**	**4.8**

Regional Reporting

NET SALES (IN € MILLION)	Jan. 1–June 30, 2018		**Jan. 1–June 30, 2019**		Change in %	
		% of total		**% of total**	nominal	organic
Europe	1,913	53.0	1,960	51.1	2.4	2.3
Americas	589	16.3	644	16.8	9.3	4.2
Africa/Asia/Australia	1,111	30.7	1,233	32.1	11.1	9.4
Total	**3,613**	**100.0**	**3,837**	**100.0**	**6.2**	**4.8**

OPERATING RESULT (EBIT, EXCLUDING SPECIAL FACTORS)* (IN € MILLION)	Jan. 1–June 30, 2018		**Jan. 1–June 30, 2019**		Change in %
		% of sales		**% of sales**	nominal
Europe	332	17.4	343	17.5	3.2
Americas	59	9.9	56	8.7	–4.7
Africa/Asia/Australia	194	17.5	194	15.7	0.0
Total	**585**	**16.2**	**593**	**15.4**	**1.4**

* The effects of the first-time application of IFRS 16 on 2019 values can be found in the notes on page 20.

Selected Explanatory Notes

Information on the Company and on the Group

The registered office of Beiersdorf AG is located at Unnastrasse 48 in Hamburg (Germany), and the company is registered with the commercial register of the Hamburg Local Court under the number HRB 1787. Beiersdorf AG is included in the consolidated financial statements of maxingvest ag. The activities of Beiersdorf AG and its affiliates ("Beiersdorf Group") consist primarily of the manufacture and distribution of branded consumer goods in the area of skin and body care, and of the manufacture and distribution of technical adhesive tapes.

Basis of Preparation

The interim consolidated financial statements for the period from January 1 to June 30, 2019, were prepared in accordance with IAS 34 "Interim Financial Reporting." The interim consolidated financial statements should be read in conjunction with the consolidated financial statements as of December 31, 2018.

Accounting Policies

The figures disclosed in this interim report were prepared in accordance with the International Financial Reporting Standards (IFRS). The same accounting policies were used in the interim consolidated financial statements as in the annual consolidated financial statements for 2018, with the exception of the following standard applied by the Group since January 1, 2019.

- IFRS 16 "Leases"

  The new standard has been applied to all leases since January 1, 2019 and involves recognizing a right-of-use asset and associated lease liability on the lessee's balance sheet, as well as extensive disclosures in the notes. The first-time application of IFRS 16 used the modified retrospective method. The right-of-use assets and lease liabilities were recognized on the opening balance sheet in equal amounts and the comparison figures for 2018 were not adjusted. Beiersdorf has exercised the option not to recognize low-value and short-term leases on the balance sheet and is instead continuing to treat these as operating expenses. The following items have been recognized on the balance sheet as of June 30, 2019:

LEASES ON THE BALANCE SHEET (IN € MILLION)

	January 1, 2019	June 30, 2019
Non-current assets		
Right-of-use assets – Real estate	156	160
Right-of-use assets – Vehicles	22	18
Right-of-use assets – Plant and machinery	1	1
Right-of-use assets – Office and other equipment	1	1
Total assets	**180**	**180**
Non-current liabilities (lease liabilities)	121	123
Current liabilities (lease liabilities)	59	55
Total liabilities	**180**	**178**

  In the income statement, there was a slight increase in EBIT (by approximately €2 million) at the expense of the financial result. Under IFRS 16, lease payments do no longer impact the gross cash flow and EBITDA, but cash flow from financing activities (repayment portion). This structural effect leads to an increase of both gross cash flow and EBITDA of €30 million.

The intraperiod income tax expense was calculated on the basis of the estimated effective tax rate for the full year.

Related Party Disclosures

Please refer to the consolidated financial statements as of December 31, 2018, for related party disclosures. There were no significant changes as of June 30, 2019.

