



Quarterly statement for the period ending 30 September 2017

At a glance

LEIFHEIT GROUP

turnover down slightly on the previous year



BRAND BUSINESS

reaches turnover level from the previous year



VOLUME BUSINESS

turnover down on the previous year



GROUP EBIT

impacted by non-recurring expenses, turnover and currency development



ANNUAL FORECAST FOR 2017

adjusted

Key figures of the Group as at 30 September

		2016	2017	Change
Turnover				
Group	€m	179.5	177.5	-1.1%
Brand Business	€m	150.4	149.6	-0.5%
Volume Business	€m	29.1	27.9	-4.1%
Foreign share	%	58.6	56.5	-2.1 pps
Profitability				
Gross margin	%	47.3	46.2	-1.1 pps
Cash flow from operating activities	€m	13.8	0.1	-99.5%
Free cash flow	€m	8.8	-3.2	> -100%
Foreign currency result	€m	-1.2	-1.6	-34.5%
EBIT	€m	15.7	11.3	-27.8%
EBIT margin	%	8.8	6.4	-2.4 pps
EBT	€m	14.6	10.5	-28.1%
Net result for the period	€m	10.2	7.4	-27.7%
Investments	€m	5.2	5.4	2.4%

Foreword

Dear Shareholders,

Leifheit generated Group turnover of € 177.5 million in the first three quarters of the year, which is down slightly on the figure from the previous year of € 179.5 million. During the second quarter, we managed to largely make up for the shortfall from the first three months; however, third-quarter performance was weaker than we expected.

In Germany, we continued to increase our turnover in the first nine months. Turnover amounted to € 77.2 million, which corresponds to year on year growth of 3.8%. In Eastern Europe, we once again saw significant gains, with a 9.4% increase in turnover there to € 19.3 million.

The growth in our domestic market and the nearly double-digit gains in Eastern Europe were unable to completely offset the lack of volume in Central Europe, where we suffered a 7.2% decline to € 74.6 million. Turnover generated abroad decreased in the first nine months by 4.6% in total.

In our strategic core Leifheit and Soehnle Brand Business, turnover remained virtually unchanged at € 149.6 million (–0.5%) compared to the previous year, which was marked by extensive special offers. Our cleaning and laundry care product categories grew largely within the scope of our long-term targets. In contrast, we were forced to accept a drop in turnover in the kitchen and wellbeing product categories with regard to Soehnle products.

However, we expect to see new momentum for the Soehnle brand in the months ahead. In early October, we launched the new Soehnle ranges for air treatment, blood pressure monitors, as well as Connect personal scales and fitness trackers with the Soehnle Connect app.

After nine months, turnover in Volume Business fell by 4.1% to € 27.9 million. We succeeded in more than doubling turnover in Germany through special offers, but turnover in the United States and particularly in France, our most important single market in this segment, decreased.

After three quarters, earnings before interest and taxes (EBIT) were down year on year by € 4.4 million at € 11.3 million. A number of factors played a role in this decline, including a lack of contribution margins from lower turnover, non-recurring expenses in connection with the reorganisation of sales activities in Brand Business, higher advertising costs to strengthen our brands and the foreign currency result.

The US dollar exchange rate developed contrary to all expectations in recent months. Forecasts predicted that the US dollar would remain stable compared to the euro or increase slightly in value, although it actually shed value – with negative consequences for our foreign currency result. To reduce the impact of such developments in future, we plan to adjust our strategy for hedging currencies.

Mid of September we adjusted our forecast for the financial year 2017 in the light of the business performance observed until then and negative foreign currency effects. We assumed a growth rate slightly below our previous forecast of 3.5 to 4.5%. Against the background of the business development in September and October and the updated plans for the remaining weeks of the year, we now expect a Group turnover at previous year's level. We anticipate a slight increase in our Brand Business. For our smaller and more volatile segment, the Volume Business, we expect a turnover below previous year's figure.

