5th August 2015

Luxury & Consumer Goods

Beiersdorf

Price EUR80.35

Organic sales growth below expectations but good work at the margin level!

Fair Value EUR78 (-3%) **NEUTRAL**

Bloomberg	BEI GY
Reuters	BEIG.DE
12-month High / Low (EUR)	84.3 / 61.7
Market Cap (EURm)	18,223
Avg. 6m daily volume (000)	1.30

	1 M	3 M	6 M	31/12/14
Absolute perf.	7.0%	1.7%	3.9%	18.5%
Pers & H/H Gds	9.6%	7.7%	13.7%	26.5%
DJ Stoxx 600	4.0%	0.5%	7.2%	16.4%

	2013	2014e	2015e	2016e
P/E	36.2x	39.5x	31.4x	27.6x
Div yield (%)	1.0%	1.1%	1.2%	1.4%

ANALYSIS

- Beiersdorf reported this morning its H1 results. Sales came in at EUR3.4bn (+7.3%) vs EUR3.43bn expected by consensus which implies in Q2 EUR1.7bn, up 7.7% (cs: EUR1.72). H1 group sales grew 1.4% organically (cs: +2.4%) which implies a 2.3% increase in Q2 (+4.2%) alone after +0.7% in Q1. Consumer sales were up 1.6% organically in H1 (+2.7% in Q2 after +0.7% in Q1). CS was expecting 2.4% organic growth in H1 and 4.2%. By geographical area, we highlight the strong growth in America (+8.3% in H1) thanks to LatAm (+10.7% vs + 9.4% in Q1) which is a better performance than OREP. On the other hand, sales were relatively poor in Europe in H1 (+0%) which is clearly below OREP. Tesa's sales remained stable in H1 (-0.2%).
- H1 EBIT reach EUR508m, up 12% (consensus: EUR500m) and EUR253m in Q2 up 16% in Q2. The EBIT margin came in at 14.9% in H1 (up 60bp) and at 14.9% in Q2 (up 100bp). The Consumer branch's profitability grew 60bp in H1 to 14.5% while Tesa's was at 17.1% (+120bp).
- Lastly, FY guidance remained unchanged with 3-5% organic sales growth, including +3-5% for the Consumer branch alone. FY Group EBIT should "slightly increase" for both the Group and Consumer. Consensus currently expects +4% sales growth and a 14.1% EBIT margin vs 13.7% last year.

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Loïc Morvan, lmorvan@bryangarnier.com

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Distribution of stock ratings

BUY ratings 72% NEUTRAL ratings 0% SELL ratings 28%

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London
Heron Tower
110 Bishopsgate
London EC2N 4AY
Tel: +44 (0) 207 332 2500
Fax: +44 (0) 207 332 2559
Authorised and regulated by the Financial Conduct Authority (FCA)

Paris
26 Avenue des Champs Elysées
75008 Paris
Tel: +33 (0) 1 56 68 75 00
Fax: +33 (0) 1 56 68 75 01
Regulated by the Financial Conduct Authority (FCA) and the Autorité de Contrôle prudential et de resolution (ACPR)

New York
750 Lexington Avenue
New York, NY 10022
Tel: +1 (0) 212 337 7000
Fax: +1 (0) 212 337 7002
FINRA and SIPC member

Geneva
rue de Grenus 7
CP 2113
Genève 1, CH 1211
Tel +4122 731 3263
Fax+4122731 3243
Regulated by the FINMA

New Delhi
The Imperial Hotel
Janpath
New Delhi 110 001
Tel +91 11 4132 6062
+91 98 1111 5119
Fax +91 11 2621 9062