

Tradition

Innovation

Vision

LEIFHEIT

Investor and Analyst Meeting
2019

Disclaimer



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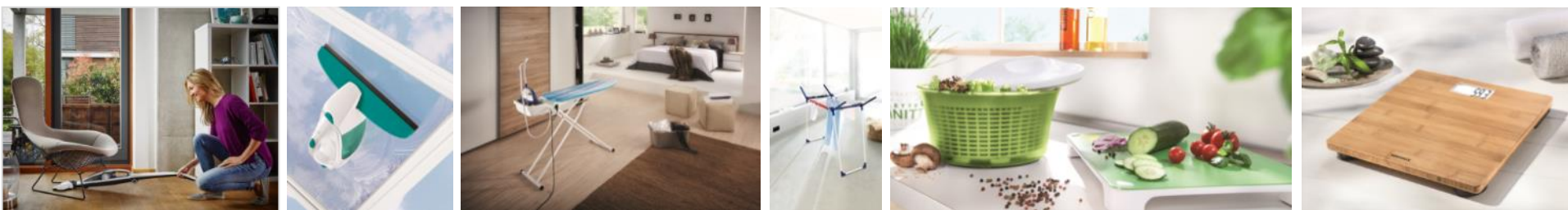
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Agenda



- Introduction to Leifheit
- Financial Figures FY 2018
- Key strategic initiatives
- Forecast Financial Year 2019
- Investment Highlights
- Annex

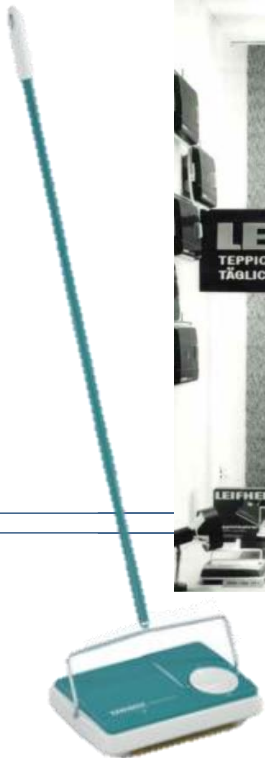


Introduction to Leifheit

Tradition – Innovation – Vision



1959



2019



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



Leifheit Group



- 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
- Distribution in international markets

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

One of the leading suppliers of household products in Europe



Cleaning

34 % Turnover share

Easy and convenient solution for every cleaning demand



Laundry care

40 % Turnover share

Laundry dryers, ironing boards and storage for fresh, clean and well-kept laundry



Kitchen goods

17 % Turnover share

Useful kitchen aids for opening, cooking, cutting or storing



Wellbeing

9 % Turnover share

Scales, medical products and air treatment: complementary new assortments for a modern lifestyle



Experienced Management Board



Ivo Huhmann

CFO & CO-CEO ad interim

born 1969



Igor Iraeta Munduate

COO & CO-CEO ad interim

born 1974



Henner Rinsche

CEO ab 01.06.2019

born 1971

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

Previous experience

- Many years of experience as President Europe at SodaStream
- Various leading positions at Henkel, Danone, PepsiCo and Procter & Gamble

Core competencies

- General Management, Business Development and consumer goods Marketing

Present in leading distribution channels

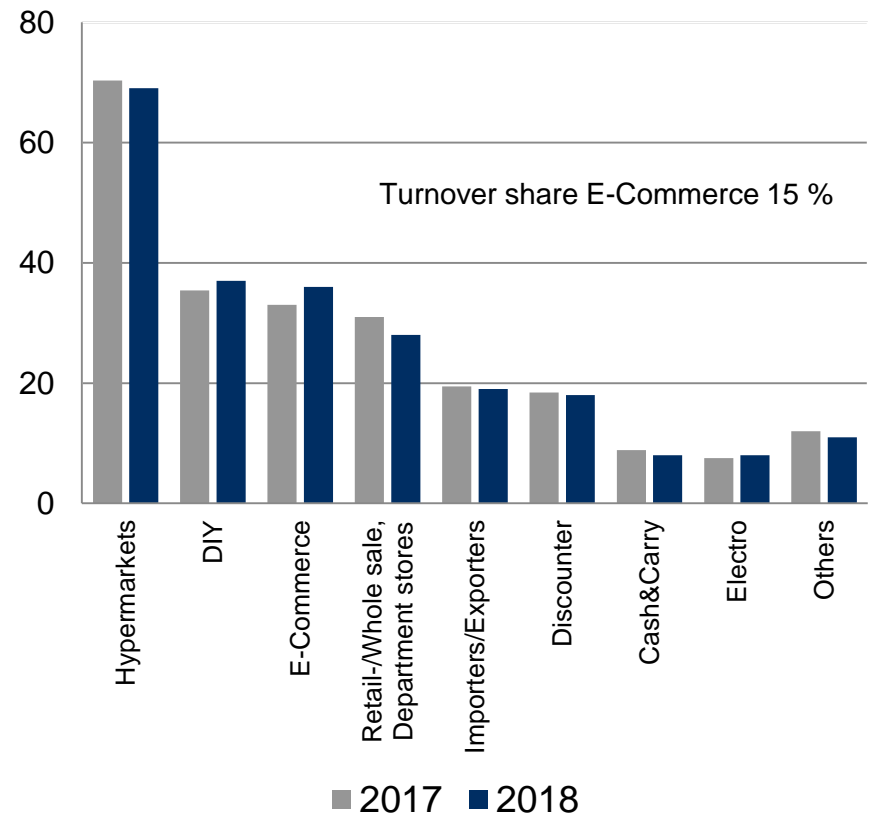


TOP-10 clients (50 % of turnover)