At the beginning of the financial year we originally planned earnings before interest and taxes (EBIT) to be on par with 2016 (€ 22.1 million) considering non-recurring expenses for the reorganisation of sales activities in our Brand Business. In the context of the adjustment mid of September, we assumed EBIT to be lower by € 1 million to € 2.5 million. Based on the current turnover forecast and the negative currency effects, we now expect EBIT to be lower by € 2 million to € 3 million compared to the initial forecast.

It is our firm belief that the strategic measures in place since 2015 and the recent reorganisation of our sales activities will put us back on a sustained profitable course for growth. Based on the forecast business development, we will continue our shareholder-oriented dividend policy and propose an ordinary dividend that is on par with the most recently distributed ordinary dividend.

Leifheit Aktiengesellschaft
The Board of Management

Thomas Radke

Ivo Huhmann

Ansgar Lengeling

Quarterly statement for the period ending 30 September 2017

Business performance

Group turnover down slightly on the previous year

In the first nine months of the current financial year, the Leifheit Group generated turnover of € 177.5 million, which is down slightly (–1.1%) on the same period from 2016 (previous year: € 179.5 million). In our core business – Brand Business with Leifheit and Soehnle branded products – we recorded turnover of € 149.6 million in the first three quarters. This performance meant the segment saw virtually no change year on year (–0.5%). Turnover in the Volume Business amounted to € 27.9 million in the first three quarters (previous year: € 29.1 million) – which corresponds to a 4.1% year on year decline.

In Germany, we continued expanding turnover, which stood at € 77.2 million in the first nine months and amounted to growth of 3.8% (previous year: € 74.4 million). We were able to achieve gains in both Brand Business and Volume Business in our domestic market. In contrast, turnover generated abroad during the same period dropped by 4.6% to € 100.3 million (previous year: € 105.1 million). As a result, the share of turnover generated outside Germany stood at 56.5% after three quarters (previous year: 58.6%).

We posted strong gains in the Eastern European growth markets in the first nine months, with turnover in this target region increasing by 9.4% to € 19.3 million (previous year: € 17.6 million). In the Czech Republic, Poland and Ukraine, we achieved double-digit growth rates. Business in Hungary developed particularly favourably in recent months.

Growth in our domestic market and the nearly double-digit increase in Eastern Europe were unable to offset the lack of volume in other markets. In our Central European markets, turnover for the first three quarters stood at € 74.6 million (previous year: € 80.3 million) – which is a 7.2% decline.

In France, the difficult situation that a number of retail customers are currently facing led to a decrease in turnover. In addition, we suffered declines in Italy, Austria, Luxembourg and Switzerland which are related to special offers that could not be achieved as in the previous year.

At € 6.4 million, turnover in markets outside Europe was down in the first nine months (previous year: € 7.2 million). Growth in South America and Australia was unable to compensate for declines in other regions (Far East, Middle East, US). To date, we have largely followed an opportunistic approach to capitalising on market opportunities outside Europe. The “Leifheit 2020” strategy is focused on opportunities for growth in Central and Eastern Europe.

Turnover in the first nine months of 2017 was divided by region as follows: Our domestic market Germany accounted for 43.5% of Group turnover (previous year: 41.5%), Central Europe excluding Germany 42.0% (previous year: 44.7%), Eastern Europe 10.9% (previous year: 9.8%) and markets outside Europe 3.6% (previous year: 4.0%).

Turnover in Brand Business reaches level of the previous year

Brand Business represents the Leifheit Group’s strategic core business. The larger of our two segments, it encompasses activities involving Leifheit and Soehnle branded products. In Brand Business, we recorded turnover of € 149.6 million in the first three quarters (previous year: € 150.4 million), which put us just below the level for the same period from 2016 (–0.5%). The Leifheit brand’s categories laundry care and cleaning developed largely within the scope of our long-term targets. In contrast, turnover in the kitchen and wellbeing product categories (Soehnle-branded products) lagged behind the previous year’s figures.

