

Quarterly statement for the period ending 31 March 2022

At a glance

- Group turnover stands at m€ 71.8 in the first quarter of 2022, down significantly on the exceptionally strong figure from the previous year (m€ 85.9)
- Second-best quarterly turnover of the past 15 years
- Demand for TV-advertised Leifheit and Soehnle products continues to make a disproportionately high contribution to turnover
- Group EBIT falls to m€ 2.7 (previous year: m€ 8.3) as a result of the increase in material and energy prices and the delayed effect of sales price increases
- Forecast for 2022 confirmed: Group turnover slightly lower than the previous year and EBIT down considerably on 2021

Key figures of the Group as at 31 March

		2021	2022	Change
Turnover¹				
Group	m€	85.9	71.8	-16.5%
Household	m€	69.5	59.5	-14.5%
Wellbeing	m€	7.9	4.7	-40.2%
Private Label	m€	8.5	7.6	-10.2%
Foreign share ²	%	51.5	55.3	3.8 pps
Profitability				
Gross margin ¹	%	45.0	40.9	-4.1 pps
Cash flow from operating activities	m€	-11.4	-13.7	-20.2%
Free cash flow	m€	-12.2	-15.6	-28.2%
Foreign currency result	m€	0.3	1.0	>100.0%
EBIT	m€	8.3	2.7	-68.1%
EBIT margin	%	9.7	3.7	-6.0 pps
EBT	m€	8.2	2.5	-69.9%
Net result for the period	m€	5.8	1.8	-68.1%
EPS	€	0.61	0.19	-68.9%
Investments				
	m€	1.0	1.9	91.7%

¹ 2021 adjusted due to year-end effects.

² 2021 regional distribution of turnover adjusted due to turnover by a major online retailer being attributed to the market in which it was generated.

Foreword

Dear Shareholders,

In an increasingly challenging market environment, we achieved Group turnover of m€ 71.8 in the first three months of 2022, which is significantly below the exceptionally strong prior-year figure of m€ 85.9, but represents the second-highest quarterly sales on a comparable basis in the last 15 years. This shows that the Scaling up Success growth strategy established at the end of 2019 is leading the Leifheit Group to a significantly higher level of turnover in the long term. At the same time, a number of extraordinary factors affected our business performance in both the current reporting period and the same quarter of the previous year. In the first three months of 2021, the COVID-19 pandemic brought about a change in consumer behaviour that had a positive effect on our business. People shifted their priorities as a result of the restrictions imposed on public life and had more money to spend on consumer goods. The need for greater hygiene due to the pandemic also drove a general increase in demand for cleaning and hygiene products, which benefited companies such as Leifheit. However, concerns about inflation and rocketing energy prices, as well as the uncertainty caused by the Russia-Ukraine war, are curbing the overall appetite for spending in spring 2022 and reducing demand for consumer goods.

These challenging market conditions again influenced the Group's results in the first quarter of 2022. Earnings before interest and taxes (EBIT) amounted to m€ 2.7 in the reporting period, reflecting the decline in turnover, the time-delayed effect of sales price increases and the major hike in raw material and energy prices. The shortage of raw materials that began last year is being exacerbated by geopolitical tensions in 2022, making it even more difficult and expensive to procure required materials. In light of this, we again

increased our inventories of raw materials and finished goods, are implementing efficiency programmes in our operating areas and continue to pursue strict cost management. At the same time, we are in continuous negotiations with our partners. However, the effect of sales price increases is always somewhat delayed and such measures were only able to partially compensate for higher procurement costs.

Our Scaling up Success growth strategy will once again form the basis for our performance in the current financial year. For example, we invested in consumer advertising for our Leifheit and Soehnle brands in the first quarter of 2022. The products advertised on TV continued to make a disproportionately high contribution to turnover, and our upcoming advertising campaigns will again focus on our award-winning bestsellers. Our Regulus Aqua PowerVac cordless vacuum wiper finished top in a product comparison by the German consumer portal IMTEST. In mid-2022, we will accompany the market launch of our new CleanTenso Power with intensive marketing activities. This enhanced steam cleaner removes 99.99% of viruses and bacteria¹ without any chemicals.

The measures we implemented to safeguard our supply capabilities in the current crisis situation led to an increase in working capital. In addition, cash flow in the first quarter was impacted by higher investments due to delayed deliveries and uncompleted investment projects from the previous year. The development of turnover meant that trade receivables continued to grow compared to the end of 2021. As a result, seasonally negative free cash flow in the first quarter stood at m€ – 15.6.

¹ Tested on modified vacciniavirus Ankara and on E.coli bacteria.

