

Tradition

Innovation

Vision

LEIFHEIT

Spring Conference 2019

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Agenda



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- Financial Figures Q1 2019
- Financial Figures FY 2018
- Key strategic initiatives
- Forecast Financial Year 2019
- Investment Highlights
- Annex

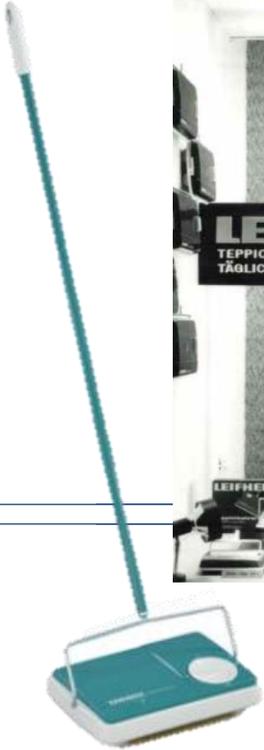


Introduction to Leifheit

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



Household



Wellbeing



Private Label



- 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 from 1 June 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

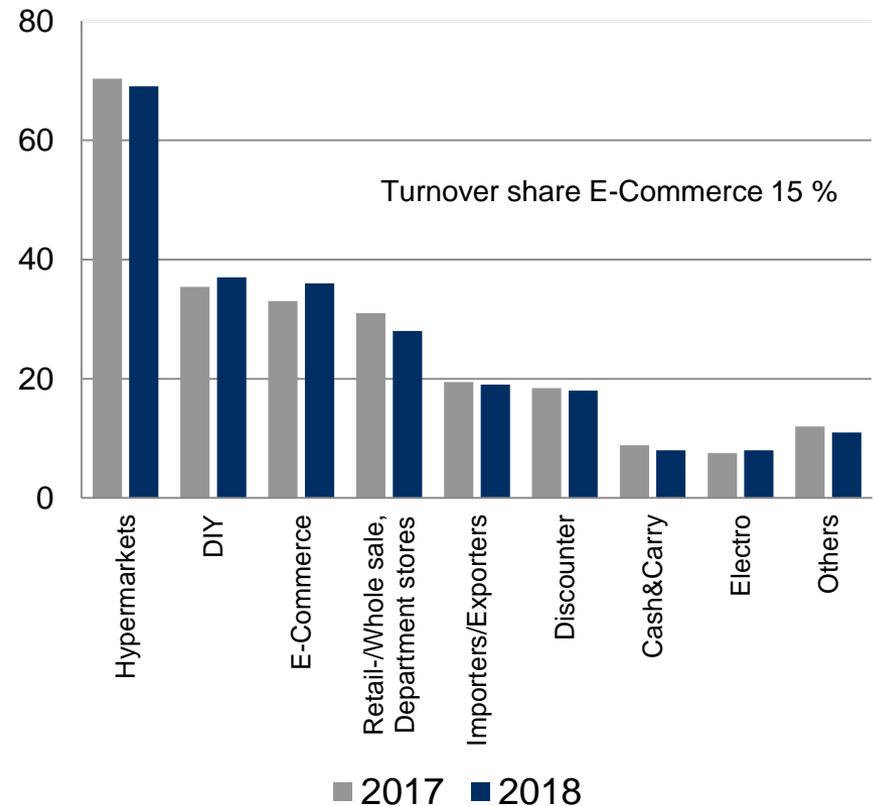


TOP-10 clients (50 % of turnover)



