

Quarterly statement for the period ending 30 September 2023

At a glance

- Group turnover up 3.5% to m€ 200.0 in the first nine months of 2023 despite challenging market environment
- Significant year-on-year improvement in gross margin of 3.0 percentage points to 41.4%
- Group EBIT climbs to m€ 5.0 in the first nine months of 2023
- Free cash flow up by m€ 5.4 in the third quarter of 2023 to m€ 13.0
- Full-year Group forecast for 2023 raised: slight growth in Group turnover year on year, EBIT in mid single-digit million-euro range, free cash flow in upper single-digit million-euro range

Key figures of the Group as at 30 September

		2022	2023	Change
Turnover				
Group	m€	193.2	200.0	3.5%
Household	m€	158.9	165.7	4.2%
Wellbeing	m€	11.7	12.3	4.3%
Private Label	m€	22.6	22.0	-2.3%
Foreign share	%	58.4	57.7	-0.7 pps
Profitability				
Gross margin	%	38.4	41.4	3.0 pps
Cash flow from operating activities	m€	6.1	17.1	> 100.0%
Free cash flow	m€	2.0	13.0	> 100.0%
Foreign currency result	m€	3.8	-0.4	> - 100.0%
EBIT	m€	3.2	5.0	55.9%
EBIT margin	%	1.6	2.5	0.9 pps
EBT	m€	2.5	3.8	50.4%
Net result for the period	m€	2.2	2.6	22.6%
EPS	€	0.23	0.28	21.7%
Investments				
	m€	4.1	4.2	1.0%

Foreword

Dear Shareholders,

Despite a market environment that remains challenging and the unchanged, subdued consumer sentiment for products in the non-food sector, we managed to increase Group turnover by 3.5% to m€ 200.0 in the first nine months of financial year 2023. In the recently concluded third quarter of 2023, we continued our successful advertising campaigns “The electricity savers”, “Our most durable products” and “Made in Germany” in selected sales markets and generated important effects for our business development. One example is the growing laundry care category, in which the innovative Pegasus 150 Solid Slim Black is in high demand among consumers in the dryer range. The premium drying rack in the colour combination black and anthracite serves a current colour trend and is aimed at a target group that has high demands on design and aesthetics when furnishing their own home. Meanwhile, the expansion of distribution activities involving leading retail chains in Germany and abroad, which continued this year, also had a positive effect on business.

Earnings performance was impacted in the third quarter of 2023 by one-off expenses relating to Board of Management changes. Nevertheless, the Leifheit Group still generated earnings before interest and taxes (EBIT) of m€ 5.0 in the first three quarters of 2023, a considerable year-on-year rise. This increase in earnings was primarily due to the improvement in the gross margin to 41.4%, which came as a result of sales price increases and positive product mix effects. The productivity gains achieved in production and logistics with the help of lean and 5S principles made it possible to partially balance out the raw material and energy prices,

which remained at a high level. We have completed work to turn our logistics facility in Chablis, France, into a new logistics hub for our Leifheit and Soehnle products and, since October 2023, the site has been serving markets and end customers in Southern and Western Europe even more quickly and efficiently. This will help to further reduce costs at the Leifheit Group, cut down transport distances and lower associated carbon emissions. Our focus on successful TV campaigns for profitable products, which we will continue in the fourth quarter, also contributed to earnings. We will continue to base these campaigns on promising innovations in the laundry care and cleaning sectors and cater to the consumer trend towards energy- and emissions-saving household appliances, which we are able to serve ideally with our range of products.

The Leifheit Group is in solid shape overall. In the first nine months of 2023, Group liquidity rose by m€ 5.9 from m€ 36.3 at the end of 2022 to m€ 42.2. Free cash flow in the first nine months of 2023 was positive at m€ 13.0, improving significantly from the previous year's value of m€ 2.0. The improvement in working capital, which continues to be a priority of ours, made a major contribution here. While the reduction of inventories had a positive effect in this regard, we also saw an increase in trade receivables owing to turnover growth, which the significantly lower inventories as at the reporting date were more than able to compensate for.

