

Our upward trend continues.



Leifheit AG Investor Presentation

Berenberg and Goldman Sachs
German Corporate Conference
September 2017 - Munich

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Agenda

- Introduction to Leifheit
- Highlights First Half of 2017
- Financial Figures First Half of 2017
- Forecast Financial Year 2017
- Strategy “Leifheit 2020” and Key Initiatives 2017
- Investment Highlights



Introduction to Leifheit



“We are your leading experts for solutions that make your everyday life at home more easy and convenient”

Leifheit Group

Brand Business
(~ 85% of turnover)

Volume Business
(~ 15% of turnover)

- Distribution in international markets
- Product categories: Cleaning, Laundry Care, Kitchen goods, Wellbeing

- High-quality branded products with a high degree of consumer benefit, mid to upper price segment
- Consistent brand management
- Systematic processes for innovation and market launch

- Products in mid-price range
- Customer-specific product development
- Strong service component



LEIFHEIT



SOEHNLE



birambeau
la Cuisine plaisir



herby



Project
Business

Offering products in four categories

Cleaning

Leifheit has an easy and convenient solution for every cleaning demand. Our high quality cleaning products can be flexibly combined.



Laundry care

Whether it's laundry dryers for the house or rotary dryers for the garden, an ironing board or a steam ironing system – Leifheit ensures fresh, clean and well-kept laundry.



Kitchen goods

Opening, cooking, cutting or storing – Leifheit's kitchen accessories simplify work and keep hands and kitchen clean.