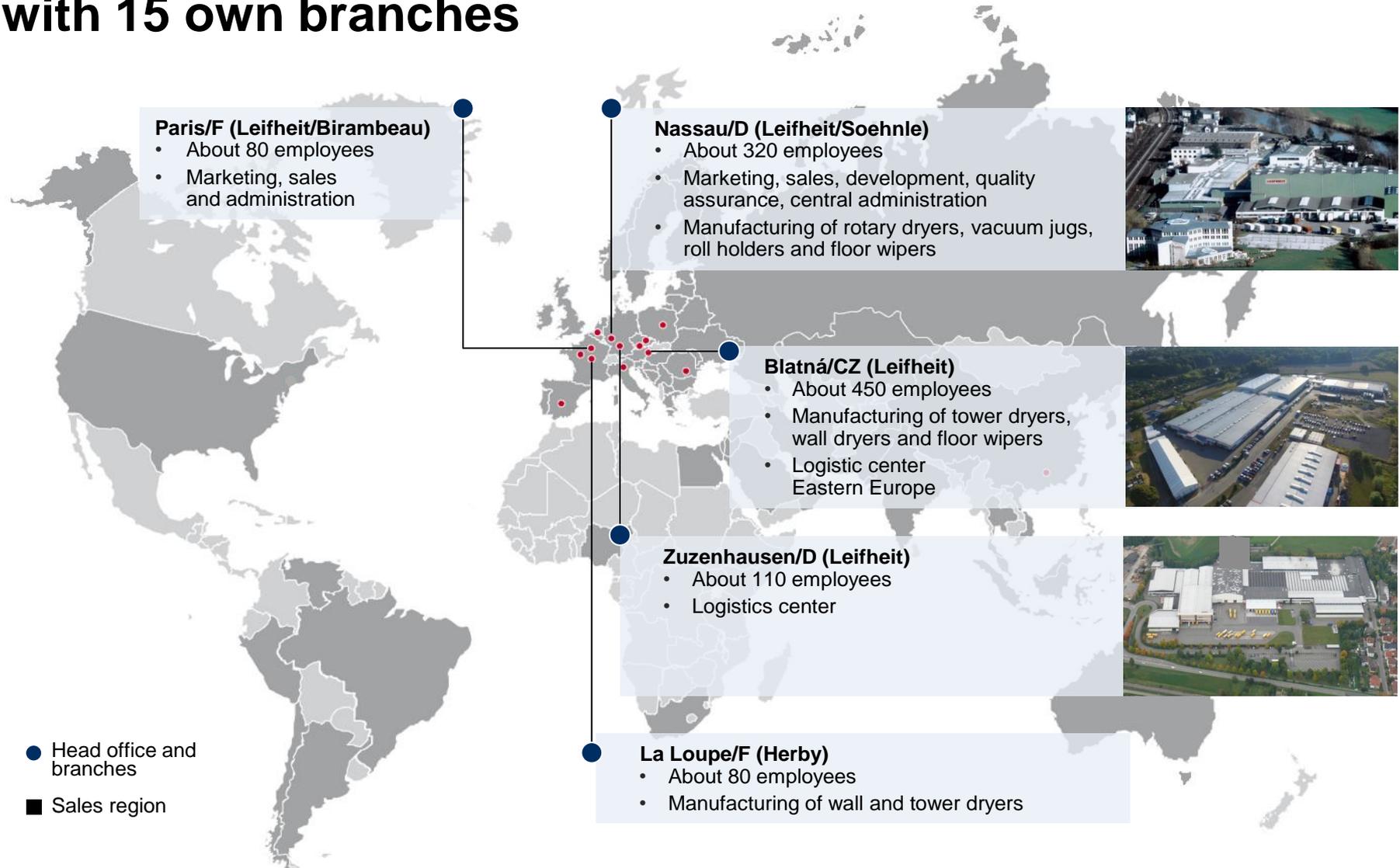
Turnover by distribution channel

in € m





Operating in more than 80 countries with 15 own branches



Financial Figures

Q1 2019

Positive start in 2019 – figures within the forecast range

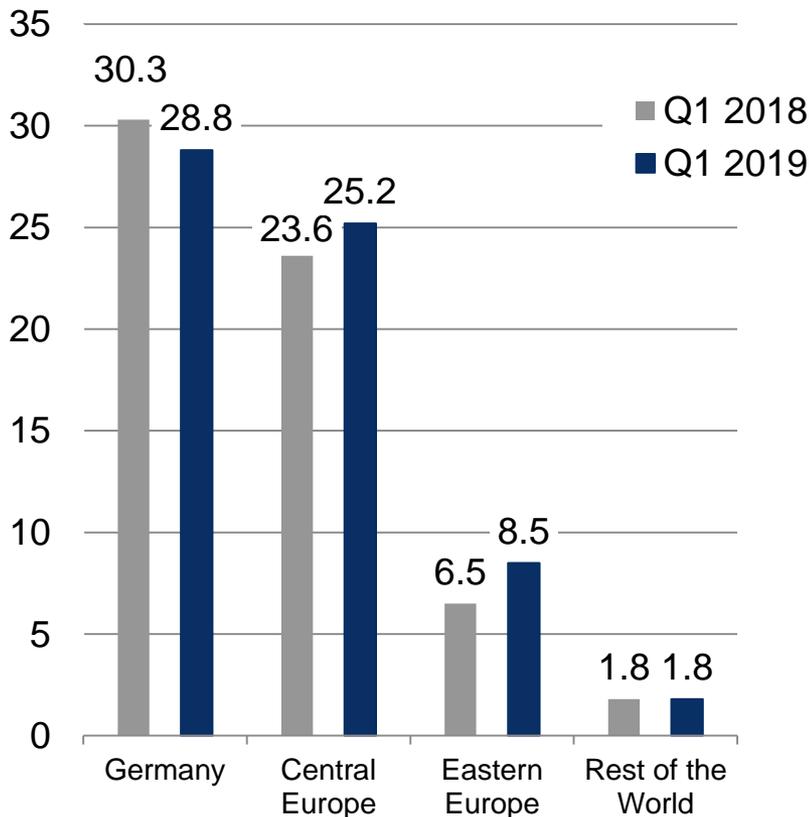
		3M 2018	3M 2019	Δ
Group Turnover	€ m	62.2	64.3	3.4 %
Gross margin	%	44.6	42.9	-1.7 PP
Foreign currency results	€ m	-0.1	0.5	>100 %
EBIT	€ m	4.7	3.9	-17.2 %
EBIT margin	%	7.5	6.0	-1.5 PP
Earnings before taxes (EBT)	€ m	4.3	3.5	-18.4 %
Net result for the period	€ m	3.1	2.5	-18.7 %
EPS	%	0.32	0.26	-18.8 %