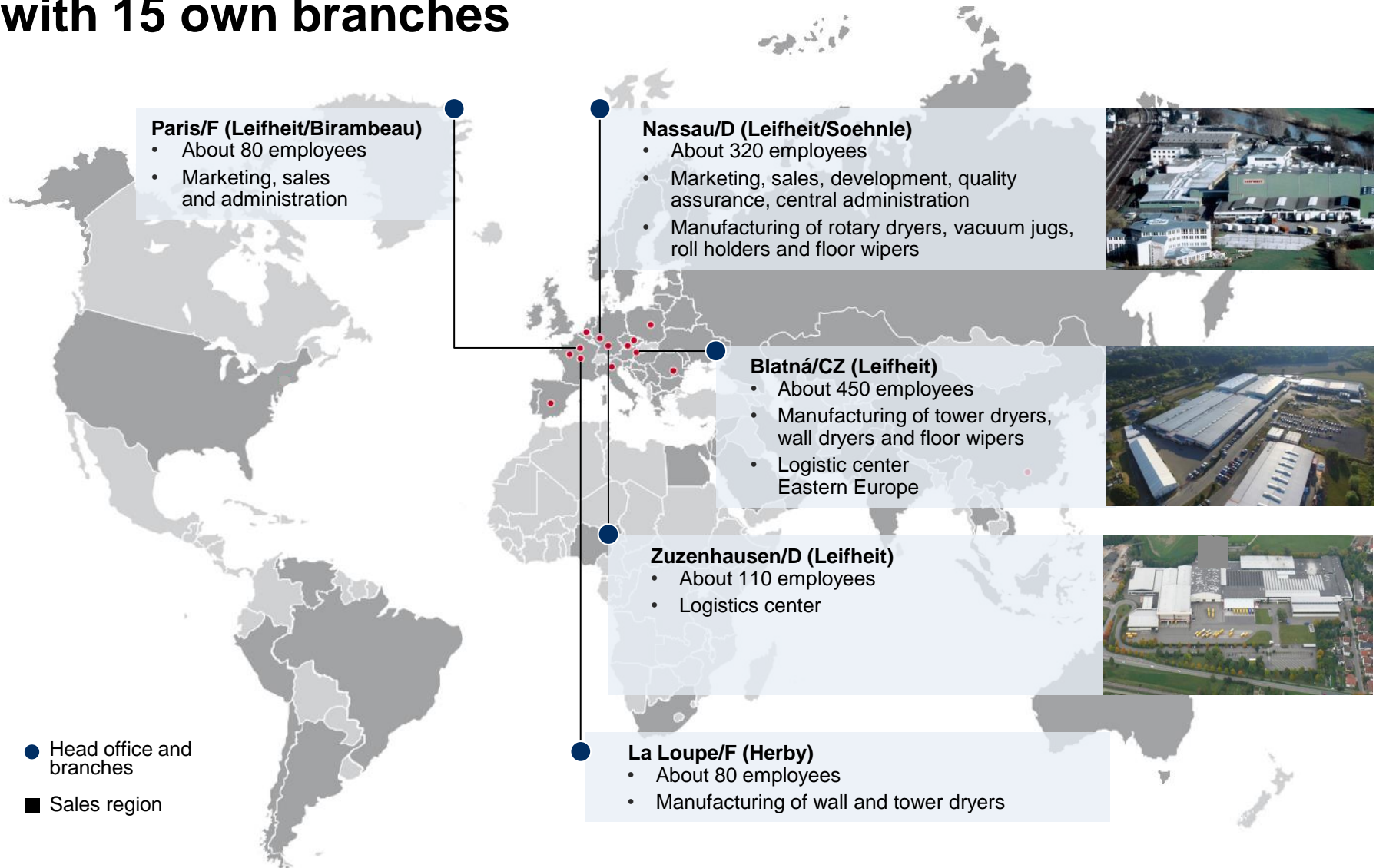
Turnover by distribution channel

in € m





Operating in more than 80 countries with 15 own branches



Financial Figures FY 2018

Successful implementation of strategic projects



**Solid E-Commerce
growth**



**Significant sales growth
in Eastern Europe**



**New Pan-European
pricing framework**



**Successful launch of
new products**



**Cleaning category grown
significantly**



**Turnaround
in Wellbeing segment**

At a glance



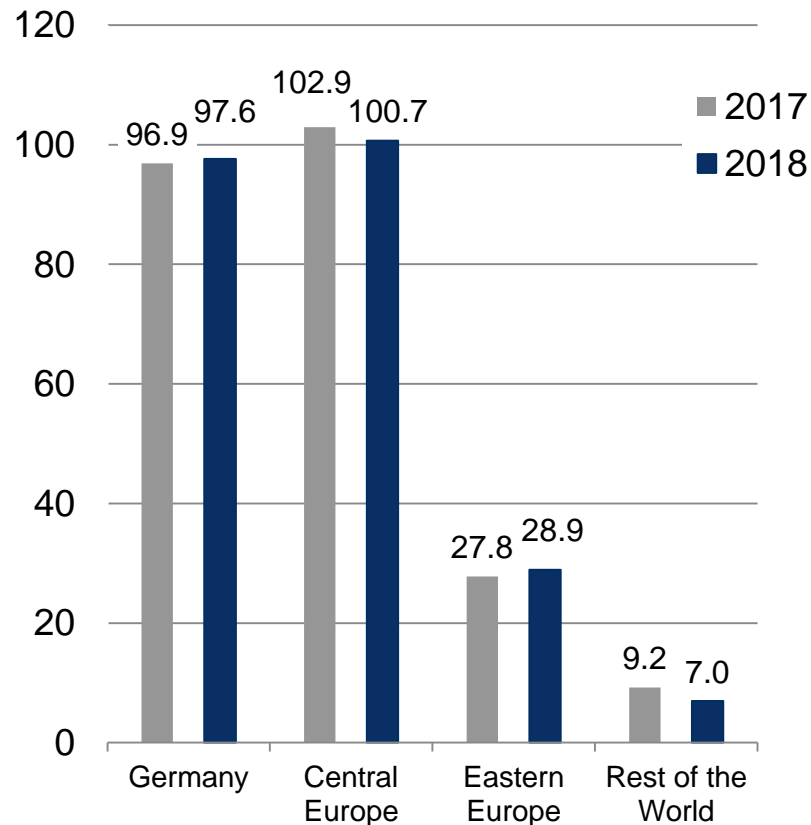
		2017	2018	Δ
Group Turnover	€ m	236.8	234.2	-1.1 %
Gross margin	%	46.4	43.6	-2.8 PP
Foreign currency results	€ m	-1.5	0.3	>100 %
EBIT	€ m	18.8	13.1	-30.7 %
EBIT margin	%	8.0	5.6	-2.4 PP
Earnings before taxes (EBT)	€ m	17.7	11.9	-32.7 %
Net result for the period	€ m	12.9	8.4	-34.7 %
ROCE	%	12.7	8.5	-4.2 PP

- Gross profit impacted by foreign currency effects, price increases for materials, mix effects and lower contribution margins due to decreased turnover
- EBIT also affected by expenses for changes to the Board of Management

