

# SCALING UP SUCCESS

**LEIFHEIT**

## Investor Presentation 9M 2020

November 2020

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# Leifheit makes top quality household products, designed in Germany



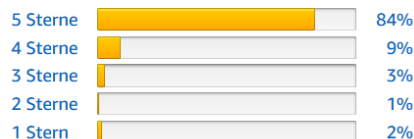
Profi Floor Wiper  
4.7 stars



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

★★★★☆ 4,7 von 5

911 Sternebewertungen



Clean Twist  
4.6 stars



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

★★★★☆ 4,6 von 5

2.148 Sternebewertungen



Pegasus 150  
4.6 stars

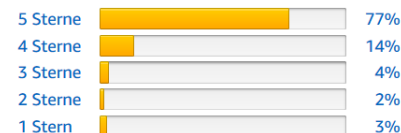


Dieser Artikel Leifheit Standtrockner Pegasus 150 Solid Slim, standfester Wäscheständer mit Flügeln auch für lange Kleidungsstücke, besonders schmaler Flügelwäschetrockner passt auch durch enge Türen

Bestseller Nr. 1

★★★★☆ 4,6 von 5

3.208 Sternebewertungen



Linomatic 500 Deluxe  
4.5 stars



Leifheit Wäscheschirm Linomatic 500 Deluxe mit Leineneinzug für saubere Wäsche, Wäschespinnre für die ganze Familie, Wäscheständer