We believe that the Leifheit Group will again face extensive supply chain challenges in the current financial year due to unrelenting hikes in material, freight and energy costs as well as expected ongoing bottlenecks in procurement markets. Additional factors are the Russia-Ukraine war, the development of which remains uncertain, and the general rise in inflation, which is causing unease and prompting consumers to noticeably cut back on spending in the Group's core markets.

Based on these market conditions and our business performance in the first quarter of 2022, we are confirming the full-year 2022 forecast published in March. We therefore continue to expect a slight year-on-year decrease in Group turnover as well as significantly lower earnings before interest and taxes (EBIT) compared to the first quarter of 2021 due to substantial increases in procurement costs.

Despite these difficult circumstances, the Board of Management will continue to systematically work on successfully continuing the Group's Scaling up Success growth strategy in the interests of all shareholders.

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

The Board of Management

Henner Rinsche

Igor Iraeta Munduate

Marco Keul

Quarterly statement for the period ending 31 March 2022

Business performance

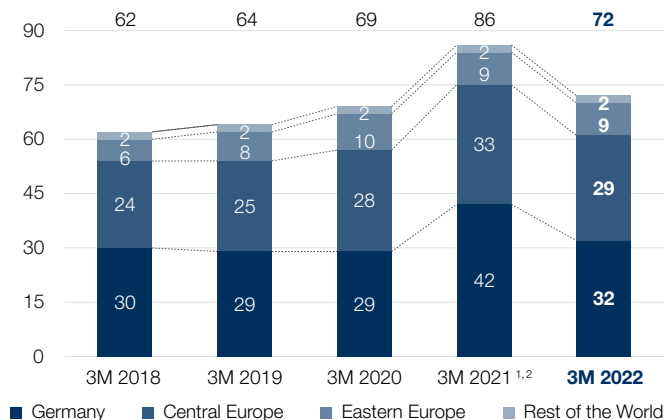
The Leifheit Group generated turnover of m€ 71.8 in the first quarter of 2022, down significantly on the equivalent previous year's figure of m€ 85.9. This is firstly due to the exceptionally strong first three months of 2021 – the company's most successful quarter ever on a like-for-like basis – which saw greater demand in particular for floor cleaning products, air purification and kitchen aids as a result of the pandemic. By contrast, the reporting period was marked by consumers increasingly cutting back on spending, a trend that is likely to continue in the first half of 2022. The Russia-Ukraine war as well as the fallout of the COVID-19 pandemic and resulting increase in consumer prices are showing their effects here and weighing heavily on private consumption. Secondly, the same period of the previous year benefited additionally from a number of retail campaigns, which were not repeated in the first quarter of 2022.

Overall, the positive momentum from our Scaling up Success growth strategy established at the end of 2019 continued in the first three months of the year, leading to the second-highest quarterly revenue – on a like-for-like basis – in the past 15 years. The Leifheit products advertised in TV campaigns made a key contribution to the Group's turnover. Nevertheless, the aforementioned factors caused a considerable year-on-year decline in turnover not only in the Household segment, which is by far the largest and comprises the Leifheit brand as well as products in the cleaning, laundry care and kitchen goods categories, but also in the two smaller segments, Wellbeing and Private Label.

In both the domestic market of Germany and Central Europe, lower consumer demand resulted in double-digit falls in turnover. Turnover in Eastern Europe as well as in non-European markets was also down sharply on the previous year. Foreign turnover decreased by m€ 4.5 overall to m€ 39.7 in the first quarter (previous year: m€ 44.2). The foreign share of Group turnover rose to 55.3% in the first three months of 2022 (previous year: 51.5%) due to the simultaneous drop in turnover in Germany.

Group turnover by region

in m€



¹ Adjusted due to year-end effects.

² Regional distribution of turnover adjusted due to turnover by a major online retailer being attributed to the market in which it was generated.

Group turnover by region

Germany

In its domestic market of Germany, the Leifheit Group recorded a 22.8% decline in turnover in the first three months of the financial year 2022. Total turnover here fell to m€ 32.1, after climbing significantly to m€ 41.7 in the first quarter of the previous year. As a result, the Leifheit Group generated 44.7% of its turnover in Germany (previous year: 48.5%). Despite this year-on-year decrease, demand for the products advertised on TV, such as the innovative Regulus Aqua PowerVac cordless vacuum wiper, continued to make a disproportionately high contribution to turnover.

Central Europe

In Central Europe, the Leifheit Group's turnover dropped by 11.0% in the first quarter of 2022 to m€ 29.1 in total (previous year: m€ 32.7). This reflects the fact that, despite recently intensified marketing activities in important markets such as France and Italy, turnover was below the previous year's level and people's appetite for spending on consumer goods has noticeably diminished due to increase in consumer prices and unease relating to the Russia-Ukraine war.

