

Leifheit AG

Investor Presentation



German Equity Forum
November 2017

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Agenda

- Introduction to Leifheit
- Summary 2017 and Financial Figures 9M 2017
- Forecast Financial Year 2017
- Strategy “Leifheit 2020” and Key Initiatives 2017
- Investment Highlights



Introduction to Leifheit



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

Leifheit Group

Brand Business
(~ 85% of turnover)

Volume Business
(~ 15% of turnover)

- Distribution in international markets
- Product categories: Cleaning, Laundry Care, Kitchen goods, Wellbeing

- 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

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

LEIFHEIT

SOEHNLE

birambeau
la Cuisine plaisir

herby

Project
Business

Offering products in four categories

Cleaning

Leifheit has an easy and convenient solution for every cleaning demand. Our high quality cleaning products can be flexibly combined.



Laundry care

Whether it's laundry dryers for the house or rotary dryers for the garden, an ironing board or a steam ironing system – Leifheit ensures fresh, clean and well-kept laundry.



Kitchen goods

Opening, cooking, cutting or storing – Leifheit's kitchen accessories simplify work and keep hands and kitchen clean.



Wellbeing

Soehnle is a leading brand supplier for kitchen and bathroom scales. Air Treatment, medical products and wearables are complementary new assortments for a modern lifestyle.



Summary and Financial Figures 9M 2017



Leifheit will return to sustained profitable growth

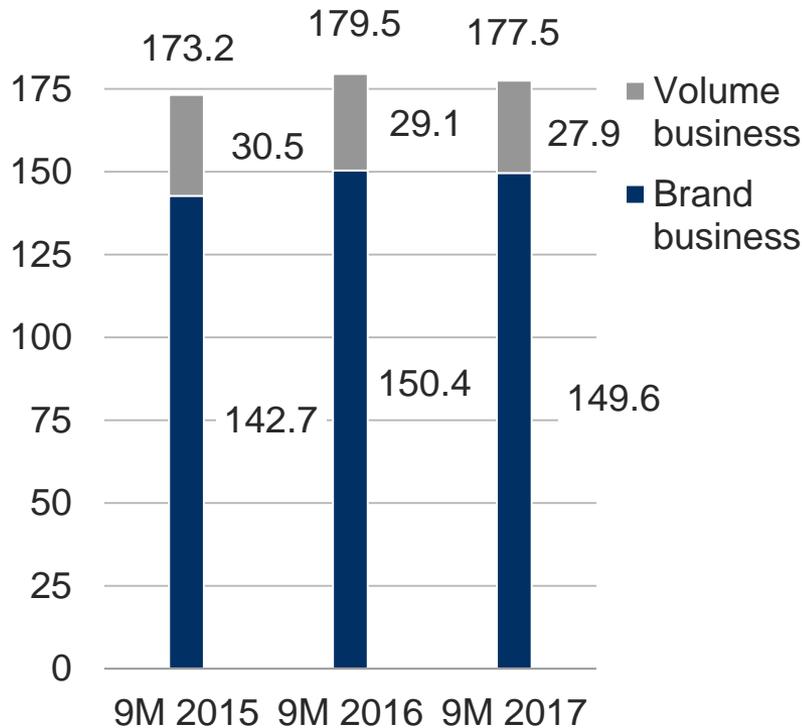
- **Operational performance under pressure from softer foreign markets**
 - The slow Q1 2017 was compensated in the second quarter, Q3 2017 behind expectations
 - Group turnover in 9M slightly down compared to previous year
 - Strong turnover increase in Germany and Eastern Europe cannot compensate declines in Central Europe and Overseas
 - EBIT below previous year due to one-off effects from restructuring of the sales organization, increased marketing expenses and negative foreign currency effects
 - Guidance for Financial Year 2017 adjusted

- **Increased dividend for the eighth consecutive year**
 - Payment of an ordinary dividend of € 2.10 and a special dividend of € 0.80 for business year 2016
 - Proposing stable ordinary dividend for business year 2017

Group turnover slightly below previous year, despite good performance in Germany and Eastern Europe