★★★★☆ 4,5 von 5

2.114 Sternebewertungen

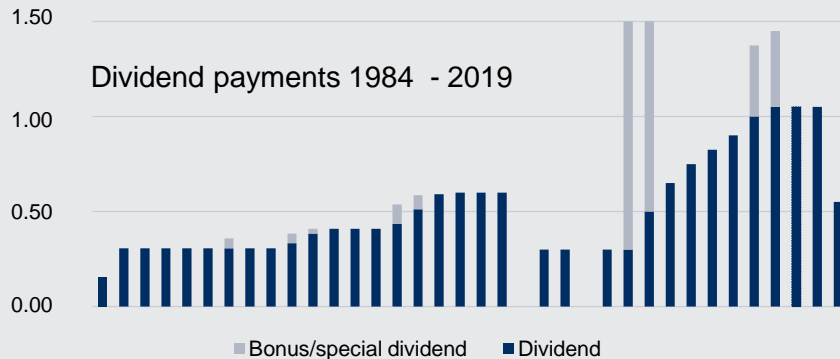


# Leifheit is financially solid and pays good dividends to shareholders



## Commitment to shareholders

in €

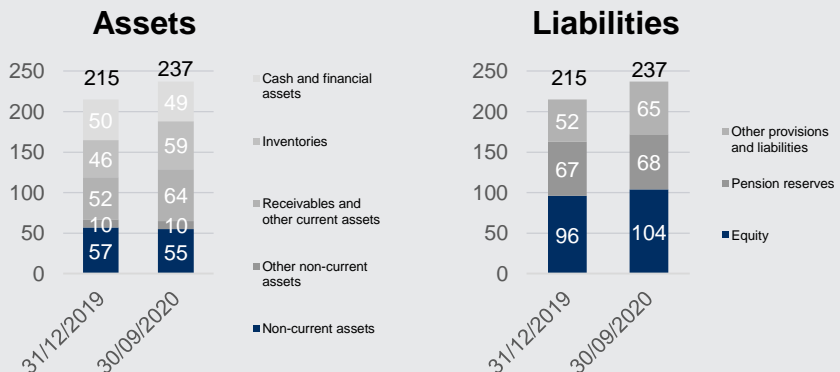


## Strong products and brands



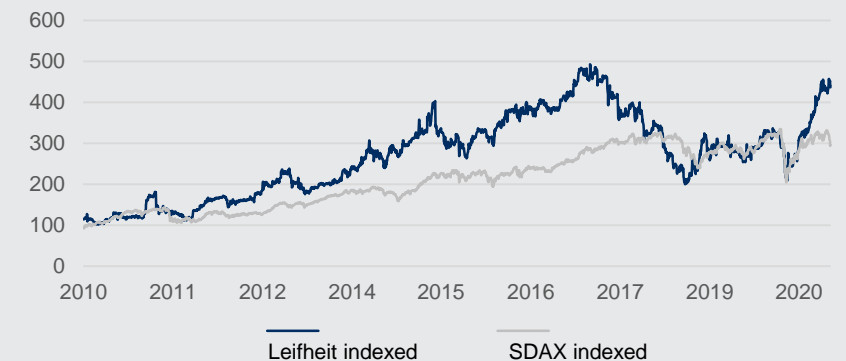
## Strong financial structure

in € m



## Strong long-term stock performance

in %

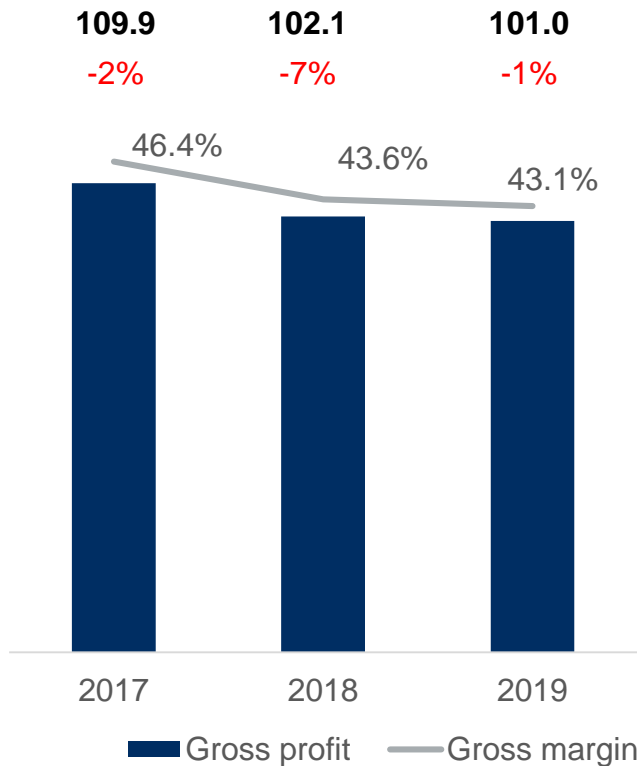


# However, our 2018 and 2019 results were disappointing... can we change that?



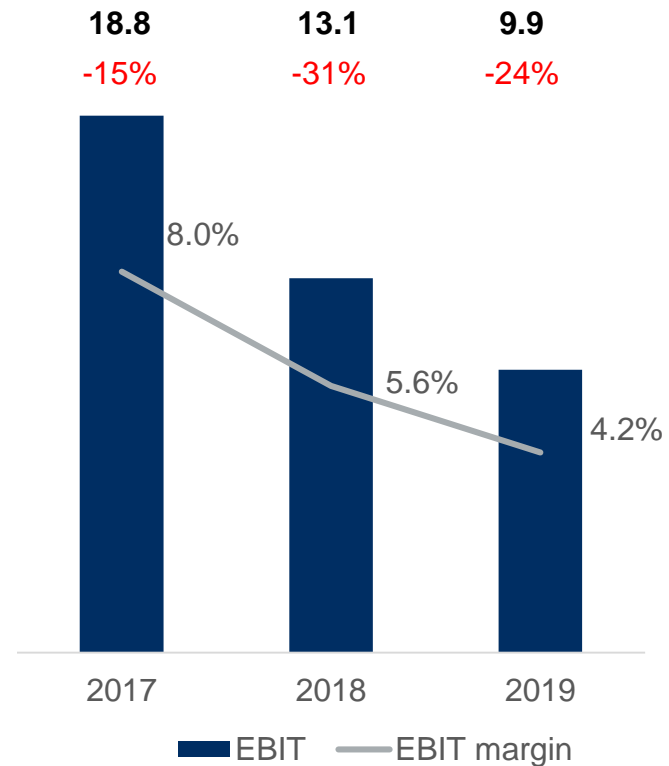
## Gross profit

in € m



## EBIT

in € m

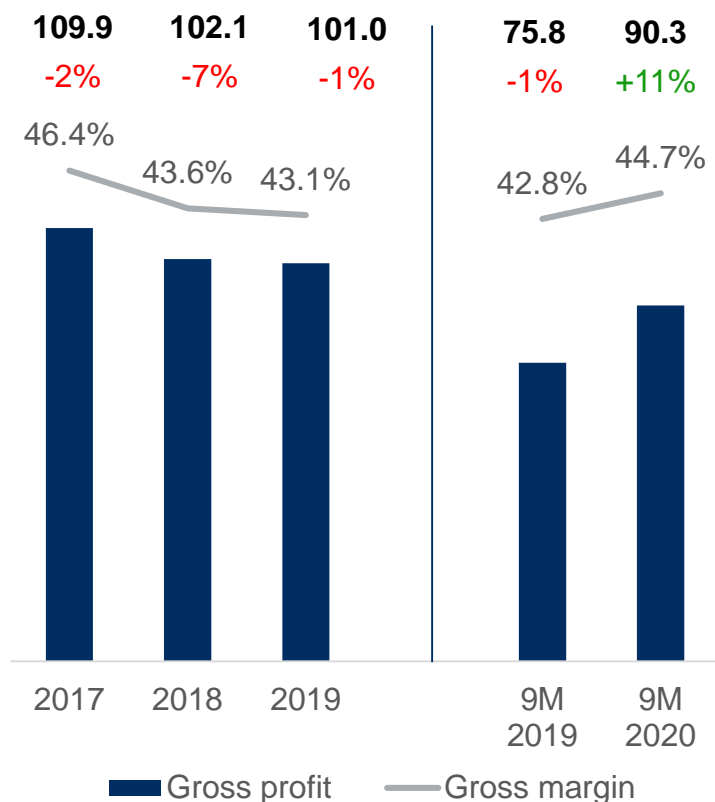


# Successful turn around in 2020: September YTD 2020 EBIT up +115% vs year before



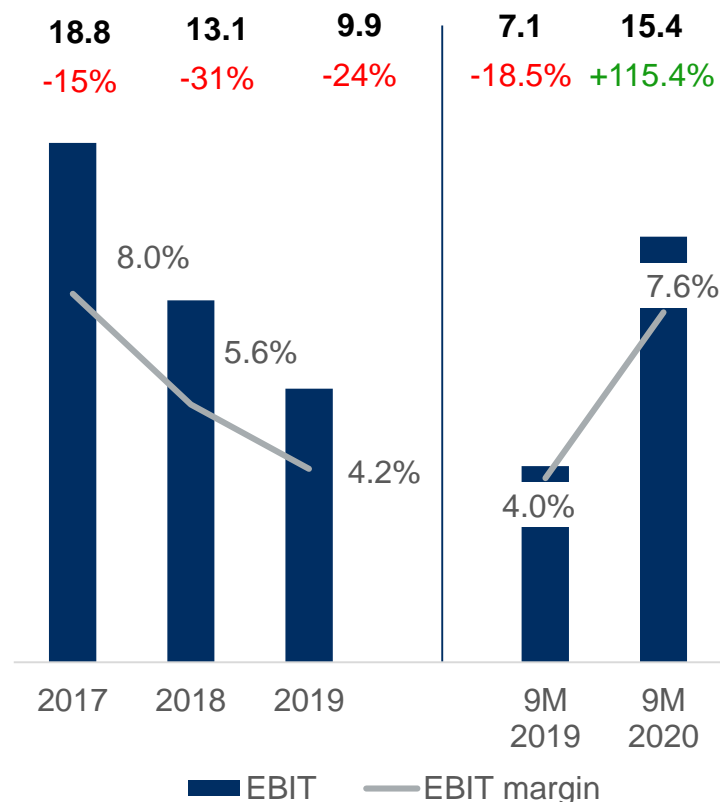
## Gross profit

in € m



## EBIT

in € m

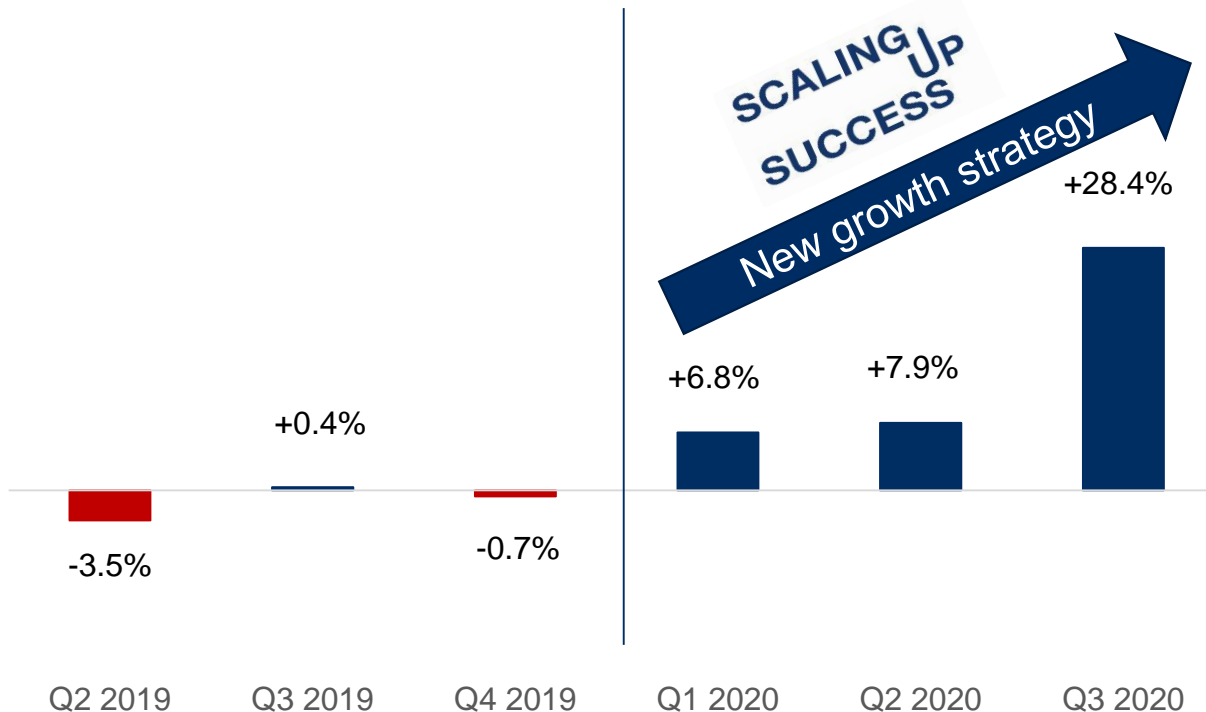


# New strategy transforms Leifheit into a growing business, up 28% in Q3



## Group turnover development by quarters

in %



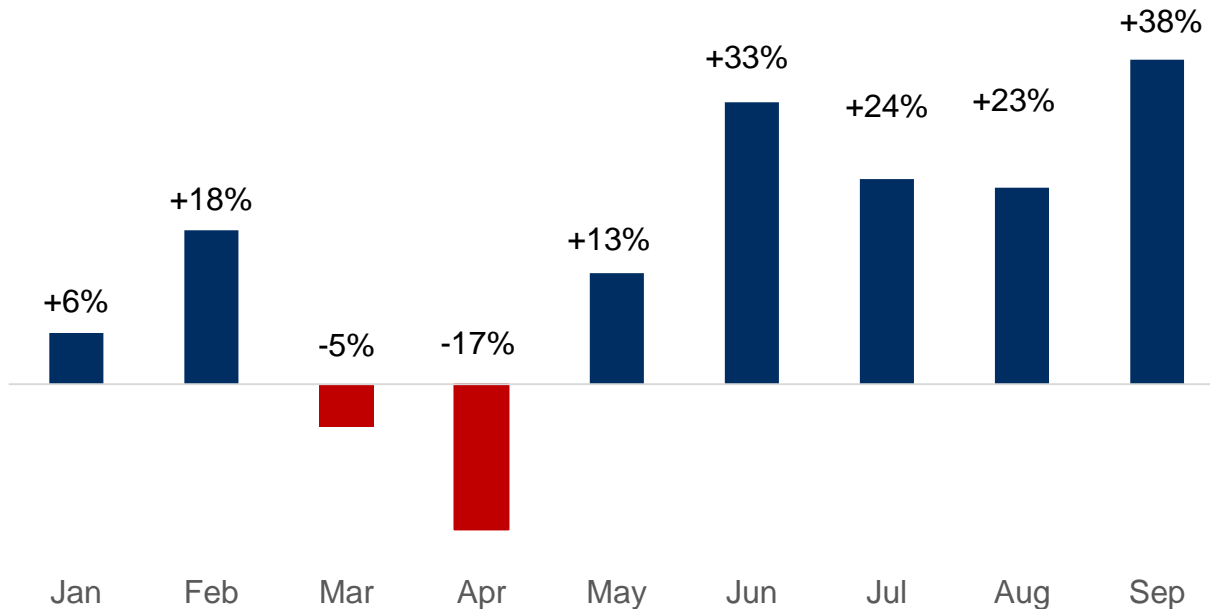
- After years of flat revenue now double-digit growth in 2020
- Percentage growth vs year before accelerates from quarter to quarter in 2020