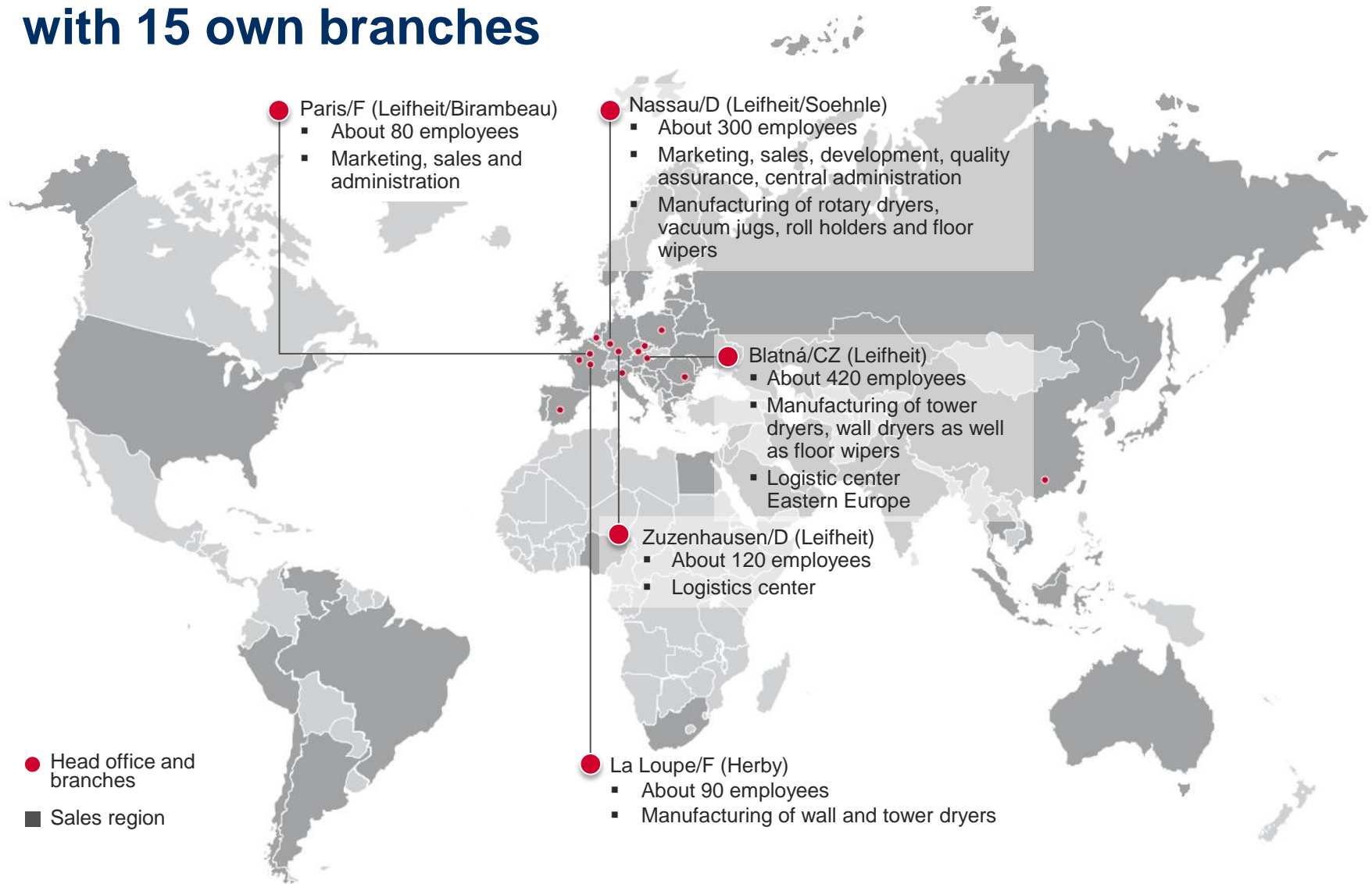


Wellbeing

Under the Soehnle brand we offer an assortment of scales that always cut a good figure – in the kitchen and the bathroom.



Operating in more than 80 countries with 15 own branches



Financial Figures First Half of 2017



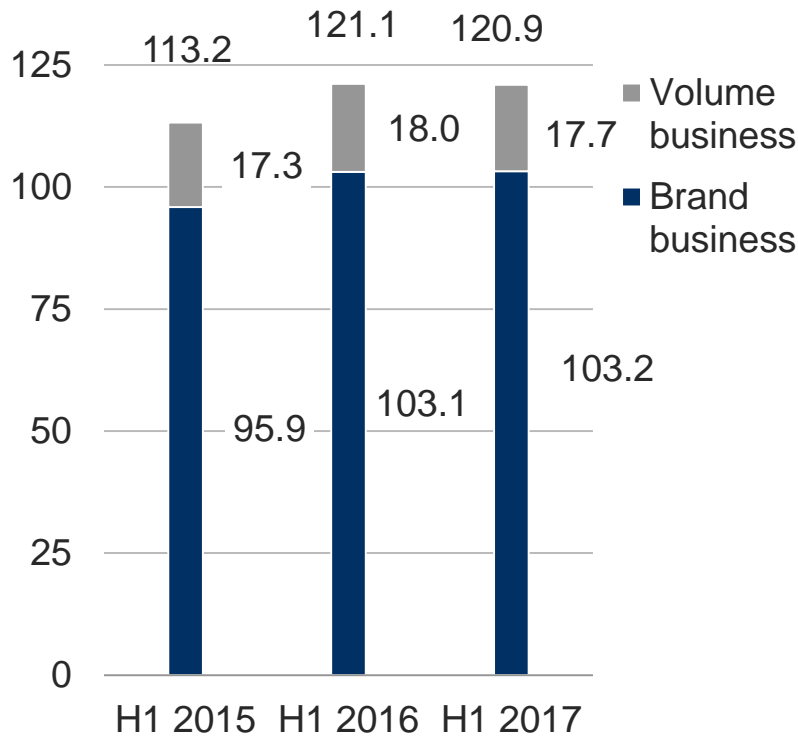
Leifheit remains on course

- **Operational performance in H1 despite slower start on track**
 - Shortfall of sales in Q1 2017 compensated in the second quarter by Brand Business
 - Group turnover in H1 on par with previous year
 - EBIT below previous year due to one-off effects from restructuring of sales activities and increased marketing expenses
 - Both measures are investments in further strengthening our strategic Brand Business
 - Guidance for Financial Year 2017 confirmed
- **Increased dividend for the eighth consecutive year:**
 - Payment of an ordinary dividend of € 2.10 and a special dividend of € 0.80 for business year 2016
- **Capital increase from company funds:**
 - Share capital increased from € 15 m to € 30 m by converting retained earnings
 - Issue of bonus shares (scrip issue) at a 1-to-1 ratio to boost liquidity and attractiveness of the Leifheit share