Consolidated Group, Acquisitions, and Divestments

Beiersdorf concluded an agreement with Bayer on the purchase of the sun care business Coppertone™ on May 13, 2019. Subject to customary closing conditions, including approval by the competition authorities, the transaction will be completed in the third quarter of 2019 for a total sum of approximately €480 million (USD 550 million). The iconic sun care brand Coppertone™ entered the US market already in 1944. It is sold in the United States, Canada, and China and is based in Whippany, New Jersey. In 2018, Coppertone™ generated sales of approximately €180 million. With the acquisition of Coppertone™, Beiersdorf is entering the world's largest market for sun care products – the United States – and thus strengthening its presence in North America. Coppertone™ will join NIVEA, Eucerin, Aquaphor, and La Prairie as the fifth brand in Beiersdorf's North American skin care portfolio. Beiersdorf is acquiring the global product rights for Coppertone™ as well as the approximately 450 staff of the Coppertone™ business in the United States, Canada, and China – including sales and marketing, research and development, and other departments – along with the production facility in Cleveland, Tennessee.

Corporate Governance

The declaration of compliance with the recommendations of the German Corporate Governance Code issued by the Supervisory Board and the Executive Board for fiscal year 2018 in accordance with § 161 *Aktiengesetz* (German Stock Corporation Act, *AktG*) was published in December 2018 and is permanently available on our website at WWW.BEIERSDORF.COM/INVESTORS/CORPORATE-GOVERNANCE/DECLARATION-OF-COMPLIANCE.HTML.

Events after the Reporting Date

No significant effects occurred after the balance sheet date that would have a material effect on the Beiersdorf Group's business development.

Review Report

To Beiersdorf Aktiengesellschaft

We have reviewed the interim condensed consolidated financial statements, comprising the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated statement of changes in equity and selected explanatory notes, and the interim group management report of Beiersdorf Aktiengesellschaft, Hamburg, for the period from 1 January 2019 to 30 June 2019, which are part of the six-monthly financial report pursuant to Sec. 115 WpHG ["Wertpapierhandelsgesetz": German Securities Trading Act]. The preparation of the interim condensed consolidated financial statements in accordance with IFRSs [International Financial Reporting Standards] on interim financial reporting as adopted by the EU and of the group management report in accordance with the requirements of the WpHG applicable to interim group management reports is the responsibility of the Company's management. Our responsibility is to issue a report on the interim condensed consolidated financial statements and the interim group management report based on our review.

We conducted our review of the interim condensed consolidated financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the review to obtain a certain level of assurance in our critical appraisal to preclude that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IFRSs on interim financial reporting as adopted by the EU and that the interim group management report is not prepared, in all material respects, in accordance with the provisions of the WpHG applicable to interim group management reports. A review is limited primarily to making inquiries of company personnel and applying analytical procedures and thus does not provide the assurance that we would obtain from an audit of financial statements. In accordance with our engagement, we have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IFRSs on interim financial reporting as adopted by the EU or that the interim group management report is not prepared, in all material respects, in accordance with the provisions of the WpHG applicable to interim group management reports.

Hamburg, August 2, 2019

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Ludwig	Jeschonneck
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

Responsibility Statement by the Executive Board

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group in the remainder of the fiscal year.

Hamburg, August 2019

Beiersdorf AG

The Executive Board

STEFAN DE LOECKER
Chairman of the
Executive Board

RALPH GUSKO
Member of the
Executive Board

THOMAS INGELFINGER
Member of the
Executive Board

ZHENGRONG LIU
Member of the
Executive Board

RAMON A. MIRT
Member of the
Executive Board

ASIM NASEER
Member of the
Executive Board

DESSI TEMPERLEY
Member of the
Executive Board

VINCENT WARNERY
Member of the
Executive Board

Financial Calendar

2019

October 29

Quarterly Statement
January to September 2019

2020

March

Publication of Annual Report 2019, Annual Accounts Press Conference, Financial Analyst Meeting

April

Annual General Meeting

May

Quarterly Statement
January to March 2020

August

Half-Year Report
2020

October

Quarterly Statement
January to September 2020

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→Note

The Half-Year Report is also available in German.

The online version is available at **WWW.BEIERSDORF.COM/INTERIM_REPORT.**