# Double-digit growth in five consecutive months



## Group turnover development by months

in %



- COVID-19 pandemic resulted in retail shutdowns in March and April
- Advertising campaigns drive strong growth





# EBIT margin up by 360 basis points from 4.0% in 9M 2019 to 7.6% in 9M 2020



		9M 2019	9M 2020	Δ
Group turnover	€ m	177.2	201.9	13.9 %
Gross margin	%	42.8	44.7	1.9 pps
Foreign currency result	€ m	0.3	-0.6	> -100 %
EBIT	€ m	7.1	15.4	> 100 %
EBIT margin	%	4.0	7.6	3.6 pps
Earnings before taxes (EBT)	€ m	6.1	14.6	> 100 %
Net result for the period	€ m	4.2	10.6	> 100 %
EPS	€	0.45	1.11	> 100 %

# Negative cash flow mainly due to turnover-related increase in receivables

in € m	9M 2019	9M 2020	Δ
Cash flow from operating activities	11.8	4.6	-7.2
Cash flow from investment activities	-4.1	-4.9	-0.8
Cash flow from financing activities	-10.5	-0.5	10.0
Change in cash and cash equivalents	-2.8	-0.9	1.9
Cash and cash equivalents at the end of reporting period	48.1	49.4	1.3
Free cash flow <sup>1</sup>	7.7	-0.3	-8.0

in € m	31/12/2019	30/09/2020	Δ
Cash and cash equivalents at the end of reporting period	50.3	49.4	-0.9
Group liquidity	50.3	49.4	-0.9
Financial liabilities	-	-	-

- Decrease in Group liquidity mainly results from the strong rise in working capital; short-term trade receivables up by € 16.2 m to € 60.6 m and inventories increased by € 12.6 m to € 58.4 m on the reporting date
- At € 5.0 m investments above previous year (€ 4.3 m)

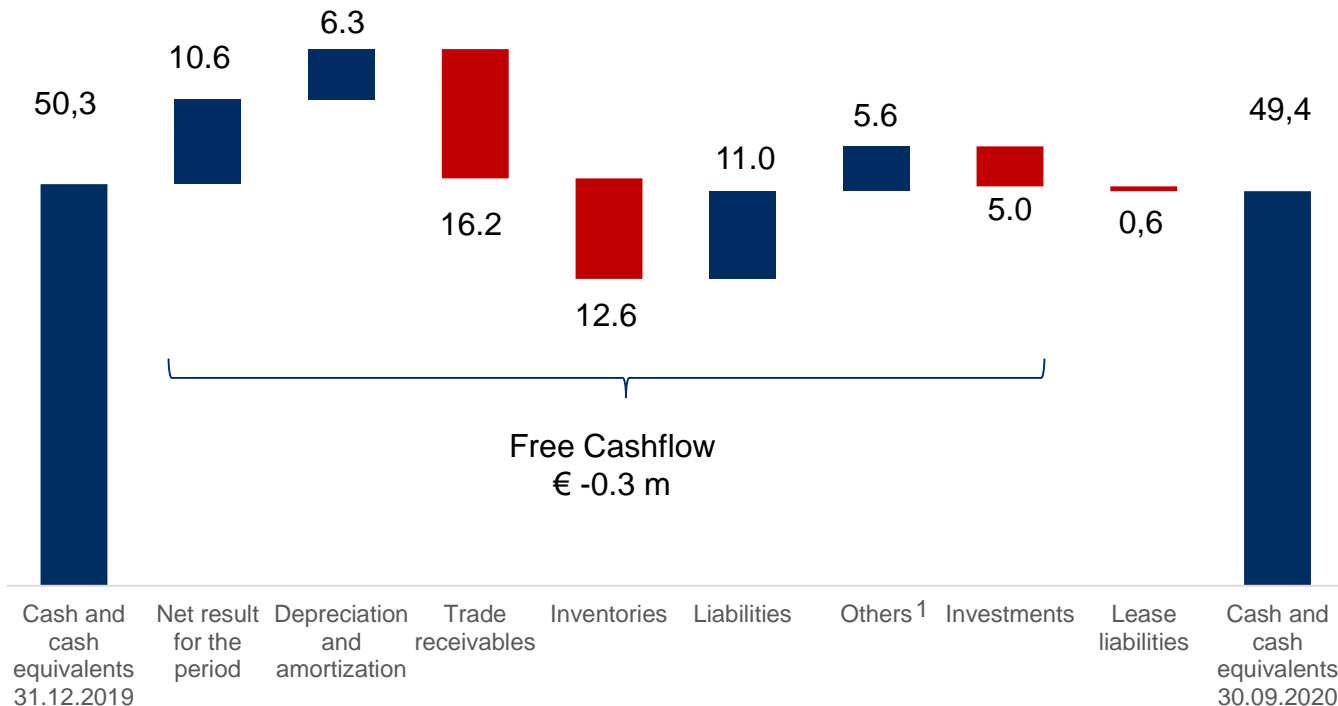
<sup>1</sup> Cash flow from operating activities and from investment activities, adjusted for incoming and outgoing payments in financial assets and, if existing, from the divestiture of business divisions.

# Negative cash flow in September 2020 YTD behind turnover growth (trade receivables) and increased inventories (prepare future growth and secure supplies during pandemic)



## Group liquidity

31.12.2019 vs 30.09.2020 in € m



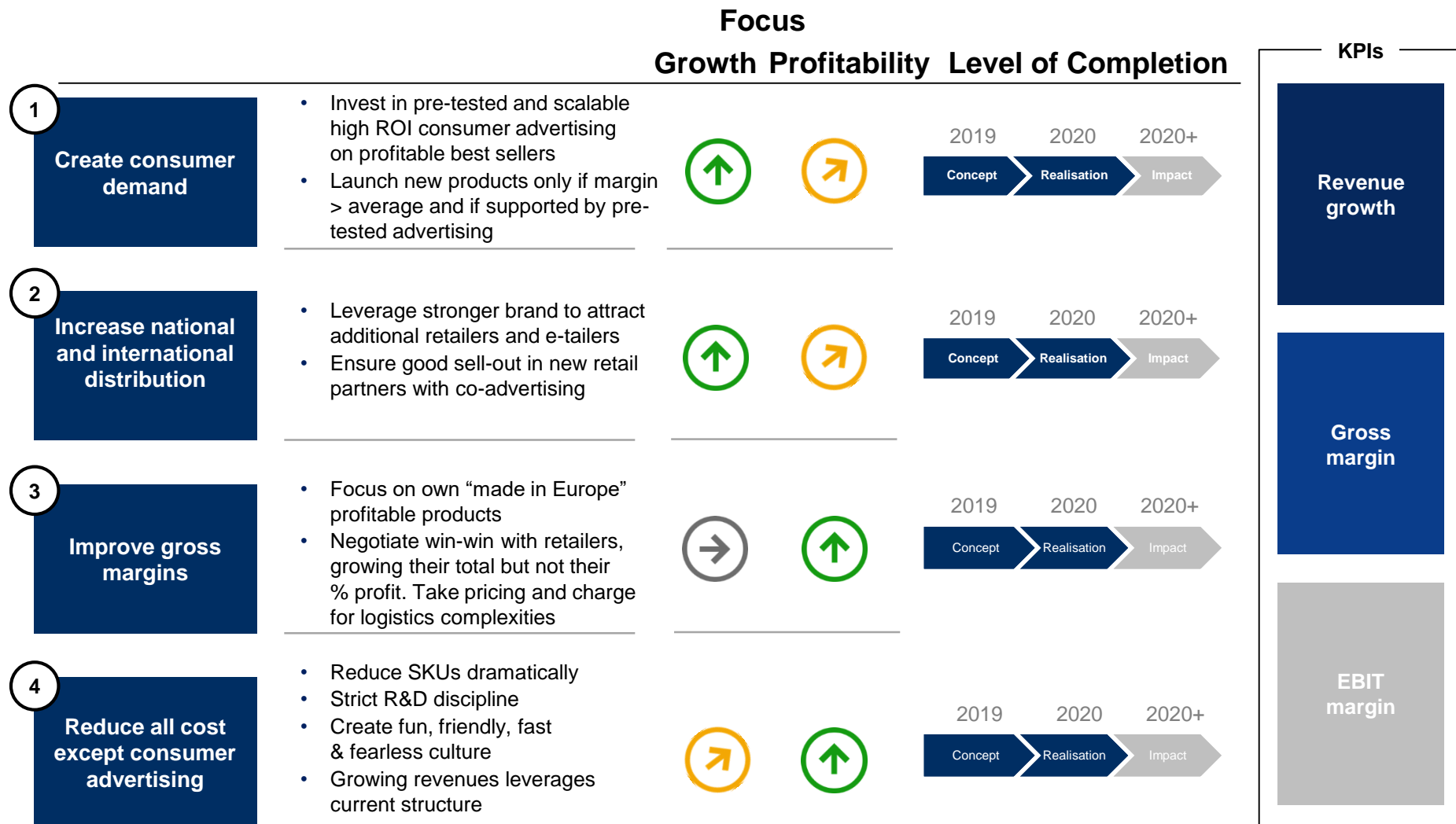
- Increase in trade receivables as a result of turnover growth (9M 2019: decrease € 0.4 m)
- No noteworthy effects from aging of receivables in connection with COVID-19
- Increase in inventories due to consumer advertising planned for the next months and to secure supply chain during the ongoing pandemic