Group turnover stable with good performance in Germany and Eastern Europe

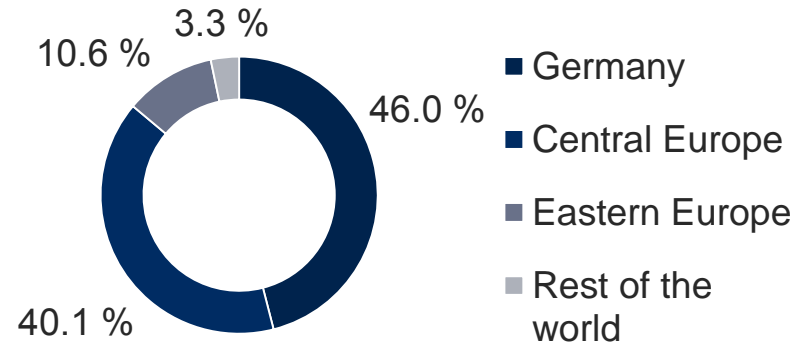
Group turnover by segment

H1 2015 - H1 2017 / in € m



Group turnover by region

H1 2017



- Shortfall of sales in Q1 2017 compensated in the second quarter
- Germany grew by 9.0 % due to a strong performance of both brand business and volume business
- Central Europe declined by 8.8 %, as sales saw pressure in France, Italy and Luxembourg, not compensated by strong performance in Belgium
- Continuous strong growth in Eastern European markets by 4.3 %, driven by two-digit growth in Hungary, Poland und the Ukraine

Group result impacted by non-recurring expenses

		H1 2016	H1 2017	Δ
Group turnover	€ m	121.1	120.9	-0.2 %
Gross margin	%	47.6	47.1	-0.5 pps
Foreign currency result	€ m	-1.0	-1.1	-14.2 %
EBIT	€ m	10.1	6.8	-33.4 %
EBIT margin	%	8.4	5.6	-2.8 pps
Earnings before taxes (EBT)	€ m	9.4	6.2	-34.2 %
Net result for the period	€ m	6.6	4.4	-33.8 %

- Group turnover stable and in line with the first half of 2016
- EBIT declines due to of one-off effects from reorganizing sales activities and increased advertising expenditures
- Both measures are investments to further strengthen our strategic Brand Business

Forecast Financial Year 2017



2017: Sustainable growth in turnover, earnings affected by one-off effects

Economic environment 2017

- ▶ Moderate economic growth in our key European markets
- ▶ External risks of changed US economic policies, elections in most European countries as well as a rising level of inflation
- ▶ Retail business optimistic for 2017, propensity to consume of customers continuously stable

Forecast Group development 2017

- ▶ Continue to pursue group growth strategy “Leifheit 2020”, despite current risks in the retail sector
- ▶ Group: Turnover growth of 3.5 to 4.5 %
Brand Business: Turnover growth of 4 to 5 %
Volume Business: Turnover growth of about 2 to 3 %
- ▶ EBIT on the 2016 level (after one-off effects from reorganization of sales of € 2.0 to 2.5 m)
- ▶ Investments of about € 7 m (2016: € 7.8 m)
- ▶ ROCE slightly below 2016 (2016: 16.3 %)
- ▶ Free cash flow of about € 4 to 6 m

Group development until 2020

- ▶ Sustainable and profitable organic turnover growth of 4 to 5 % CAGR¹
- ▶ Target EBIT margin of 8 to 9.5 %

Strategy “Leifheit 2020” and Key Initiatives 2017



Leifheit’s vision for 2020

“We are your leading experts for solutions, that make your everyday life at home more easy and convenient.”

Strategy “Leifheit 2020” will deliver higher levels of growth and excellence

- Starting from an efficient platform, solid margins and a lean profile, Leifheit is focusing on future growth:
 - Expansion of the product portfolio
 - Expansion of the customer footprint
 - Expansion of geographical footprint
 - External growth options (focus on core categories)
- Leifheit is targeting organic growth of 4 - 5 % CAGR
- From € 10 m additional revenue we will generate € 2 m profit and 10 cents dividend per share
- Leifheit defined ten strategic guidelines to strengthen competitiveness, drive growth and increase sustainable profitability:
 - Where will we grow?
 - How will we grow?
- Strategic guidelines are the basis for numerous individual projects to create the capability to deliver growth

Vectors of growth: New products vs existing business

New products (20 – 30 % of annual turnover growth)

- Outcome of the new product pipeline defined until 2020
- Based on the mega trends relevant for Leifheit:
 - Fading of traditional gender rolls
 - Electrification
 - Digitalization & connectivity
- Based on Leifheit consumer segmentation
- Existing and new product segments
- Different innovation streams by grade of technical change / newness of application

You have something against bacteria? So do we!



CleanTenso

Simply hygienic and clean -
without chemicals.

Kills
99.99%
of Bacteria*

*tested on E coli and
Calbicans bacteria



LEIFHEIT

How housework's done today.

www.leifheit.com

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



LinoProtect 400

NEW

Protects against rain.

LEIFHEIT

How housework's done today.

www.leifheit.com



COMBI SYSTEM NEW

Brings order to your life.

LEIFHEIT

How housework's done today.