- Additional contribution margins from turnover increase were offset by negative customer and product mix effects
- Research and development costs, administrative and distribution costs increased by m€ 1.1 in total, in particular due to higher freight out and services

Significant growth in Central and Eastern Europe

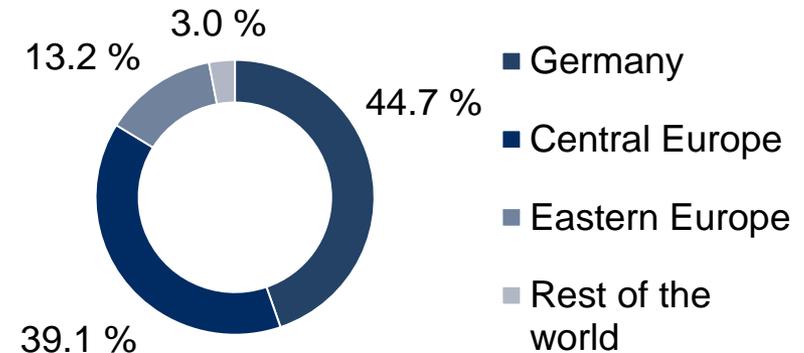
Group turnover by region

3M 2018 vs 3M 2019 in € m



Group turnover by region

3M 2019



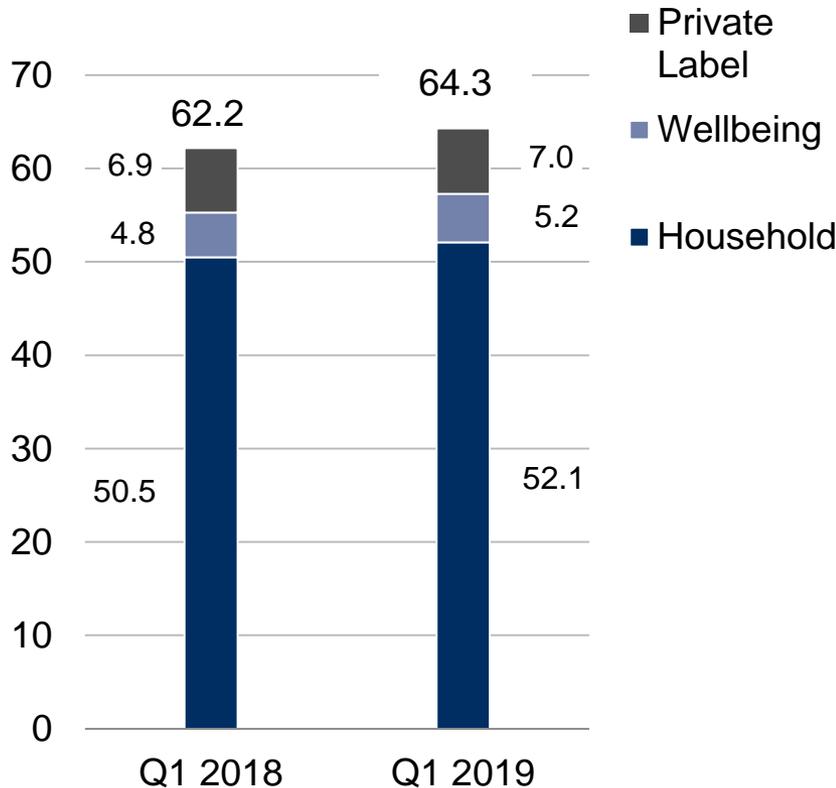
- Central Europe region grew by 6.7 %
- Eastern Europe with substantial growth of 30.0 %
- Turnover in Germany fell by 5.0 % due to shift of campaigns into Q2 2019
- E-Commerce continued to gain importance and posted growth of 19 %.