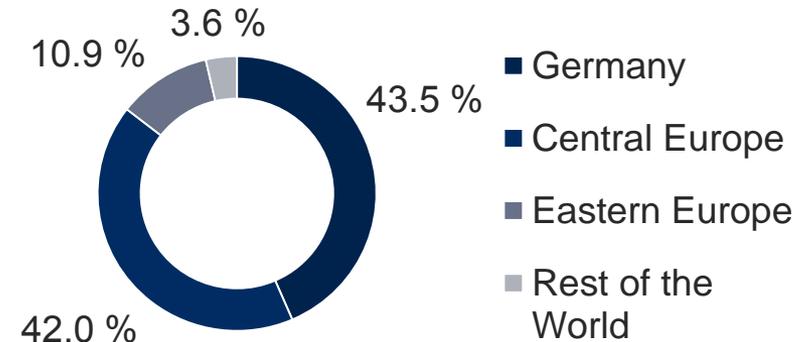
Group turnover by segment

9M 2015 – 9M 2017 / in € m



Group turnover by region

9M 2017



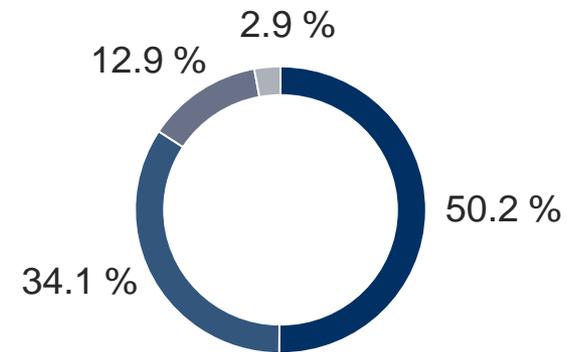
- The slow Q1 2017 was compensated in Q2, Q3 2017 behind expectations
- Germany grew by 3.8 % due to a strong performance of both brand business and volume business
- Continuous significant growth in Eastern European markets by 9.4 %, driven by double-digit growth in the Czech Republic, Poland und the Ukraine
- Central Europe declined by 7.2 %, driven by pressure in France, Italy and Austria, not compensated by strong performance in Belgium

Brand Business at prior year level

		9M 2016	9M 2017	Δ
Turnover	€ m	150.4	149.6	-0.5 %
Gross margin	%	49.9	48.9	-1.0 pps
Segment result (EBIT)	€ m	12.9	9.0	-30.2 %
Employees	Pers.	862	931	+69

Turnover Brand Business

9M 2017 / by region*



- High quality products by Leifheit and Soehnle brands, center of “Leifheit 2020” growth strategy
- Brand Business represents 84.3 % of total sales (9M 2016: 83.8 %)
- Substantial growth drivers: laundry care and cleaning products
- Declining kitchen and wellbeing categories
- EBIT impacted by non-recurring expenses for the restructuring of sales organization, higher advertising costs and lower than expected turnover
- Increase of employees due to insourcing in Czech Republic and to the restructuring of sales organization

- Germany
- Central Europe
- Eastern Europe
- Rest of the World



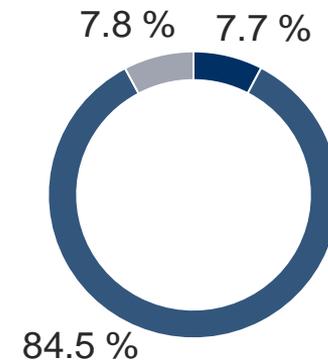
* Deviation from 100% due to rounding

Volume Business suffering from French hyper markets development

		9M 2016	9M 2017	Δ
Turnover	€ m	29.1	27.9	-4.1 %
Gross margin	%	33.8	31.6	-2.2 pps
Segment result (EBIT)	€ m	2.8	2.3	-16.5 %
Employees	Pers.	188	172	-16