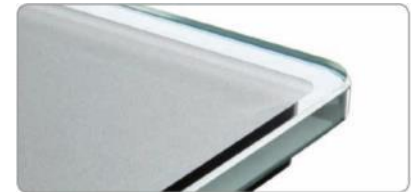
www.leifheit.com

Strategy “Leifheit 2020” and Key Initiatives 2017

Unique – and only by Soehnle!



Unique: The XXL-displays assure an excellent readability due to their large LCD digits.



Independent: Unique style with uniform edge design.



Elegant and stable: Extraordinary flat design offers secure stability.



Typical Soehnle feature: Base feet with non-slip and green bottom.

Strategy “Leifheit 2020” and Key Initiatives 2017

Modern, unique designs – known quality: personal scales by Soehnle

Shape Sense-Profi and -Control Line

- Professional scale for athletes and health enthusiasts
- Easy tracking of training efficiency with Premium body impedance analysis (BIA)
- Dietary guidance program
- Beginners level Shape Sense Control-line RRP 29.99 €
- Shape Sense Profi 300 RRP 49.99 €



Style Sense Line

- Multifunctional personal scale for the entire family
- Innovative new designs with improved usability
- Range of different scales for each individual situation
- Special Comfort edition with easy-to-read display and enhanced functionality
- RRP Style Sense Multi 100 at 34.99 €
- RRP Style Sense Comfort 500 at 39.99 €

Strategy “Leifheit 2020” and Key Initiatives 2017

The new Soehnle range of personal scales

Clear concept for personal scales

- Unique Design
- Purchase-relevant criteria
- Top price-performance
- High-volume price categories
- Focus on relevant target groups
- New quality standards
- Top POS solutions

NEW!

SHAPE SENSE PROFI



Shape Sense Profi 100
RRP € 39.99



Shape Sense Profi 200
RRP € 49.99



Shape Sense Profi 300
RRP € 49.99

SHAPE SENSE CONTROL



Shape Sense Control 100
RRP € 29.99



Shape Sense Control 200
RRP € 34.99

STYLE SENSE MULTI



Style Sense Multi 100
RRP € 34.99



Style Sense Multi 200
RRP € 44.99



Style Sense Multi 300
RRP € 44.99

STYLE SENSE SAFE



Style Sense Safe 100
RRP € 29.99



Style Sense Safe 200
RRP € 34.99



Style Sense Safe 300
RRP € 39.99

STYLE SENSE COMFORT



Style Sense Comfort 100
RRP € 24.99



Style Sense Comfort 200
RRP € 24.99



Style Sense Comfort 300
RRP € 29.99



Style Sense Comfort 400 Silver
RRP € 29.99



Style Sense Comfort 400 Black
RRP € 29.99



Style Sense Comfort 500
RRP € 39.99



Style Sense Comfort 600
RRP € 44.99

STYLE SENSE COMPACT



Style Sense Compact 100
RRP € 15.99



Style Sense Compact 200
RRP € 17.99



Style Sense Compact 300
RRP € 19.99

RRP € 15,99

RRP € 49,99

Soehnle connect – gives your feeling a value

Soehnle connect system

NEW!

- Innovative and easy to use body analysis system
- Integrated system of digital personal scale, wearables and fitness app
- Utilization of state-of-the-art digital technology – on all common platforms
- Ideal to monitor all relevant health data, either at home or on-the-go
- Launch in H2 2017

CONNECT
measure, collect, analyse, advise

Gibt Ihrem Gefühl einen Wert.
Gives your feeling a value.

Download on the App Store | GET IT ON Google Play

Multiple devices connected in just one app

- Connection of fitness- and health oriented data from different devices with recommendations in only one smartphone app offers a value added consumer experience