Strong domestic market and growth in Eastern Europe

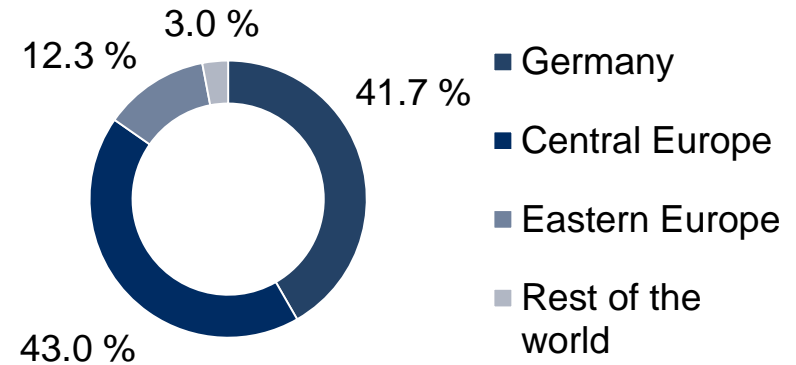
Group turnover by region

FY 2017 vs FY 2018 in € m



Group turnover by region

FY 2018



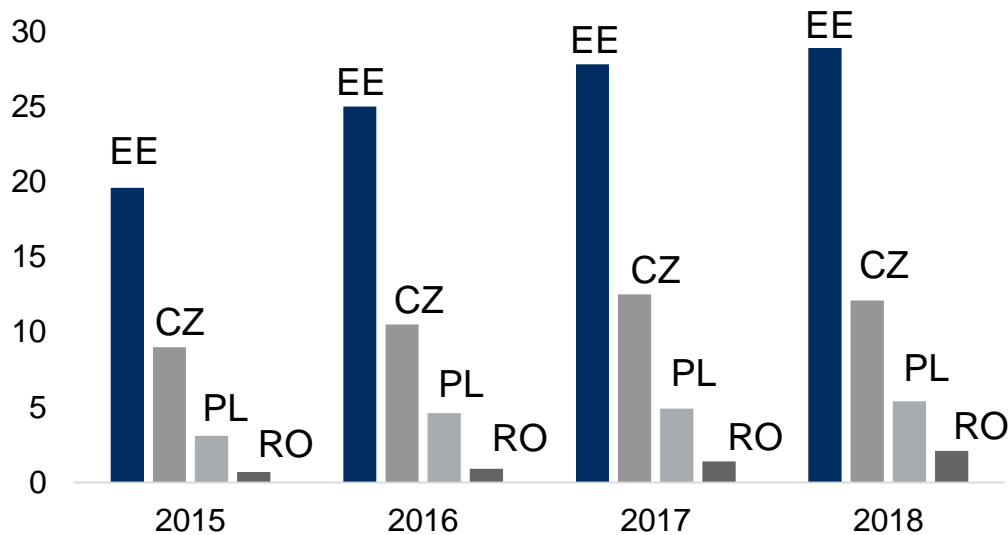
- 2018 financial year fell short of expectations
- Significant growth achieved in Eastern Europe
- Household and Private Label segments slightly declining
- Turnover growth in Wellbeing



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

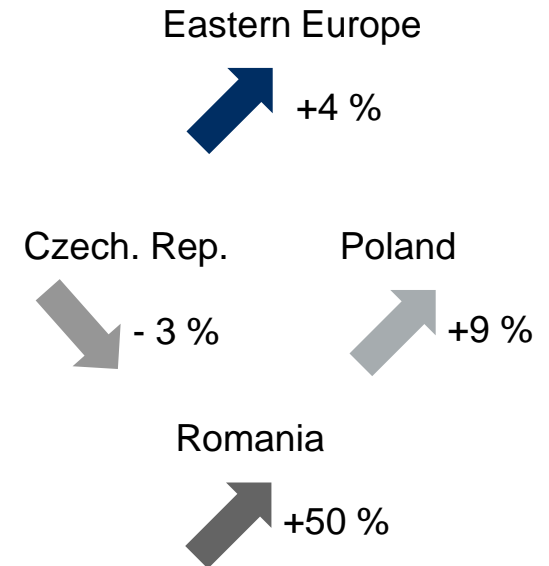
Turnover EE region and selected markets

2015 - 2018 in € m



Growth

2017 to 2018



1 Czech Republic turnover 2017 includes contract manufacturing for third parties at our Czech production site, which expired as planned.

Household: positive development of cleaning cannot compensate decline in laundry care

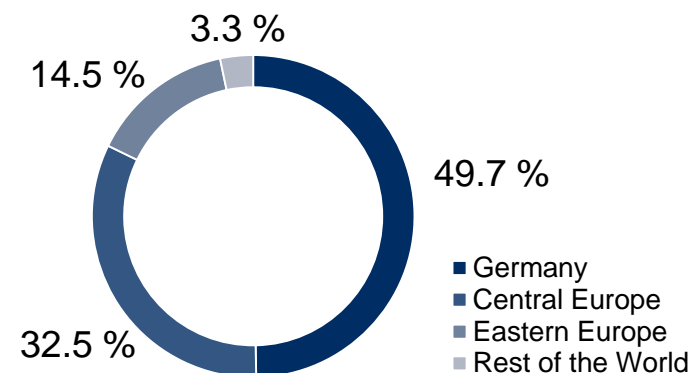
Results Household segment

2018 compared to 2017

		2017	2018	Δ
Turnover	€ m	182.9	180.4	-1,4 %
Gross profit	€ m	88.7	82.8	-6.7 %
Segment-EBIT	€ m	13.3	10.2	-23.3 %

Turnover Household

2018 / by region



Highest turnover segment of the Group

Significantly higher turnover in the product category cleaning

Earnings affected a.o. by currency effects and higher material prices

Wellbeing – new Soehnle assortement as growth drivers

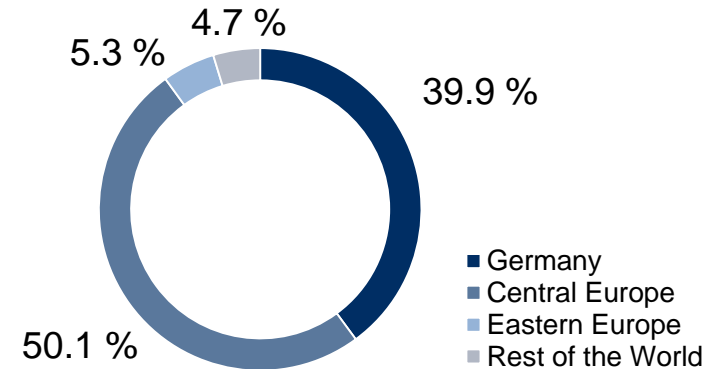
Results Wellbeing segment

2018 compared to 2017

		2017	2018	Δ
Turnover	€ m	19.6	19.9	+1.2%
Gross profit	€ m	9.8	8.6	-12.4%
Segment EBIT	€ m	2.2	-0.3	-<100%

Turnover Wellbeing

2018 / by region



Turnaround due to turnover growth by 1.2 %

Decline in EBIT due to currency effects and one-time higher expenses for the Soehnle app

Strong growth recorded in Germany and Eastern Europe

Private Label – Focus on international accounts

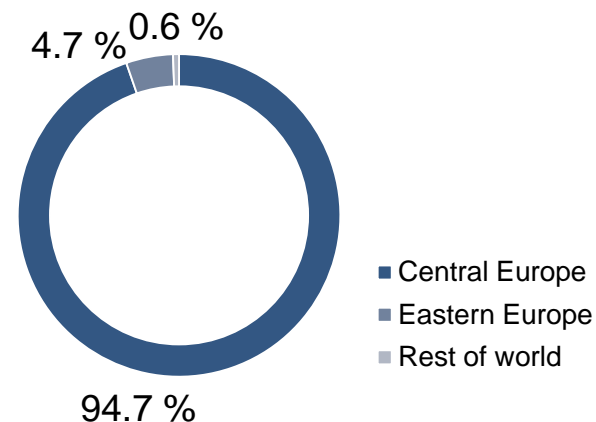
Results Private Label segment

2018 compared to 2017

		2017	2018	Δ
Turnover	€ m	34.3	33.9	-1.0%
Gross profit	€ m	11.4	10.7	-6.0%
Segment EBIT	€ m	3.3	3.2	-3.1%

Turnover Private Label

2018 / by region



Continued weakness of individual trading partners and protests in France

EBIT at stable level

Triple-digit percentage growth in Eastern Europe

Free Cash Flow improved but still too much impacted by working capital

in € m	2017	2018	Δ
Cash flow from operating activities	7.2	10.2	3.0
Cash flow from investment activities	-10.7	22.5	33.2
Cash flow from financing activities	-13.8	-10.0	3.8
Change in cash and cash equivalents	-17.3	22.7	40.0
Cash and Cash equivalents at the end of reporting period	28.2	50.9	22.7
Free cash flow ¹	1.5	3.7	2.2