Group turnover development by quarter	2016		2017	
	€m	Year on year change in %	€m	Year on year change in %
Q1 turnover	64.7	+11.5	62.5	–3.5
Q2 turnover	56.4	+2.4	58.4	+3.6
Q3 turnover	58.4	–2.7	56.6	–3.1
Q4 turnover	57.6	–1.9		

In the first nine months, Brand Business accounted for 84.3% of Group turnover (previous year: 83.8%). Turnover in the e-commerce sales channel rose once more in the reporting period by 5.3%. We also achieved further growth in the hypermarket and discounter sales channels.

In Germany, we further increased turnover in Brand Business, and we achieved significant double-digit growth in Belgium. Turnover in the Netherlands remained stable on a high level. In contrast, we were forced to cope with relevant declines in turnover in Italy, France, Austria, Luxembourg and Switzerland. To date this year, we have achieved almost double-digit turnover growth in our Eastern European target markets. Virtually all markets contributed to this growth, with the sole exception of Slovakia, where we recorded a decrease. We succeeded in very favourably expanding our business in Hungary thanks to extensive special offers. Turnover generated in markets outside Europe was down on the whole year on year for the first nine months. While turnover declined in the US, the Middle East and the Far East, we substantially expanded business in South America.

Volume Business weaker than expected

Volume Business is the Group's second, considerably smaller segment, which is clearly geared towards profitability. Volume Business has a strong focus on individual markets and customers. In addition to the US and Germany, France is the highest-volume market.

In the first three quarters, we recorded turnover in Volume Business of € 27.9 million (previous year: € 29.1 million). With a 4.1% year on year decrease, the segment fell short of our expectations. It accounted for 15.7% of Group turnover (previous year: 16.2%).

In Germany, we succeeded in more than doubling turnover year on year through special offers. In contrast, turnover in the high-volume target regions of Central Europe and the US declined. Our business with Birambeau kitchen products did not develop as expected in France, which saw a lack of volume on the whole among various consumer markets.

Net assets, financial position and results of operations

Development of results of operations

Result impacted by non-recurring effect, turnover and currency development

Earnings before interest and taxes (EBIT) came to € 11.3 million in the first nine months of 2017 (previous year: € 15.7 million). The decline of € 4.4 million resulted primarily from the decrease in gross profit, non-recurring expenses for the restructuring of our sales activities and higher advertising costs for strengthening our brands.

Earnings before taxes (EBT) developed in line with EBIT during the same period and reached € 10.5 million (previous year: € 14.6 million). Less taxes, this equalled a net result for the first three quarters of the current year of € 7.4 million (previous year: € 10.2 million).

Gross profit

Gross profit fell by € 2.9 million to € 82.0 million in the reporting period (previous year: € 84.9 million). Gross profit is calculated as turnover less cost of turnover. The decline was mainly the result of a lack of contribution margins from lower turnover, higher discounts, rebates, etc. to customers, higher purchasing prices for raw materials and goods purchased and held for resale, as well as shifts in the product and customer mix.

As a result, the gross margin fell by 1.1 percentage points in the first nine months of the year to 46.2% (previous year: 47.3%). It is defined as a ratio of gross profit to turnover.

Research and development costs

Research and development costs mainly include personnel costs, costs for services and patent fees. They came in at € 3.9 million in the first nine months of the year, up € 0.2 million on the previous year's figure. The rise was due to personnel recruitment in research and development, related to the strategic goal of strengthening the Group's capacity for innovation.

Distribution costs

Distribution costs, which also include advertising and marketing costs, freight out and delivery charges, stood at € 55.1 million in the reporting period (previous year: € 51.9 million) – an increase of € 3.2 million, due mainly to higher advertising costs of € 1.7 million and non-recurring costs for the restructuring of sales activities in the amount of € 2.0 million. This rise was countered by various cost-cutting measures.

Administrative costs

Our administrative costs fell year on year to € 11.8 million (previous year: € 13.0 million). Aside from personnel expenses and services, administrative costs also include costs incurred in support of our financial and administrative functions. The € 1.2 million decline was the result of lower variable Board of Management remuneration and cost-cutting measures.

