



## Quarterly statement for the period ending 31 March 2019

### At a glance

- Group turnover increased by 3.4% to m€ 64.3
- Group EBIT at m€ 3.9 following m€ 4.7 in previous year
- Strong growth of roughly 19% in e-commerce
- Increased distribution activities in Eastern Europe
- Turnover and earnings forecast confirmed

### Key figures of the Group as at 31 March

		2018	2019	Change
<b>Turnover</b>				
Group	m€	62.2	64.3	3.4%
Household	m€	50.5	52.1	3.0%
Wellbeing	m€	4.8	5.2	8.6%
Private Label	m€	6.9	7.0	2.4%
Foreign share	%	51.3	55.3	4.0pps
<b>Profitability</b>				
Gross margin	%	44.6	42.9	-1.7pps
Cash flow from operating activities	m€	-4.0	0.1	>100%
Free cash flow	m€	-4.9	-0.8	83.5%
Foreign currency result	m€	-0.1	0.5	>100%
EBIT	m€	4.7	3.9	-17.2%
EBIT margin	%	7.5	6.0	-1.5pps
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%
<b>Investments</b>	m€	0.9	1.0	3.1%

# Foreword

## Dear Shareholders,

We got the new financial year off to a successful start and managed to generate growth in all three segments. At the same time, we grew disproportionately in e-commerce. This shows that we are successfully taking important strategic measures and setting the course for profitable growth in future.

Furthering the link between our sales channels so as to consistently seize the attractive potential offered by e-commerce continued to be a strategic focal point in the first quarter of 2019. The goal is to be even closer to the customer in future and improve our service. The scheduled launch of our own online shop in the second half of 2019 will help us to further expand our e-commerce activities.

The Household segment reported particularly positive results, with the cleaning product category seeing substantial growth and sales of electrical products for cleaning glass surfaces regaining momentum at the start of the year. Product launches such as the Leifheit CleanTenso have proven popular in the market. In the Wellbeing segment, the development of the Soehnle product range has been markedly positive thanks mainly to the new range of scales, especially for kitchens. Soehnle Medical also managed to post significant gains.

In addition, we are expanding our international presence. We grew in all foreign sales and distribution regions in the reporting period. Our plan is to continue down this path and focus on further promoting our brand-building efforts in selected Eastern European markets. By contrast, the German market mainly saw a slight decline in development due to a change in the campaign schedule. Earnings in the first quarter also developed within our forecast range.

In February, we succeeded in attracting Henner Rinsche, an experienced manager from the consumer goods industry, to act as our new CEO. He will take office on 1 June 2019. With all positions on the Board of Management having been filled, we will work together to further focus our strategy and continue determinedly with the measures that have already been introduced.

Our main focus in the first three months of 2019 was to work towards the successful continuation of the company's development in Leifheit's 60th year in business – something that will continue to be a priority for us as the year progresses.

The Board of Management

Ivo Huhmann      Igor Iraeta Munduate

# Quarterly statement for the period ending 31 March 2019

(in accordance with section 53 of the exchange rules for the Frankfurter Wertpapierbörse)

## Business performance

The Leifheit Group's turnover reached m€ 64.3 in the first three months of the current financial year and was therefore up 3.4% compared to the previous year's figure (m€ 62.2). We succeeded in raising turnover in all three business segments in the first quarter of 2019. The cleaning product category and new Wellbeing products made a particular contribution to the positive development. At the same time, the e-commerce sales channel continued to gain importance and posted disproportionate growth in the reporting period.

The Leifheit Group recorded growth in all foreign sales and distribution regions, whereas the Group's domestic market (Germany) saw a slight decline due in particular to a change in the campaign schedule. Foreign turnover increased significantly by 11.3% to m€ 35.5 (previous year: m€ 31.9). As a result, the foreign share of turnover stood at 55.3% (previous year: 51.3%).

This shows that the Leifheit Group continues to expand its international presence and is working successfully to create the conditions for sustained turnover growth, especially through brand building in selected Eastern European markets. We will be increasing our marketing, sales and distribution activities in the current financial year to further our efforts in this regard.

## Group turnover by region

### Germany

In the first three months of 2019, turnover in Germany fell by 5.0% to m€ 28.8 (previous year: m€ 30.3). As a result, the domestic market accounted for 44.7% of turnover (previous year: 48.7%). The decline in turnover was attributable in particular to the shifting of campaigns into the second quarter of the current financial year that took place in the first three months of the previous year.

### Central Europe

Turnover in the Central Europe region grew by 6.7% to m€ 25.2 in the first three months of 2019 following m€ 23.6 in the same period in the previous year. Positive development in Italy was one of the main factors behind this growth. The French market saw stable development, with the protests in Paris primarily impacting business in the fourth quarter of 2018.