We continue to see a challenging market environment ahead for the Leifheit Group in the final quarter of 2023. In this context, high inflation and a persistently poor consumer climate could have a

perceptible impact on consumer demand. Costs for energy and procurement, which remain high, continue to constitute a challenge and could increase further in the winter months. Nevertheless, based on our October reassessment of our full-year forecasts for 2023, we now expect to generate slight Group turnover growth in financial year 2023 compared to the previous year. We also raised our earnings forecast and now anticipate EBIT in the mid single-digit million-euro range and free cash flow in the upper single-digit million-euro range.

Alexander Reindler (54) has been appointed as the new chairman of the Board of Management of Leifheit AG effective 1 December 2023. He will be responsible for Marketing, Sales, HR, Legal/IP, as well as the Private Label business involving Birambeau and Herby. He will take over from Stefan De Loecker, who is set to return to his former role as deputy chairman of the Supervisory Board of Leifheit AG. Together we will continue to work with a high degree of motivation in order to maintain Leifheit's positive business development.

We greatly appreciate your continued loyalty to the Leifheit Group on this exciting journey.

The Board of Management

Stefan De Loecker Igor Iraeta Munduate Marco Keul

Quarterly statement for the period ending 30 September 2023

Business performance

The macroeconomic situation in the Leifheit Group's core markets remains extremely tense in the second half of 2023 in light of an emerging recession and sustained weakness in the consumer climate as well as the associated loss of footfall in the retail sector. Despite these challenging conditions, the Leifheit Group still managed to outperform the market in the third quarter of 2023. In the first nine months of financial year 2023, the Leifheit Group increased its turnover from m€ 193.2 to m€ 200.0 year-on-year.

The Group continued in the third quarter of 2023 to focus on the successful implementation of effective advertising campaigns such as "The electricity savers", "Our most durable products" and "Made in Germany", which highlight the energy efficiency, durability and high quality of Leifheit Group products. Targeted advertising campaigns in selected sales markets, as well as distribution gains in retail, contributed positively to turnover development.

Strict cost and resources management also boosted earnings in the reporting period, alongside successful consumer marketing. As a result, the Leifheit Group generated earnings before interest and taxes (EBIT) of m€ 5.0 in the first nine months of 2023, a considerable year-on-year rise. The growth in earnings is primarily attributable to the increase in the gross margin on account of adjusted sales prices and positive product mix effects, with the focus

on successful TV advertising campaigns for profitable products paying off. The slight decline in procurement and energy costs also had an effect, despite remaining high.

The Leifheit Group also continued to focus on consistent and systematic lean management in production and logistics. This led to increases in productivity and positive cost effects in the first nine months of 2023, as well as to a reduction in inventories that contributed to an improvement in working capital. As a result, free cash flow rose by m€ 11.0 in the reporting period, from m€ 2.0 in the previous year to m€ 13.0.

Group turnover by region

Germany

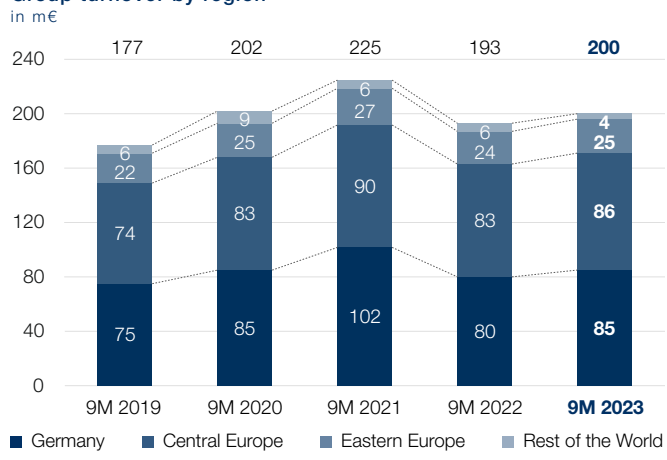
Despite the sustained weakness of the consumer climate in its domestic market Germany, the Leifheit Group generated turnover of m€ 84.6 in the first nine months of 2023 (previous year: m€ 80.4), corresponding to year-on-year growth of 5.2%. In the first nine months of 2023, successful advertising campaigns and the further expansion of distribution activities contributed to this positive trend.