Turnover Volume Business

9M 2017 / by region



- Germany
- Central Europe
- Rest of the World

- Focus on profitability, focused on European markets and project business
- Strong sales increase in Germany cannot compensate decline in France and USA
- Volume Business represents 15.7 % (9M 2016: 16.2 %) of group turnover
- Shift of employees from volume to brand business



Group result impacted by non-recurring expenses and negative foreign currency result

		9M 2016	9M 2017	Δ
Group turnover	€ m	179.5	177.5	-1.1 %
Gross margin	%	47.3	46.2	-1.1 pps
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
Earnings before taxes (EBT)	€ m	14.6	10.5	-28.1 %
Net result for the period	€ m	10.2	7.4	-27.7 %

- Group turnover down slightly year on year
- EBIT declines due to of one-off effects from restructuring sales organization and increased advertising expenditures
- Both measures are investments to further strengthen our strategic Brand Business
- EBIT under further impression of negative foreign currency results

Forecast Financial Year 2017



2017: Turnover on previous year's level, earnings affected by one-offs and currency effects

Economic environment 2017

- ▶ Moderate economic growth in our key European markets
- ▶ External risks of changed US economic policies as well as a rising level of inflation
- ▶ Retail business optimistic for 2017, propensity of customers consumption continuously stable

Forecast Group development 2017

- ▶ Continue to pursue group growth strategy “Leifheit 2020”, despite current risks in the retail sector
- ▶ Group: Turnover on previous year's level
- ▶ Brand Business: Slight turnover growth
- ▶ Volume Business: Turnover below previous year's level
- ▶ EBIT € 2 – 3 m behind previous years level due to one-off effects from reorganization of sales and currency effects
- ▶ Investments of about € 7 – 7.5 m (2016: € 7.8 m)
- ▶ ROCE of 12 – 13 % (2016: 16.3 %)
- ▶ Free cash flow of about € 0 to 2 m

Group development until 2020

- ▶ Sustainable and profitable organic turnover growth of 4 to 5 % CAGR¹
- ▶ Target EBIT margin of 8 to 9.5 %

¹ Compound Annual Growth Rate

Strategy “Leifheit 2020” and Key Initiatives 2017



Leifheit’s vision for 2020

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

Vectors of growth: New products vs existing business

New products (20 – 30 % of annual turnover growth)

- Outcome of the new product pipeline defined until 2020
- Based on the mega trends relevant for Leifheit:
 - Fading of traditional gender rolls
 - Electrification
 - Digitalization & connectivity
- Based on Leifheit consumer segmentation
- Existing and new product segments
- Different innovation streams by grade of technical change / newness of application

You have something against bacteria? So do we!



CleanTenso

Simply hygienic and clean -
without chemicals.

Kills
99.99%
of Bacteria*

*tested on E coli and
Calbicans bacteria



LEIFHEIT

How housework's done today.

www.leifheit.com

For the many small battlefields of the day



**Cordless Vacuum
Cleaner**

**Regulus
PowerVac
2in1**

Cordless, powerful,
ready-to-go



LEIFHEIT

How housework's done today.

www.leifheit.com



LinoProtect 400

NEW

Protects against rain.

LEIFHEIT

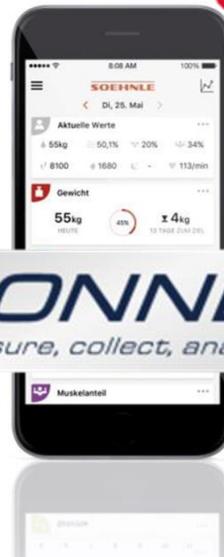
How housework's done today.

www.leifheit.com

New digital business segment Soehnle connect



Personal scales



Medical



Fitness



Air Treatment



Strategy “Leifheit 2020” and Key Initiatives 2017

Kitchen scale Page Aqua Proof – 100% waterproof



Vectors of growth: New products vs. existing business

Existing business (70 – 80 % of annual turnover growth)

