

SCALING UP SUCCESS

LEIFHEIT



Investor Presentation Q1 2022

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Executive Summary Q1 2022



Leifheit AG has a strong vision: to become the Procter & Gamble of consumer durables

“Scaling-Up Success” strategy with focus on consumer marketing and superior products

Vision and strategy deliver great results:
2019-2021 CAGR turnover +11% and EBIT +43%

However, 2022 is an exceptional year with Russia-Ukraine war and pandemic deteriorating both consumer demand and operational cost

Q1 2022 hence with 16.5% turnover decline vs record high Q1 2021, but still 2nd best quarter of the last 15 years on comparable basis

Q1 2022 with positive EBIT, but 68% below prior year due to turnover decline and minus 4.1 points gross margin

Leifheit makes top quality household products, designed in Germany



Profi Floor Wiper
4.7 stars



Leifheit rückenschonender Bodenwischer Profi XL micro Duo, effektiver Schrubber mit Bezug aus Mikrofaser, Wischer für Fliesen un...

★★★★☆ 4,7 von 5

911 Sternebewertungen



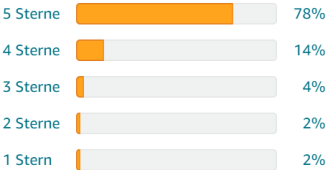
CLEAN TWIST Disc Mop Ergo
4.6 stars



Leifheit Set Clean Twist Disc Mop Ergo 2.0 mit Rollwagen, Bodenwischer mit Mikrofaser Bezug für nebelfeuchte...

★★★★☆ 4,6 von 5

9.514 globale Bewertungen



Pegasus 150
4.6 stars



Dieser Artikel Leifheit Standtrockner Pegasus 150 Solid Slim, standfester Wäscheständer mit Flügeln auch für lange Kleidungsstücke, besonders schmaler Flügelwäschetrockner passt auch durch enge Türen