Other operating income

Other operating income rose by € 1.1 million year on year to € 1.9 million (previous year: € 0.8 million) and included income from the sale of land not required for operations in the amount of € 1.1 million.

Foreign currency result

The Leifheit Group's foreign currency result decreased to € –1.6 million in the first nine months of 2017 (previous year: € –1.2 million). It included € –1.5 million in expenses from changes to the fair values of forward foreign exchange transactions (previous year: € –1.7 million), € 0.3 million in income from foreign currency valuations (previous year: expenses of € –0.2 million) and currency losses of € –0.4 million (previous year: gains of € 0.7 million).

Interest and financial result

The interest and financial result stood at € –0.8 million in the reporting period (previous year: € –1.1 million). It predominantly included interest expenses from interest on pension obligations.

Taxes

Income taxes amounted to € 3.1 million in the first three quarters (previous year: € 4.4 million). The tax rate thus stood at 29.5% (previous year: 29.9%). The tax rate is the ratio of income taxes to earnings before taxes (EBT).

Segment results

In Brand Business, we generated EBIT of € 9.0 million in the first nine months of 2017 (previous year: € 12.9 million). The gross margin fell by 1.0 percentage points as a result of higher discounts, rebates, etc., higher purchasing prices and customer and product mix effects, from 49.9% in the previous year to 48.9%. The contribution margin stood at € 60.4 million (previous year: € 63.3 million). This decline was mainly the result of non-recurring expenses for the restructuring of sales activities in the amount of € 2.0 million, a lack of contribution margins from lower turnover and the decline in gross margin. The contribution margin is defined as gross profit less commission and freight out. Apart from those effects already mentioned, higher advertising costs also played a role in the decline in EBIT in Brand Business.

Volume Business generated EBIT of € 2.3 million (previous year: € 2.8 million). The gross margin fell from 33.8% in the same period of the previous year to 31.6% in the reporting period. Higher purchasing prices and customer mix effects contributed to this development. Due as well to lower turnover, the contribution margin stood at € 7.8 million, or € 0.8 million lower than the previous year's level of € 8.6 million.

Development of the financial situation

Capital structure

As at 30 September 2017, the Leifheit Group's debt level had risen by 0.8 percentage points compared to 31 December 2016 to 57.1%. The main reason for this development was the dividend paid out in May. As a result, the decline in equity (€ 10.1 million) was sharper than liabilities, which only decreased by € 9.0 million.

As at the reporting date, the liabilities largely consisted of pension obligations of € 68.1 million, trade payables and other liabilities of € 45.8 million and provisions of € 8.4 million. As in previous years, Leifheit had no liabilities to banks.

The equity ratio – the share of equity in relation to the balance sheet total – came to 42.9% (31 December 2016: 43.7%).

Analysis of Group liquidity

Group liquidity declined by € 17.0 million in the first nine months of the current year and amounted to € 52.5 million as at 30 September 2017 (31 December 2016: € 69.5 million). As at 30 September 2017, Leifheit had credit balances of € 33.5 million (31 December 2016: € 45.5 million). They encompassed demand deposits and short-term fixed deposits in foreign currencies. Financial assets included bond funds of € 19.0 million (31 December 2016: € 24.0 million).

The decline in Group liquidity compared to 31 December 2016 resulted mainly from the dividend payment, including a special dividend, of € 13.8 million in total, the payment of long-term variable Board of Management remuneration of € 6.2 million and an € 8.9 million rise in working capital.

Analysis of the Group statement of cash flow

Cash flow from operating activities amounted to € 0.1 million in the reporting period (previous year: € 13.8 million) and was therefore down € 13.7 million year on year. This decline resulted primarily from the payment of long-term variable Board of Management remuneration of € 6.2 million and the € 8.9 million rise in working capital.