The amount of turnover generated abroad increased slightly by 2.3% to m€ 115.4 (previous year: m€ 112.8). As a result, the foreign share of turnover in the first three quarters of 2023 was 57.7% (previous year: 58.4%).

Central Europe

During the first nine months of 2023, the Leifheit Group generated turnover of m€ 86.5 (previous year: m€ 83.0) in Central Europe. This translates to an increase of 4.3%. The Leifheit Group recorded particularly high, double-digit turnover growth in the Netherlands, where it benefited from the continuation of successful advertising campaigns and additional listings in the retail sector over the course of the year. In the major core market of France, however, lower year-on-year volumes attributable to campaigns by discounters contributed to a decline in turnover.

Group turnover by region



Eastern Europe

In the Eastern Europe sales region, turnover of the Leifheit Group rose by a small amount of 2.2% to m€ 24.8 (previous year: m€ 24.2). The Leifheit Group managed to return to a growth trajectory in the significant sales market of the Czech Republic by posting slight turnover growth and recorded an excellent turnover performance in Romania with double-digit growth rates. However, turnover in the key sales market of Poland declined substantially, as the year-on-year decline in sales promotions at discounters impacted turnover development.

Rest of the World

Turnover in non-European markets declined significantly, falling by 27.5% in the first nine months of 2023 to m€ 4.1 (previous year: m€ 5.6). The Leifheit Group was able to record substantial turnover growth in the US and South America. By contrast, turnover development fell short of the previous year's figure by a significant amount in the Far East.

Group turnover by segment

Reporting segments are divided as follows: Household, Wellbeing and Private Label.

Household

In the Household segment, the Leifheit Group generated turnover of m€ 165.7 in the first nine months of 2023 (previous year: m€ 158.9), which equates to an increase of 4.2%. The laundry care category in particular saw considerable growth in the reporting period. This category saw greater interest in energy-saving products, with the functional new Pegasus Black Edition standing dryer in high demand. All in all, the continuation of successful advertising campaigns in this segment, such as "The electricity savers", played a major role in the success of the company.

Wellbeing

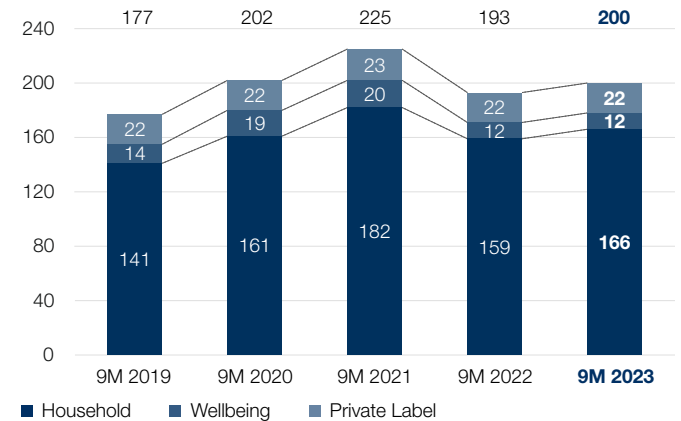
In the Wellbeing segment with the Soehnle brand, the company recorded turnover growth of 4.3% following a significant decline in the same period of the previous year. Turnover climbed from m€ 11.7 in the previous year period to m€ 12.3 in the first three quarters of financial year 2023, with bathroom and kitchen scales once again making the largest contribution to the segment's turnover in the reporting period.