Eastern Europe

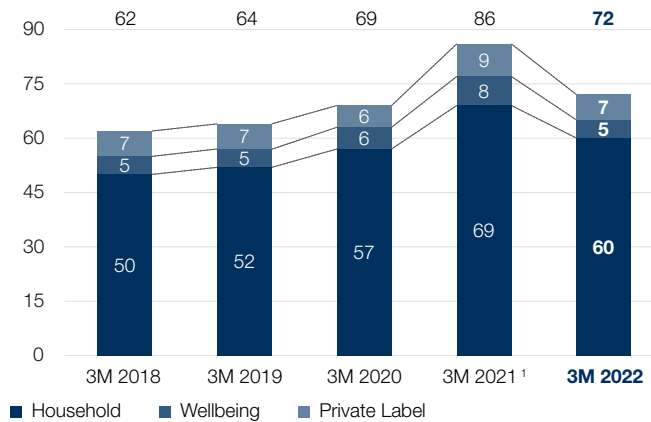
Turnover in the Eastern Europe region declined by 9.2% from m€ 9.5 to m€ 8.7 in the first three months of 2022. The Leifheit Group achieved clear double-digit increases in turnover in the Baltic countries and Slovakia. Otherwise, the major sales markets in this region also displayed markedly lower consumer demand compared to the first quarter of the previous year. The Czech Republic – which remains the highest-turnover market in this region – followed this trend by recording a sharp year-on-year fall in turnover.

Rest of the World

Turnover in non-European markets in the first quarter of 2022 was also down year-on-year, declining by 8.3% from m€ 2.0 to m€ 1.9. This development is mainly due to effects related to the COVID-19 pandemic. The strong temporary sales surges in online business, especially in the US as well as in Asia, which were driven by the temporary closures in bricks-and-mortar retail and which continued to have a positive effect on business in early 2021, had disappeared by the first quarter of 2022.

Group turnover by segment

in m€



¹ Adjusted due to year-end effects.

Group turnover by segment

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

Household

In the Household segment, the Leifheit Group's turnover decreased by 14.5% to a total of m€ 59.5 in the first quarter of 2022 (previous year: m€ 69.5). The share of Group turnover accounted for by this segment amounted to 82.8% in the reporting period, compared to 80.9% in the previous year. Turnover in the kitchen goods category in particular was considerably below the same period of 2021. Having spent more time cooking and baking at home at the beginning of the financial year 2021 as a result of pandemic-related

restrictions and restaurant closures, many consumers have now changed their behaviour once again. In the cleaning and laundry care categories, the Leifheit Group continued to benefit from recently expanded TV advertising campaigns. However, turnover from these products also fell short of the exceptionally strong figures from the previous year due to the general reduction in private consumption.

Wellbeing

The Leifheit Group recorded turnover of m€ 4.7 (previous year: m€ 7.9) with the Wellbeing segment's Soehnle brand. This represents a significant drop of 40.2% compared to the first quarter of 2021. The share of Group turnover attributable to this segment declined accordingly to 6.6% (previous year: 9.2%). In the first quarter of 2021, the strong growth shown by Soehnle scales, which were advertised on TV for the first time, as well as greater demand for Soehnle air purifiers driven by the increased need for hygiene during the pandemic led to a considerable jump in turnover in this segment. These effects were no longer present in the first quarter of 2022. Instead, a more difficult overall environment and supply bottlenecks have had a negative impact on business since the second half of 2021.

Private Label

In the Private Label segment, which mainly comprises sales of private-label brands by the French subsidiaries Birambeau and Herby, turnover fell by 10.2% to m€ 7.6 in the first quarter of 2022 (previous year: m€ 8.5). The fact that turnover also declined in the other two segments meant that the share of Group turnover accounted for by this segment increased to 10.6% (previous year: 9.9%). The drop in turnover is mainly attributable to lower demand in the segment's core market of France.

Net assets, financial position and results of operations

The Leifheit Group generated earnings before interest and taxes (EBIT) of m€ 2.7 in the first three months of the financial year 2022. The decline in turnover, the rise in material and energy prices and the time-delayed effect of sales price increases meant that EBIT decreased by m€ 5.6 compared to the previous year's figure of m€ 8.3.

