

Scaling-up Success

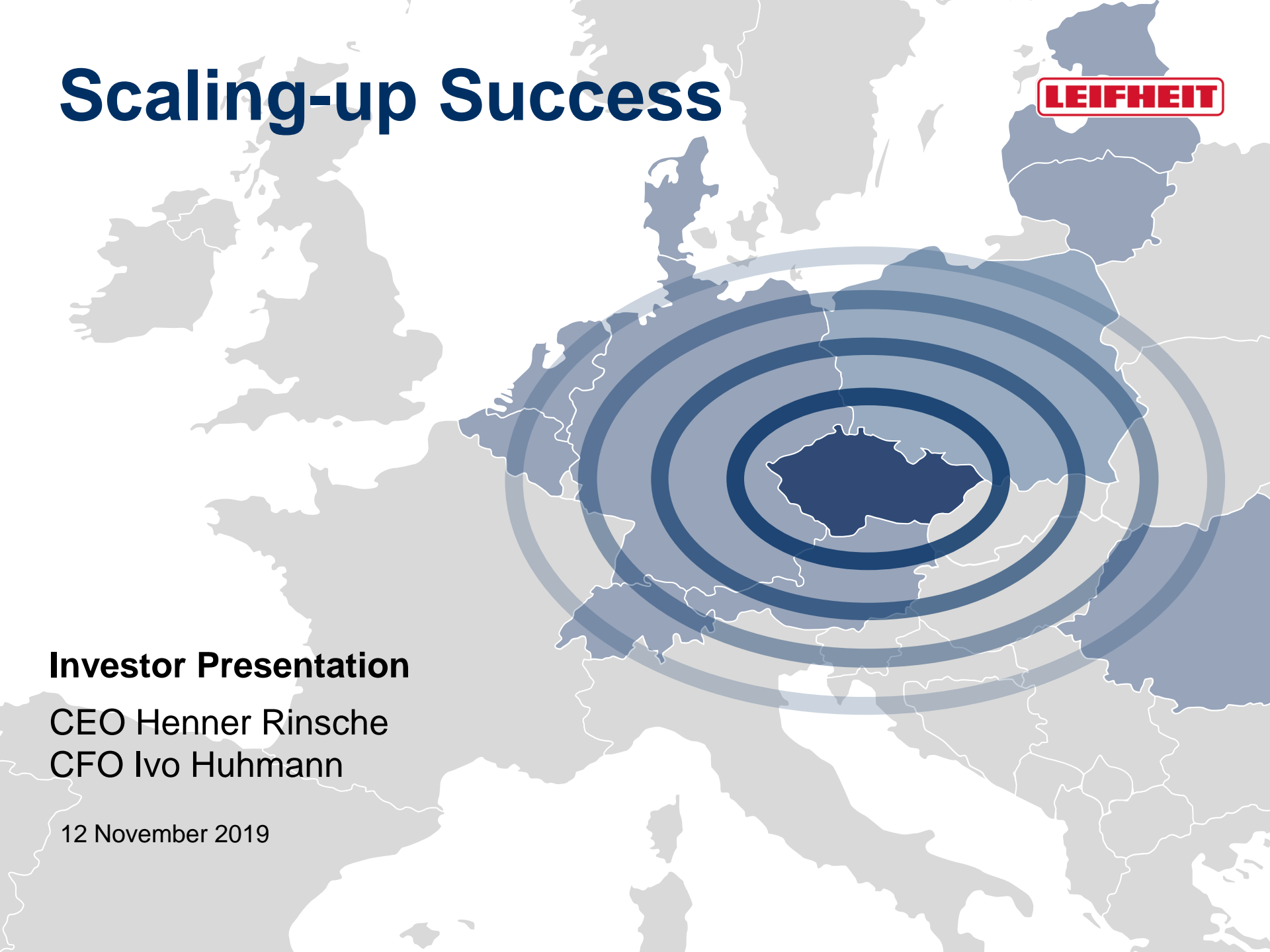
LEIFHEIT

Investor Presentation

CEO Henner Rinsche

CFO Ivo Huhmann

12 November 2019



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Agenda



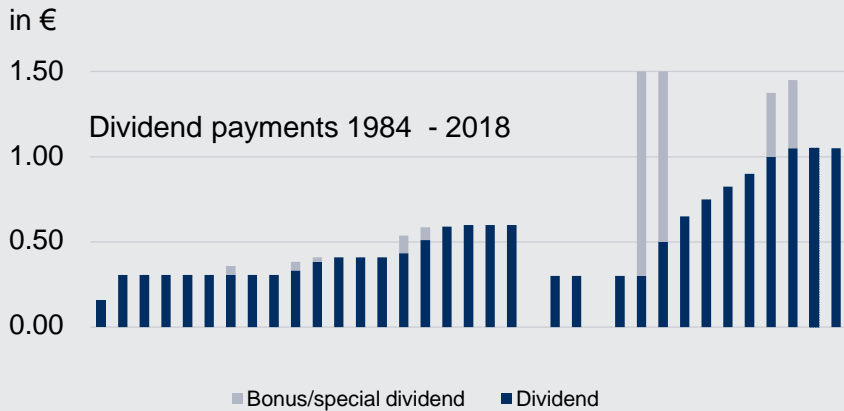
- Introduction to Leifheit
- Key Strategic Initiatives
- Financial Figures 9M 2019
- Forecast Financial Year 2019
- Your Questions