Vectors of growth: New products vs. existing business

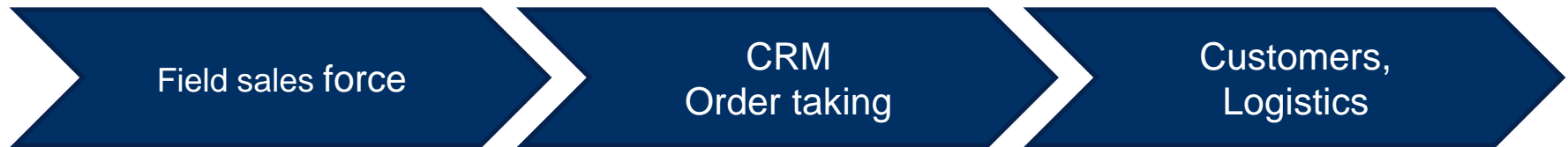
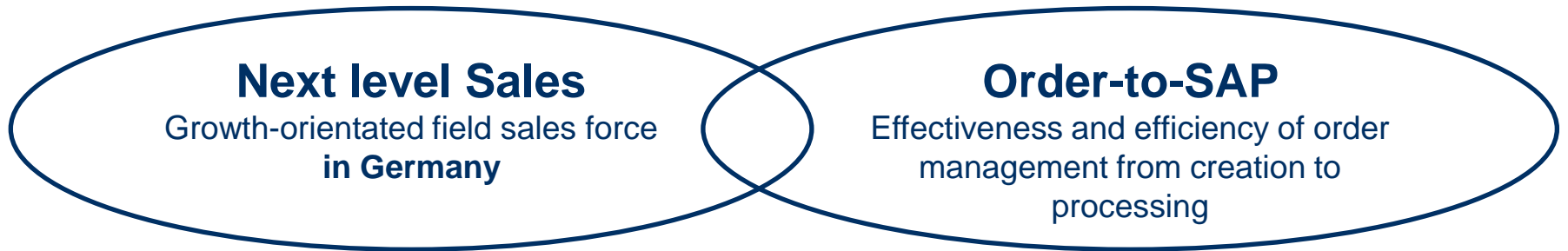
Existing business (70 – 80 % of annual turnover growth)

- **“Win from strength markets” – Europe**
 - Conversion of existing customer listings in broad distribution by
 - Sales effectiveness/efficiency programs
 - Marketing/promotion programs
 - Closure of listing gaps in existing and new customers

- **“Win from behind” markets – Europe**
 - Entry via promotional business into multifold of customers based on a hunting list
 - Conversion of promotions in listings

- **“Entrepreneurs” – ME/NA/Asia**
 - Opportunistic realization of growth until 2017
 - More focus as of 2018

Sales effectiveness and efficiency program



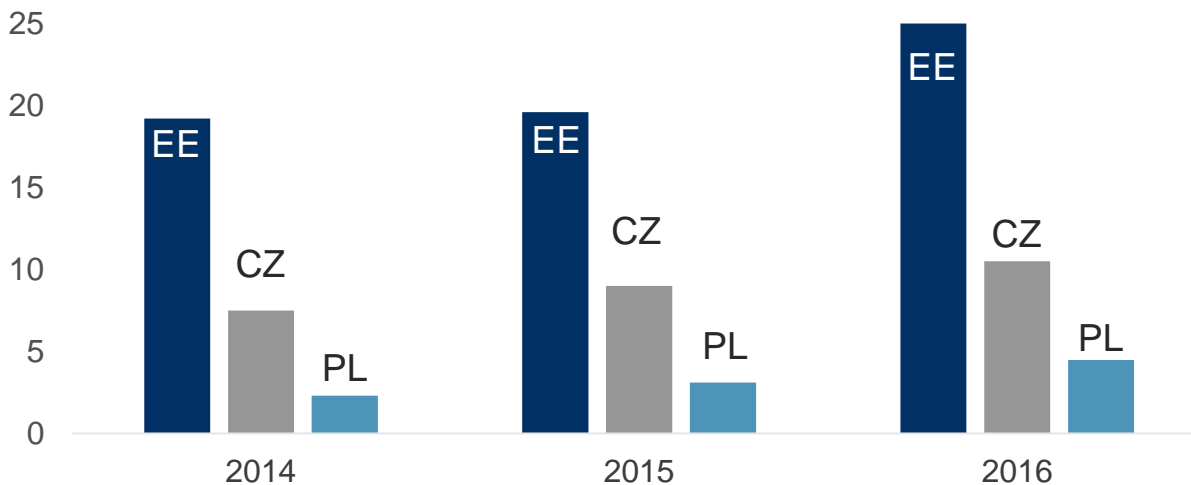
- Increase coverage from 19 to 26 regions
- Change from independent business representatives to own employees
- Increase number of visits by 30%
- Establish pictures of success
- Creation of standards and guidelines
- Creation of process for information flow between field, KAM, trade marketing and back office
- Creation of an information platform
- Documentation of in-store performance and analysis
- Order taking via CRM
- Availability checks
- Returns management
- Simplification of trade terms and logistics
- Optimize interfaces between back office and logistics
- Optimize customer-specific order behavior
- IT processes, EDI and SAP issues

Harmonized “go-to-market” strategy drives substantial growth in Eastern Europe

- **Situation in 2014: Lack of structured market approach to Eastern European (EE) region**
 - Analysis of each individual EE country and establishment of EE coordination team with clearly defined responsibilities and targets
 - Developed a hunting list for each country
 - Established unified model for promotions for EE region
 - Prepared strict assortment sets for every distribution channel
 - Build-up of new customer service center for EE countries in Prague, Czech Republic
 - Established central logistics center for EE countries in Blatná, Czech Republic