Gross profit was down by m€ 9.3 to m€ 29.4 (previous year: m€ 38.7). This is mainly attributable to soaring material and energy prices as well as the lack of contribution margins resulting from the m€ 14.1 decline in turnover. The effect of sales price increases is delayed and such measures were only able to partially compensate for higher procurement costs in the first quarter of 2022. The gross margin declined by 4.1 percentage points to 40.9% (previous year: 45.0%). The drop in gross profit contrasts with a m€ 1.1 fall in advertising costs, a turnover-related m€ 1.0 decrease in freight out and the reversal of personnel-related provisions amounting to m€ 1.2. The foreign currency result improved by m€ 0.7 to m€ 1.0 in the first quarter of 2022 (previous year: m€ 0.3) due to exchange rate developments.

Earnings before taxes (EBT) stood at m€ 2.5 (previous year: m€ 8.2). Less taxes, this equalled a net result for the period of m€ 1.8 in the first quarter of 2022 (previous year: m€ 5.8).

Group liquidity declined by m€ 15.8 in the first three months of 2022 and stood at m€ 22.3 as at 31 March 2022.

Cash outflow from operating activities amounted to m€ 13.7 in the reporting period (previous year: m€ 11.4). This was primarily due to the seasonal m€ 18.9 increase in working capital. At m€ 1.9, investment was up year-on-year in the first three months of 2022 (previous year: m€ 1.0). This is because of investment projects from 2021 that had not been completed at our Czech plant, which will not be ready for operation until 2022 due to a lack of electronic components. Free cash flow amounted to m€ –15.6 in the first quarter (previous year: m€ –12.2).

The balance sheet total rose only slightly by m€ 0.5 compared to 31 December 2021 to m€ 239.3. The seasonal rise in trade receivables of m€ 15.2 was offset on the assets side of the balance sheet by the decline in cash and cash equivalents of m€ 15.8. On the liabilities side, equity increased by m€ 7.4, while pension obligations fell by m€ 7.0, mainly due to interest rates. The equity ratio increased accordingly to 49.6% (31 December 2021: 46.6%).

Opportunities and risks

The opportunities and risks for the Leifheit Group were described in detail in the combined management report as at 31 December 2021. In the reporting period there were no significant changes in the main opportunities and risks for the remaining months of the financial year. The Russia-Ukraine war and the ongoing COVID-19 pandemic have not led to any significant changes in the assessment of the risks described.

Turnover and earnings forecast for the current financial year 2022

Business development in the first quarter of 2022 is in line with the full-year forecast published in March 2022. As expected, earnings are being impacted by sharp increases in material, freight and energy costs as well as continuing bottlenecks in procurement markets. At the same time, consumers are noticeably cutting back on spending in the Group's core markets in response to the Russia-Ukraine war and rising inflation.

We will counter this challenging environment with continued strict cost and resource management. We also expect sales price increases to gradually take effect in the current financial year. However, they will only partially compensate for the expected rise in procurement costs.

In light of this, the Board of Management of Leifheit AG continues to forecast a slight year-on-year decline in Group turnover for the financial year 2022. In the first half of 2022 in particular, we anticipate a decrease in turnover compared to the same period of the previous year, in which growth of 20% was recorded. We expect slight declines in turnover in all three segments over the course of the year.

Due to the considerable increases in procurement costs, we continue to expect earnings before interest and taxes (EBIT) to be significantly below the previous year's figure. On this basis, we also expect free cash flow to be down on the year-on-year's figure.

Further information can be found in the recently published annual report for the financial year 2021 of the Leifheit Group, which is available on the website at financial-reports.leifheit-group.com.

Statement of comprehensive income

k€	1 Jan to 31 Mar 2021	1 Jan to 31 Mar 2022
Turnover ¹	85,964	71,815
Cost of turnover	-47,285	-42,453
Gross profit¹	38,679	29,362
Research and development costs	-1,381	-1,665
Distribution costs ¹	-24,950	-22,813
Administrative costs	-4,549	-3,309
Other operating income	343	319
Other operating expenses	-120	-226
Foreign currency result	314	993
EBIT	8,336	2,661
Interest income	7	5
Interest expenses	-191	-214
EBT	8,152	2,452
Income taxes	-2,366	-607
Net result for the period	5,786	1,845
Contributions that are not reclassified in future periods in the statement of profit or loss		
Actuarial gains/losses on defined benefit pension plans	3,385	6,758
Income taxes from actuarial gains/losses on defined benefit pension plans	-992	-1,980
Contributions that may be reclassified in future periods in the statement of profit or loss		
Currency translation of foreign operations	130	324
Currency translation of net investments in foreign operations	58	311
Income taxes from currency translation of net investments in foreign operations	-17	-91
Net result of cash flow hedges	1,184	298
Income taxes from cash flow hedges	-342	-82
Other comprehensive income	3,406	5,538
Comprehensive income after taxes	9,192	7,383
Earnings per share based on net result for the period (diluted and undiluted)	€ 0.61	€ 0.19

¹ 2021 Adjusted due to year-end effects.