Private Label

The Private Label segment mainly distributes private-label brands through the French subsidiaries Birambeau and Herby. Turnover in the segment remained largely stable in the first nine months of 2023, with only a slight decline of 2.3%, and amounted to m€ 22.0 (previous year: m€ 22.6). While Birambeau's kitchen goods recorded declines in turnover, Herby's energy-saving drying racks saw a small amount of growth.

Group turnover by segment

in m€



Net assets, financial position and results of operations

The Leifheit Group generated earnings before interest and taxes (EBIT) of m€ 5.0 in the first nine months of financial year 2023 (previous year: m€ 3.2). The m€ 1.8 increase resulted primarily from contribution margins from the increases in turnover and, in particular, the rise in the gross margin on account of higher sales prices and positive product mix effects. Gross profit climbed by m€ 8.7 to m€ 82.8, resulting in the gross margin increasing accordingly by 3.0 percentage points to 41.4% in the first nine months of the financial year.

Research and development costs stood at m€ 3.7, down m€ 0.9 on the previous year's figure (previous year: m€ 4.6). The decline was primarily attributable to lower spending on service and consultancy costs for patents.

Distribution costs fell slightly by m€ 0.2 to m€ 59.5, mainly as a result of lower advertising expenditure.

Administrative costs, on the other hand, rose by m€ 4.0 to m€ 14.9 (previous year: m€ 10.9). In the previous year, provisions for non-current share-based payment transactions for the Board of Management amounting to m€ 1.2 were reversed, whereas, in the current year, a payment of m€ 2.3 in compensation to the outgoing chairman of the Board of Management, which also included variable remuneration components for previous years, had a negative impact on administrative costs. Further expenses relating to the change in composition of the Board of Management of m€ 0.4 were also incurred.

The foreign currency result stood at m€ -0.4, a marked decrease of m€ 4.2 on the previous year's figure (previous year: m€ 3.8). This decline came as a result of realised exchange rate gains and losses, the measurement of balance sheet items in foreign currencies and the change in the fair values of forward foreign exchange transactions.

Earnings before taxes (EBT) rose to m€ 3.8 in the first nine months of 2023 (previous year: m€ 2.5). Less taxes, this equalled a net result for the period of m€ 2.6 in the reporting period (previous year: m€ 2.2).

The Leifheit Group continued to have solid liquidity. Group liquidity rose by m€ 5.9 to m€ 42.2 in the first nine months of 2023 (31 December 2022: m€ 36.3). Cash flow from operating activities amounted to m€ 17.1 in the reporting period (previous year: m€ 6.1). This increase of m€ 11.0 was largely the result of the reduction in inventories.

At m€ 4.2, investments in the first three quarters of 2023 were on a par with the previous year.

Free cash flow amounted to m€ 13.0 (previous year: m€ 2.0), with the improvement in working capital having a significant positive effect. Cash flow from financing activities amounted to m€ -7.0 (previous year: m€ -10.5), primarily due to the payment of a dividend of m€ 6.7 (previous year: m€ 10.0).

As at the balance sheet date of 30 September 2023, the balance sheet total stood at m€ 206.6, compared to m€ 216.1 as at the end of 2022.

Due to the increase in turnover, trade receivables climbed by m€ 3.7 as against 31 December 2022 to total m€ 52.3. Inventories, on the other hand, fell by m€ 13.1 to m€ 49.4. Other current assets declined by m€ 2.3 to a total of m€ 1.5, with lower sales tax receivables and supplier bonuses being the main factors here.

Trade payables and other liabilities also declined, by m€ 3.1 to m€ 41.4, mainly on account of the lower liabilities to suppliers. Pension obligations decreased by m€ 2.5 to m€ 44.3, in particular due to the further rise in the actuarial interest rate.