Growth in all business segments



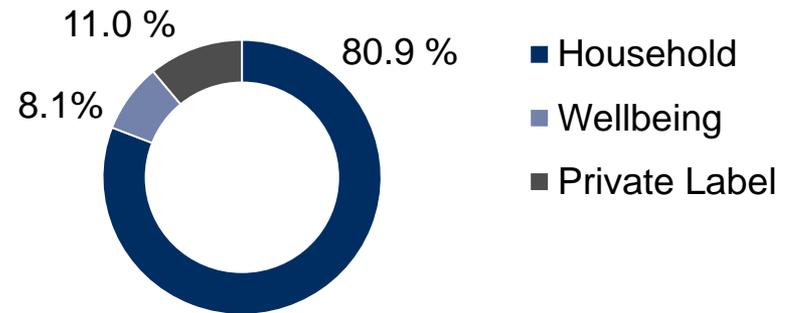
Group turnover by segment

3M 2018 vs 3M 2019 in € m



Group turnover by segment

3M 2019



- Solid growth in the Household segment of 3.0 % driven by Cleaning products
- Wellbeing shows growth of 8.6 % due to new scales and Soehnle Medical products
- Private Label grew by 2.4 %, Birambeau kitchen products with positive development, declines of Herby laundry care products.

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



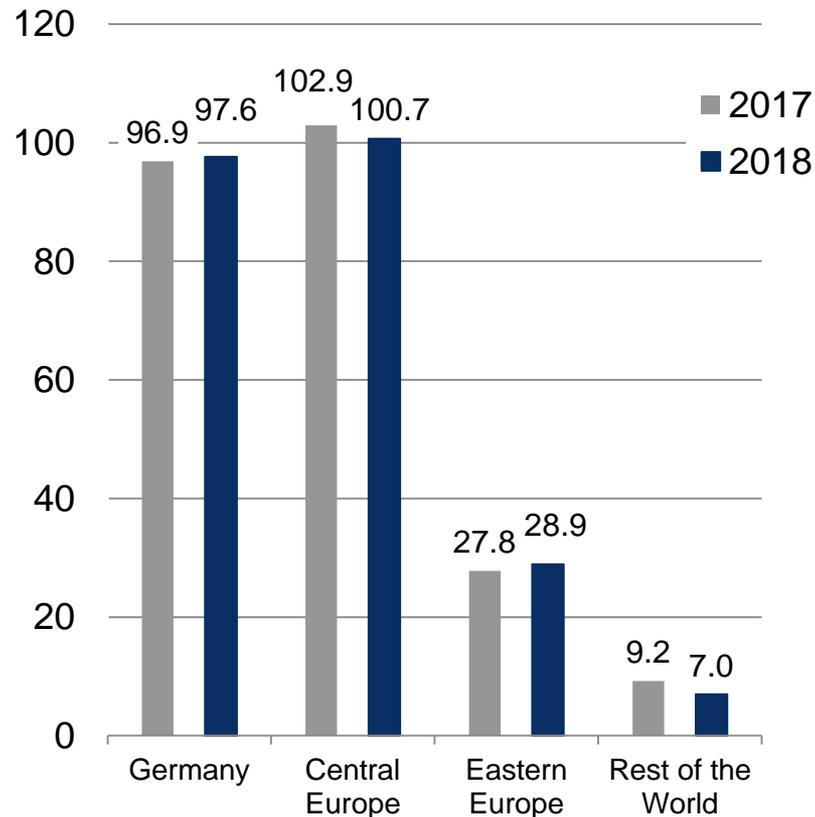
		2017	2018	Δ
Group Turnover	€ m	236.8	234.2	-1.1 %
Gross margin	%	46.4	43.6	-2.8 PP
Foreign currency results	€ m	-1.5	0.3	>100 %
EBIT	€ m	18.8	13.1	-30.7 %
EBIT margin	%	8.0	5.6	-2.4 PP
Earnings before taxes (EBT)	€ m	17.7	11.9	-32.7 %
Net result for the period	€ m	12.9	8.4	-34.7 %
ROCE	%	12.7	8.5	-4.2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