Introduction to Leifheit

Solid base to build on



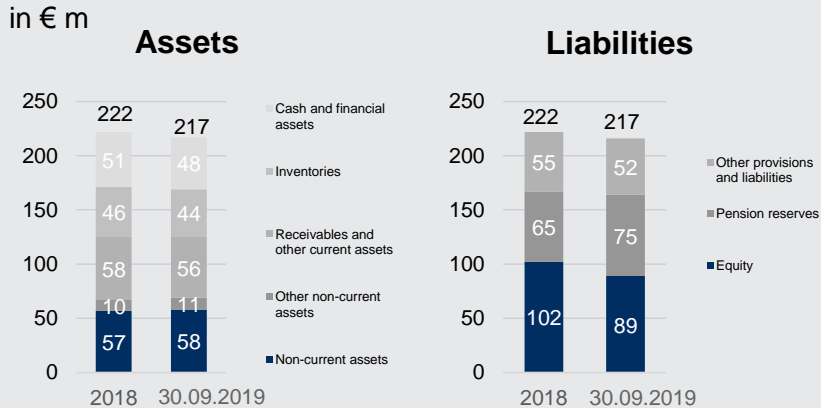
Commitment to shareholders



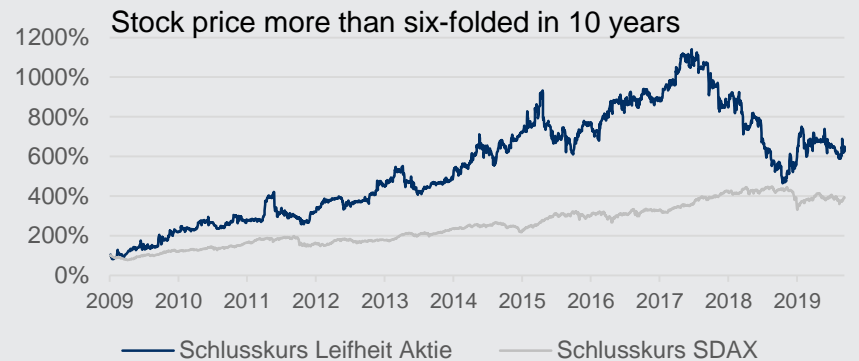
Strong products and brands



Strong financial structure



Strong long-term stock performance above SDAX level



Leifheit Group



Household



Laundry Care



Cleaning



Kitchen goods

Wellbeing



Personal scales



Kitchen scales

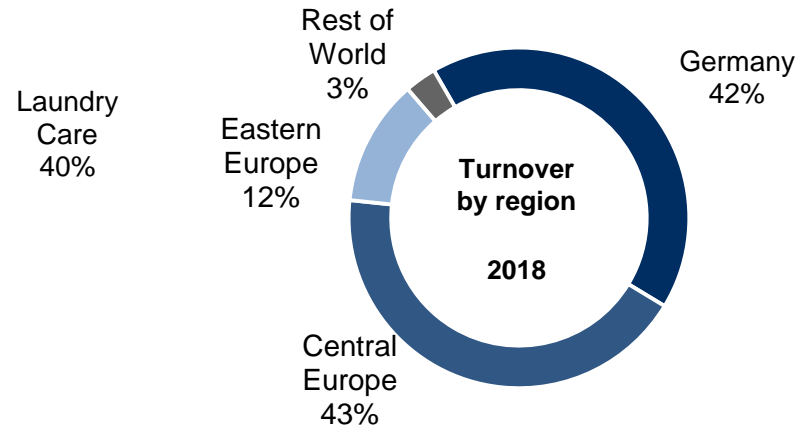
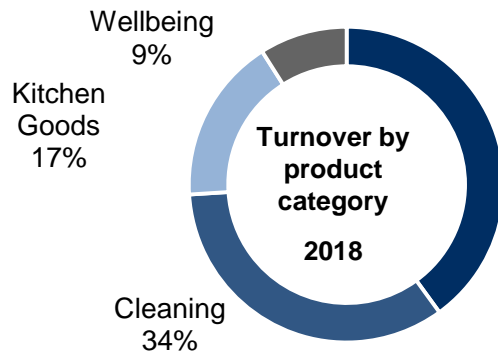
Private Label



Kitchen goods



Standing Dryers



For the many small battlefields of the day

**Cordless Vacuum Cleaner
Regulus PowerVac 2in1**
Cordless, powerful, ready-to-go

LEIFHEIT
How housework's done today.

www.leifheit.com

A dryer at the push of a button!

**Self-standing rotary dryer
LinoPop-Up**
Can be put up with one hand. Compact to store.

LEIFHEIT
How housework's done today.

www.leifheit.com

**You have something against bacteria?
So do we!**

CleanTenso
Simply hygienic and clean - without chemicals.

Kills **99.99%** of Bacteria*
*Based on E. coli and Clostridium bacteria

LEIFHEIT
How housework's done today.

www.leifheit.com

Protected from allergens.

Soehnle Airfresh Clean Connect 500 Air Purifier.

Effectively more than **99.5%** less particles and pollutants in the air!

**LIFE IN BALANCE
SOEHNLE**

Present in leading Distribution Channels

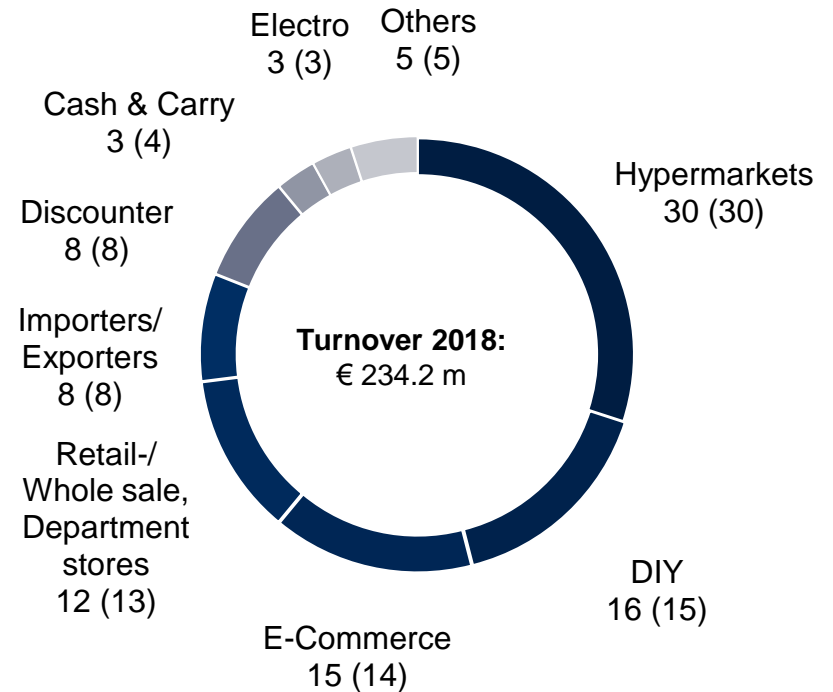


Blue Chip Client Base



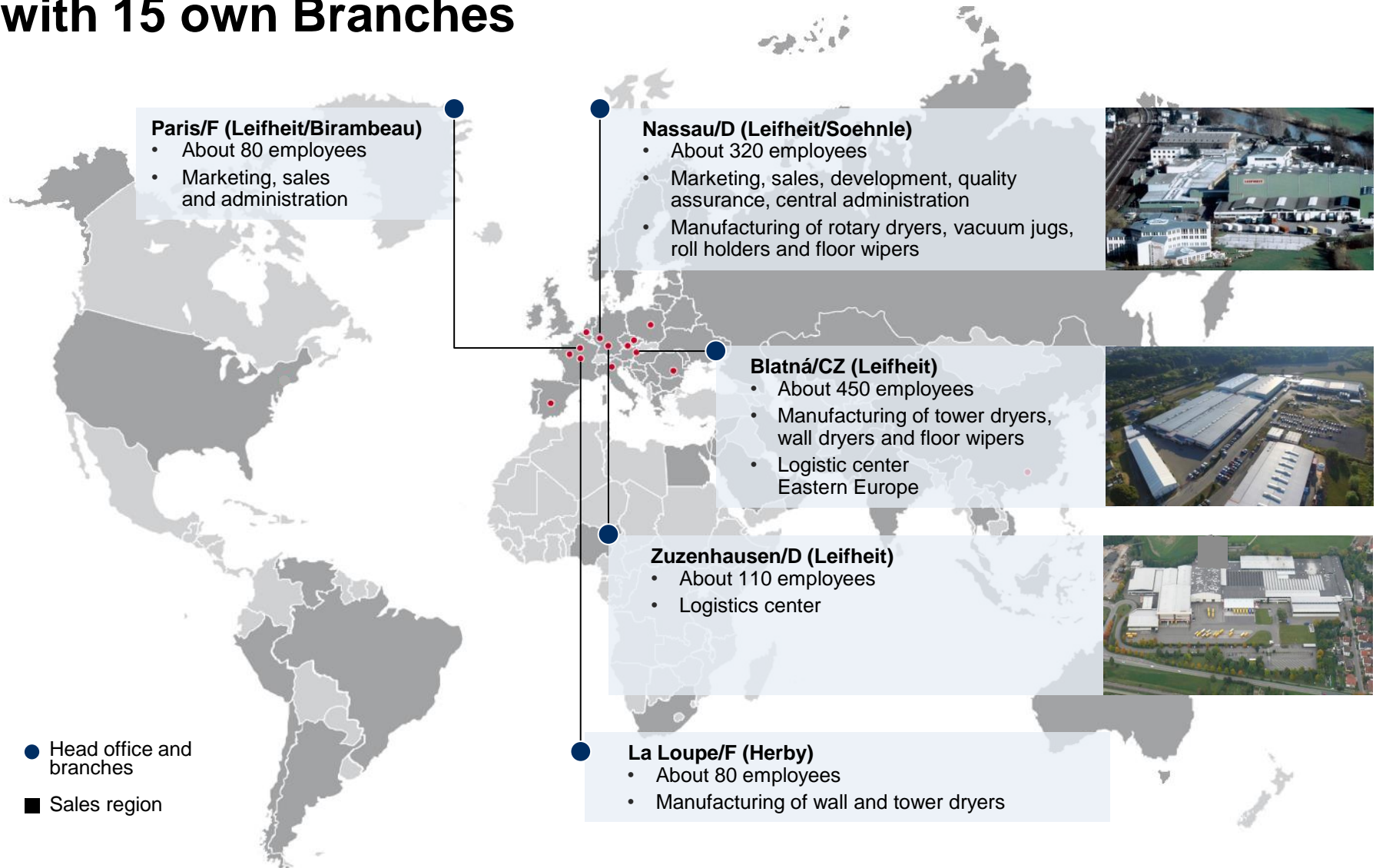
Distribution Channels

Turnover in % (previous year's figures)





Operating in more than 80 Countries with 15 own Branches



Experienced Management Board



Henner Rinsche

CEO

born 1970



Ivo Huhmann

CFO

born 1969



Igor Iraeta Munduate

COO

born 1974

Previous experience

- President Europe at SodaStream
- Various leading positions at Henkel, Danone, PepsiCo and Procter & Gamble