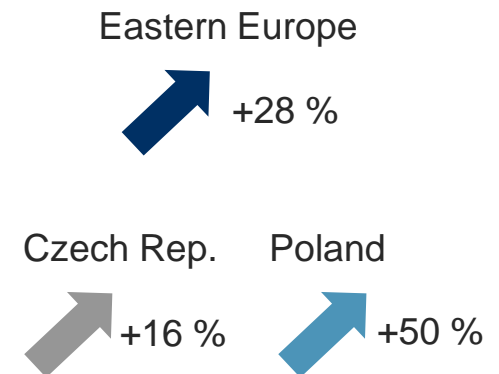
Sales EE region and selected markets

2014 to 2016 in € m



Growth

2015 to 2016



More contemporary positioning of Leifheit brand

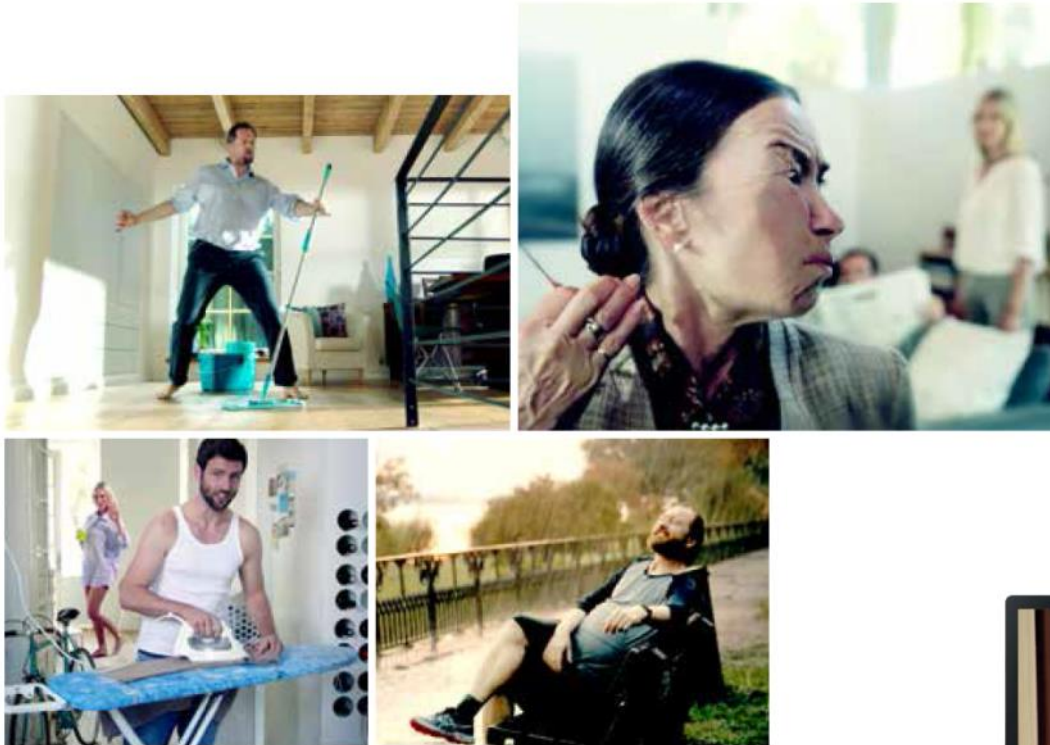
How housework's done today.

More time for the things you love.



How housework's done today.

More contemporary positioning of Leifheit brand



TV-advertisement

- Q1 2017: CLEAN TWIST System
- Q1 2017: Window vacuum
- Q3 2017: Air Board
- Q1 2018: LinoProtect