Bestseller Nr. 1

★★★★☆ 4,6 von 5

3.208 Sternebewertungen



Linomatic 500 Deluxe
4.5 stars



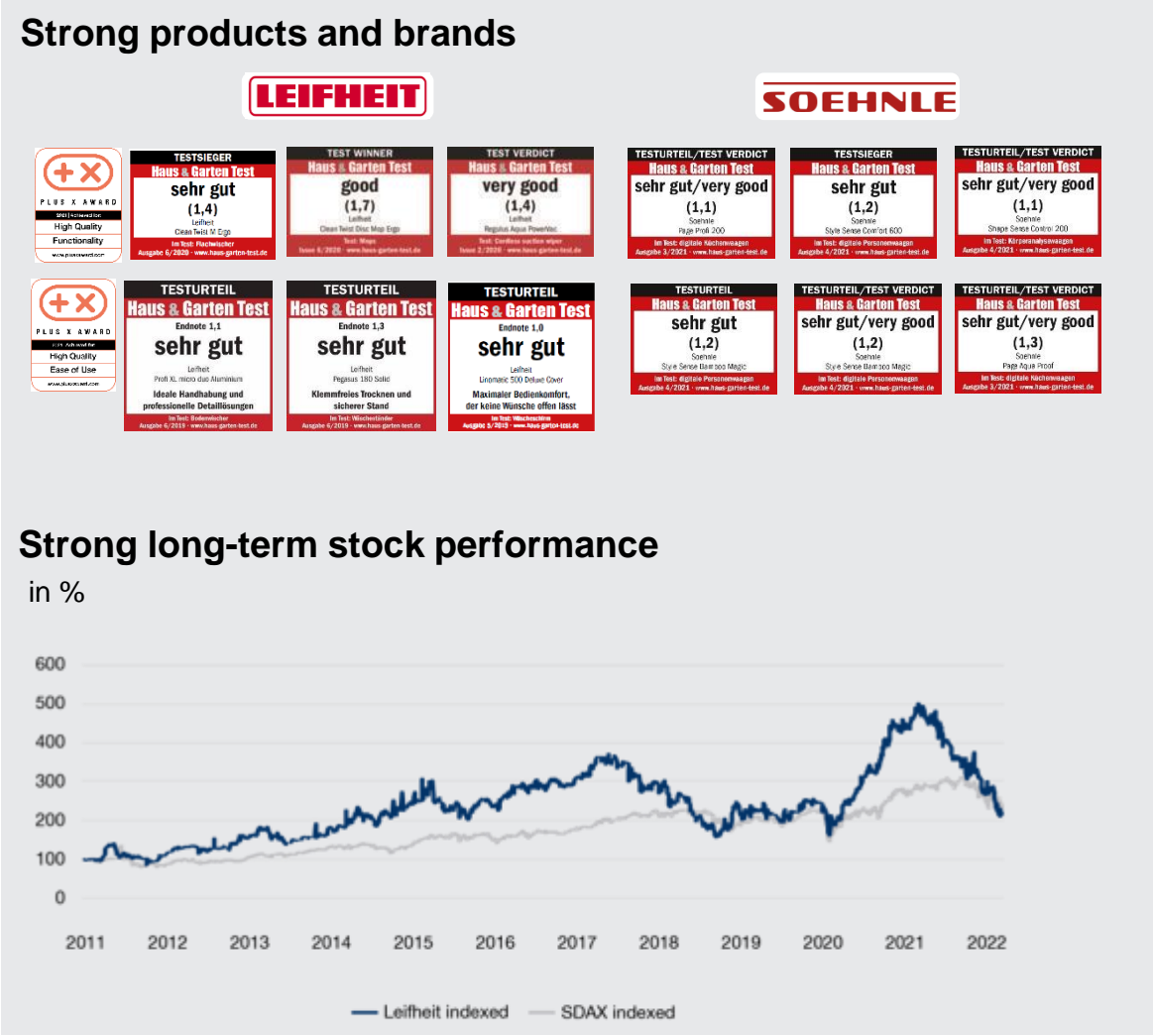
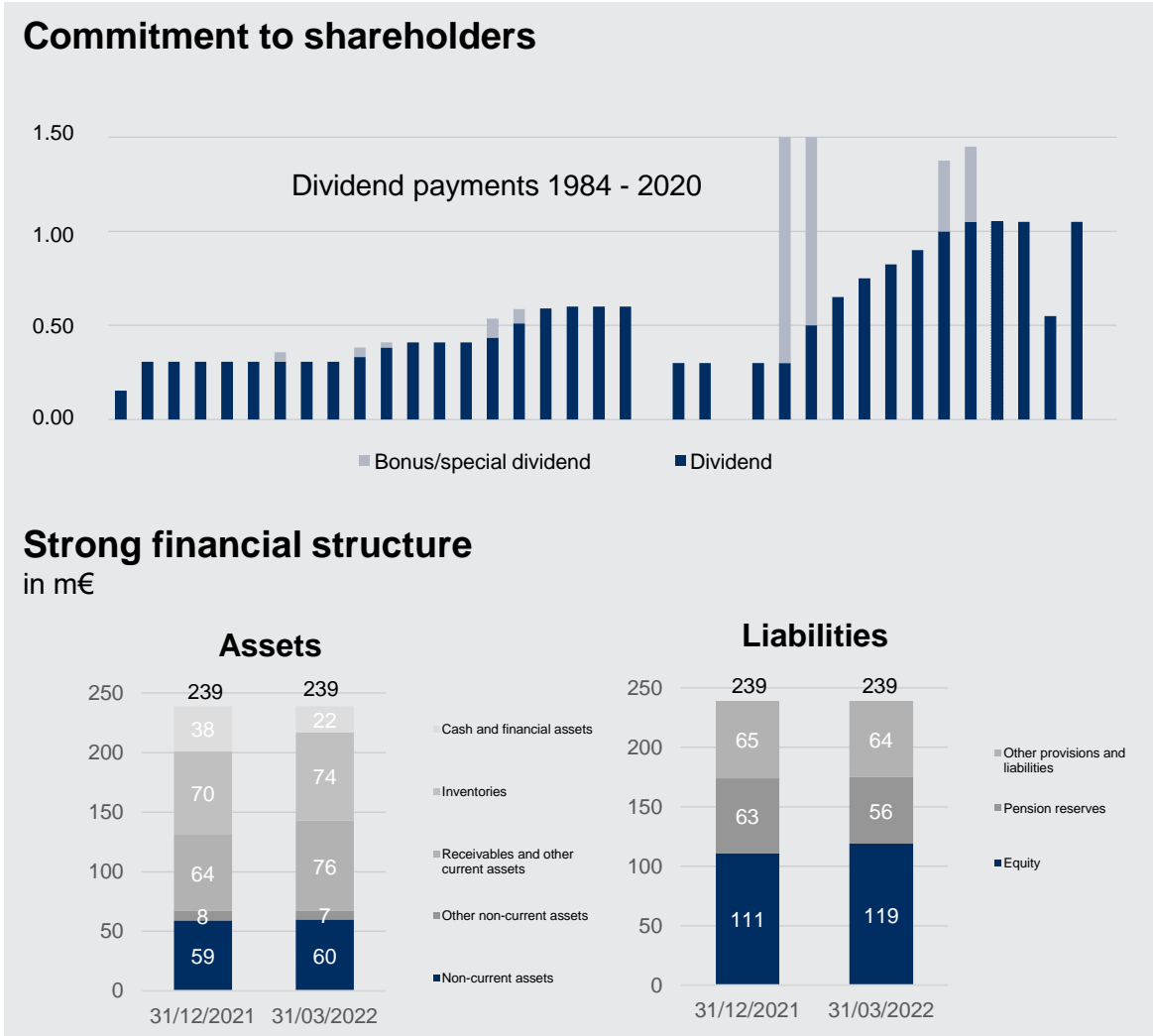
Leifheit Wäscheschirm Linomatic 500 Deluxe mit Leineneinzug für saubere Wäsche, Wäschepinne für die ganze Familie, Wäscheständer