Core competencies

- General Management, Business Development and consumer goods Marketing

Previous experience

- Many years of management experience at C-Level
- Various global financial management functions at Stiebel Eltron and General Electric

Core competencies

- Digitalization, IT, cost productivity, strategic growth models, M&A and Post-Merger Integration

Previous experience

- Many years of experience as CTO at Igus GmbH and Stoba Präzisionstechnik
- Various technical management positions at Robert Bosch GmbH

Core competencies

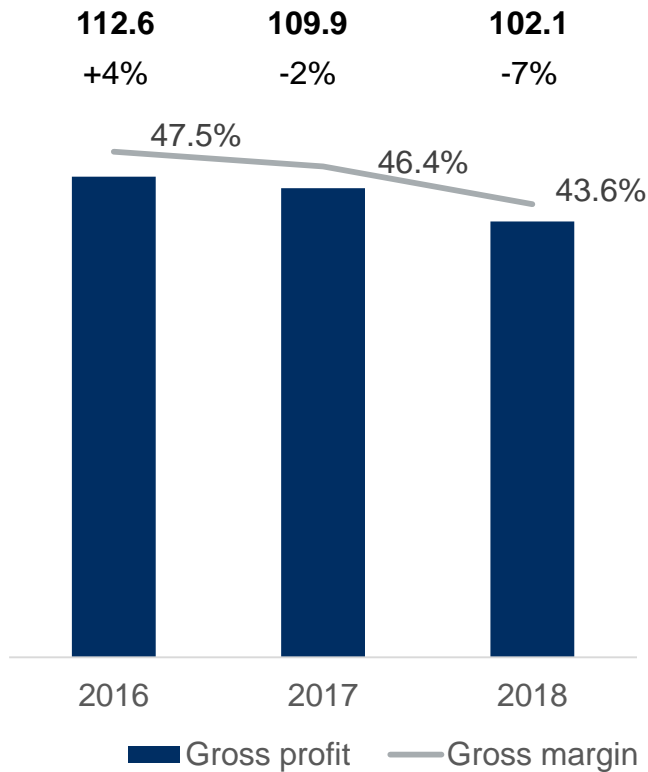
- Digitalization, IoT, Industry 4.0, implementation of lean production systems, agile “Scrum” methods

Urgent Need for Change



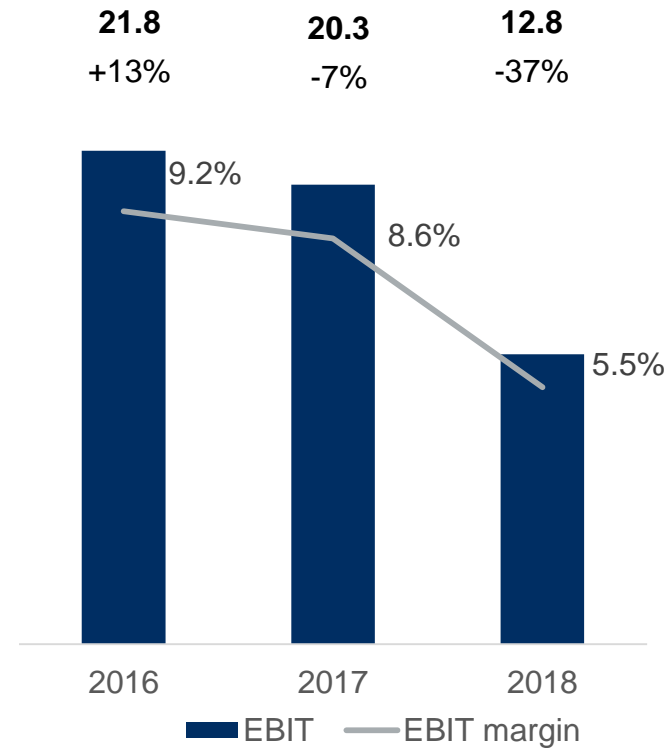
Gross Profit

in € m



EBIT¹

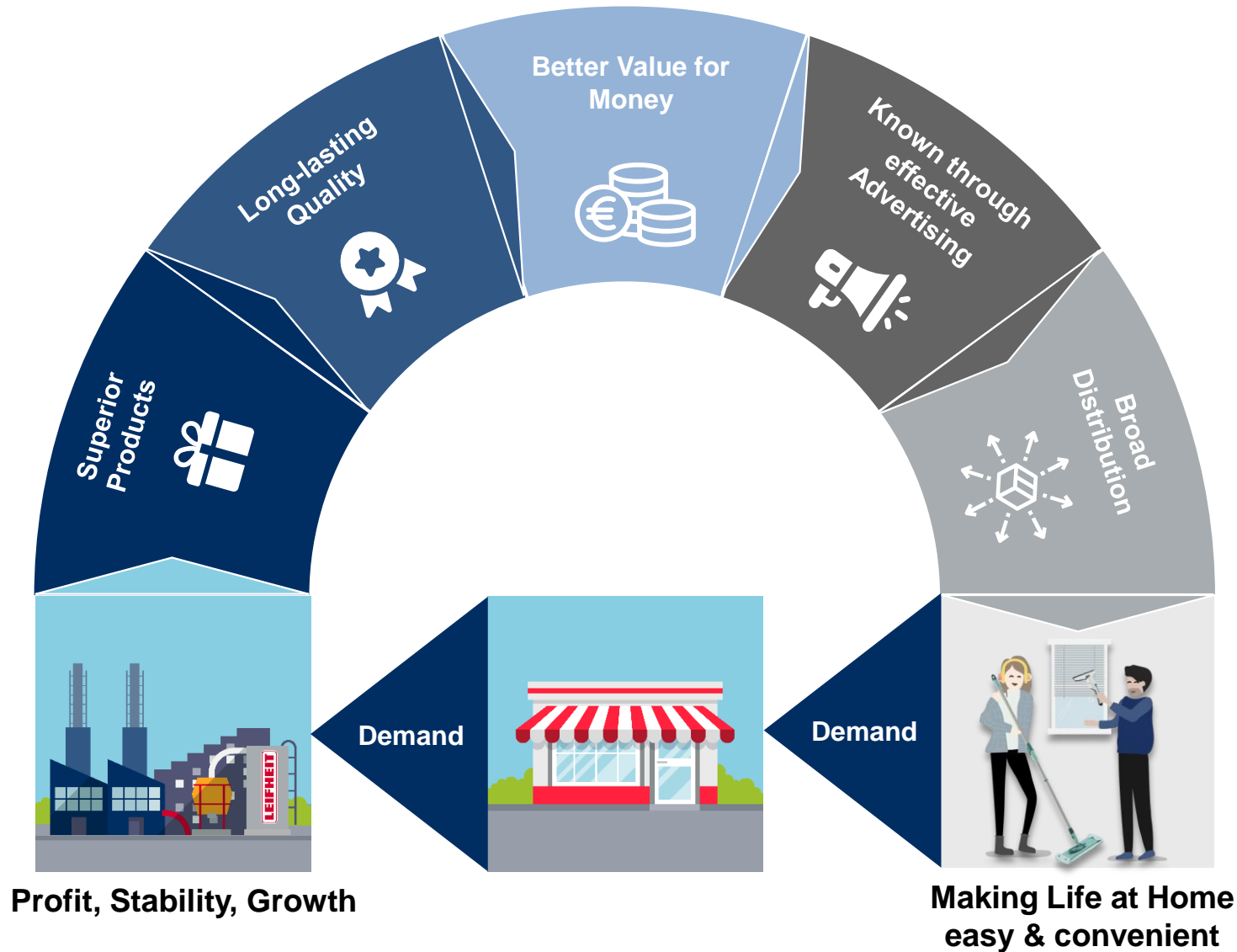
in € m



¹ EBIT adjusted for foreign currency result

Key Strategic Initiatives

Our Purpose? Happy Consumers!