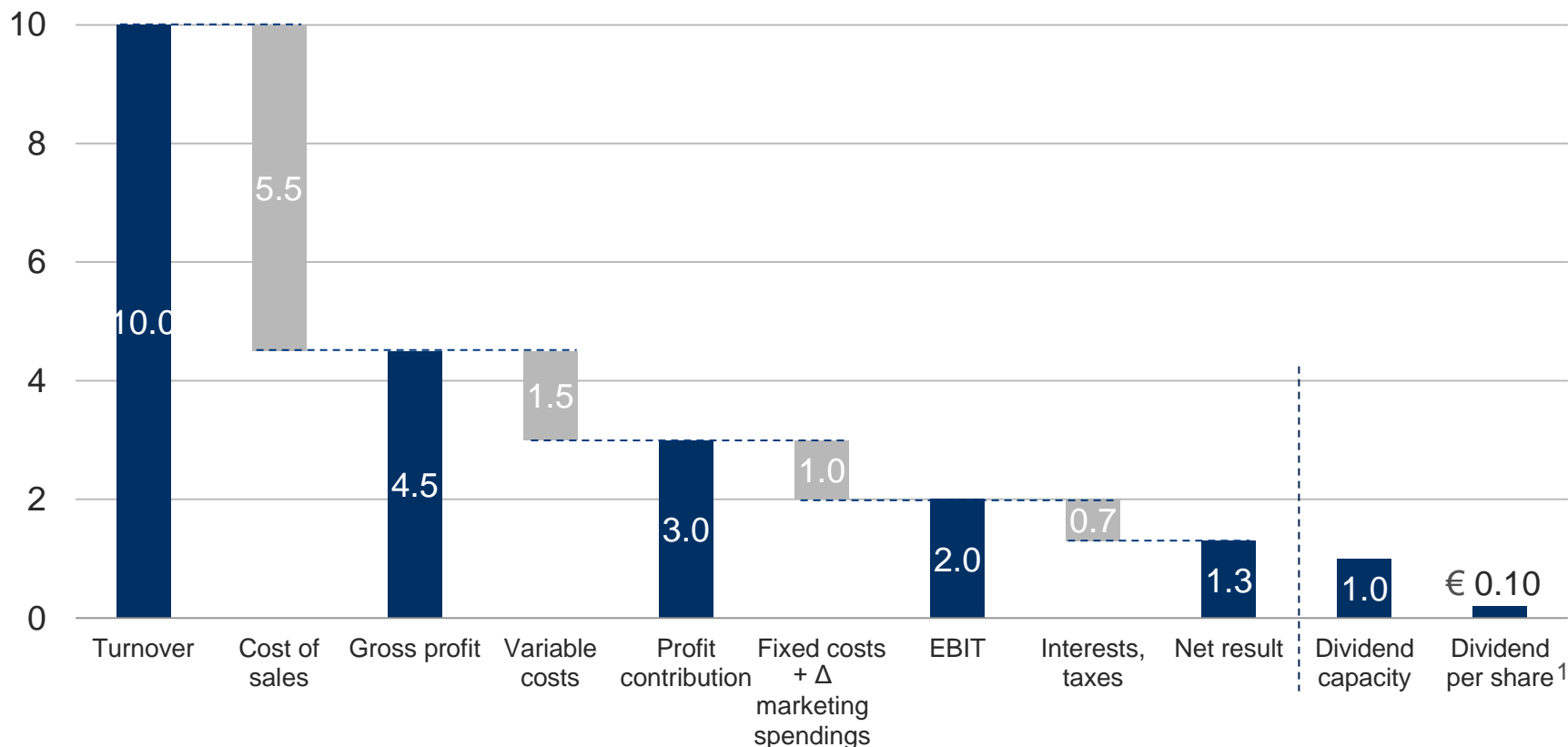
Investment Highlights



Growth within existing structure generates dividend capacity

€ 10.0 m turnover growth ~ € 2.0 m EBIT ~ € 1.3 m net result
 € 1.0 m dividend capacity = 0.10 € dividend per share¹