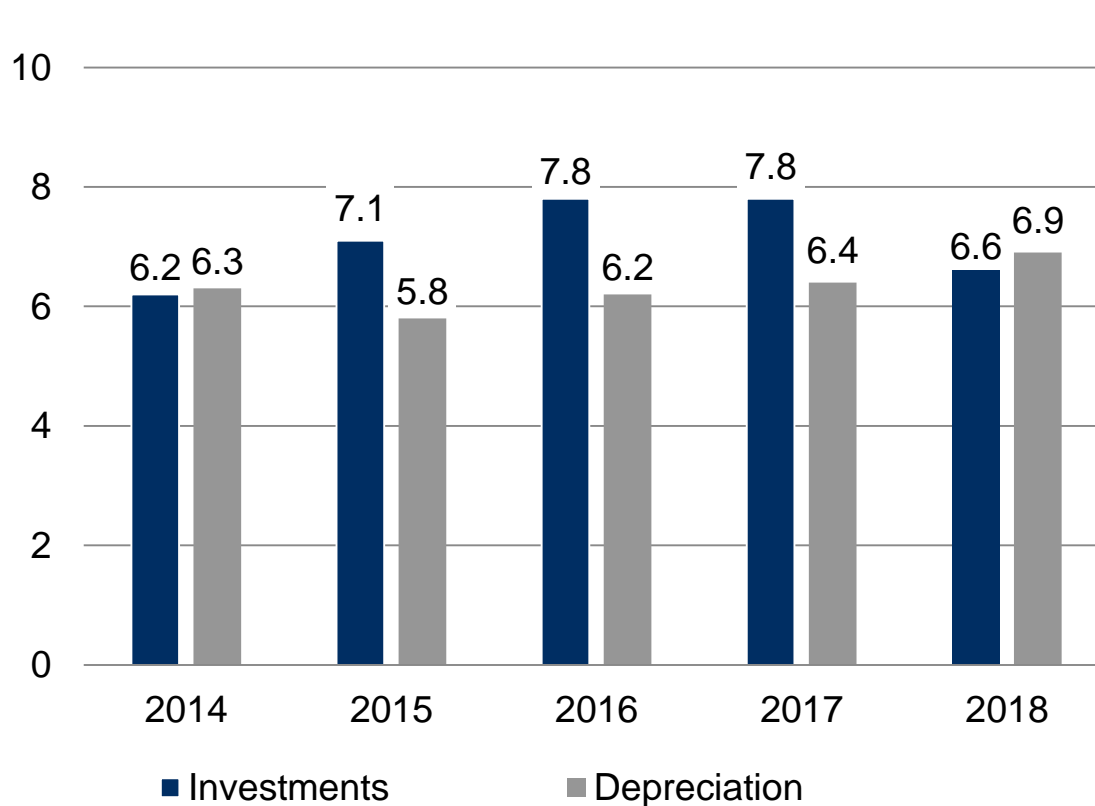
in € m	31.12.2017	31.12.2018	Δ
Cash and Cash equivalents at the end of reporting period	28.2	50.9	80.5 %
Current financial assets	29.0	-	> -100 %
Group liquidity	57.2	50.9	-11.0 %
Financial liabilities	-	-	-
	57.2	50.9	-11.0 %

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

Investments and continuous improvement of the product portfolio

Investments vs. depreciation

in € m



Investments 2018:

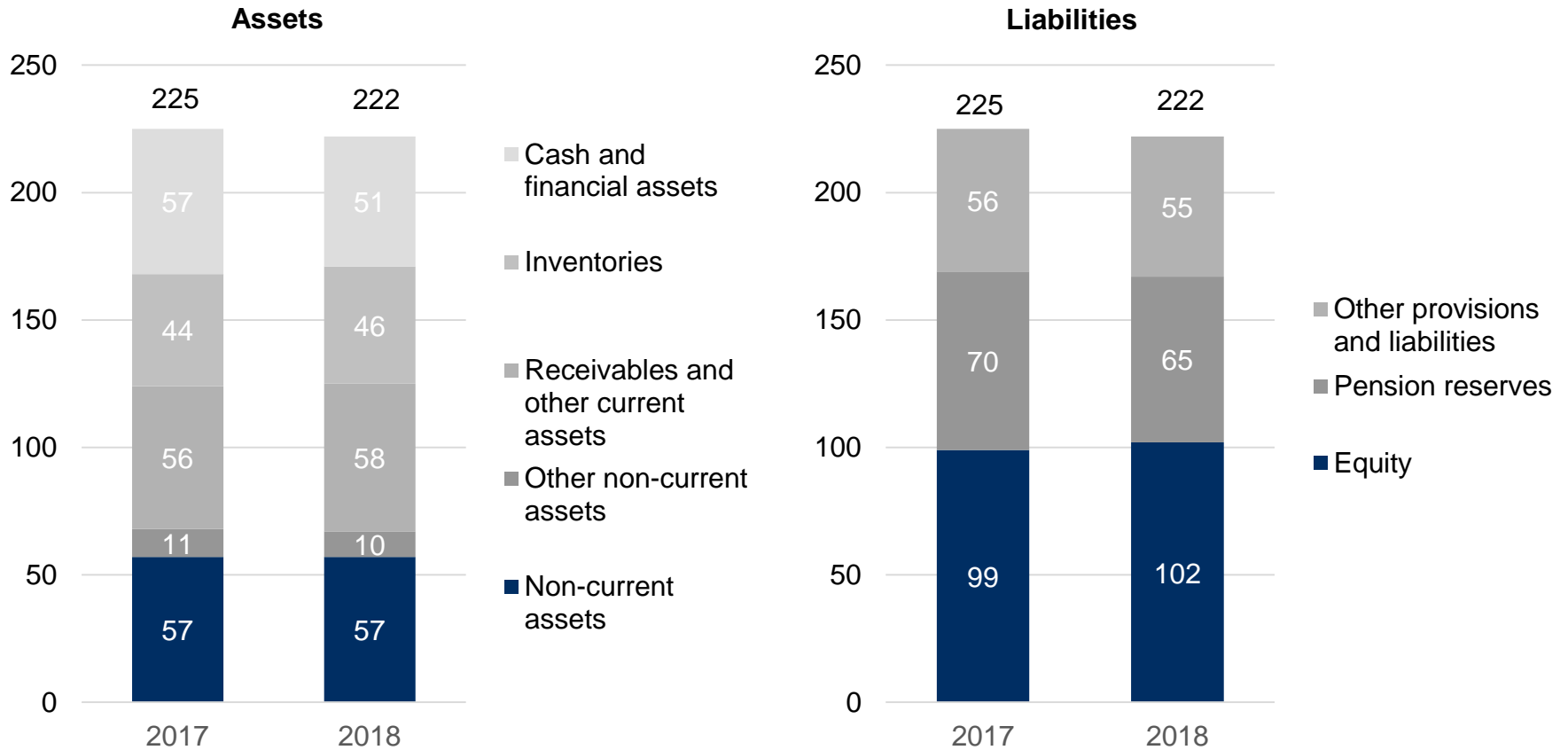
- 6.3 € m (2017: 6.7 € m) in fixed assets mainly in tools and equipment
- € 0.3 m (2017: € 1.1 m) in intangible assets (mainly software/product and customer-oriented systems)
- Investment rate: 3.6 % (2017: 4.5 %)