Cash outflow from investment activities stood at € 3.3 million (previous year: € 5.0 million). Our investments rose by € 0.2 million to € 5.4 million (previous year: € 5.2 million). This rise was offset by the income from the sale of land not required for operations in the amount of € 2.0 million.

Cash outflow from financing activities stood at € 8.8 million (previous year: € 13.1 million). In addition to the dividend payment of € 13.8 million (previous year: € 13.1 million), it included inflows from the sale of a registered bond and a bond fund totalling € 5.0 million (previous year: € 0.0 million).

Free cash flow

Free cash flow in the first nine months of 2017 amounted to € -3.2 million (previous year: € 8.8 million). This key figure indicates how much liquidity was available for the repayment of debt financing or for the distribution of dividends to shareholders. Free cash flow is the total of cash flow from operating activities and cash flow from investment activities, adjusted for incoming and outgoing payments from the divestiture of business divisions.

Development of net assets

Balance sheet structure as at 30 September 2017

Compared to 31 December 2016, the Leifheit Group's balance sheet total was down by € 19.2 million, from € 239.4 million to € 220.2 million.

Current assets stood at € 153.8 million as at the balance sheet date of 30 September 2017, € 16.8 million below the figure as at the end of 2016 (31 December 2016: € 170.6 million). Liquidity fell by € 17.0 million. In contrast, receivables rose by € 3.4 million to € 52.1 million, inventories increased by € 4.1 million to € 46.4 million and income tax receivables rose by € 0.9 million to € 1.5 million. These developments were offset by the € 5.9 million decline in current derivative financial assets and a € 2.2 million decline in VAT receivables.

At € 66.5 million, our non-current assets as at the end of September were down by € 2.4 million on the figure from the end of the previous year. The decline pertained mainly to non-current derivative financial instruments, which fell by € 1.9 million.

The fair values of all derivative financial instrument assets and liabilities fell by € 9.5 million to € -1.2 million in the first nine months of the current year due to carrying out forward exchange transactions concluded for the first nine months and to the significantly stronger US dollar and HK dollar on 30 September 2017 compared to 31 December 2016.

Current liabilities fell by € 4.1 million to € 53.9 million compared to the end of the previous year as at the balance sheet date due primarily to the payment of long-term variable Board of Management remuneration of € 4.0 million.

Non-current liabilities fell by € 4.9 million to € 71.9 million. This development pertained mainly to the € 2.1 million decline in pension obligations due to the increase in the discount rate, the € 2.1 million decline in deferred tax liabilities due to the drop in active derivative financial instruments and the decline in other provisions (containing the payment of long-term variable Board of Management remuneration of € 2.2 million).

Equity dropped by € 10.1 million to € 94.5 million as at 30 September 2017 compared to 31 December 2016. This was the result of a positive net result for the period of € 7.4 million, the negative other comprehensive income of € 3.8 million as well as the payment of dividend and special dividend of € 13.8 million.

Investments

A total of € 5.4 million was invested in the first nine months of 2017 (previous year: € 5.2 million). The investments primarily concerned tools for new products, machines, streamlining investments for production plants, and operating and business equipment. Land from the former bathroom division not required for operations was sold in the second and third quarters, generating income of € 2.0 million. Beyond this, no material assets were sold in the reporting period.

The investment ratio – in other words, additions to assets related to historical procurement and production costs – amounted to 3.1%. We invested € 4.4 million in Brand Business, while € 1.0 million of our investments were attributable to Volume Business. Investments were offset by depreciation and amortisation of € 4.8 million (previous year: € 4.4 million).

Forecast of anticipated development

Economy remains on track for growth

According to the latest outlook from the International Monetary Fund (IMF), the upswing in economic activity in advanced economies continues to strengthen. The IMF forecasts growth of 3.6% for the current year, instead of 3.4% as projected at the beginning of 2017. Continued consumption, positive expectations by companies about the future and favourable financing conditions are fostering the current growth. Potential risks cited by the IMF include political uncertainties and growing tensions in key regions. The IMF revised its growth forecast for the US down to 2.2% for the current year (– 0.1 percentage points). Growth of 6.8% (previously 6.5%) is anticipated for China in 2017, while the forecast projects economic growth in Russia of 1.8% (previously 1.1%).