in € m

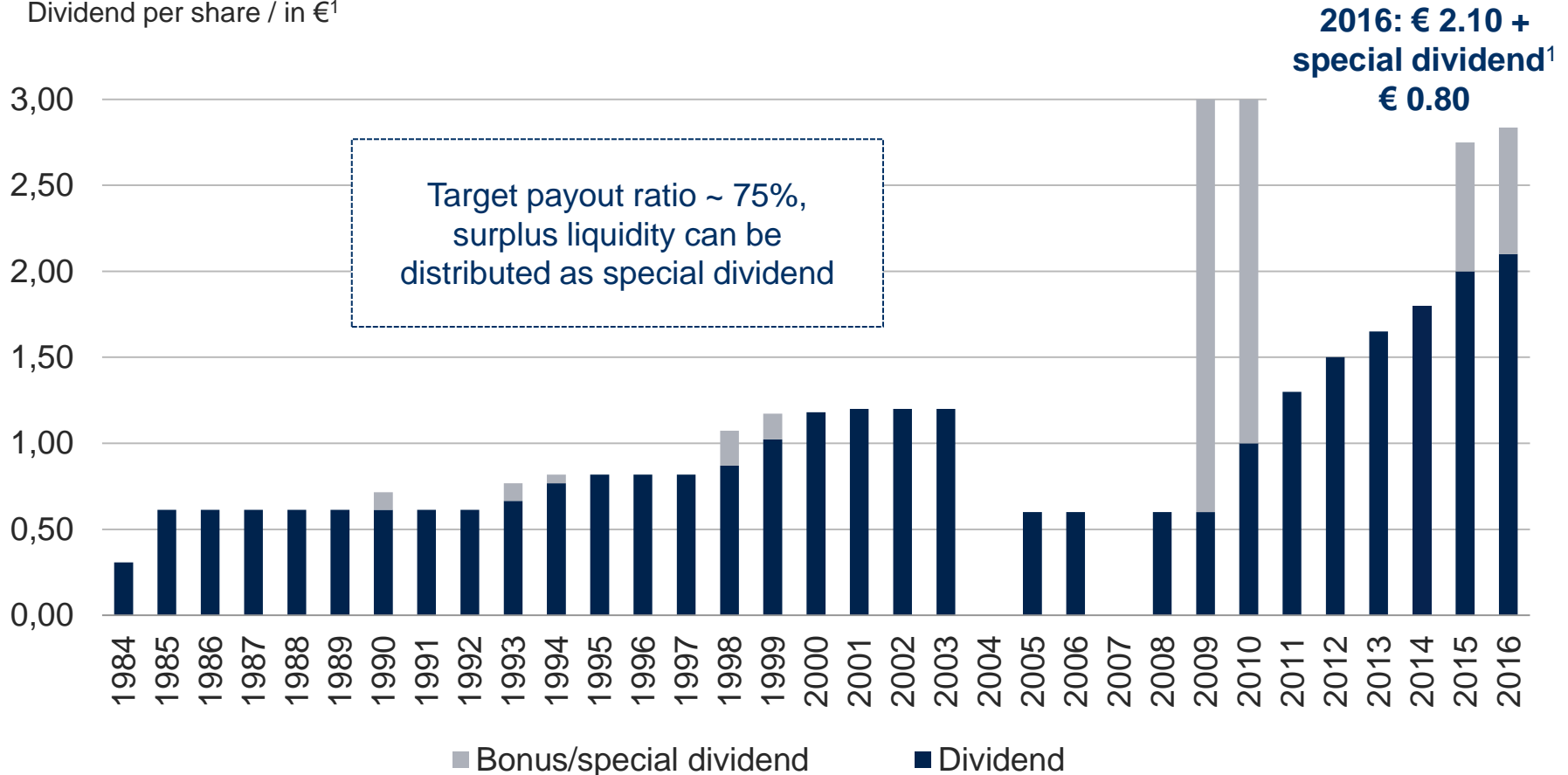


¹ Based on number of shares after scrip issue in June 2017 (10,000,000)

Committed to shareholder returns

Long-term dividend development

Dividend per share / in €¹



¹ Dividend based on number of shares before scrip issue in June 2017 (5,000,000)

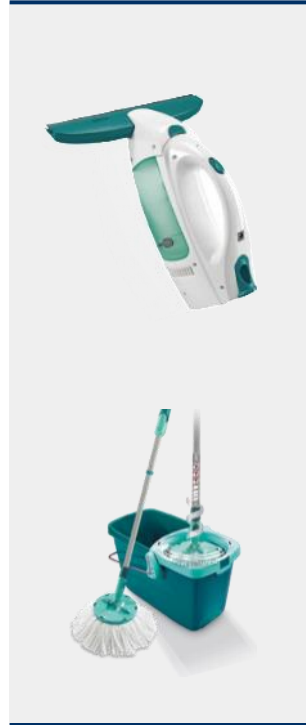
Summary

Leifheit is more than just household products – for more than 55 years

Strong brands



Innovative products and solutions



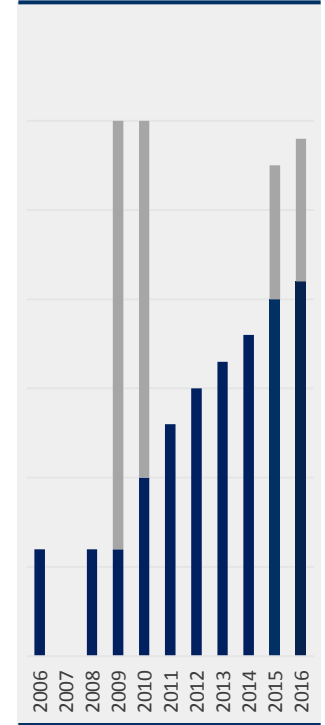
Creative people



Efficient and lean processes



Reliable partner of our shareholders



Your questions please.



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