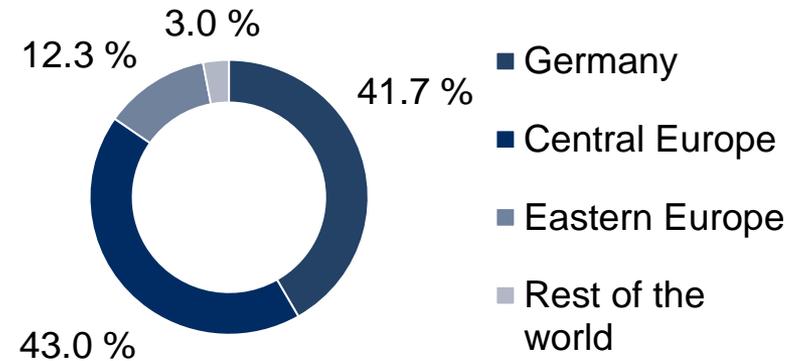
Group turnover by region

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



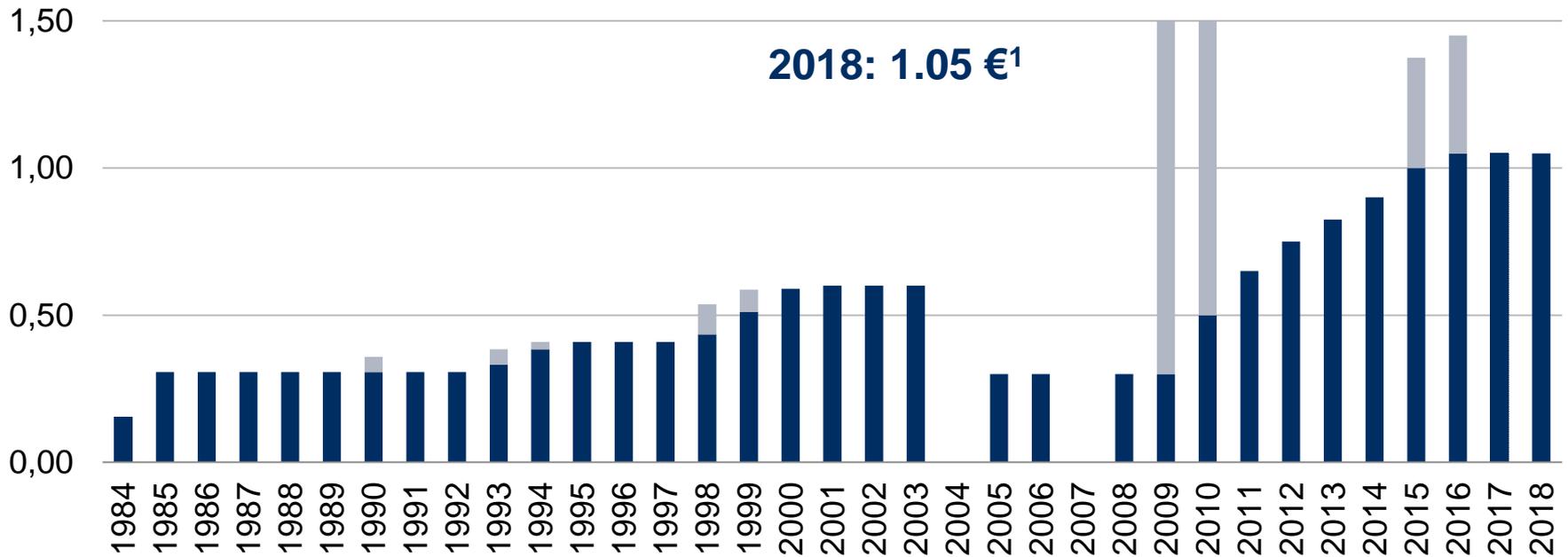
Committed to shareholder returns – 1.05 € dividend proposed to the AGM