Equity was down by m€ 3.2 compared with 31 December 2022 to m€ 109.2 as at 30 September 2023. The net result for the period of m€ 2.6 and the other comprehensive income of m€ 0.8 were offset by the distribution of a dividend of m€ 6.7 in June of this year. The equity ratio climbed to 52.9% (31 December 2022: 52.0%).

Opportunities and risks

The opportunities and risks for the Leifheit Group were described in detail in the combined management report as at 31 December 2022. In the reporting period, there were no significant changes in the main opportunities and risks for the remaining months of the financial year. From today's perspective, there continue to be no risks that jeopardise the continued existence of the company.

Turnover and earnings forecast for the current financial year 2023

The Leifheit Group continues to face a very challenging market environment in the closing quarter of financial year 2023. The consequences of the Russia-Ukraine war and the conflict in the Middle East, as well as ongoing inflation concerns, are expected to continue dampening economic development. Sustained high inflation and a persistently poor consumer climate could have a perceptible impact on consumer demand. In addition, energy and procurement costs, which remain at a high level, continue to constitute a challenge and are exerting pressure on Group earnings. A renewed rise in energy prices in the winter months could further exacerbate the situation.

On 13 October 2023, the Board of Management of Leifheit AG reassessed its expectations for financial year 2023 on the basis of the preliminary figures for the first nine months of 2023 and raised its forecast. Despite ongoing challenging market conditions, the Board of Management now anticipates slight growth in Group turnover in financial year 2023 compared to the previous year (2022: m€ 251.5). A slight decline in Group turnover had previously been forecast.

Slight growth is now expected in the Household segment, while turnover in the Wellbeing segment is set to remain on previous year's level. In the Private Label segment, turnover is forecast slightly below previous years's level. The previous forecast included noticeable declines in the Household and Wellbeing segments as well as slight growth in the Private Label segment.

After previously forecasting Group earnings before interest and taxes (EBIT) in the low single-digit million-euro range for financial year 2023, the Board of Management now expects EBIT to be in the mid single-digit million-euro range (2022: m€ 2.8). On this basis, free cash flow is expected to be in the upper single-digit million-euro range, after previously being forecast to be in the lower single-digit million-euro range (2022: m€ 8.8).

Further information can be found in the most recently published annual report of the Leifheit Group for financial year 2022, which is available on the website at financial-reports.leifheit-group.com.

This forecast contains forward-looking statements that are based on current estimates with regard to future developments. Actual developments may deviate from this forecast.

Statement of comprehensive income

k€	1 Jul to 30 Sep 2022	1 Jul to 30 Sep 2023	1 Jan to 30 Sep 2022	1 Jan to 30 Sep 2023
Turnover	56,970	61,890	193,243	199,970
Cost of turnover	-35,399	-35,541	-119,119	-117,163
Gross profit	21,571	26,349	74,124	82,807
Research and development costs	-1,469	-1,082	-4,617	-3,738
Distribution costs	-18,215	-20,043	-59,744	-59,501
Administrative costs	-3,454	-5,869	-10,920	-14,866
Other operating income	238	223	835	833
Other operating expenses	-48	-42	-327	-143
Foreign currency result	2,423	658	3,837	-422
EBIT	1,046	194	3,188	4,970
Interest income	7	197	28	366
Interest expenses	-222	-504	-667	-1,505
Net other financial result	-	2	-	2
EBT	831	-111	2,549	3,833
Income taxes	47	112	-392	-1,188
Net result for the period	878	1	2,157	2,645
Contributions that are not reclassified in future periods in the statement of profit or loss				
Actuarial gains/losses on defined benefit pension plans	6,224	2,858	23,833	2,143
Income taxes from actuarial gains/losses on defined benefit pension plans	-1,943	-852	-7,102	-639
Contributions that may be reclassified in future periods in the statement of profit or loss				
Currency translation of foreign operations	158	-458	394	-190
Currency translation of net investments in foreign operations	186	-631	146	-229
Income taxes from currency translation of net investments in foreign operations	-54	187	-43	68
Net result of cash flow hedges	-867	525	-300	-521
Income taxes from cash flow hedges	263	-149	116	149
Other comprehensive income	3,967	1,480	17,044	781
Comprehensive income after taxes	4,845	1,481	19,201	3,426
Earnings per share based on net result for the period (diluted and undiluted)	€ 0.10	€ 0.00	€ 0.23	€ 0.28