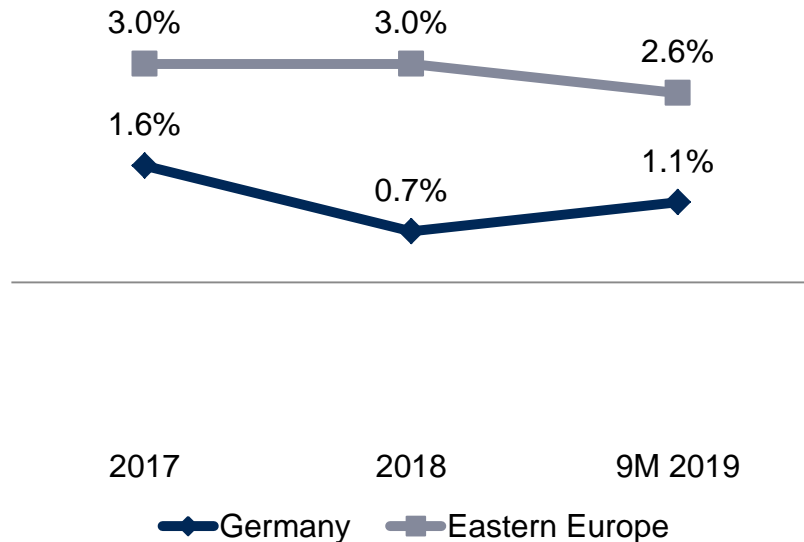


Increased Marketing Investments in Eastern Europe led to significant Growth Rates



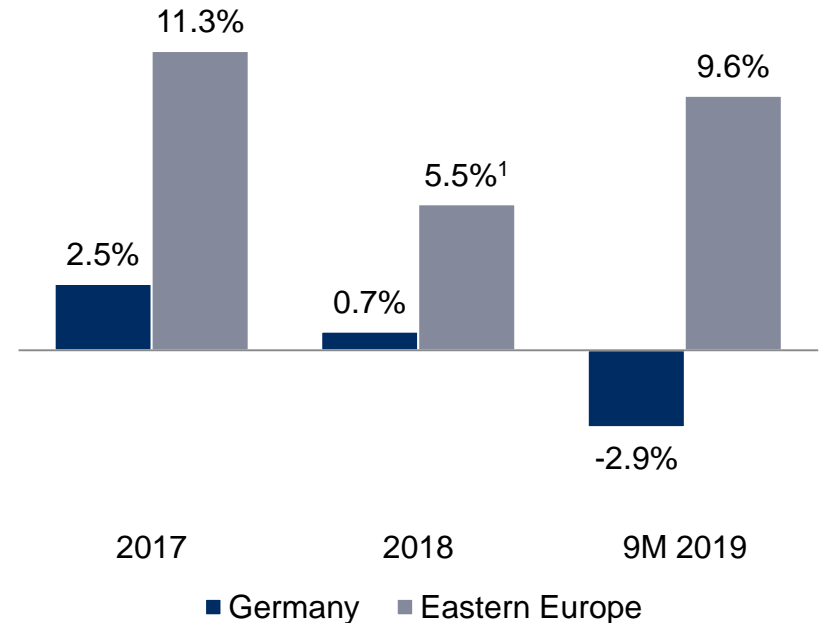
Consumer Marketing Spending

in Relation to Turnover



Growth Rates

in %

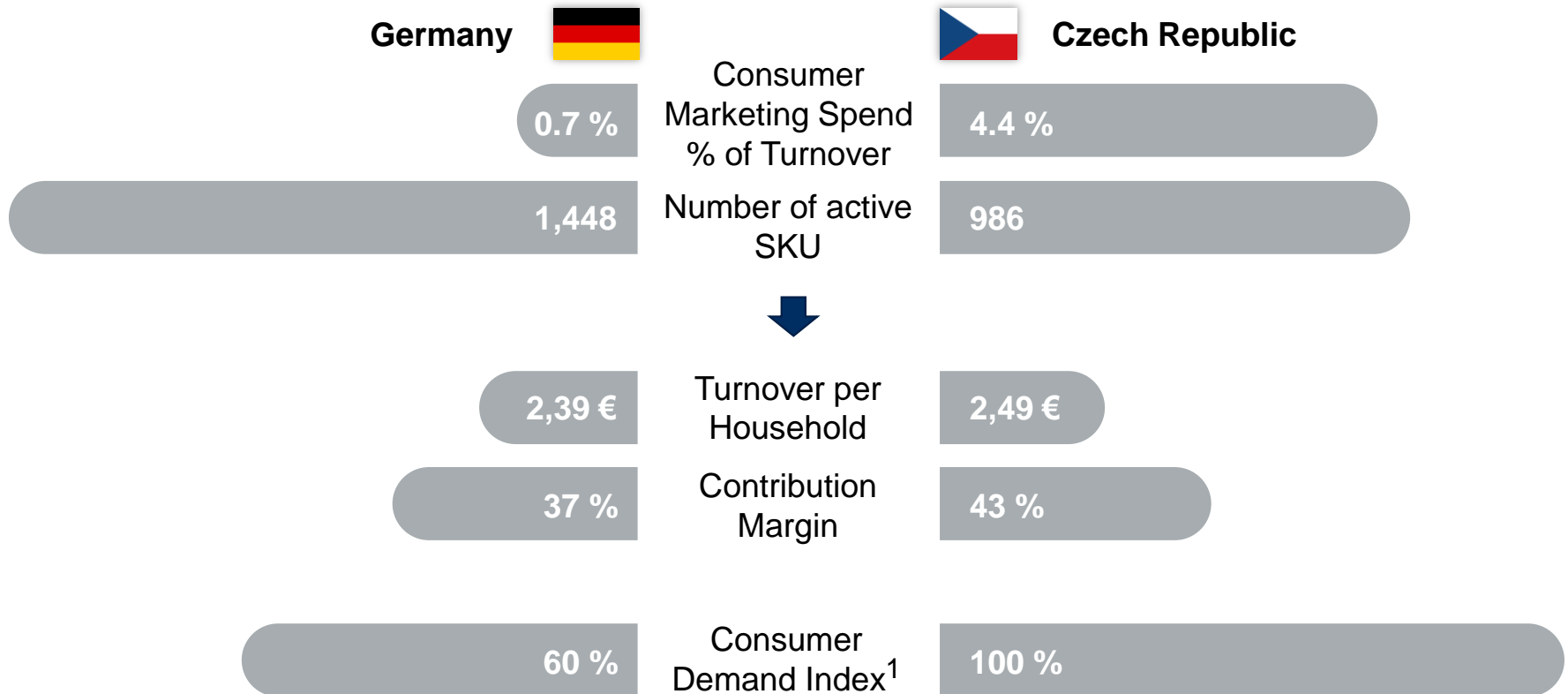


¹ Growth rate 2018 adjusted by contract production at Czech production facility expired in 2017

Scaling-up Success

Country Results 2018

Household and Wellbeing Business



¹ Source: Google Trends 2018, search word „Leifheit“

CEO's Strategic Review



Analysis of Status Quo

- Flat revenues
- Declining gross margins
- Complexity cost (too many SKUs)
- Too large structure given revenue stagnation
- Poor track record on innovation with too many commercial flops and often margin dilutive

Improvement Initiative - Identified Strategy

- Increase revenues through pre-tested mass consumer advertising on profitable consumer-preferred best sellers
- Distribution in additional retail chains and high potential countries
- Stabilize gross margins through product mix, growth negotiations with retailers and complexity reduction
- Downsize assortment to fewer, better selling and more profitable SKUs
- Growing revenues leverages current structure, accelerated by new company culture (fun, friendly, fast & fearless)
- Increase success odds of innovation. Launch new products only when margins are above average