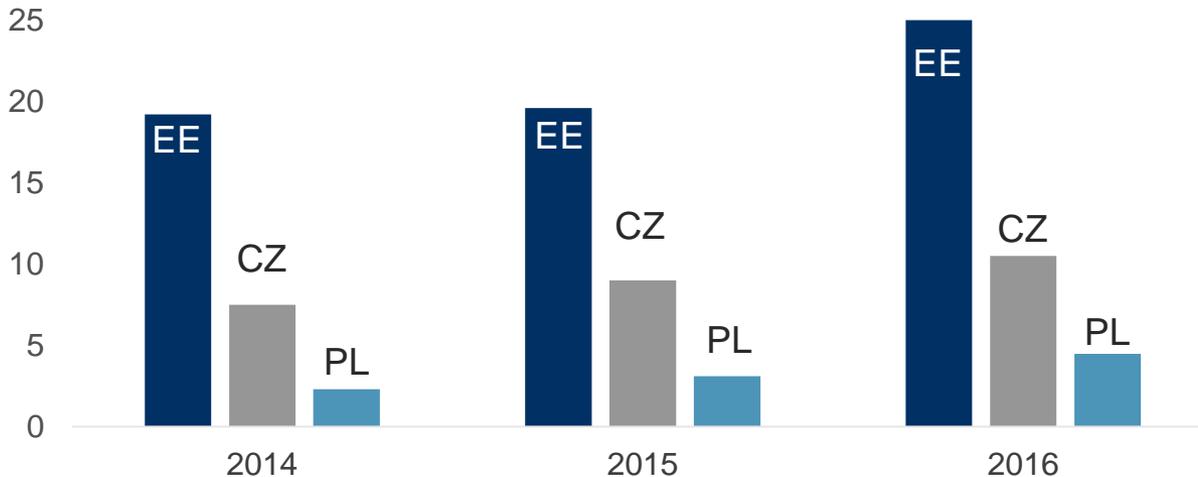
- **Further expand online business across all geographies**
- **“Win from strength markets” – Europe stationary**
 - Conversion of existing customer listings in broad distribution by
 - Sales effectiveness/efficiency programs
 - Marketing/promotion programs
 - Closure of listing gaps in existing and new customers
- **“Win from behind” markets – Europe stationary**
 - Entry via promotional business into selected customers based on a hunting list
 - Conversion of promotions in listings
- **“Entrepreneurs” – ME/Asia**
 - Opportunistic realization of growth until 2017
 - More focus as of 2018 (Asia)

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

- **Situation in 2014: Lack of structured market approach to Eastern European (EE) region**
 - Analysis of each individual EE country and establishment of EE coordination team with clearly defined responsibilities and targets
 - Developed a hunting list for each country
 - Established unified model for promotions and assortment for EE region
 - Build-up of new customer service center for EE countries in Prague, Czech Republic
 - Established central logistics center for EE countries in Blatná, Czech Republic

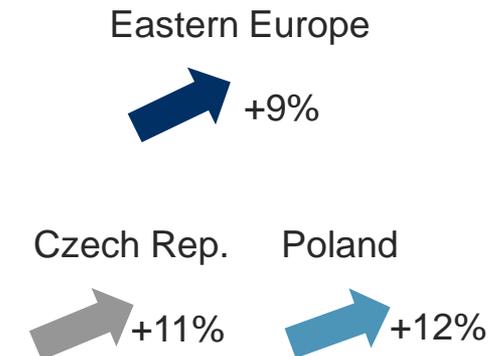
Sales EE region and selected markets

2014 to 2016 in € m



Growth

9M 2016 to 9M 2017



More contemporary positioning of Leifheit brand

How housework's done today.

More time for the things you love.



How housework's done today.