Balance sheet

k€	31 Dec 2021	31 Mar 2022
Current assets		
Cash and cash equivalents	38,090	22,323
Trade receivables	52,732	67,976
Inventories	70,140	73,591
Income tax receivables	293	1,076
Contractual assets	1,346	1,249
Derivative financial instruments	3,529	3,850
Other current assets	5,347	2,614
Total current assets	171,477	172,679
Non-current assets		
Intangible assets	18,312	18,186
Tangible assets	38,746	39,437
Right of use assets from leases	1,720	1,540
Deferred tax assets	8,267	7,135
Derivative financial instruments	113	139
Other non-current assets	154	163
Total non-current assets	67,312	66,600
Total assets	238,789	239,279
Current liabilities		
Trade payables and other liabilities	50,670	50,559
Income tax liabilities	593	1,994
Other provisions	6,544	6,542
Derivative financial instruments	10	-
Lease liabilities	568	449
Total current liabilities	58,385	59,544
Non-current liabilities		
Provisions for pensions and similar obligations	62,852	55,872
Other provisions	3,619	2,442
Deferred tax liabilities	1,403	1,572
Lease liabilities	1,192	1,128
Total non-current liabilities	69,066	61,014
Equity		
Subscribed capital	30,000	30,000
Capital surplus	17,164	17,164
Treasury shares	-7,350	-7,350
Retained earnings	82,259	84,104
Other reserves	-10,735	-5,197
Total equity	111,338	118,721
Total equity and liabilities	238,789	239,279

Statement of cash flow

k€	1 Jan to 31 Mar 2021	1 Jan to 31 Mar 2022
Net result for the period	5,786	1,845
Depreciation and amortisation	1,876	1,920
Change in provisions	-295	-1,413
Result from disposal of fixed assets and other non-current assets	-58	-10
Change in inventories, trade receivables and other assets not classified as investment or financing activities	-26,079	-16,003
Change in trade payables and other liabilities not classified as investment or financing activities	7,505	854
Other non-cash expenses and income	-151	-911
Cash flow from operating activities	-11,416	-13,718
Investments from the sale of tangible assets and other non-current assets	186	28
Payments for the purchase of tangible and intangible assets	-991	-1,900
Cash flow from investment activities	-805	-1,872
Change in treasury shares	60	-
Payments for lease liabilities	-191	-213
Cash flow from financing activities	-131	-213
Change in cash and cash equivalents	-12,352	-15,803
Change in cash and cash equivalents due to exchange rates	12	36
Cash and cash equivalents at the start of the reporting period	38,825	38,090
Cash and cash equivalents at the end of the reporting period	26,485	22,323

Segment reporting

Key figures by reportable segments as at 31 March 2022 in m€	Household	Wellbeing	Private Label	Total
Turnover	59.5	4.7	7.6	71.8
Gross profit	25.9	2.1	1.4	29.4
Segment result (EBIT)	2.8	-0.2	0.1	2.7

Key figures by reportable segments as at 31 March 2021 in m€	Household	Wellbeing	Private Label	Total
Turnover ¹	69.5	7.9	8.5	85.9
Gross profit ¹	33.2	3.4	2.1	38.7
Segment result (EBIT)	7.2	0.4	0.7	8.3

¹ Adjusted due to year-end effects.

Information on the segments and their management is available in our annual report 2021.

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 2021 of the Leifheit Group, which is available on the website at [financial-reports.leifheit-group.com](https://www.financial-reports.leifheit-group.com).

Leifheit is indirectly affected by the consequences of the Russia-Ukraine war. As a result, an unscheduled impairment test of the Group's assets was carried out as at 31 March 2022 at the level of the cash-generating units pursuant to IAS 36. In particular, the possible duration and impact of price increases in energy and raw materials, demand-side effects and supply chain problems were assessed and taken into account. The impairment test did not identify any need for impairment losses. In the case of the Herby cash-generating unit, however, failure to achieve planned turnover or a rise in interest rates would result in a need for impairment losses to be directly recognised.

There were no changes in the scope of consolidation, major changes in the organisational structure respectively business model or personnel changes in the Leifheit AG organs in the reporting period.

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, 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 occurs or 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 publication of this statement.

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

25 May 2022	Annual General Meeting
9 Aug 2022	Financial report for the first half-year ending 30 June 2022
8 Nov 2022	Quarterly statement for the period ending 30 September 2022

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