The pace of growth increased over the year in the euro area. In their September outlook, the ifo Institute in Munich, Istat in Rome and the KOF economic research institute in Zurich anticipate that the upswing will continue at the same speed. For 2017, they forecast (calendar-adjusted) economic growth of 2.3% in the euro area, which represents a substantial increase compared to their projections from April. The improved labour market situation and rising income levels are likely to continue fostering growth in consumer spending. In contrast, the increase in the euro's value will probably curb export demand. In its spring forecast, the European Commission anticipates growth of 1.7% in the euro area and 1.9% in the entire European Union for the current year.

The current joint forecast of the German economic research institutes predicts 1.9% growth in gross domestic product this year, which is the highest figure since 2010. A growth rate of 1.5% was still being forecast in spring. The institutes expect that private consumer spending will not rise as strongly with an increasing tax burden and inflation.

Consumer sentiment stabilises

The GfK market research institute's consumer climate indicator forecasts a decline of 0.1 points to 10.8 points for Germany in October. Sentiment among German consumers is therefore stabilising on a high level. In connection with the favourable labour market situation and considerable increases in income, the GfK further anticipates that private consumer spending in Germany will rise by 1.5% in real terms in the current year. The European Commission's Consumer Confidence Indicator continued its upward trend in September, adding 0.3 points in the Eurozone and 0.8 points in the European Union as a whole.

Business climate on a high level

Following a continuous rise that lasted several months, the ifo's Business Climate Index measuring industry sentiment in Germany declined slightly in September, falling from 115.9 to 115.2 points. In absolute terms, the business climate in Germany continues to find itself on a level not seen for many years in Germany. The European Commission's Business Climate Indicator for the euro area rose further in September to 1.34 points – a level last achieved in April 2011.

US dollar loses value against the euro

In the first nine months of 2017, the value of the US dollar fell significantly. The average exchange rate stood at 1.06 US dollars per euro in January, while one euro was worth 1.18 US dollars on 29 September. On the back of several interest rate hikes in the US, observers originally expected the US dollar to gain in value due to the growing interest rate differential with respect to the euro, supported by the announcement of trade measures. At the end of 2016, the average exchange rate forecast for the turn of the year 2017/2018 stood at 1.05 US dollars per euro. Currently, exchange rate forecasts for 31 December 2017 stand at 1.13 US dollars per euro, even though the Federal Reserve is expected to make another interest rate hike before this year is over.

Turnover and earnings forecast for the current financial year

When arriving at our turnover and earnings forecast for the current financial year, we proceeded from several underlying expectations, namely that economic growth in our key sales markets will continue at a pace similar to that seen in the previous year, and that private consumption will continue driving growth. Current forecasts support these anticipated underlying conditions as before. Risk factors also experienced no material changes. They include economic policy measures taken by the new administration in the US, rising inflation in the euro area, geopolitical tensions and conflicts, as well as the development of the US dollar's exchange rate.

The expected development of US dollar exchange rate over the further course of the year was important to our earnings forecast, as it has an impact on the foreign currency result. In early 2017, we expected the value of the US dollar to remain largely stable or to increase slightly against the euro, but the US dollar actually decreased in value, which led to negative foreign currency effects. At the same time, business development business performance observed until then and plans for the remaining months in 2017 made it necessary to adjust the turnover forecast. In light of this, we released a revised forecast for the financial year 2017 mid of September.

Against the background of the business development in September and October and the updated plans for the remaining weeks of the year, we now expect a Group turnover on previous year's level. In September we had assumed a growth slightly below our previous forecast of 3.5 to 4.5%. We anticipate slight growth in our Brand Business. For our smaller and more volatile segment, the Volume Business, we now expect turnover below previous year's figure.