<sup>1</sup> Others contains sales and income taxes in the amount of +€ 6.1 m

# Our purpose? Happy consumers!



# We call our strategy “Scaling up success”



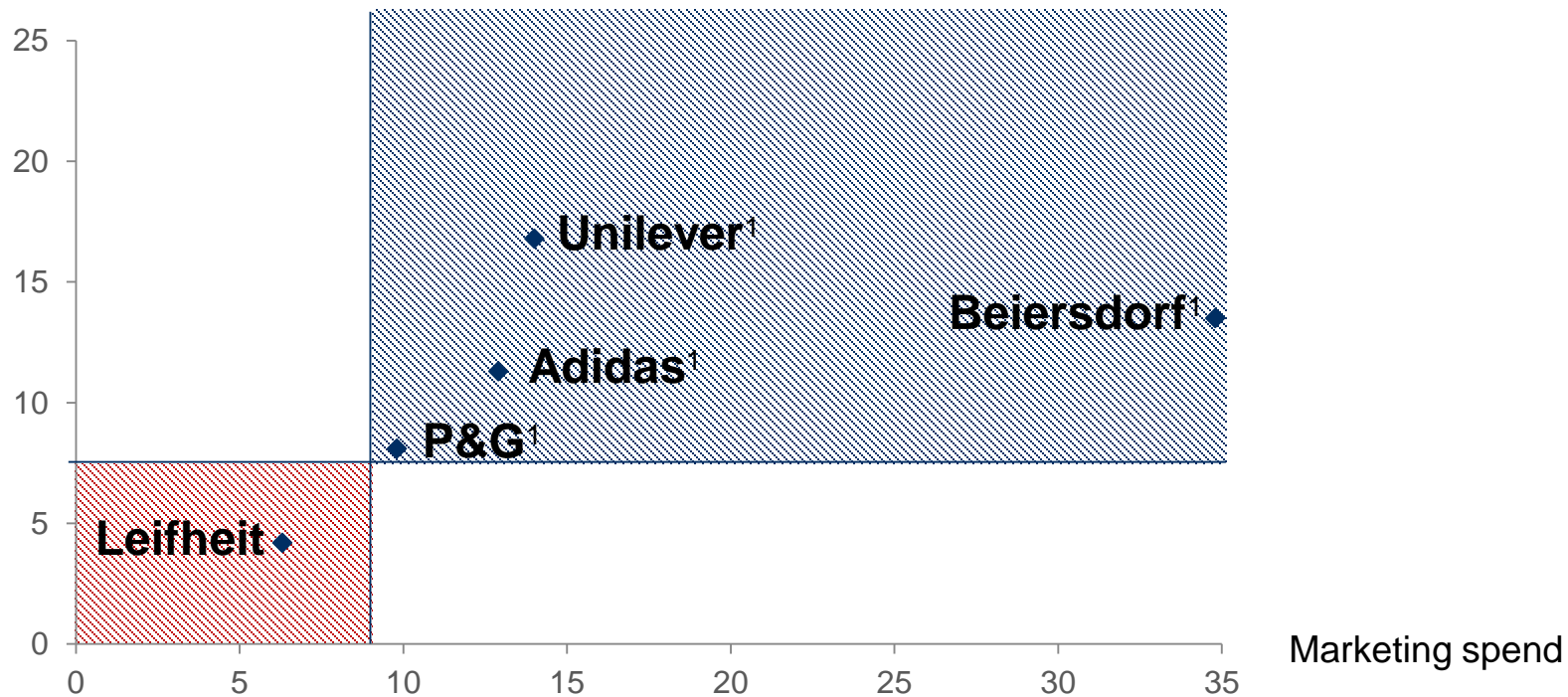
# ① Create consumer demand and make brand stronger



## Marketing spend

2019 in % of turnover

## EBIT margin



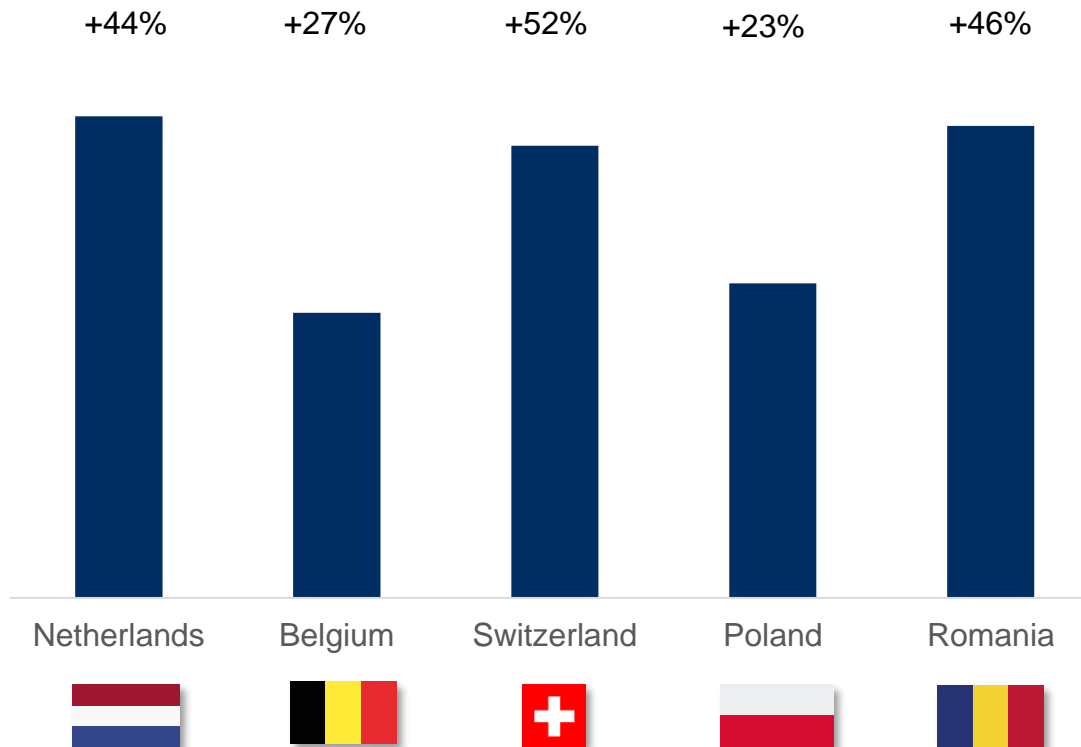
<sup>1</sup> Source: Annual reports 2019

# ① We tested massive advertising spend in several countries with strong results



## Turnover development selected TV markets

Group turnover 9M 2020 in € m



# ① Encouraged by strong results in TV advertising test countries we took the approach to our #1 market Germany in Q3



## Turnover development Germany

Group turnover % change vs year before in Q3

+33%





# ① Encouraged by strong advertising results on brand Leifheit, we scaled up this approach to brand Soehnle in Q3

**SOEHNLE**



- Campaign focuses on Soehnle Page Profi 300 digital kitchen scales, recently awarded a “very good” test result.
- Soehnle Page Profi is the most-popular range of kitchen scales in Germany.
- Target group-relevant and high-reach top print titles from September to December 2020:  
8 million copies, 2.74 million target group contacts.