Solid finance structure of the Group



Balance sheet ratios

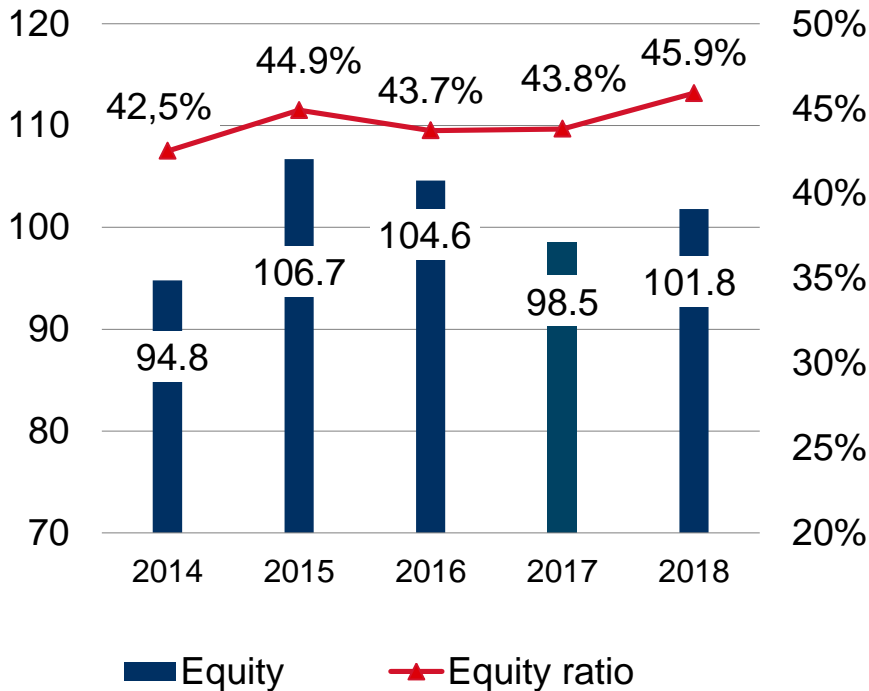
in Mio. €



Continuous strong capital structure and financial flexibility

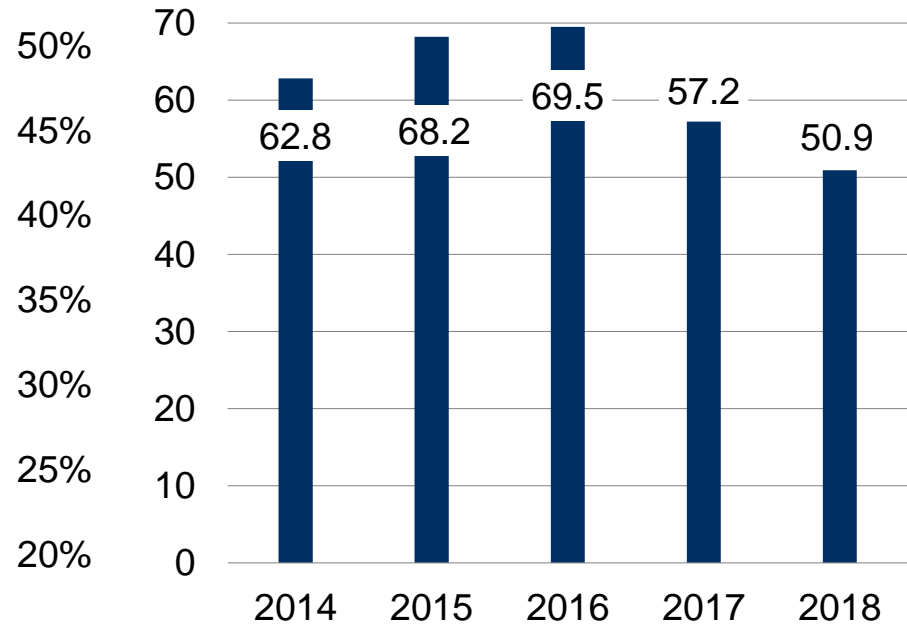
Equity/-ratio

31 December, in € m



Cash, cash equivalents and short-term financial assets

31 December, in € m

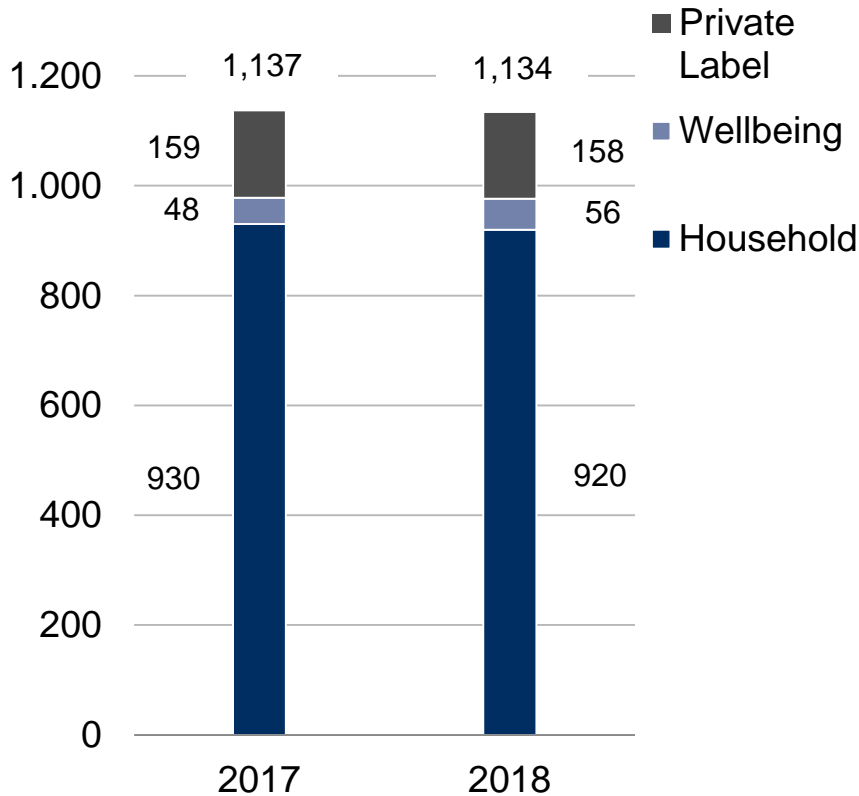


Number of employees on stable level



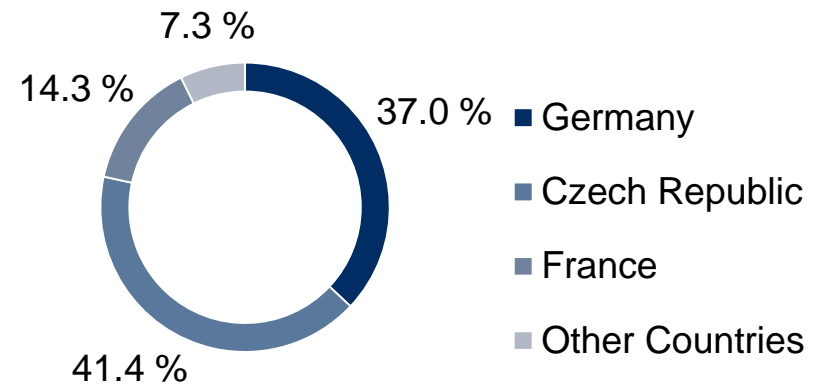
Employees by segment

31 December 2018



Employees

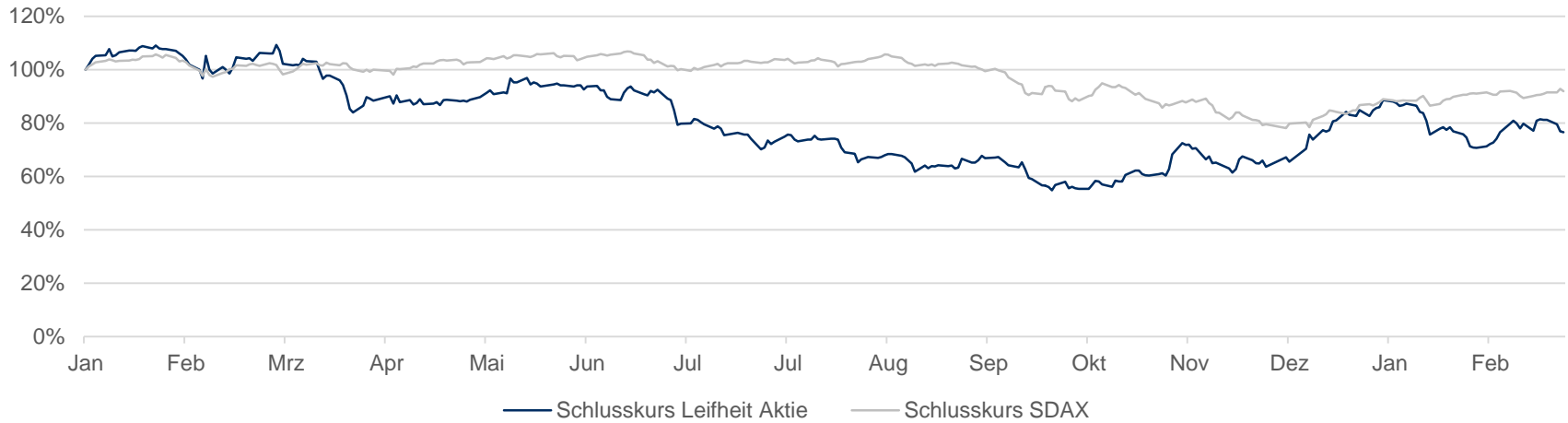
By Region / 31 December 2018



Development Leifheit share



Leifheit share price performance Jan. 2018 – March 2019 compared to SDAX in % (indexed to 100)



10-year performance of Leifheit share price compared to SDAX in % (indexed to 100)





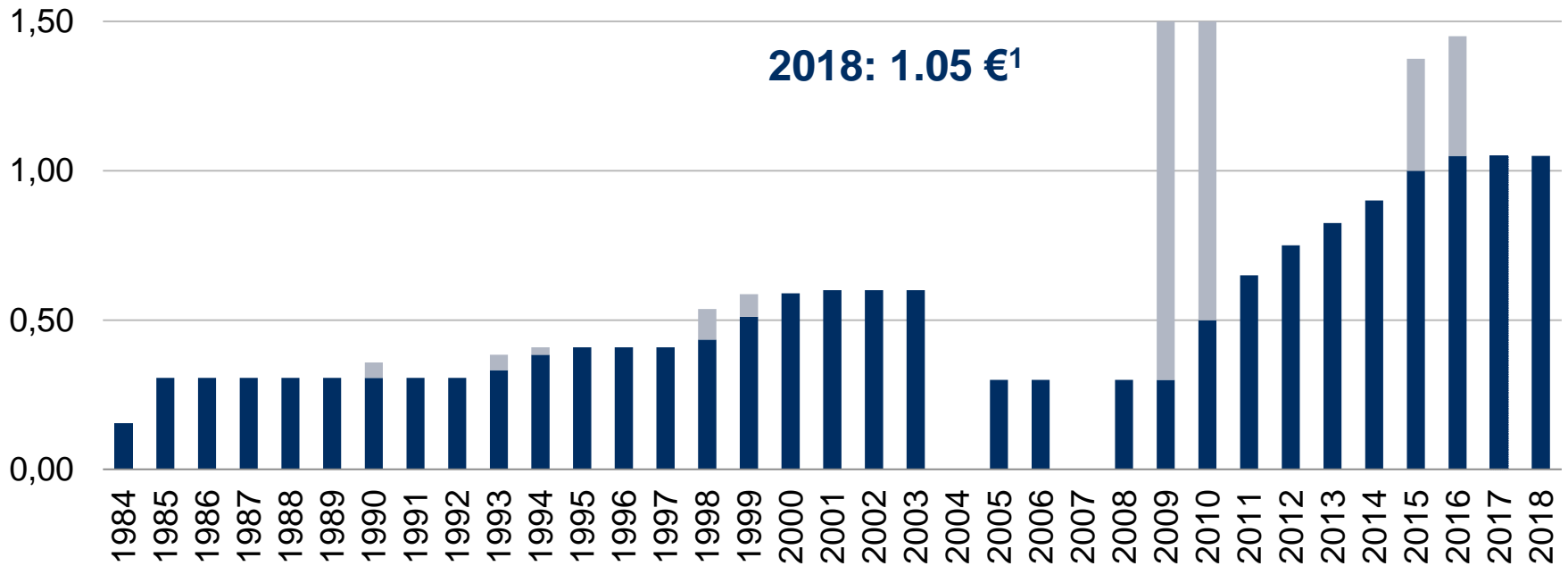
Committed to shareholder returns - 1.05 € dividend proposed to the AGM

Long-term dividend development

Dividend per share / in €

Dividend yield ²

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 Proposal to the Annual General Meeting

² Based on the particular closing price at year-end

■ Bonus/special dividend

■ Dividend

Key strategic initiatives 2019

Trends and market environment offer attractive growth opportunities

Demographic change

More private households, rising proportion of older population & higher quality orientation among young households

E-Commerce

High growth rates for household goods & appliances (2016/2017: +26.5%)

Convenience

Demand-oriented product innovation through systematic innovation and market introduction processes

Health

Demand for well-being and healthcare products due to growing health awareness

Environment

Durable high quality products

Digitalization and Connectivity

High demand for battery-powered devices
Connectivity of products and services

Strengthening strategy to consistently address growth themes



Interlock Online and Offline sales channels, establish Pan-European E-Commerce team, launch own web shop

Digitalization



Drive consumer-oriented product innovations and renewal of existing portfolio

Innovation



International geographic expansion, Brand building activities especially in Eastern Europe

