

tesa SE grows despite weakness in Asia

Significant positive development in the U.S. and Europe

- **Sales up 2.6% in organic terms, EBIT margin at 16.2%**
- **Business with the automotive industry sees disproportionately high growth**
- **Consumer business: strong growth with Powerstrips and Powerbond**
- **Industry: specialty adhesive tapes for smartwatches open up new opportunities**

Norderstedt, March 29, 2017 – tesa SE saw continuous improvement in 2016 and brought the fiscal year to a successful close. Sales rose by 2.6% in organic terms (nominal increase: 0.5%), to € 1,145.8 million (previous year: € 1,139.6 million). The **operating result (EBIT)** without special factors reached € 185.9 million, resulting in an **EBIT margin** of 16.2% without special factors (previous year: 16.8%). tesa achieved growth in sales in both the direct business and the retail trade in Europe and the Americas. The development of the business in the U.S. was highly positive, most especially in terms of sales of adhesive tapes for the automotive sector. In the region of Asia, overall development fell short of expectations once again due to the ongoing weakness in the electronics sector, while activity picked up again toward the end of the year.

“tesa’s development was positive on the whole in 2016. We grew in terms of sales and were able to keep our return on sales at a high level,” said Dr. Robert Gereke, CEO of tesa SE, at today’s press conference in Norderstedt, near Hamburg. **“The business in Asia did fall short of our expectations again, but we were able to compensate for the decrease through strong developments in the other markets. In particular, the business with products for the automotive industry made significant gains in all regions. This proves that our organization is highly flexible.”**

Plant expansion strengthens market position in the U.S.

To further expand its technological expertise and ensure future growth, tesa has consistently continued to pursue important investment projects. In the summer, ground was broken for the expansion of the tesa plant in Sparta, Michigan. The focus here is on advanced, ecofriendly production technologies for products that already meet the stringent standards that will apply to the local automotive industry in the future. These technologies will also strengthen tesa’s market position in this business segment on a lasting basis. In the growing pharmaceuticals segment, which deals with the development and production of medicated patches, the tesa operating premises were audited by the U.S. Food and Drug Administration (FDA), marking an important milestone in the regional expansion of this business field. A new, additional converting unit will provide the capacity needed for this.

Industry: strong performance in the automotive sector, continued weakness in electronics

The industrial division, which accounted for 76.0% of sales (previous year: 76.8%), achieved sales growth of 2.0% in organic terms. The project business with the electronics

industry, which focuses on Asia, declined again, while the automotive business grew disproportionately, especially in the United States. Successes in this area included double-sided viscoelastic foam products based on tesa® ACX^{plus} technology, which are used for applications such as bonding of emblems. Fresh impetus was also provided by ecofriendly high-performance adhesive tapes for wire harnessing applications. In the business with customers in the electronics industry, a new range of specialty adhesive tapes was successfully launched to serve the booming market for “wearables” – mobile electronic devices worn right on or next to the body, such as smartwatches and fitness trackers.

Consumer & Craftsmen: success with adhesive nails and adhesive screws

The business in products for consumers and craftsmen, which is focused on Europe and Latin America, saw highly positive development in 2016, with sales up 5.4% in organic terms. In particular, this was attributed to the newly launched range of smart double-sided mounting solutions based on Powerstrips and Powerbond. It comprises 48 innovative products, such as adjustable adhesive nails and screws for different surfaces and applications and new Powerstrips for wallpaper. After achieving success in Germany, the company plans to launch these products in other countries in 2017. Another factor that buoyed sales was the continuation of the brand campaign using TV ads, which was expanded to additional countries in Europe.

In the craftsmen segment, the additional concentration on the building materials trade had a positive impact. tesa expanded its range of products geared toward professional painters as a customer group, adding items such as new plastering and masking tapes.

Strong performance in the Americas due to the automotive business, Europe up 6.2%

The region of the Americas once again posted the strongest growth, with sales there rising by 6.7% in organic terms. The main growth driver was the business with the automotive industry in the United States, as was the case before. This region accounted for a rising share of Group sales, at 15.2%. The business in Europe underwent a significant recovery, posting organic growth of 6.2%. Major progress was made in the countries in Eastern Europe in particular. The development in the region of Asia, which is heavily focused on the project business with the electronics industry, was down 6.0% year over year in organic terms. This region's share of total sales declined slightly, to 27.2%.

Group-wide, the number of employees rose slightly, to 4,158 (previous year: 4,109).

Outlook for 2017

The familiar geopolitical risks and their effects on the development of the overall economy will affect tesa's business again in 2017. In Europe, the stable trend is expected to continue, while developments such as Britain's planned exit from the European Union (“Brexit”) and the situation in Turkey could have negative effects on the markets. The ongoing recovery in the economies of Southern Europe is expected to further strengthen both the distribution business and the end customer business. In Asia, tesa expects to see moderate growth in 2017, depending on how the economy performs. tesa will participate in this growth primarily in the automotive segment, with growth increasingly returning in the electronics segment as well. The business with the electronics industry, which is concentrated in Asia, remains attractive, but the project-related nature of this business

continues to pose a risk of fluctuations. In North America, 2017 is expected to bring positive momentum from the automotive industry once again. The business with the pharmaceuticals sector is also expected to continue to see positive development. The volatility of currency exchange rates, especially the much stronger U.S. dollar, will affect the development at tesa in 2017 as well. Ongoing investments in research and development, and thus in innovative products, will strengthen tesa's market position with sustained effects. On this basis, tesa expects to see sales growth that slightly outperforms the market in 2017, at 3-4%, and expects the operating EBIT margin to come in slightly below the previous year's figure.

2016 business development online

Current business figures and further information are available in the 2016 business development overview, which is included in this press kit and is also available online at www.tesa.com/investor-relations.

About tesa SE

tesa SE is one of the world's leading manufacturers of technical adhesive tapes and self-adhesive system solutions (more than 7,000 products) for industrial and professional customers as well as end consumers. Since 2001, tesa SE (4,158 employees) has been a wholly owned affiliate of Beiersdorf AG (whose products include NIVEA, Eucerin, and la prairie). Applications for various industrial sectors, such as the automotive industry, the electronics sector (e.g. smartphones, tablets), printing and paper, building supply, and security concepts for effective brand and product protection, account for about three-quarters of the tesa Group's sales (2016: 1,145.8 million euros). tesa also partners with the pharmaceuticals industry to develop medicated patches. tesa earns just under one-quarter of its sales in the consumer area, where 300 products for end consumers make working in the home and the office easier.

This press release, along with image and photo materials, is available online at www.tesa.com/press.

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