At the beginning of the financial year we planned earnings before interest and taxes (EBIT) on previous year's level (€ 22.1 million), considering non-recurring expenses for the reorganisation of sales activities in our Brand Business. In the context of the adjustment mid of September, we assumed EBIT to be lower by € 1 million to € 2.5 million. Based on the current turnover forecast and the negative foreign currency effects we now expect EBIT to be lower by € 2 million to € 3 million compared to the initial forecast.

The detailed forecast for the current financial year can be found in the most recently published annual financial report for the Leifheit Group for the financial year 2016. Please also refer to this report for explanations about the company's strategic orientation as well as opportunities and risks. It is available on our website at financial-reports.leifheit-group.com.

Statement of profit or loss and statement of comprehensive income

k€	1 Jul to 30 Sep 2016	1 Jul to 30 Sep 2017	1 Jan to 30 Sep 2016	1 Jan to 30 Sep 2017
Turnover	58,390	56,640	179,498	177,525
Cost of turnover	-31,136	-31,572	-94,641	-95,498
Gross profit	27,254	25,068	84,857	82,027
Research and development costs	-1,429	-1,254	-3,707	-3,890
Distribution costs	-16,207	-16,358	-51,921	-55,141
Administrative costs	-3,909	-2,944	-12,950	-11,821
Other operating income	176	478	829	1,895
Other operating expenses	-85	102	-206	-135
Foreign currency result	-225	-497	-1,179	-1,586
EBIT	5,575	4,595	15,723	11,349
Interest income	25	29	69	60
Interest expenses	-391	-303	-1,176	-922
Net other financial result	-3	-	-6	22
EBT	5,206	4,321	14,610	10,509
Income taxes	-1,556	-1,275	-4,368	-3,100
Net result for the period	3,650	3,046	10,242	7,409
Contributions that are not reclassified in future periods in the statement of profit or loss				
Actuarial gains/losses on defined benefit pension plans	-1,542	5	-9,869	1,678
Income taxes from actuarial gains/losses on defined benefit pension plans	449	-	2,872	-487
Contributions that may be reclassified in future periods in the statement of profit or loss				
Currency translation of foreign operations	14	1	-47	136
Currency translation of net investments in foreign operations	48	139	4	640
Income taxes from currency translation of net investments in foreign operations	-14	-40	-1	-186
Net result of cash flow hedges	-1,573	-2,146	-4,487	-7,916
Income taxes from cash flow hedges	466	634	1,320	2,343
Net result from the sale of financial assets available	-	10	-	39
Income taxes from the sale of financial assets available	-	-3	-	-11
Other comprehensive income	-2,152	-1,400	-10,208	-3,764
Comprehensive income after taxes	1,498	1,646	34	3,645
Earnings per share based on net result for the period (diluted and undiluted)¹	€ 0.38	€ 0.32	€ 1.08	€ 0.78

¹ Based on 10 million no-par-value bearer shares.

Balance sheet

k€	31 Dec 2016	30 Sep 2017
Current assets		
Cash and cash equivalents	45,507	33,452
Financial assets	23,994	19,038
Trade receivables	48,703	52,086
Inventories	42,294	46,379
Income tax receivables	525	1,471
Derivative financial instruments	6,405	550
Other current assets	3,138	812
Total current assets	170,566	153,788
Non-current assets		
Tangible assets	36,911	36,992
Intangible assets	19,261	19,252
Deferred tax assets	10,616	10,029
Income tax receivables	–	–
Derivative financial instruments	1,914	34
Other non-current assets	148	154
Total non-current assets	68,850	66,461
Total assets	239,416	220,249
Current liabilities		
Trade payables and other liabilities	51,166	45,755
Derivative financial instruments	–	1,122
Income tax liabilities	299	603
Other provisions	6,544	6,397
Total current liabilities	58,009	53,877
Non-current liabilities		
Provisions for pensions and similar obligations	70,218	68,134
Other provisions	3,434	2,026
Deferred tax liabilities	3,132	1,076
Derivative financial instruments	7	663
Other non-current liabilities	–	–
Total non-current liabilities	76,791	71,899
Equity		
Subscribed capital	15,000	30,000
Capital surplus	17,026	17,026
Treasury shares	–7,445	–7,445
Retained earnings	91,991	70,612
Other reserves	–11,956	–15,720
Total equity	104,616	94,473
Total equity and liabilities	239,416	220,249