New Management identified Strategy to address Growth Themes

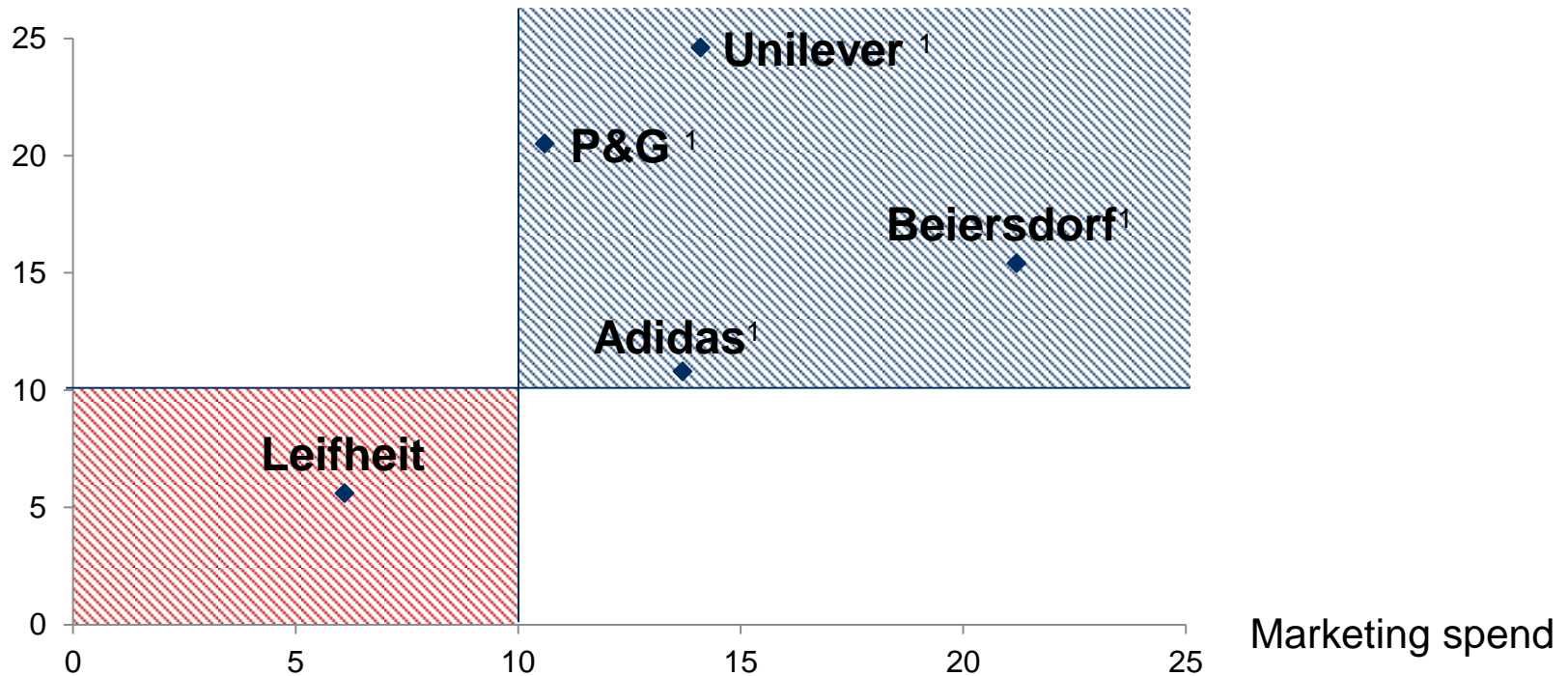
		Focus		Level of Completion			KPIs
		Growth	Profitability	2019	2020	2020+	
1	Create consumer demand <ul style="list-style-type: none"> Invest in pre-tested and scalable high ROI consumer advertising on profitable best sellers Launch new products only if margin > average and if supported by pre-tested advertising 			Concept	Realisation	Impact	Revenue growth
2	Increase distribution <ul style="list-style-type: none"> Leverage stronger brand to attract additional retailers and e-tailers Ensure good sell-out in new retail partners with co-advertising 			Concept	Realisation	Impact	Gross margin
3	Improve gross margins <ul style="list-style-type: none"> Focus on own "made in Europe" profitable products Negotiate win-win with retailers, growing their total but not their % profit. Take pricing and charge for logistics complexities 			Concept	Realisation	Impact	EBIT margin
4	Reduce all cost except consumer advertising <ul style="list-style-type: none"> Reduce SKUs dramatically Strict R&D discipline Create fun, friendly, fast & fearless culture Growing revenues leverages current structure 			Concept	Realisation	Impact	EBIT margin

① Create consumer demand and make brand stronger

Marketing spend

2018 in % of turnover

EBIT margin



¹ Source: Annual reports 2018

① Creating and pre-testing effective ads

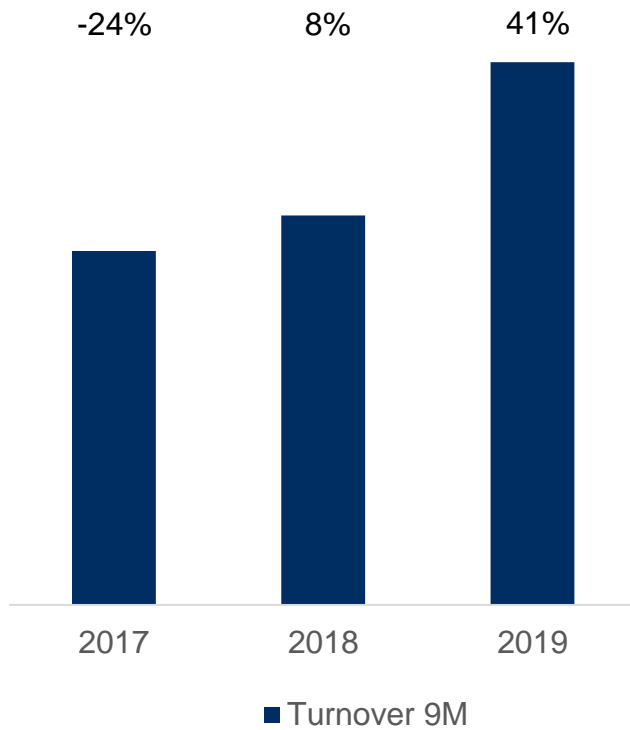


② Increase distribution



Turnover development Italy

Household and Wellbeing in € m



3 Improve Gross Margin



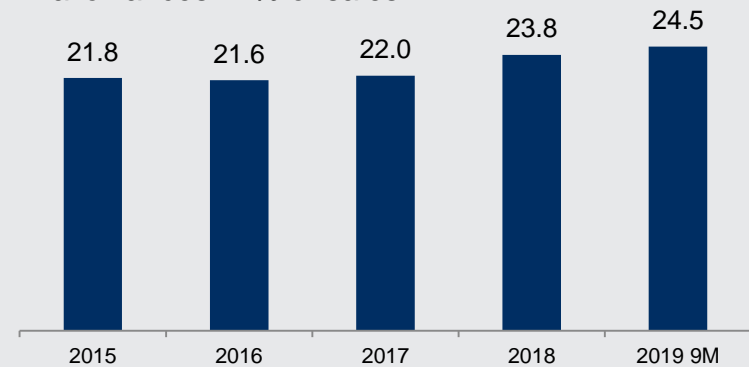
Focus on profitable Products

	Make in Europe	Buy in Asia
Average Contribution Margin ¹	~42%	~34%



Win-Win Retail Negos

■ Sales deductions + promotional allowances in % of sales ¹



¹ Household and Wellbeing segments

3 Boost Profitability Rockets



	Product A	Product B	Product C	Product D...
Contribution Margin				...
Level of Distribution				...
Quality and Consumer Satisfaction	★★★★★	★★★☆☆	★★★★☆	...
	Boost Consumer Marketing			

3 High Consumer Satisfaction with Leifheit Top Products



Profi Floor Wiper
4.6 stars



Leifheit rückenschonender Bodenwischer Profi XL micro Duo, effektiver Schrubber mit Bezug aus Mikrofaser, Wischer für Fliesen un...

★★★★☆ 343

4,6 von 5 Sternen



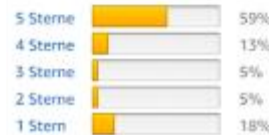
Clean Twist
4.5 stars



Leifheit Set Clean Twist Disc Mop Wischer für nebelfeuchte Reinigung, Wischmop mit effizienter Schleudertechnologie,...

★★★★☆ 464

4,5 von 5 Sternen



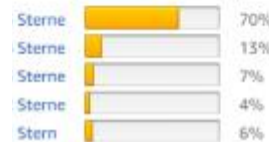
Pegasus 150
4.4 stars



Leifheit Standtrockner Pegasus 150 Solid Slim, standfester Wäscheständer mit Flügeln auch für lange Kleidungsstücke, besonders...