★★★★☆ 4,5 von 5

2.114 Sternebewertungen



Leifheit is financially solid and pays good dividends to shareholders



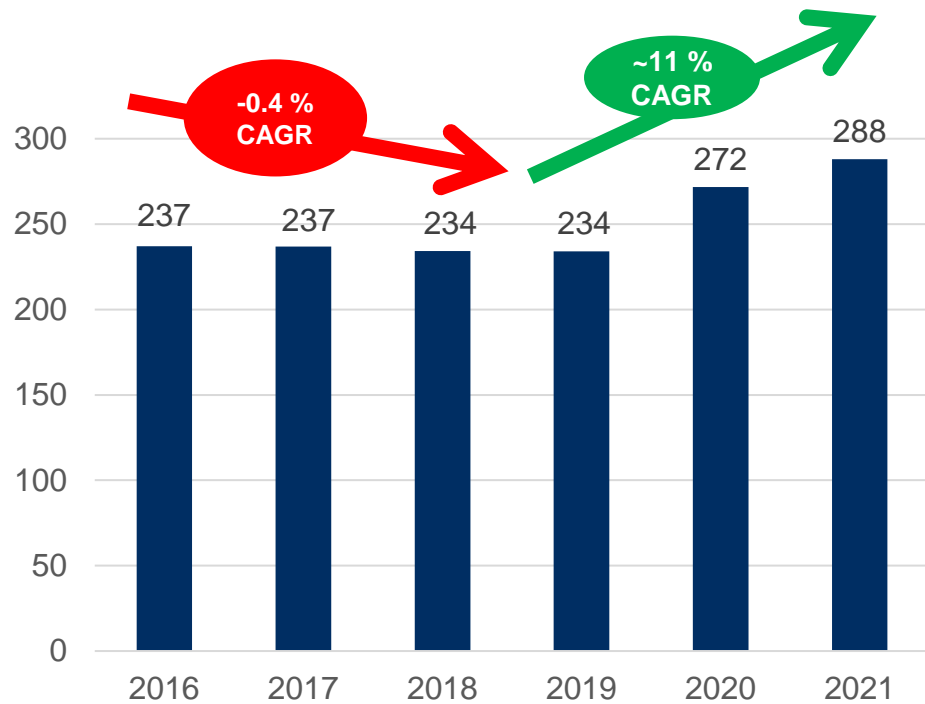
Strong long-term stock performance



The strategy works: 2019 to 2021 shows CAGRs of +11% on turnover and +43% on EBIT