## ② We are successfully expanding our distribution network in 2020



Permanent listings in

# 1,200

additional supermarkets  
in the DACH region.



## ④ While spending more on consumer advertising, we drive down all other cost

% of Group turnover	FY 2018	FY 2019	9M 2019	9M 2020	Change
Consumer marketing	0.7%	1.7%	1.4%	4.7%	+3.3 pp ✓
Other marketing	5.4%	4.6%	4.7%	3.8%	-0.9 pp ✓
R&D	2.3%	2.4%	2.4%	2.0%	-0.4 pp ✓
Logistics <sup>1</sup>	11.0%	11.5%	11.2%	9.9%	-1.3 pp ✓
Administration	6.1%	6.4%	6.5%	5.8%	-0.7 pp ✓
Cost of turnover	56.4%	56.8%	57.2%	55.3%	-1.9 pp ✓
OPEX <sup>2</sup> adj. by Consumer marketing	94.2%	94.7%	94.9%	87.8%	-7.1 pp ✓
OPEX <sup>2</sup>	94.9%	96.4%	96.3%	92.6%	-3.7 pp ✓

<sup>1</sup> Not including inbound cost <sup>2</sup> Without other operating income/expenses

# Full year earnings forecast significantly raised: 70 to 90 % EBIT growth vs FY 2019



	Actual 2019	Forecast 2020 before COVID-19	Forecast 2020 Jul 2020	Forecast 2020 Oct 2020
Group turnover	234.0 €m	approx. +8%	+7 to 9%	+11 to 13%
Turnover Household	182.0 €m	+8 to 9%	+8.5 to 10.5%	+12.5 to 14.5%
Turnover Wellbeing	19.8 €m	+10 to 11%	+11 to 13%	+21 to 26%
Turnover Private Label	32.2 €m	approx. +5%	slight decrease	slight decrease
Group EBIT	9.9 €m	9.5 to 10.0 €m	12 to 15 €m	17 to 19 €m
Free Cashflow	10.1 €m	6.5 to 7.5 €m	1 to 3 €m	3 to 5 €m
ROCE	8.2 %	7.5 to 8.5%	9 to 12 %	12 to 15 %



# SCALING UP SUCCESS

**LEIFHEIT**

**New winning  
strategy will now  
be scaled up  
to more countries,  
retailers, brands  
and product lines.**

November 2020

# SCALING UP SUCCESS

**LEIFHEIT**

**Your questions please.**

November 2020

# Annex

# Leifheit Group



## Household



Laundry Care



Cleaning



Kitchen goods

## Wellbeing



Personal scales



Kitchen scales

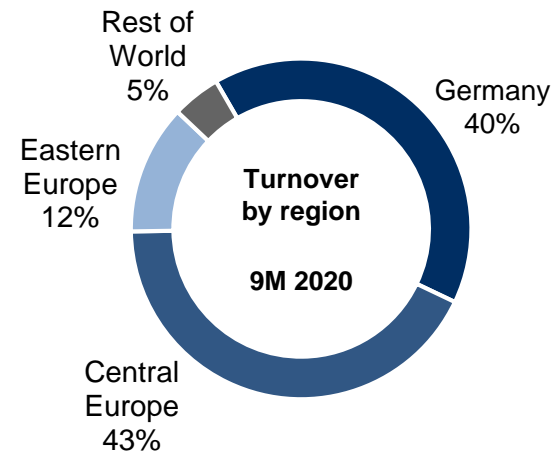
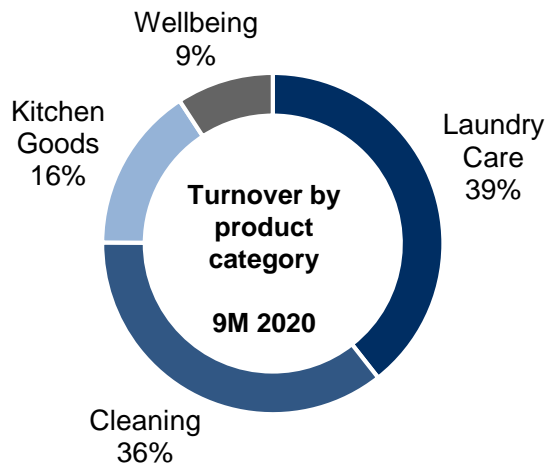
## Private Label



Kitchen goods



Standing Dryers





**For the many small battlefields of the day**



**Cordless Vacuum Cleaner  
Regulus  
PowerVac  
2in1**

Cordless, powerful, ready-to-go



How housework's done today.

[www.leifheit.com](http://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.



How housework's done today.

[www.leifheit.com](http://www.leifheit.com)

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



**CleanTenso**

Simply hygienic and clean - without chemicals.

Kills **99.99%** of Bacteria\*

**LEIFHEIT**

How housework's done today.

[www.leifheit.com](http://www.leifheit.com)

Protects against allergens –  
combats viruses and bacteria



**combats**  
viruses and bacteria

**Stiftung Warentest**  
test

GUT (2,5)  
Bastide Airfresh Clean Connect 500  
in Test  
1. Platzierung:  
2. Platz  
3. Platz  
Ausgabe 3/2020  
www.test.de

**Airfresh Clean Connect 500**  
Effectively removes up to 99.5% of particles and pollutants from the room air.

\* Tested on coccol and red bacterium.