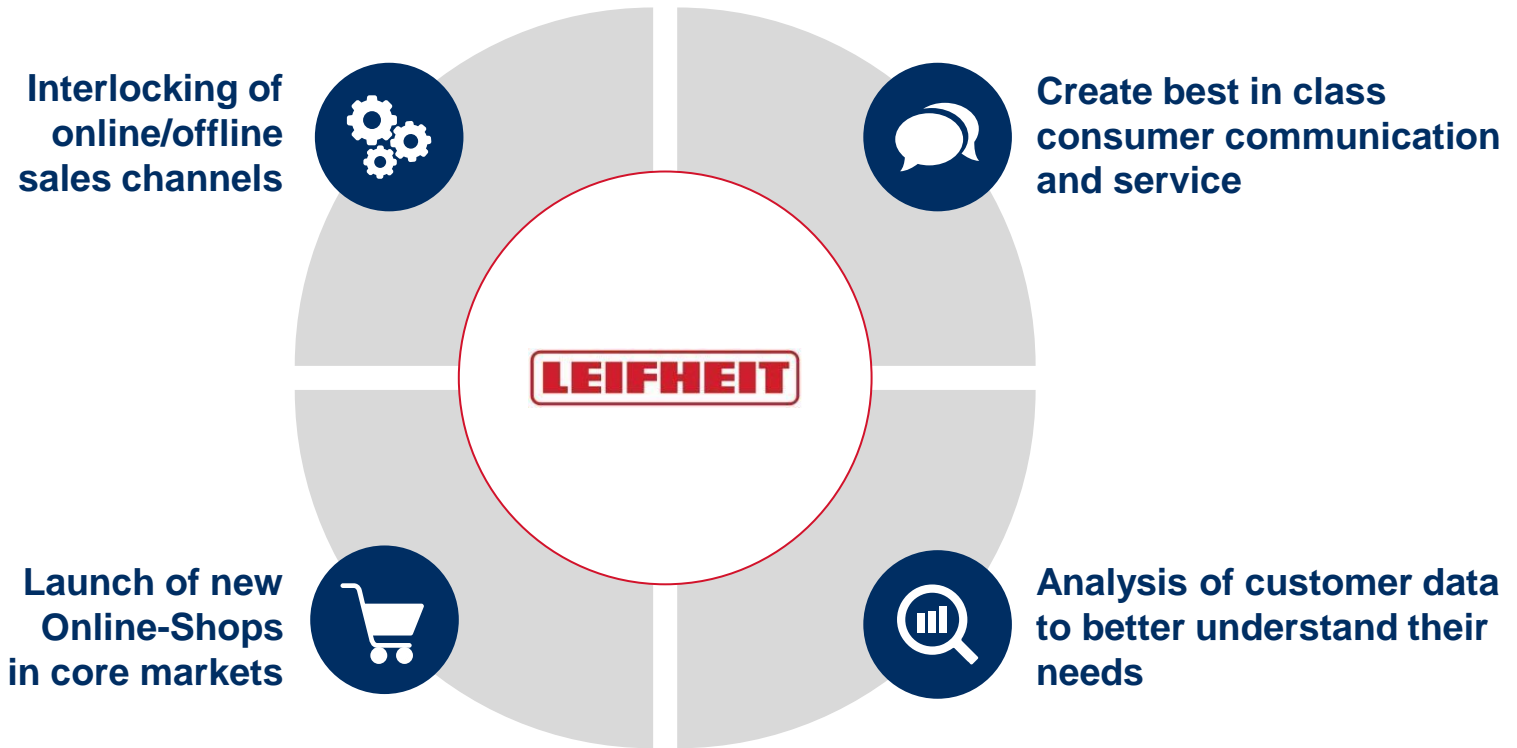
Internationalization



Increased efficiency and speed from processes and IT along the entire value chain

Efficiency

Expansion of e-commerce activities through European platform



Key strategic initiatives

New Online-Shops to be launched in 2019



Lorem ipsum

Standrockner Classic Siena 180 Easy Aluminium blau
★★★★ 13

Standrockner Classic Siena 180 Easy Aluminium blau
★★★★ 13

Standrockner Classic Siena 180 Easy Aluminium blau
★★★★ 13

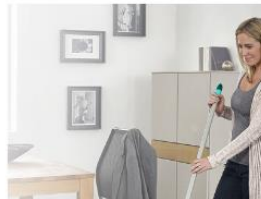
Standrockner Classic Siena 180 Easy Aluminium blau
★★★★ 13

Standrockner Classic Siena 180 Easy Aluminium blau
★★★★ 13

Cleaning products by Leifheit
Clean home

Cleaning products by Leifheit - a clean solution for every task.

[VIEW PRODUCTS](#)



Leifheit
Smart kitchen

Leifheit kitchen helpers - clever ideas for the kitchen.

[VIEW PRODUCTS](#)



Ironing Board Cover BeachnBubbles120x38
€ 100.00
★★★★ 13



Laundry sprayer
€ 10.00
★★★★ 13



Ironing Board Cover Air Active L blue stripes
€ 100.00
★★★★ 13



Ironing Board Air Active L
€ 100.00
★★★★ 13



Ironing Board Air Board Express M Compact
€ 100.00
★★★★ 13



Ironing Board Air Board Express M Compact
€ 100.00
★★★★ 13

Internationalization: Increased investments in Eastern Europe

- Expansion of brands through targeted sales activities
- Focus on selected Eastern European markets with attractive growth opportunities
- Increased investments in Poland, Czech Republic, Romania and Slovakia
- Foundation of subsidiary in China for sales activities in Asia Pacific region





LEIFHEIT
So geht Haushalt heute.

Product and Brand Initiatives 2019

Anniversary Colour Edition



Ingeniously simple: spray, wipe and done



Comfort-Spray Mop

Easy

Spray XL



The most comfortable
floor wiper for convenient
in-between cleaning



LEIFHEIT

How housework's done today.

www.leifheit.com



Established Leifheit features – better and cheaper.



Window Vacuum

Aquanta Click



LEIFHEIT

How housework's done today.

www.leifheit.com



Variable extendable standing dryer with xl drying bars.



**Classic
Extendable
230**



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.

NEW

LEIFHEIT

How housework's done today.

www.leifheit.com



Switch on ironing board. Switch off head.



Ironing board with
Air Inflate function

Air Flow

Air cushion for
stress-free,
crease-free ironing.



LEIFHEIT

How housework's done today.

60
YEARS

www.leifheit.de

Soehnle Scales: Colour Editions 2019



Think Pink



Ocean Green



Stone Grey

Personal scales Style
Sense Compact 200
Kitchen scales
Page Compact 300

LIFE IN BALANCE

SOEHNLE



Pale Blue



Delicate Rosé



Mint To Be



Expansion of blood pressure monitors range
Systo Monitor 180

LIFE IN BALANCE
SOEHNLE



Expansion of
Air treatment range
Bari Design
Aroma Diffuser

LIFE IN BALANCE

SOEHNLE



Expansion of Soehnle
Connect Scales range
Shape Sense Connect

L I F E I N B A L A N C E

SOEHNLE

Forecast Financial Year 2019

2019: Leifheit targets turnover growth of 3 to 4 %

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 of about 3 to 4 %
- Household: Turnover growth of about 2 to 3 %
- Wellbeing: Turnover growth of about 11 to 12 %
- Private Label: Turnover growth of about 3 to 4 %
- ▶ EBIT of around € 9 m to € 10
- ▶ Free cash flow of about € 3.5 m to € 4.5 m

Investment Highlights



Long-standing track record

For 60 years one of the leading suppliers of household products in Europe



Excellent product quality

High-quality innovative products for cleaning, laundry care, kitchen and wellbeing with high utility and functional design