### Eastern Europe

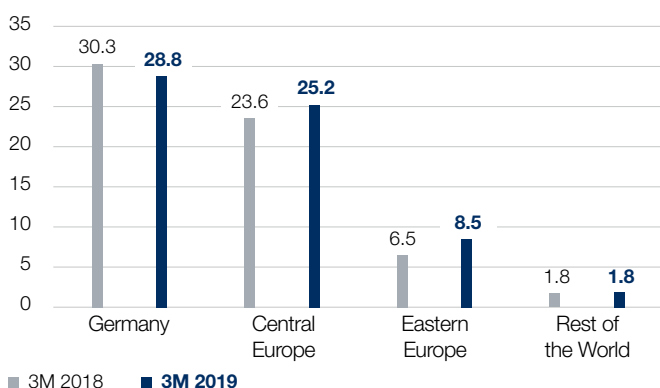
In Eastern Europe, the Group recorded substantial growth of 30.0% to m€ 8.5 (previous year: m€ 6.5). Leifheit primarily encouraged this strong growth, mainly in the Czech Republic and Poland, through increased brand-building activities and special offers.

### Non-European markets

As in the previous year, turnover outside Europe, which is driven by efforts to seize sales opportunities as they arise, stood at m€ 1.8 in the first quarter of 2019, accounting for a 3.0% share of Group turnover (previous year: 2.9%).

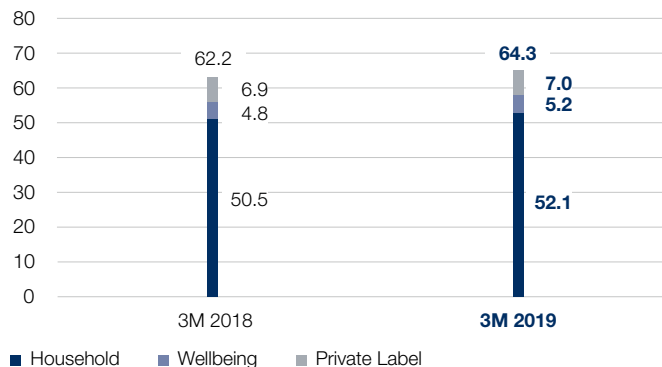
In financial year 2018, Leifheit laid the foundation for expanding its business in the Asia-Pacific region in the future by establishing a distribution company in China. The increase in distribution activities led to significant growth in the first quarter, primarily in the Far East. By contrast, turnover in the US and other distribution regions outside Europe were down year on year.

Group turnover by region  
in m€



**Group turnover by segment**

in m€



**Group turnover by segment**

The business segments, previously reported as Brand Business and Volume Business, were reorganised in financial year 2018. They are now presented as the reportable segments:

- the **Household** segment, in which we market and sell the Leifheit brand and products from the laundry care, cleaning and kitchen goods categories;
- the **Wellbeing** segment, featuring the Soehnle brand and a range of scales, health products and room air treatment products; and
- the **Private Label** segment, featuring the French subsidiaries Birambeau and Herby, which includes laundry care and kitchen products created especially for private-label brands.

**Household**

In the Household segment, the Leifheit Group generated solid turnover growth of 3.0% in the first three months of 2019. Turnover stood at m€ 52.1 following m€ 50.5 in the same period in the previous year. The share of Group turnover fell by 0.3 percentage points to 80.9% in the reporting period (previous year: 81.2%).

Within the Household segment, the cleaning product category saw particularly marked growth. Following a decline in 2018, sales of electrical products for cleaning glass surfaces saw modest growth once again during the reporting period on account of product launches. By contrast, the laundry care category saw a slight decline in development due primarily to the shift in the timing of special offers involving rotary dryers on account of changes in deliveries to individual retail partners. Furthermore, it was not possible to roll out special offers involving steam ironing boards during the reporting period.

**Wellbeing**

In the Wellbeing segment, we generated significant turnover growth of 8.6% to m€ 5.2 (previous year: m€ 4.8). At 8.1%, the share of Group turnover was up slightly year on year (previous year: 7.7%).

A new range of scales, especially for the kitchen, got off to a good start and made a substantial contribution to growth. Furthermore, we succeeded in more than doubling turnover involving the Soehnle Medical product range year on year.

**Private Label**

In the Private Label segment, Leifheit generated turnover growth of 2.4% to m€ 7.0 (previous year: m€ 6.9). Turnover involving kitchen products developed positively at the subsidiary Birambeau in France, whereas turnover involving laundry care products at the subsidiary Herby declined.

## Net assets, financial position and results of operations

In the first three months of 2019, the Leifheit Group generated earnings before interest and taxes (EBIT) of m€ 3.9 (previous year: m€ 4.7), which corresponds to a decrease of m€ 0.8.