★★★★☆ 1,057

4,4 von 5 Sternen



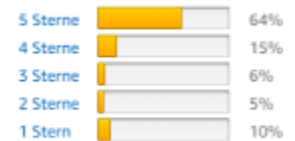
Linomatic 500 Deluxe
4.1 stars



Leifheit Wäscheschirm Linomatic 500 Deluxe mit Leineneinzug für saubere Wäsche, Wäschespinne für die ganze Familie, Wäscheständer inkl. Bodenhülle von Leifheit







★★★★☆ 1,137 Kundenrezensionen | 220 beantwortete Fragen

4,1 von 5 Sternen



Alle 1.137 Rezensionen anzeigen >

④ Reduce all Cost except Consumer Advertising

% of Group Sales	FY 2018	Further Outlook
Consumer Marketing	0.7%	
Other Marketing	5.4%	
R&D	2.3%	
Logistics ¹	11.0%	
Administration	6.1%	
Cost of Turnover	56.4%	

¹ not including inbound cost

Financial figures nine months 2019

Key Financial Highlights



1

At EUR 177.2 million, Group turnover on par with previous year

2

Group EBIT at EUR 7.1 million following EUR 8.7 million in previous year

3

About 10% turnover growth in TV advertising test market Eastern Europe

4

Turnover growth slightly below 1% along with EBIT of approximately EUR 9 million to EUR 10 million expected in 2019

5

Rising foreign sales make up for declines in domestic market

6

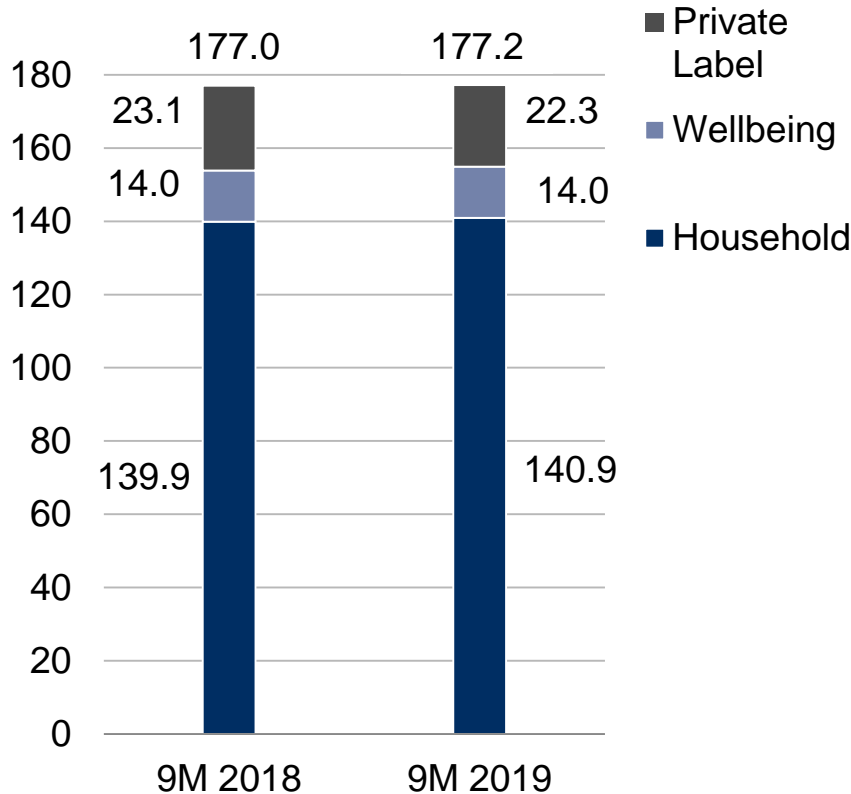
Leifheit implements strategic package of measures consistently

Group Turnover on par with Previous Year



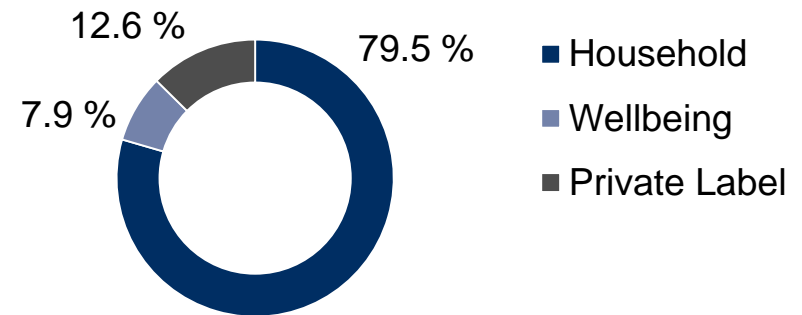
Group Turnover by Segment

9M 2018 vs 9M 2019 in € m



Group Turnover by Segment

9M 2019

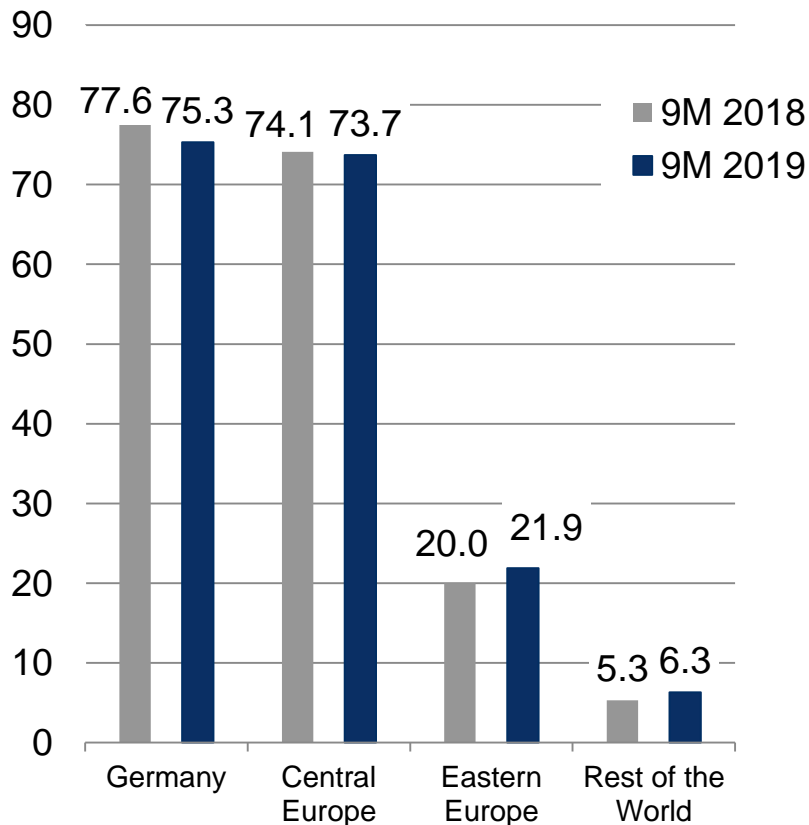


- Turnover in the Household segment slightly above previous year's level due to strong growth in the product category Laundry care. Cleaning and Kitchen goods categories stable.
- Wellbeing segment stable, new Soehnle kitchen scales made a significant contribution to turnover.
- Private Label segment decreased by 3.4 % due to overall change in customer mix.

Strong growth in TV-advertising Test Market Eastern Europe

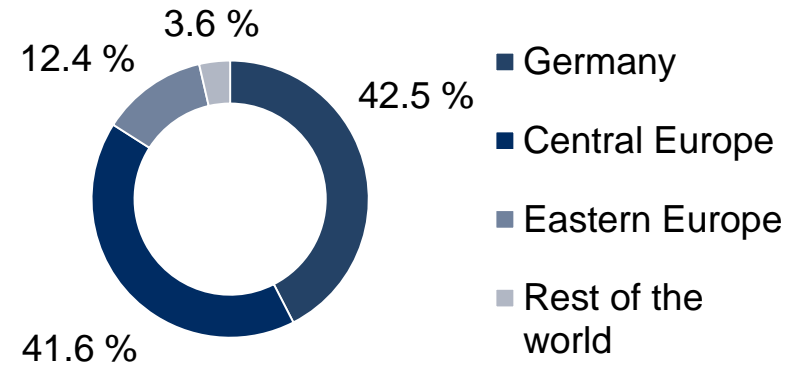
Group Turnover by Region

9M 2018 vs 9M 2019 in € m



Group Turnover by Region

9M 2019



- Strong growth in Germany in Q1 2019 expected due to large TV-campaign.
- Eastern Europe with strong growth of 9.6 % due to increased consumer marketing investments.
- Central Europe largely stable, strong growth in Italy due to expansion of distribution channels.