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

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

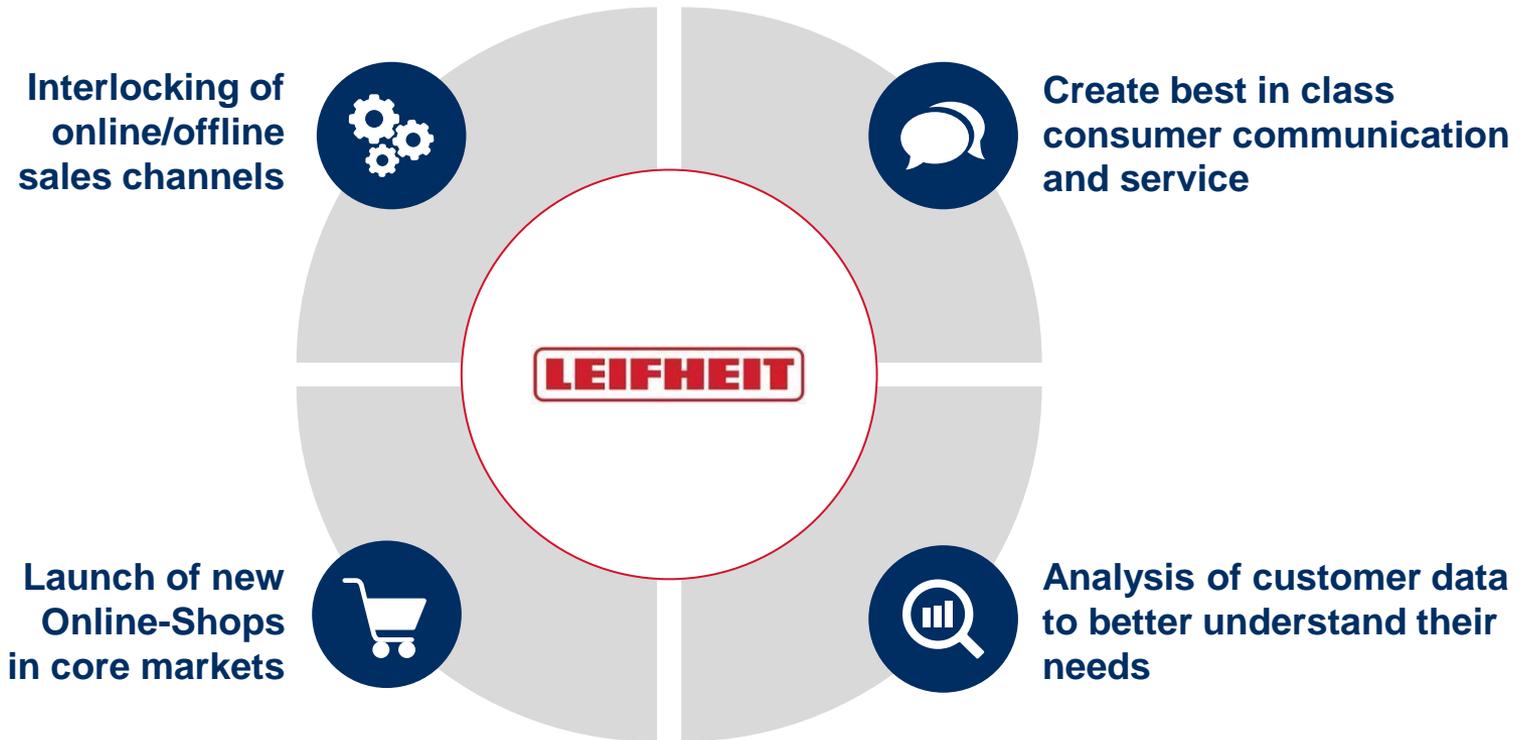
Internationalization



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

Efficiency

Expansion of E-Commerce activities through European platform



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



LEIFHEIT
So geht Haushalt heute.

Product and Brand Initiatives 2019

Ingeniously simple: spray, wipe and done



Comfort-Spray Mop
Easy Spray XL **NEW**

The most comfortable floor wiper for convenient in-between cleaning



LEIFHEIT
How housework's done today.

www.leifheit.com

60
YEARS

LEIFHEIT

How housework's done today.



LEIFHEIT
How housework's done today.

Variable extendable standing dryer with xl drying bars.



Classic Extendable 230



LEIFHEIT
How housework's done today.

www.leifheit.com

Extra lang
extra long



Established Leifheit features – better and cheaper.



Window Vacuum

Aquanta Click



LEIFHEIT
How housework's done today.

www.leifheit.com



LEIFHEIT

How housework's done today.

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.

NEW

LEIFHEIT

How housework's done today.

www.leifheit.de

Product and Brand Initiatives 2019

LIFE IN BALANCE

SOEHNLE



Expansion of blood pressure monitors range
Systo Monitor 180



Expansion of Soehnle Connect Scales range
Shape Sense Connect



Expansion of Air treatment range
Bari Design Aroma Diffuser

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%)

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Your questions please!