Negative customer and product mix effects more than balanced out additional contribution margins from the increase in turnover of m€ 2.1. Research and development costs, as well as administrative and distribution costs, increased by m€ 1.1 in total, in particular due to higher freight out and services within the administrative costs. By contrast, the foreign currency result improved by m€ 0.6.

Earnings before taxes (EBT) stood at m€ 3.5 (previous year: m€ 4.3). Less taxes, this equalled a net result for the period of m€ 2.5 in the first quarter of 2019 (previous year: m€ 3.1).

Group liquidity declined by m€ 0.9 in the first three months of 2019 and stood at m€ 50.0 as at 31 March 2019. Cash flow from operating activities amounted to m€ 0.1 in the reporting period (previous year: cash outflow of m€ 4.0). Inventories fell by m€ 2.7 in the first quarter of 2019, having increased by m€ 3.3 in the same period of the previous year. At m€ 1.0, investments were roughly on par with the previous year in the first quarter of 2019 (previous year: m€ 0.9), thereby bringing free cash flow up to m€ -0.8 (previous year: m€ -4.9).

The balance sheet total rose by m€ 8.9 to m€ 230.7 compared to 31 December 2018 due primarily to the seasonal rise in receivables on the asset side of the balance sheet and the rise in payables and pension reserves on the liabilities side. The balance sheet item "Other financial liabilities", which contains rent and lease obligations, was added on account of the first-time application of IFRS 16.

## Turnover and earnings forecast for the current financial year 2019

The Board of Management continues to expect Group turnover growth of around 3% to 4% year on year in financial year 2019. Our strategy focuses on the further development of our core business with the Leifheit and Soehnle brands in the Household and Wellbeing segments. In the Household segment, we continue to expect turnover growth of 2% to 3%. In the considerably smaller Wellbeing segment, we anticipate a plus of 11% to 12%. In the Private Label segment, we still expect turnover growth of 3% to 4%.

The Board of Management continues to expect EBIT of around m€ 9 to m€ 10. The Board of Management anticipates earnings per share (EPS) of € 0.55 to € 0.65. The development of earnings is being driven mainly by investments in strategic measures that are aimed at doing a more consistent job of seizing potential in e-commerce and linking online activities more closely with bricks-and-mortar retail. We are also focused on overhauling selected product ranges, modernising and integrating IT systems and further strengthening our presence in Eastern Europe.

Further information on the economic conditions and additional parameters of the forecast for the current financial year can be found in the most recently published annual financial report for the Leifheit Group for financial year 2018. The report is available on our website at [financial-reports.leifheit-group.com](http://financial-reports.leifheit-group.com).

## Statement of profit or loss and statement of comprehensive income

k€	1 Jan to 31 Mar 2018	1 Jan to 31 Mar 2019
Turnover	62,226	64,340
Cost of turnover	-34,501	-36,759
<b>Gross profit</b>	<b>27,725</b>	<b>27,581</b>
Research and development costs	-1,296	-1,444
Distribution costs	-17,968	-18,408
Administrative costs	-3,848	-4,402
Other operating income	254	254
Other operating expenses	-54	-172
Foreign currency result	-119	476
<b>EBIT</b>	<b>4,694</b>	<b>3,885</b>
Interest income	5	1
Interest expenses	-309	-346
Net other financial result	-51	-
<b>EBT</b>	<b>4,339</b>	<b>3,540</b>
Income taxes	-1,274	-1,048
<b>Net result for the period</b>	<b>3,065</b>	<b>2,492</b>
Contributions that are not reclassified in future periods in the statement of profit or loss		
Actuarial gains/losses on defined benefit pension plans	-	-4,198
Income taxes from actuarial gains/losses on defined benefit pension plans	-	1,230
Contributions that may be reclassified in future periods in the statement of profit or loss		
Currency translation of foreign operations	-3	13
Currency translation of net investments in foreign operations	41	-45
Income taxes from currency translation of net investments in foreign operations	-12	13
Net result of cash flow hedges	-458	702
Income taxes from cash flow hedges	138	-210
Net result from the sale of financial assets available	-8	-
Income taxes from the sale of financial assets available	2	-
<b>Other comprehensive income</b>	<b>-300</b>	<b>-2,495</b>
<b>Comprehensive income after taxes</b>	<b>2,765</b>	<b>-3</b>
<b>Earnings per share based on net result for the period (diluted and undiluted)</b>	<b>€ 0.32</b>	<b>€ 0.26</b>