Group EBIT at EUR 7.1 million in line with forecast



		9M 2018	9M 2019	Δ
Group Turnover	€ m	177.0	177.2	0.1%
Gross margin	%	43.4	42.8	-0.6 pps
EBIT	€ m	8.7	7.1	-18.5%
EBIT margin	%	4.9	4.0	-0.9 pps
Earnings before taxes (EBT)	€ m	7.9	6.1	-22.4%
Net result for the period	€ m	5.5	4.2	-23.5%
EPS	€	0.58	0.45	-22.4%

- EBIT decrease primarily due to the lower gross profit and EUR 0.5 million rise in administrative costs.
- Gross margin decrease due to negative customer and product mix effects.

Free Cash Flow improved, still too much impacted by Working Capital

in € m	9M 2018 ²	9M 2019	Δ
Cash flow from operating activities	7.6	11.8	4.2
Cash flow from investment activities	11.1	-4.1	-15.2
Cash flow from financing activities	-10.0	-10.5	-0.5
Change in cash and cash equivalents	8.7	-2.8	-11.5
Cash and Cash equivalents at the end of reporting period	36.9	48.1	11.3
Free cash flow ¹	3.6	7.7	4.1

in € m	31.12.2018	30.09.2019	Δ
Cash and Cash equivalents at the end of reporting period	50.9	48.1	-2.8
Group liquidity	50.9	48.1	-2.8
Financial liabilities	-	-	-

- Increase of Cash inflow from operating activities is mainly due to optimisation of inventories and fall in receivables.
- Decline in Group liquidity mainly from dividend payment in the amount of m€ 10.0.

¹ Sum of cash flow from operating activities and investment activities adjusted for financial assets.

² IFRS 16 applied for the first time on 1 January 2019, using the modified retrospective method, previous year figures not adjusted.

Forecast Financial Year 2019



2019: Turnover Growth slightly below 1%, EBIT of around € 9 m to € 10 m expected

Economic environment 2019

- ▶ Slowdown in growth due to increasing global and economic tensions
- ▶ Economic slowdown in the EU despite good domestic demand
- ▶ Retail trade growth in Germany weak
- ▶ European consumers' propensity to consume worsens

Forecast Group development 2019

- ▶ Group: Turnover growth slightly below 1% (prev. about 3 %)
- Household: Turnover growth slightly above 1 % (prev. about 3 %)
- Wellbeing: Turnover growth of about 2 % (prev. about 7 to 8 %)
- Private Label: Turnover decline of about 2 % to 3 %
(prev. roughly on par with previous year)
- ▶ EBIT of around € 9 m to € 10 m
- ▶ Free cash flow of about € 3.5 m to € 4.5 m

Scaling-up Success

LEIFHEIT

Your Questions Please.

12 November 2019



Annex

Long-term Financial Overview



		2014	2015	2016	2017	2018
Group Turnover	€ m	220.7	231.8	237.1	236.8	234.2
Profitability						
Gross margin	%	47.7	46.7	47.5	46.4	43.6
Cash flow from operating activities	€ m	24.5	20.8	21.8	7.2	10.2
Free cash flow	€ m	18.4	14.1	14.3	1.5	3.7
EBIT	€ m	21.5	21.7	22.1	18.8	13.1
EBIT adjusted ¹	€ m	16.4	19.2	21.8	20.3	12.8
EBIT margin	%	9.8	9.3	9.3	8.0	5.6
EBT	€ m	19.8	20.2	20.6	17.7	11.9
Net result for the period	€ m	14.1	14.3	14.5	12.9	8.4
ROCE	%	20.3	18.1	16.3	12.7	8.5

¹ Adjusted by foreign currency results

Long-term Financial Overview



		2014	2015	2016	2017	2018
Per Share¹						
Net result for the period ²	€	1.49	1.51	1.53	1.35	0.88
Free cash flow	€	1.94	1.48	1.51	0.16	0.39
Dividend	€	0.90	1.00	1.05	1.05	1.05
Special dividend	€	--	0.38	0.40	--	--
Investments	€ m	6.2	7.1	7.8	7.8	6.6
Depreciation	€ m	6.3	5.8	6.2	6.4	6.9
		31/12/14	31/12/15	31/12/16	31/12/17	31/12/18
Employees	No.	1,068	1,074	1,093	1,137	1,134
Balance sheet total²	€ m	223.3	237.9	239.4	224.9	221.8
Equity	€ m	94.8	106.7	104.6	98.5	101.8
Equity ratio	%	42.5	44.9	43.7	43.8	45.9
Liquidity	€ m	62.8	68.2	69.5	57.2	50.9

1 Scrip issue in June 2017, 2013 – 2016 adjusted

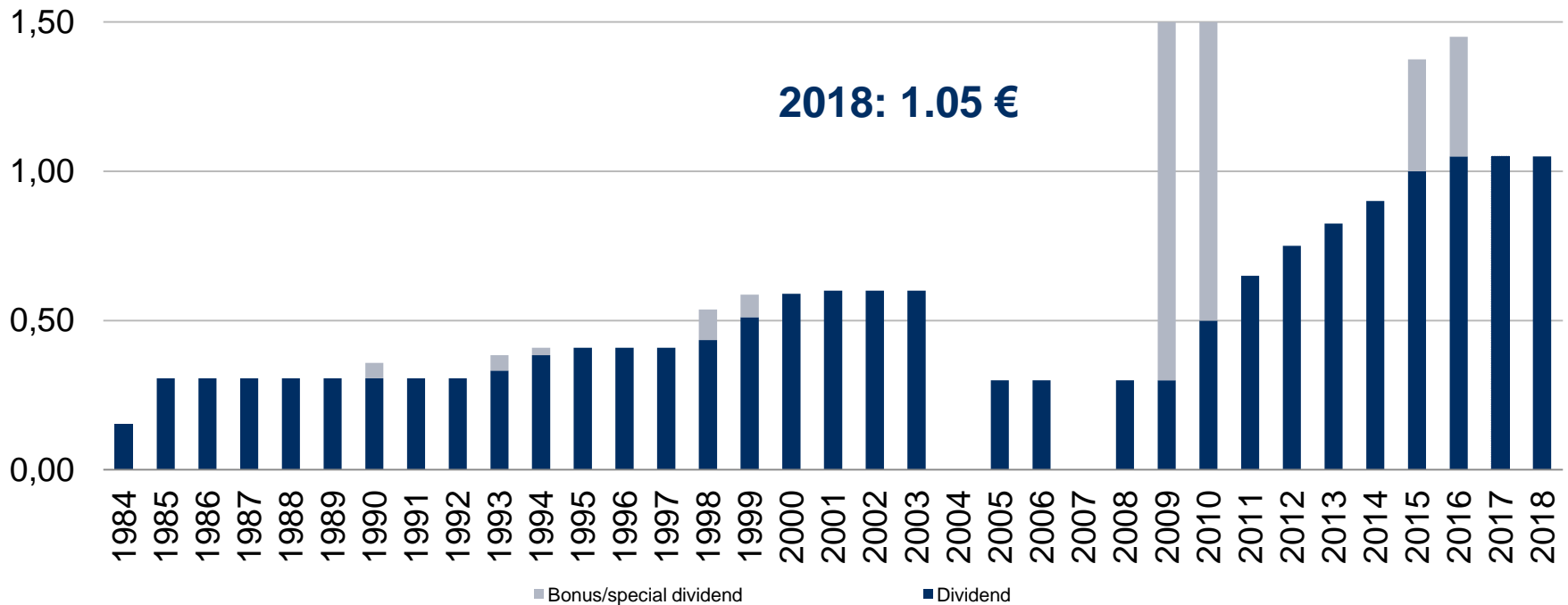
2 Not including repurchased treasury shares

Committed to Shareholder Returns



Long-term dividend development

Dividend per share / in €



Dividend yield ¹

2018:	5,9%	2014:	3,9%
2017:	3,8%	2013:	5,3%
2016:	5,1%	2012:	5,2%
2015:	5,6%	2011:	6,3%

¹ Based on the particular closing price at year-end

Leifheit Awards (Selection)