More contemporary positioning of Leifheit brand



TV-advertisement

Q1 2017: CLEAN TWIST System

Q1 2017: Window vacuum

Q3 2017: Air Board

Q1 2018: Linoprotect

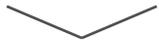


Investment Highlights



We drive from strength

Strong brands	<ul style="list-style-type: none">▶ Well known, high consumer confidence▶ Leading positions: Germany and many European countries▶ High-quality supplier, middle and upper price range
Sustainable earnings	<ul style="list-style-type: none">▶ Non-cyclical business: Leifheit brands are used every day▶ Well prepared to exploit e-commerce potential▶ Efficient cost structure, sustainable margins, high cash flow, solid financial position
Attractive dividend	<ul style="list-style-type: none">▶ Distribution of approx. 75% of max (free cash flow, net income) targeted and backed by solid cash flow▶ Distribution of surplus cash to shareholders via special dividend
Significant growth potential	<ul style="list-style-type: none">▶ Offline/online conversion of well suited assortment▶ Strategy “Leifheit 2020” to reach higher levels of profitable growth<ul style="list-style-type: none">– Organic growth through focus on core categories, innovation, digital, efficiency– External growth options (focus on core categories)



Leifheit is more than just household products

Long-term financial overview

		2012	2013	2014	2015	2016
Turnover	€ m	224.2	220.9	220.7	231.8	237.1
Group adjusted ¹	€ m	217.4	219.5	220.7	231.8	237.1
Brand Business ¹	€ m	170.9	172.8	180.4	188.1	195.8
Volume Business	%	46.5	46.7	40.3	43.7	41.3
Profitability						
Gross margin	%	43.6	44.9	47.7	46.7	47.5
Cash flow from operating activities	€ m	8.2	22.9	24.5	20.8	21.8
Free cash flow	€ m	-1.4	19.5	18.4	14.1	14.3
EBIT	€ m	14.2	14.9	21.5	21.7	22.1
EBIT adjusted ²	€ m	13.0	16.9	16.4	19.2	21.8
EBIT margin	%	5.8	6.8	9.8	9.3	9.3
EBT	€ m	12.2	13.3	19.8	20.2	20.6
Net result for the period	€ m	9.4	10.2	14.1	14.3	14.5
ROCE	%	10.2	12.6	20.3	18.1	16.3

1 turnover 2012 to 2013 adjusted for discontinued business with Dr. Oetker Bakeware

2 EBIT 2012 adjusted by one-off effects from sales of assets relating to termination of a license agreement
EBIT 2013 to 2016 adjusted by from foreign currency results

Long-term financial overview

		2012	2013	2014	2015	2016
Per Share¹						
Net result for the period ²	€	1.97	2.16	2.97	3.02	3.06
Free cash flow ¹	€	-0.28	4.11	3.88	2.96	3.01
Dividend	€	1.50	1.65	1.80	2.00	2.10
Special dividend	€	--	--	--	0.75	0.80
Investments in tangible assets	€ m	9.3	3.3	5.2	6.1	6.6
Depreciation in tangible assets	€ m	5.3	5.5	5.3	5.0	5.6
		31/12/12	31/12/13	31/12/14	31/12/15	31/12/16
Employees						
Group	No.	1,049	1,049	1,068	1,074	1,093
Brand Business	No.	757	757	792	865	913
Volume Business	No.	292	295	276	209	180
Balance sheet total²	€ m	205.9	203.8	223.3	237.9	239.4
Equity	€ m	92.8	94.7	94.8	106.7	104.6
Equity ratio	%	45.0	46.5	42.5	44.9	43.7

1 based on number of shares before scrip issue in June 2017 (5,000,000)

2 not including repurchased treasury shares

Financial calendar, share data, contact

Dates 2017

November 2017

German Equity Forum, Frankfurt/Main

Dates 2018

27 March 2018

Annual Financial Reports 2017

Analyst's meeting, Frankfurt/Main, Germany

15 May 2018

Quarterly statement Q1

30 May 2018

Annual General Meeting

Frankfurt/Main, Germany

14 August 2018

Financial report for the period ending 30 June 2018

14 November 2018

Quarterly statement Q3

Share data

ISIN: DE0006464506
Ticker: LEI:GR, LEIG.DE

Trading segment: Prime Standard
Share capital: € 30,000,000.-

Number of shares: 10,000,000 no-par value
ordinary bearer shares

Stock market launch: 3 October 1984

Designated Sponsor: Oddo Seydler Bank AG
Landesbank Baden-
Württemberg (LBBW)

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Aktiengesellschaft

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