## Balance sheet

k€	31 Dec 2018	31 Mar 2019
<b>Current assets</b>		
Cash and cash equivalents	50,932	49,985
Financial assets	–	–
Trade receivables	50,720	62,278
Inventories	46,354	43,665
Income tax receivables	1,192	1,025
Derivative financial instruments	1,154	1,929
Contractual assets	1,572	1,716
Other current assets	3,805	1,668
<b>Total current assets</b>	<b>155,729</b>	<b>162,266</b>
<b>Non-current assets</b>		
Tangible assets	38,207	39,410
Intangible assets	18,522	18,347
Deferred tax assets	9,191	10,503
Derivative financial instruments	23	47
Other non-current assets	119	116
<b>Total non-current assets</b>	<b>66,062</b>	<b>68,423</b>
<b>Total assets</b>	<b>221,791</b>	<b>230,689</b>
<b>Current liabilities</b>		
Trade payables and other liabilities	44,908	48,283
Derivative financial instruments	661	332
Income tax liabilities	507	365
Other provisions	5,611	5,448
Other financial liabilities	–	678
<b>Total current liabilities</b>	<b>51,687</b>	<b>55,106</b>
<b>Non-current liabilities</b>		
Provisions for pensions and similar obligations	64,979	69,018
Other provisions	2,166	2,213
Deferred tax liabilities	1,092	1,267
Derivative financial instruments	18	–
Other financial liabilities	–	1,239
<b>Total non-current liabilities</b>	<b>68,255</b>	<b>73,737</b>
<b>Equity</b>		
Subscribed capital	30,000	30,000
Capital surplus	17,026	17,026
Treasury shares	–7,445	–7,445
Retained earnings	74,930	77,422
Other reserves	–12,662	–15,157
<b>Total equity</b>	<b>101,849</b>	<b>101,846</b>
<b>Total equity and liabilities</b>	<b>221,791</b>	<b>230,689</b>

## Statement of cash flow

k€	1 Jan to 31 Mar 2018	1 Jan to 31 Mar 2019
Net result for the period	3,065	2,492
Depreciation and amortisation	1,704	1,918
Change in provisions	-408	-277
Result from disposal of fixed assets and other non-current assets	13	6
Change in inventories, trade receivables and other assets not classified as investment or financing activities	-12,117	-6,680
Change in trade payables and other liabilities not classified as investment or financing activities	3,743	3,203
Other non-cash income/expenses	7	-548
<b>Cash flow from operating activities</b>	<b>-3,993</b>	<b>114</b>
Proceeds from the sale of tangible assets and other non-current assets	78	52
Outflow for the acquisition of tangible assets and intangible assets	-937	-966
<b>Cash flow from investment activities</b>	<b>-859</b>	<b>-914</b>
Outflows from rent and lease liabilities	-	-169
<b>Cash flow from financing activities</b>	<b>-</b>	<b>-169</b>
Change in cash and cash equivalents	-4,852	-969
Change in cash and cash equivalents due to exchange rates	-3	22
Cash and cash equivalents at the start of the reporting period	28,221	50,932
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>23,366</b>	<b>49,985</b>

## Segment reporting

Key figures by reportable segments as at 31 March 2019 in m€	Household	Wellbeing	Private Label	Total
Turnover	52.1	5.2	7.0	64.3
Gross profit	23.1	2.4	2.1	27.6
Segment result (EBIT)	3.3	0.2	0.4	3.9

Key figures by reportable segments as at 31 March 2018 in m€	Household	Wellbeing	Private Label	Total
Turnover	50.5	4.8	6.9	62.2
Gross profit	23.5	2.0	2.2	27.7
Segment result (EBIT)	4.4	-	0.3	4.7

Information on the segments and their management is available in our annual financial report 2018.



## 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 quarter do not necessarily make it possible to draw conclusions regarding the development of future results.

With the exception of accounting regulations to be applied 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 previous financial year. A detailed description can be found in the notes to the 2018 annual financial report of the Leifheit Group, which is available on our website at [financial-reports.leifheit-group.com](http://financial-reports.leifheit-group.com).

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

The reporting period saw personnel changes in Leifheit AG organs:

Effective as at 28 February 2019, Ms Wärtges resigned her seat as a member of the Supervisory Board; effective as at 31 March 2019, Mr Zahn (Chairman) and Mr Gritzuhn (Deputy Chairman) also resigned from their positions on the Supervisory Board.

At the request of the Board of Management, Mr Dr Günter Blaschke was appointed by the Local Court [Amtsgericht] of Montabaur as a member of the Supervisory Board of Leifheit AG with effect from 1 April 2019 and elected Chairman of the Supervisory Board by its members on 2 April 2019.

The Supervisory Board appointed Mr Henner Rinsche as Chairman of the Board of Management (CEO). Mr Rinsche will take office on 1 June 2019.

## Disclaimer, financial calendar

### 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 statement.

In the event of any discrepancies between this English translation of the quarterly statement 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

29 May 2019	Annual General Meeting 10:30 a.m. (CEST), Germany National Library, Frankfurt/Main, Germany
13 Aug 2019	Financial report for the first half-year ending 30 June 2019
12 Nov 2019	Quarterly statement for the period ending 30 September 2019

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