Rotary dryer
LinoProtect 400 ★★★★★



Rotary dryers
Linomatic ★★★★★



Laundry dryers
Pegasus ★★★★★



Floor wiper
Profi micro duo ★★★★★



Ironing Boards
Airboard



Cordless vacuum
Regulus PowerVac 2in1



Steam Mop
CleanTenso



Isolation jug
Columbus



Window vacuum
cleaners

Soehnle Awards (Selection)



Kitchen Scale
Page Profi



Kitchen Scale
Page Profi 3000



Kitchen Scale
Genio White



Body analysis scale
Shape Sense Connect 200



Blood pressure monitor
Systo Monitor Connect 300

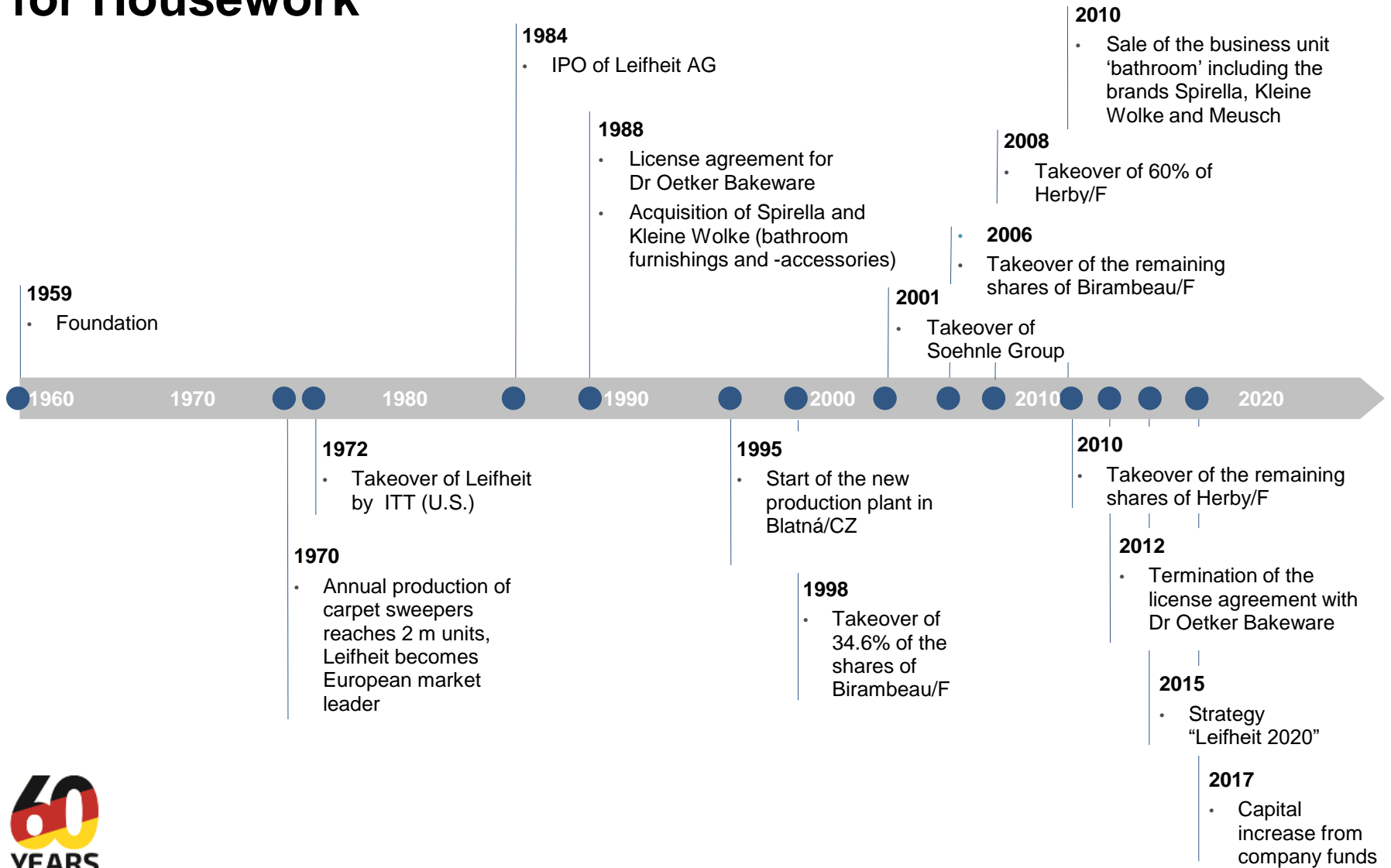


Luggage scale
Travel



Verdienter Testsieger, der in allen Belangen überzeugt

Leifheit – 60 Years of Passion for Housework



European Competitors by Category



Cleaning

Spontex
Tonkita Swiffer Rival
Kärcher Vileda



Laundry care

Vileda Brabantia Artweger
Wenko Gimi Juwel Stewi
Metaltex Rörets Blome



Kitchen goods

Tescoma WMF Gefu
Zyliss Rösle Lurch
Oxo Fackelmann
Brabantia Westmark Emsa Tefal



Wellbeing

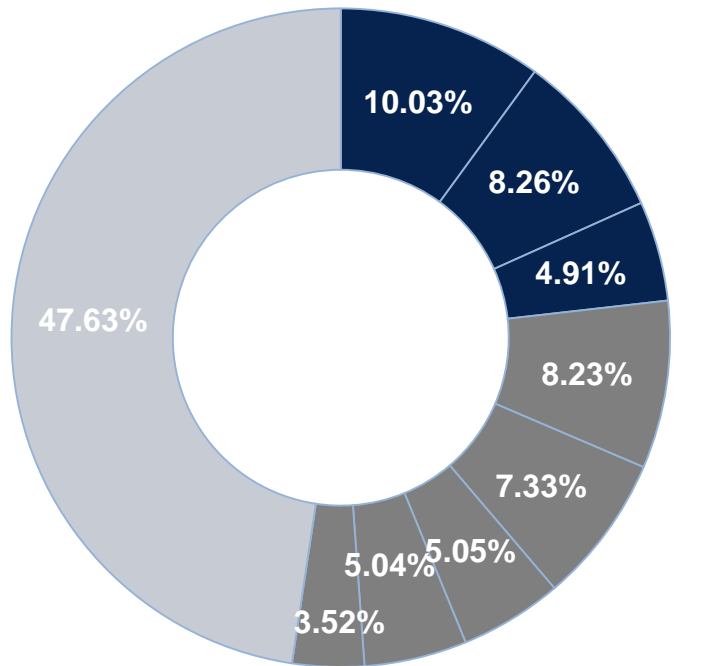
Bosch Laica Tanita
ADE Homedics Beurer
Sanitas
Withings Terraillon

Significant free Float and international Investors



Shareholder Structure

March 2019



■ Non free float shareholders¹ 23.2%
 ■ Free float^{1,2} 76.8%

¹ Definition of German stock exchange for indices

² Including shareholdings of the Management Board

- MKV Verwaltungs GmbH, Grünwald (GER), 10.03%
- Joachim Loh, Haiger (GER), 8.26%
- Leifheit AG Nassau (GER), treasury shares, 4.91%
- Alantra EQMC Asset Management, SGIIC, SA, Madrid (ES), 8.23%
- DBAY Advisors Limited, Douglas (IM), 7.33 %
- MainFirst SICAV, Senningerberg (LUX), 5.04%
- Teslin Capital Management BV/Gerlin NV, Maarsbergen (NL), 5.05%
- Blackmoor Ownership Holdings Master Limited, London (UK), 3.52 %
- Share ownership under reporting threshold 47,63 %

Financial Calendar and Contact



Dates 2019/2020

25 – 27 Nov 2019

German Equity Forum, Sheraton Frankfurt Hotel
Presentation on 27 Nov at 1:30 (CET) p.m.,
Room Oslo

25 Mar 2020

Annual financial reports 2019

13 May 2020

Quarterly statement for the period
ending 31 March 2020

20 May 2020

Annual General Meeting, 10:30 a.m. (CEST),
German National Library, Frankfurt/Main, Germany

13 Aug 2020

Financial report for the first half-year
ending 30 June 2020

11 Nov 2020

Quarterly statement for the period
ending 30 September 2020

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