Balance sheet

k€	31 Dec 2022	30 Sep 2023
Current assets		
Cash and cash equivalents	36,319	42,234
Trade receivables	48,629	52,310
Inventories	62,452	49,394
Income tax receivables	1,106	214
Contractual assets	1,013	1,049
Derivative financial instruments	797	302
Other current assets	3,895	1,549
Total current assets	154,211	147,052
Non-current assets		
Intangible assets	17,771	17,437
Tangible assets	38,200	36,939
Right of use assets from leases	1,644	1,600
Deferred tax assets	4,162	3,471
Derivative financial instruments	–	60
Other non-current assets	83	79
Total non-current assets	61,860	59,586
Total assets	216,071	206,638
Current liabilities		
Trade payables and other liabilities	44,473	41,445
Income tax liabilities	29	432
Other provisions	6,270	5,526
Derivative financial instruments	193	397
Lease liabilities	436	487
Total current liabilities	51,401	48,287
Non-current liabilities		
Provisions for pensions and similar obligations	46,812	44,292
Other provisions	2,353	2,204
Deferred tax liabilities	1,736	1,488
Derivative financial instruments	67	–
Lease liabilities	1,250	1,150
Total non-current liabilities	52,218	49,134
Equity		
Subscribed capital	30,000	30,000
Capital surplus	17,164	17,164
Treasury shares	–7,350	–7,350
Retained earnings	73,476	69,460
Other reserves	–838	–57
Total equity	112,452	109,217
Total equity and liabilities	216,071	206,638

Statement of cash flow

k€	1 Jan to 30 Sep 2022	1 Jan to 30 Sep 2023
Net result for the period	2,157	2,645
Depreciation and amortisation	5,551	5,962
Change in provisions	-2,329	-1,249
Result from disposal of fixed assets and other non-current assets	-7	-38
Change in inventories, trade receivables and other assets not classified as investment or financing activities	10,729	12,478
Change in trade payables and other liabilities not classified as investment or financing activities	-9,143	-2,816
Other non-cash expenses and income	-884	73
Cash flow from operating activities	6,074	17,055
Investments from the sale of fixed assets and other non-current assets	105	96
Payments for the purchase of tangible and intangible assets	-4,134	-4,175
Cash flow from investment activities	-4,029	-4,079
Payments for lease liabilities	-468	-380
Dividends paid to the shareholders of the parent company	-9,991	-6,661
Cash flow from financing activities	-10,459	-7,041
Change in cash and cash equivalents	-8,414	5,935
Change in cash and cash equivalents due to exchange rates	123	-20
Cash and cash equivalents at the start of the reporting period	38,090	36,319
Cash and cash equivalents at the end of the reporting period	29,799	42,234

Segment reporting

Key figures by reportable segments as at 30 September 2023 in m€	Household	Wellbeing	Private Label	Total
Turnover	165.7	12.3	22.0	200.0
Gross profit	72.7	5.0	5.1	82.8
Segment result (EBIT)	3.2	0.2	1.6	5.0

Key figures by reportable segments as at 30 September 2022 in m€	Household	Wellbeing	Private Label	Total
Turnover	158.9	11.7	22.6	193.2
Gross profit	65.5	3.6	5.0	74.1
Segment result (EBIT)	4.0	-1.8	1.0	3.2

Information on the segments and their management is available in the annual report 2022.