Non-cyclical business

Leifheit products used every day



Strong brands Leifheit and Soehnle

High awareness and consumer confidence



Innovation capability

Demand-oriented product innovation through systematic innovation and market introduction processes



Changing market

Digitalization, e-commerce and convenience create attractive growth opportunities



International sales network

Promotes market penetration and further internationalization



Finance structure

Efficient cost structure and solid financial position



Shareholder-oriented dividend policy

Distribution of approx. 75% of max (free cash flow, net income) targeted, surplus cash for shareholders



Strong long-term share price performance

Since 2008 +450% and thus above SDAX (+240%)

Annex

Financial calendar and contact



Dates 2019

28 March 2019

Annual Financial Reports 2018

Analyst's meeting, Frankfurt/Main, Germany

14 May 2019

Quarterly statement Q1

29 May 2019

Annual General Meeting, Frankfurt/Main, Germany

13 August 2019

Financial report for the period ending 30 June 2019

12 November 2019

Quarterly statement Q3

Contact

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Email: ir@leifheit.com

www.leifheit-group.com

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

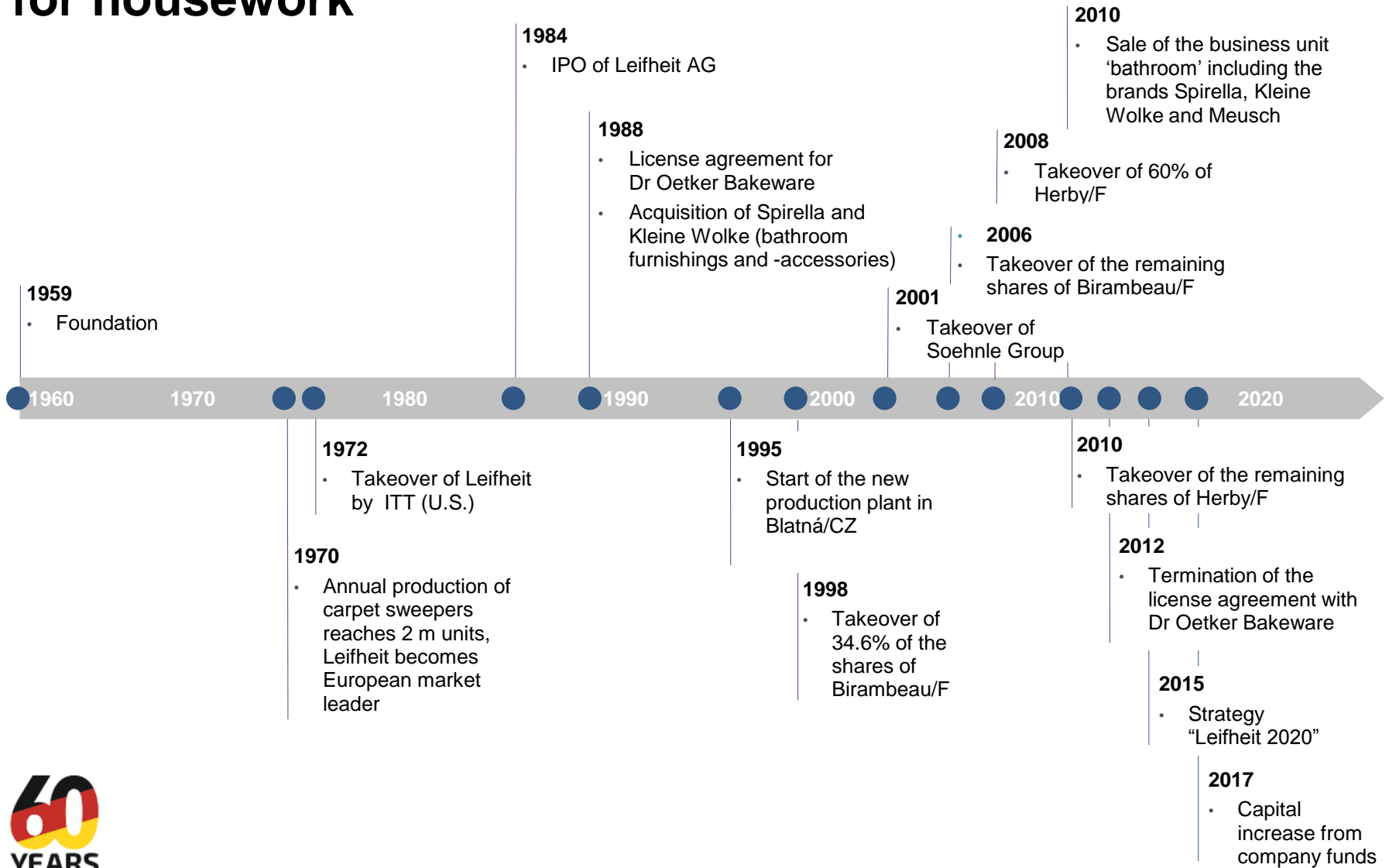


		2014	2015	2016	2017	2018
Per Share¹						
Net result for the period ²	€	1.49	1.51	1.53	1.35	0.88
Free cash flow	€	1.94	1.48	1.51	0.16	0.39
Dividend	€	0.90	1.00	1.05	1.05	1.05
Special dividend	€	--	0.38	0.40	--	--
Investments	€ m	6.2	7.1	7.8	7.8	6.6
Depreciation	€ m	6.3	5.8	6.2	6.4	6.9
		31/12/14	31/12/15	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

Leifheit – 60 years of passion for housework

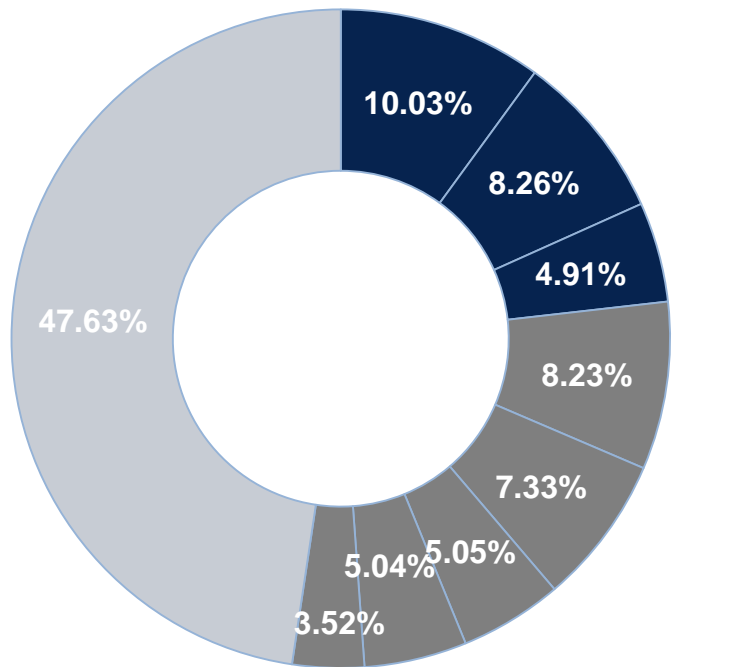


Significant free float and international investors



Shareholder structure

March 2018



■ 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 %



Aktiengesellschaft

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