**LIFE IN BALANCE**  
**SOEHNLE**

# Fortunately hypers & discounters stayed open during Covid-19 retail shut-downs

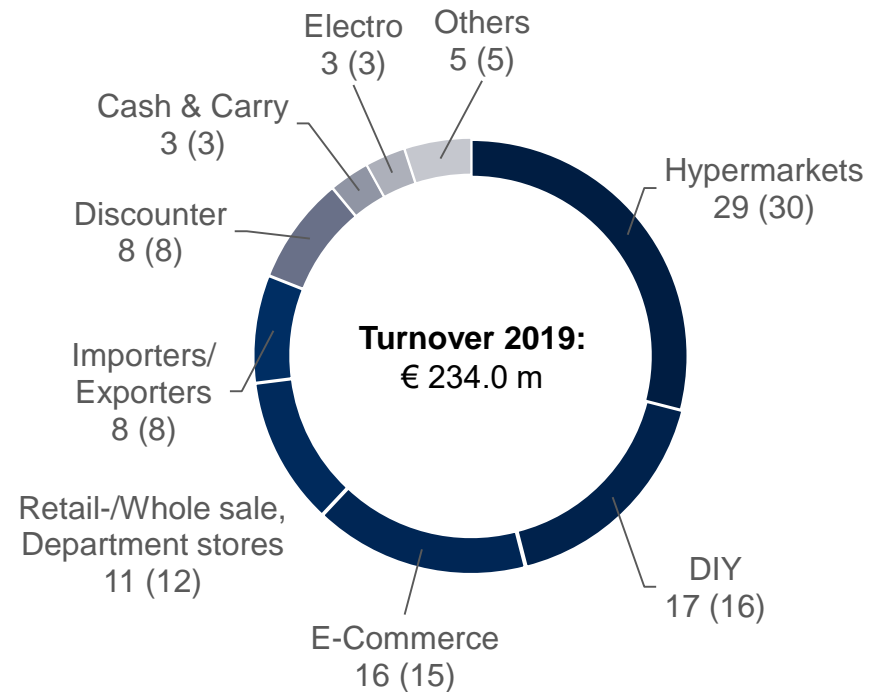


## Blue Chip client base

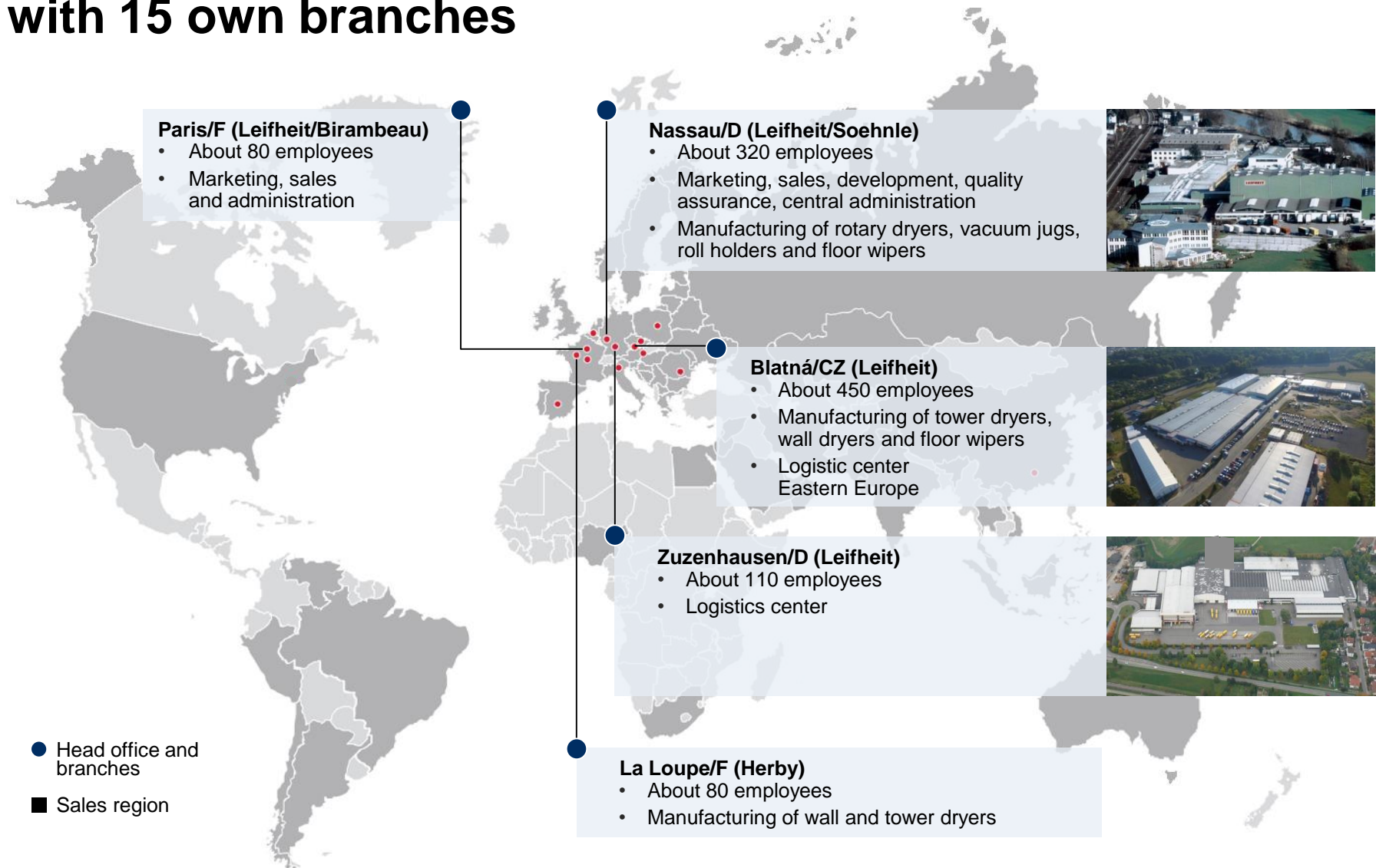


## Distribution channels

Turnover in % (previous year's figures)



# Operating in more than 80 countries with 15 own branches



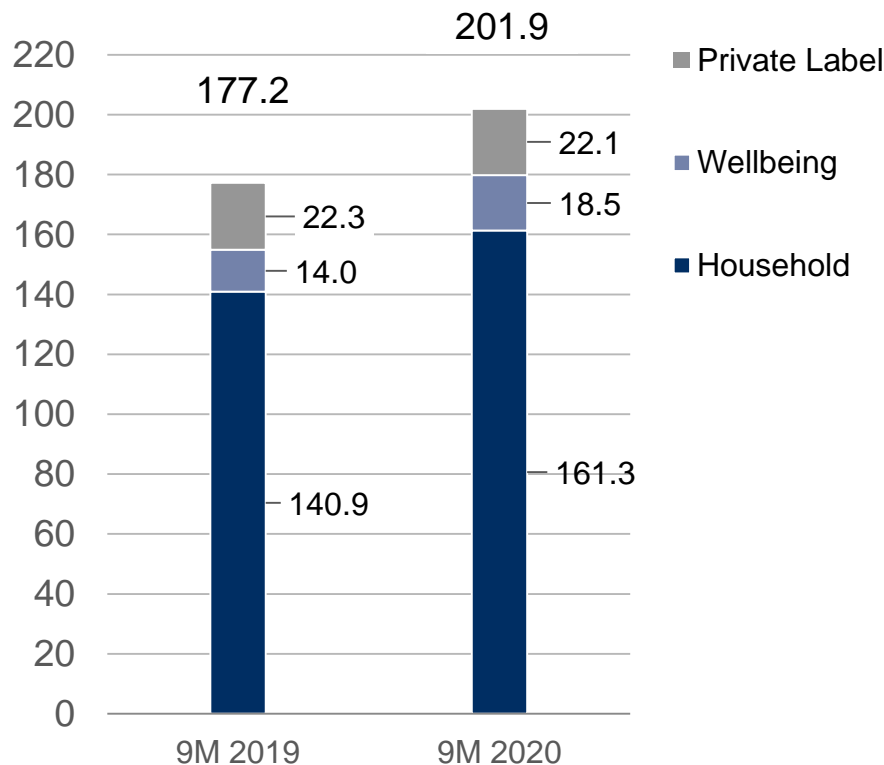


# Strong growth in Household and Wellbeing segments following large-scale advertising



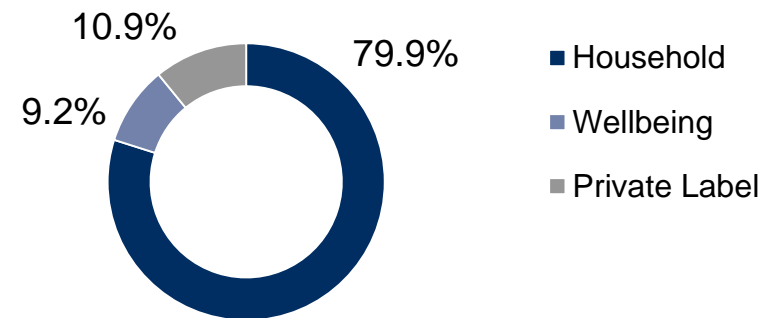
## Group turnover by segment

9M 2019 vs 9M 2020 in € m



## Group turnover by segment

9M 2020

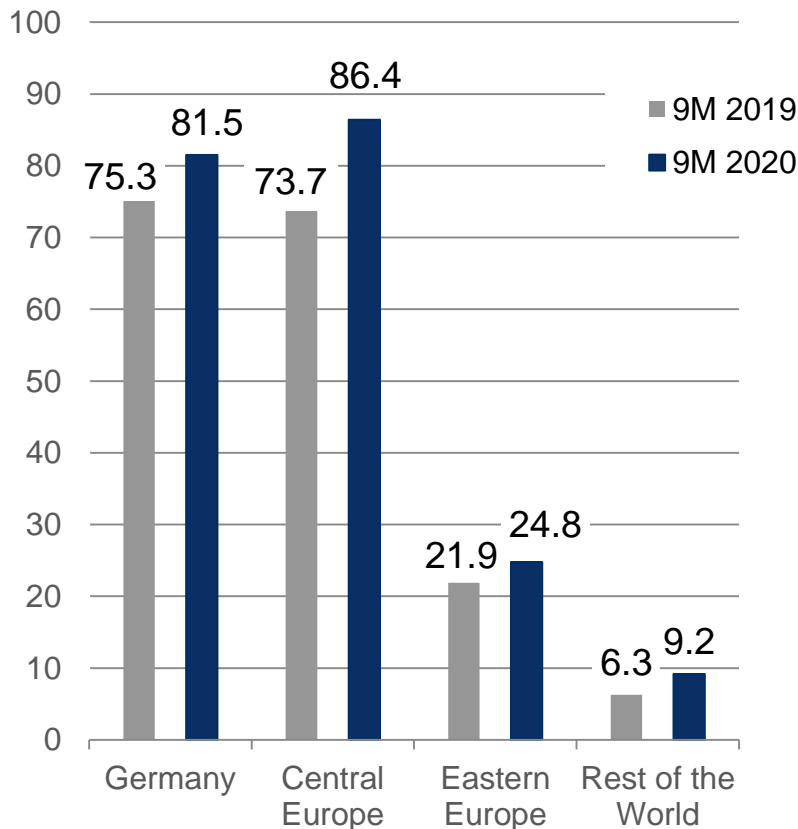


- Turnover in Household segment up by 14.5%, strong growth in product categories Cleaning and Kitchen Goods due to successful TV campaigns and consumers' increased need for hygiene.
- Wellbeing segment increased by 32.6%, mostly due to growth of Soehnle Medical and Airfresh ranges. Strong sales of kitchen scales following print advertising campaign.
- Private Label decreased by 1.0% compared to the first nine months of 2019 due to severe COVID-19 restrictions in France.