Additional information

This quarterly statement is in accordance with section 53 of the exchange rules for the Frankfurter Wertpapierbörse. It is not a quarterly financial report according to the requirements of section 115 of the German securities trading act (WpHG). It was neither audited nor reviewed by an auditor. The results of the current reporting quarter do not necessarily make it possible to draw conclusions regarding the development of future results.

The accounting and valuation principles used by Leifheit correspond to those of the most recently published consolidated financial statements as at the end of the previous financial year, while taking into consideration the accounting regulations to be applied for the first time. A detailed description can be found in the notes to the annual report 2022 of the Leifheit Group, which is available on the website at [financial-reports.leifheit-group.com](https://www.leifheit-group.com/financial-reports).

There were no major changes in the organisational structure or business model in the reporting period.

The scope of consolidation changed as follows:

- Leifheit France S.A.S., Vincennes, France, was transferred to Leifheit AG on 30 June 2023 by way of a Transmission Universelle de Patrimoine (TUP), as outlined in art. 1844-5 para. 3 of the French civil code. A TUP indicates the dissolution of one company through an act of dissolution by way of accretion without liquidation. The assets of the company to be dissolved, Leifheit France S.A.S., were transferred in full to the sole shareholder Leifheit AG.

The following changes occurred in the organs of Leifheit AG in 2023:

- Joachim Barnert, employee representative on the Supervisory Board, sadly passed away at the end of February 2023. His successor as at 1 March 2023 until the end of the current Supervisory Board's term of office is Marcus Kreß.
- Karsten Schmidt resigned from his post as member and deputy chairman of the Supervisory Board as of the end of the day on 7 June 2023. With effect from 8 June 2023, the Annual General Meeting elected Stefan De Loecker to the Supervisory Board for the remaining term of the resigning member.
- With effect from 31 July 2023, Henner Rinsche stepped down as chairman of the Board of Management (CEO) of Leifheit AG by mutual agreement.
- Stefan De Loecker has held the role of chairman of the Board of Management on an interim basis since 1 August 2023 and will remain in this position until a permanent successor is appointed. For the duration of his appointment as a member of the Board of Management, Stefan De Loecker's office as a member of the Supervisory Board and as deputy chairman of the Supervisory Board is suspended.

- The Supervisory Board has appointed Alexander Reindler as the new chairman of the company's Board of Management (CEO) effective as at 1 December 2023.
- Stefan De Loecker will stand down from his position as chairman of the Board of Management and resume his role as deputy chairman of the Supervisory Board, also effective as at 1 December 2023.
- The Supervisory Board has also extended the contract of Marco Keul as Chief Financial Officer (CFO) for a further three years until 30 April 2027. His previous contract runs until 30 April 2024.

Disclaimer

Forward-looking statements

This statement contains forward-looking statements which are based on the management's current estimates with regard to future developments. Such statements are subject to risks and uncertainties which are beyond Leifheit's ability to control or estimate precisely. They include, for example, statements on the future market environment and economic conditions, the behaviour of other market participants and government measures. If one of these uncertain or unforeseeable factors occurs, or if the assumptions on which these statements are based prove inaccurate, actual results could differ materially from the results cited explicitly or contained implicitly in these statements. Leifheit does not intend to update forward-looking statements to reflect events or developments after the date of this statement, nor does it accept any specific obligation to do so.

In the event of any discrepancies between the English translation and the German version, the German version shall take precedence.

Minor differences may occur when using rounded amounts and percentages due to commercial rounding.

Financial calendar

27 Mar 2024	Annual reports 2023, sustainability report including non-financial Group report 2023
27 Mar 2024	Analysts' conference
8 May 2024	Quarterly statement for the period ending 31 March 2024
29 May 2024	Annual General Meeting
8 Aug 2024	Financial report for the first half-year ending 30 June 2024
12 Nov 2024	Quarterly statement for the period ending 30 September 2024

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