Statement of cash flow

k€	1 Jan to 30 Sep 2016	1 Jan to 30 Sep 2017
Net result for the period	10,242	7,409
Adjustments for depreciation and amortisation	4,430	4,840
Change in provisions	-64	-1,965
Result from disposal of fixed assets and other non-current assets	-25	-1,061
Change in inventories, trade receivables and other assets not classified as investment or financing activities	549	-6,666
Change in trade payables and other liabilities not classified as investment or financing activities	-2,656	-4,353
Other non-cash income	1,298	1,866
Cash flow from operating activities	13,774	70
Acquisition of tangible and intangible assets	-5,241	-5,368
Proceeds from the sale of tangible assets and other non-current assets	220	2,086
Cash flow from investment activities	-5,021	-3,282
Dividends paid to the shareholders of the parent company	-13,071	-13,788
Change in financial assets	-	4,956
Cash flow from financing activities	-13,071	-8,832
Change in cash and cash equivalents	-4,318	-12,044
Change in cash and cash equivalents due to exchange rates	-39	-11
Cash and cash equivalents at the start of the reporting period	64,200	45,507
Cash and cash equivalents at the end of the reporting period	59,843	33,452

Segment reporting

Key figures by divisions as at 30 September 2017		Brand Business	Volume Business	Total
Turnover	€m	149.6	27.9	177.5
Gross margin	%	48.9	31.6	46.2
Contribution margin	€m	60.4	7.8	68.2
Segment result (EBIT)	€m	9.0	2.3	11.3
Depreciation and amortisation	€m	4.1	0.7	4.8

Key figures by divisions as at 30 September 2016		Brand Business	Volume Business	Total
Turnover	€m	150.4	29.1	179.5
Gross margin	%	49.9	33.8	47.3
Contribution margin	€m	63.3	8.6	71.9
Segment result (EBIT)	€m	12.9	2.8	15.7
Depreciation and amortisation	€m	3.7	0.7	4.4

Information on the segments and their management is available in our annual financial report 2016.

Additional information

This quarterly statement was neither audited by an auditor, nor was it subject to an audit review. The results of the current reporting period do not necessarily make it possible to draw conclusions regarding the development of future results.

With the exception of accounting regulations to be applied potentially for the first time, 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 past financial year. A detailed description can be found in the notes to the annual financial report 2016 of the Leifheit Group, which is available on our website at financial-reports.leifheit-group.com.

There were no changes in the scope of consolidation or major changes in the organisational structure or business model during the reporting period.

Disclaimer

Forward-looking statements

This quarterly 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, such as statements on the future market environment and economic conditions, the behaviour of other market participants and government measures. If one of these or other uncertain or unforeseeable factors occur, 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 neither intends to, nor does it accept any specific obligation to, update forward-looking statements to reflect events or developments after the date of this report.

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

Financial calendar

27 – 29 NOVEMBER 2017

**PRESENTATION TO INVESTORS
AND FINANCIAL ANALYSTS**
German Equity Forum, Frankfurt/Main, Germany



27 MARCH 2018

ANNUAL FINANCIAL REPORTS 2017



15 MAY 2018

QUARTERLY STATEMENT
for the period ending 31 March 2018



30 MAY 2018

ANNUAL GENERAL MEETING
German National Library, Frankfurt/Main, Germany



14 AUGUST 2018

FINANCIAL REPORT FOR THE FIRST HALF-YEAR
ending 30 June 2018



14 NOVEMBER 2018

QUARTERLY STATEMENT
for the period ending 30 September 2018

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