# Turnaround in Germany through successful TV advertising campaigns

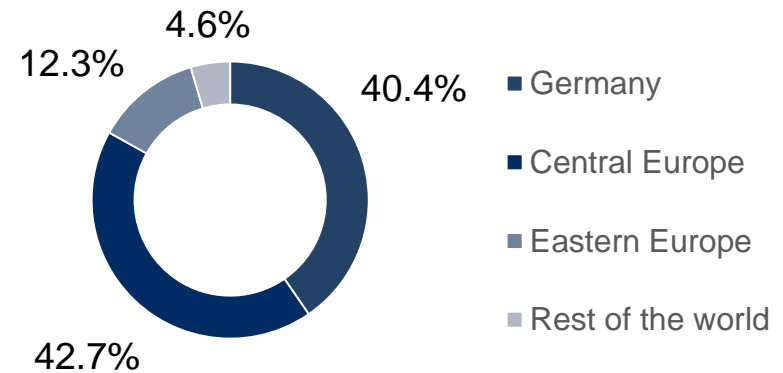
## Group turnover by region

9M 2019 vs 9M 2020 in € m



## Group turnover by region

9M 2020



- Turnaround in Germany: 8.2% growth following large-scale TV advertising campaign in Q3.
- Central Europe with strong growth of 17.3%. The Netherlands and Switzerland remain most important markets for Leifheit in the region.
- Eastern Europe with double digit turnover increase of 13.1% due to increased consumer marketing investments. Particularly strong growth in Romania and Poland.

# Long-term financial overview



		2015	2016	2017	2018	2019
<b>Group turnover</b>	€ m	231.8	237.1	236.8	234.2	234.0
<b>Profitability</b>						
Gross margin	%	46.7	47.5	46.4	43.6	43.1
Cash flow from operating activities	€ m	20.8	21.8	7.2	10.2	15.9
Free cash flow	€ m	14.1	14.3	1.5	3.7	10.1
EBIT	€ m	21.7	22.1	18.8	13.1	9.9
EBIT adjusted <sup>1</sup>	€ m	19.2	21.8	20.3	12.8	9.6
EBIT margin	%	9.3	9.3	8.0	5.6	4.2
EBT	€ m	20.2	20.6	17.7	11.9	8.5
Net result for the period	€ m	14.3	14.5	12.9	8.4	5.8
ROCE <sup>2</sup>	%	18.1	16.3	12.7	10.5	8.2

<sup>1</sup> Adjusted by foreign currency results

<sup>2</sup> Definition of ROCE changed in 2019, ROCE 2018 adjusted for comparability reasons

# Long-term financial overview



		2015	2016	2017	2018	2019
<b>Per share<sup>1</sup></b>						
Net result for the period <sup>2</sup>	€	1.51	1.53	1.35	0.88	0.61
Free cash flow	€	1.48	1.51	0.16	0.39	1.06
Dividend	€	1.00	1.05	1.05	1.05	0.55
Special dividend	€	0.38	0.40	--	--	--
<b>Investments</b>	€ m	7.1	7.8	7.8	6.6	6.0
<b>Depreciation</b>	€ m	5.8	6.2	6.4	6.9	8.2

		31/12/15	31/12/16	31/12/17	31/12/18	31/12/19
<b>Employees</b>	No.	1,074	1,093	1,137	1,119	1,106
<b>Balance sheet total<sup>2</sup></b>	€ m	237.9	239.4	224.9	221.8	214.6
<b>Equity</b>	€ m	106.7	104.6	98.5	101.8	96.2
<b>Equity ratio</b>	%	44.9	43.7	43.8	45.9	44.8
<b>Liquidity</b>	€ m	68.2	69.5	57.2	50.9	50.3

<sup>1</sup> Scrip issue in June 2017, 2013 – 2016 adjusted

<sup>2</sup> Not including repurchased treasury shares

# Experienced Management



**Henner Rinsche**

CEO + CFO

## Previous experience

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

## Core competencies

- General management and consumer goods marketing



**Igor Iraeta Munduate**

COO

## 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



**Marco Keul**

Vice President Finance

## Previous experience

- Responsible for Finance, Controlling, IT/Business processes and internal Sales services as of 01 April 2020
- 2012 – 2020 Head of Controlling at Leifheit AG

## Core competencies

- IT, Finance & Controlling

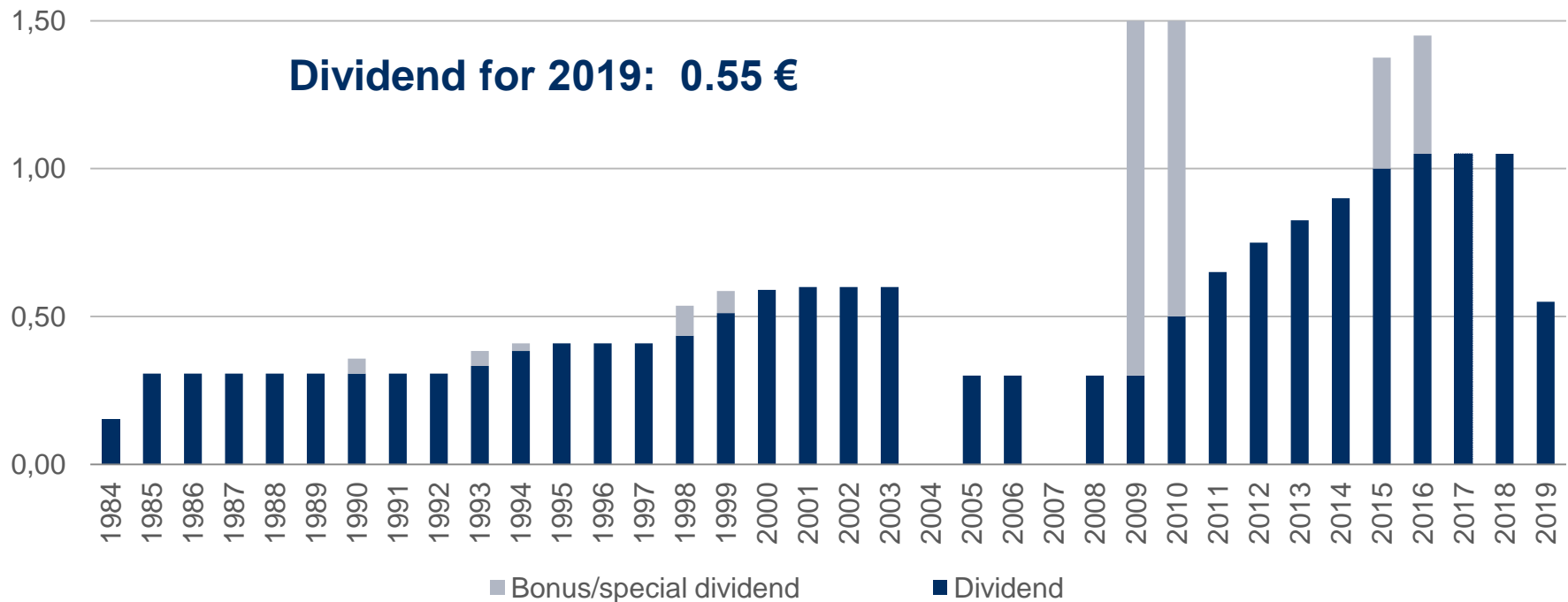


# Committed to shareholder returns



## Long-term dividend development

Dividend per share / in €



## Dividend yield <sup>1</sup>

2019:	2.3%	2015:	5.6%
2018:	5.9%	2014:	3.9%
2017:	3.8%	2013:	5.3%
2016:	5.1%	2012:	5.2%

<sup>1</sup> Based on the particular closing price at year-end, 2019: proposal to Annual General Meeting

# Leifheit awards (selection)



Rotary dryer  
LinoProtect 400



Rotary dryers  
Linomatic



Laundry dryers  
Pegasus



Floor wiper  
Profi micro duo



CLEAN TWIST  
System



Window vacuum  
cleaners



Cordless vacuum  
Regulus Aqua PowerVac 2in1



Steam Mop  
CleanTenso



Isolating jug  
Columbus



Isolating mug  
Flip 600 ml

# Soehnle awards (selection)

**SOEHNLE**



Kitchen Scales  
Page Profi + Page Profi 300



Personal Scales  
Style Sense Compact 300 + Safe 300



Luftbefeuchter  
Airfresh Hygro 500



Body analysis scales  
Shape Sense Connect 100 + 200



Blood pressure monitors  
Systo Monitor 200 + 300

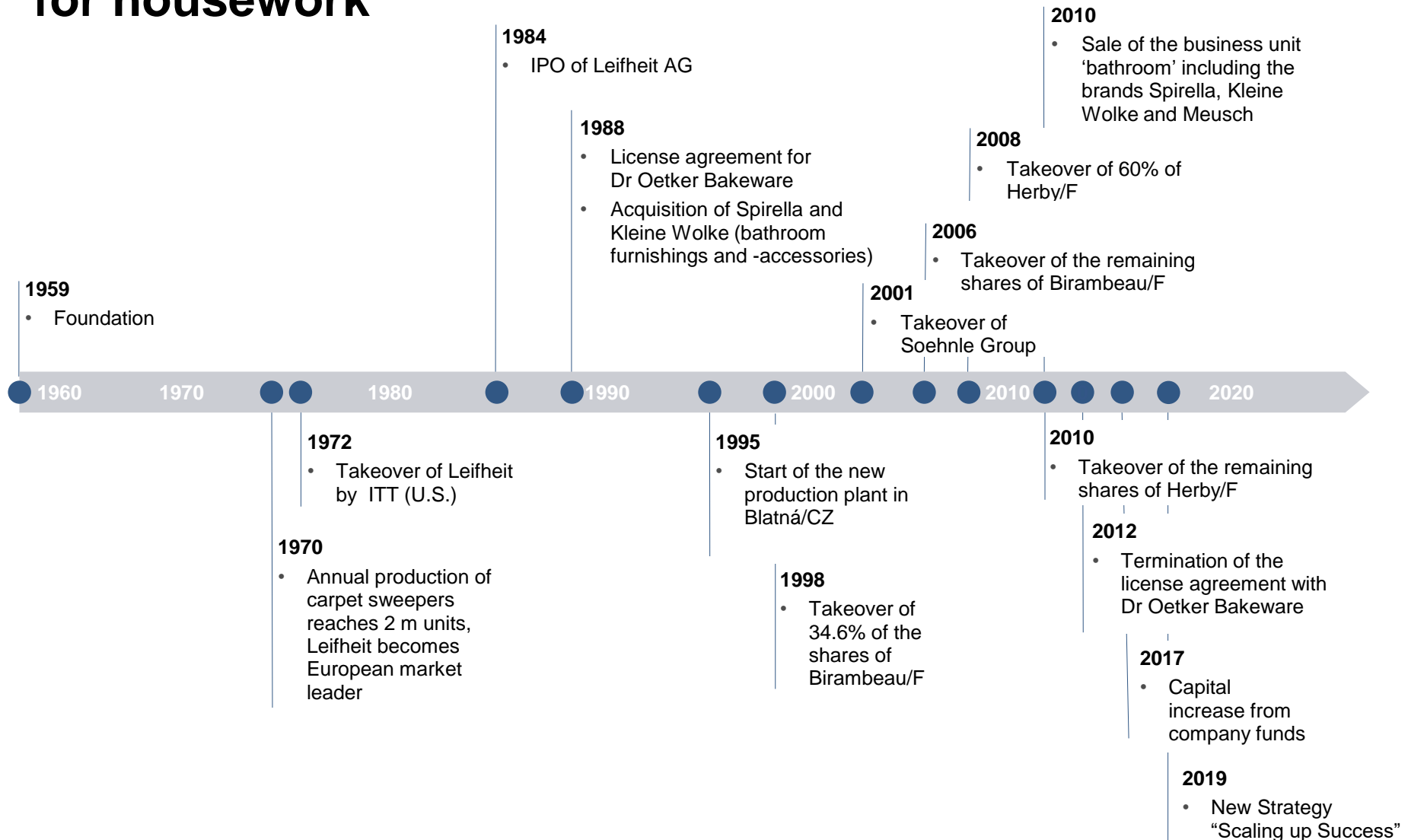


Redaktions-Wertung:  
Soehnle Airfresh Clean 300



Luftreiniger  
AirFresh Clean 300  
and Clean Connect 500

# Leifheit – more than 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  
Oxo Fackelmann Lurch  
Brabantia Westmark Emsa Tefal



## Wellbeing

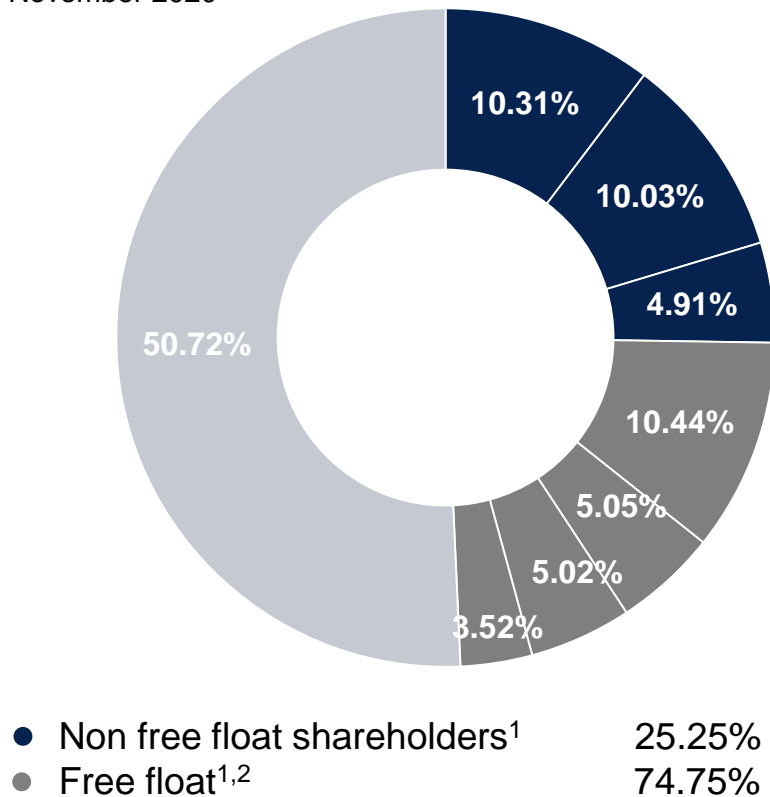
Bosch Laica Tanita  
ADE Homedics Beurer  
Sanitas Withings Terraillon

# Significant free float and international investors



## Shareholder structure

November 2020



- Joachim Loh, Haiger (GER), 10.31%
- MKV Verwaltungs GmbH, Grünwald (GER), 10.03%
- Leifheit AG Nassau (GER), treasury shares Aktien, 4.91%
- Alantra EQMC Asset Management, SGIIC, SA, Madrid (ES), 10.44%
- Teslin Capital Management BV/Gerlin NV, Maarsbergen (NL), 5.05%
- MainFirst SICAV, Senningerberg (LUX), 5.02%
- Blackmoor Ownership Holdings Master Limited, London (UK), 3.52%
- Voting rights under notification threshold 50.72%

<sup>1</sup> Definition of German stock exchange for indices

<sup>2</sup> Including shareholdings of the management board

# Financial calendar and contact



## Dates 2020 / 2021

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### **16 - 18 Nov 2020**

Presentation at  
German Equity Forum (online)

### **24 March 2021**

Annual financial report 2020

### **11 May 2021**

Quarterly statement for the period  
ending 31 March 2021

### **2 Jun 2021**

Annual General Meeting

### **11 Aug 2021**

Financial report for the first half-year  
endeing 30 June 2021

### **11 Nov 2021**

Quarterly statement for the period  
ending 30 September 2021

## Contact

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