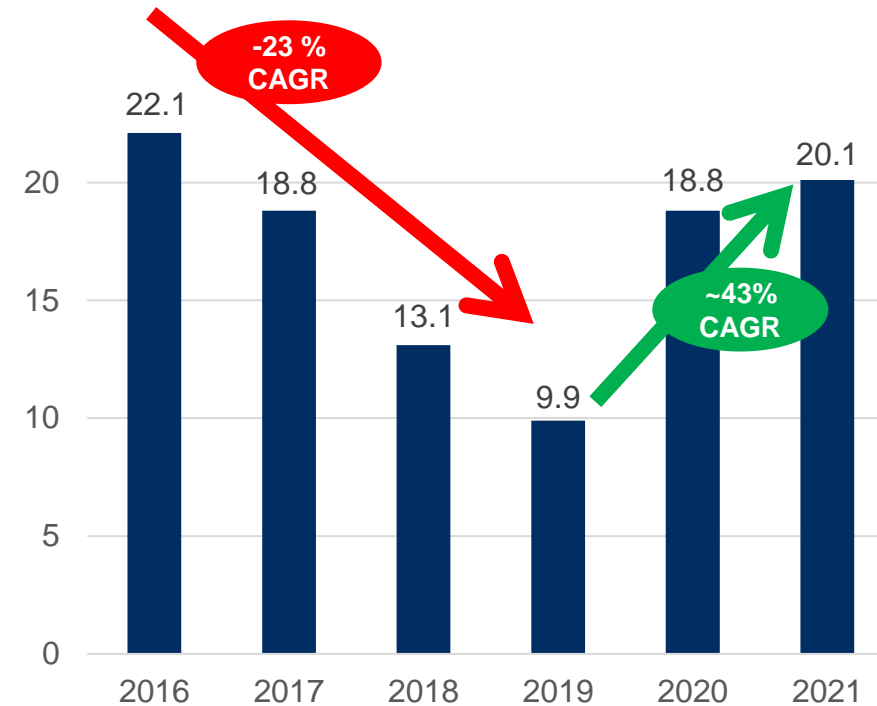
Group turnover

in m€



Group EBIT

in m€



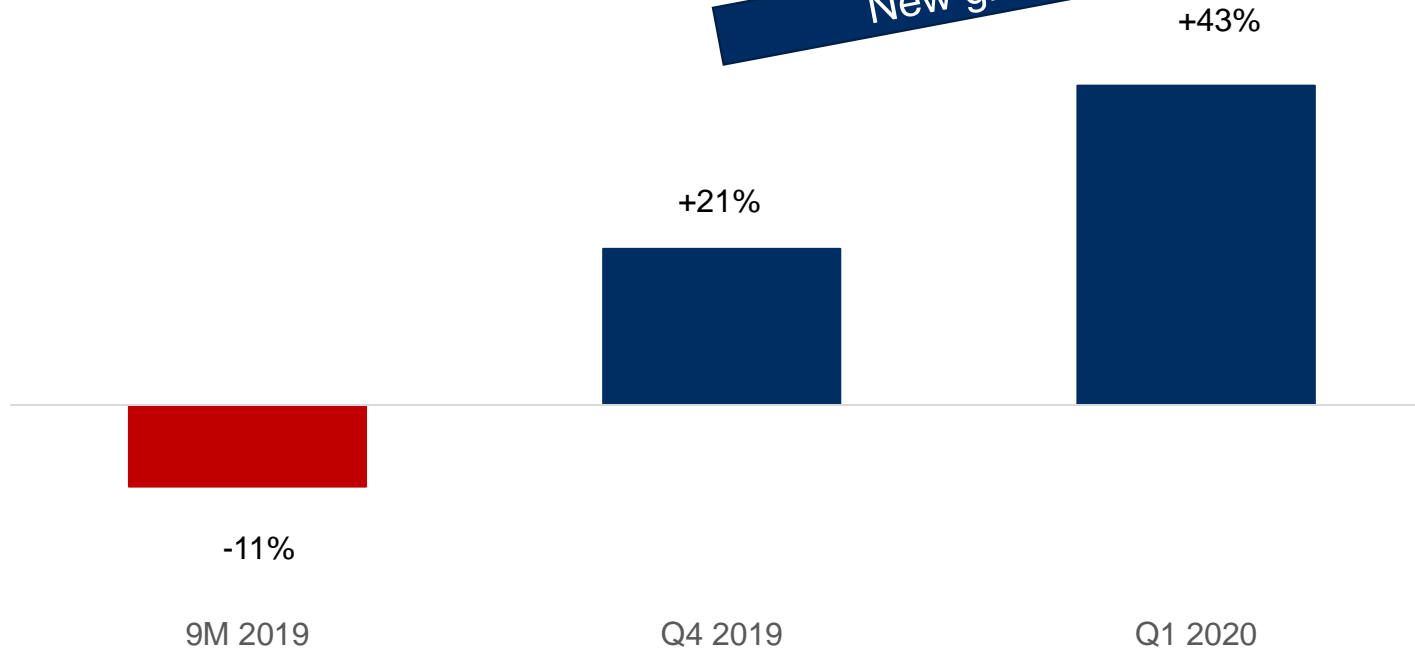
Scaling-Up Success, i.e. heavy TV ad spend, was tested before Corona in the Netherlands with remarkable results



Turnover development Netherlands

in %

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New growth strategy

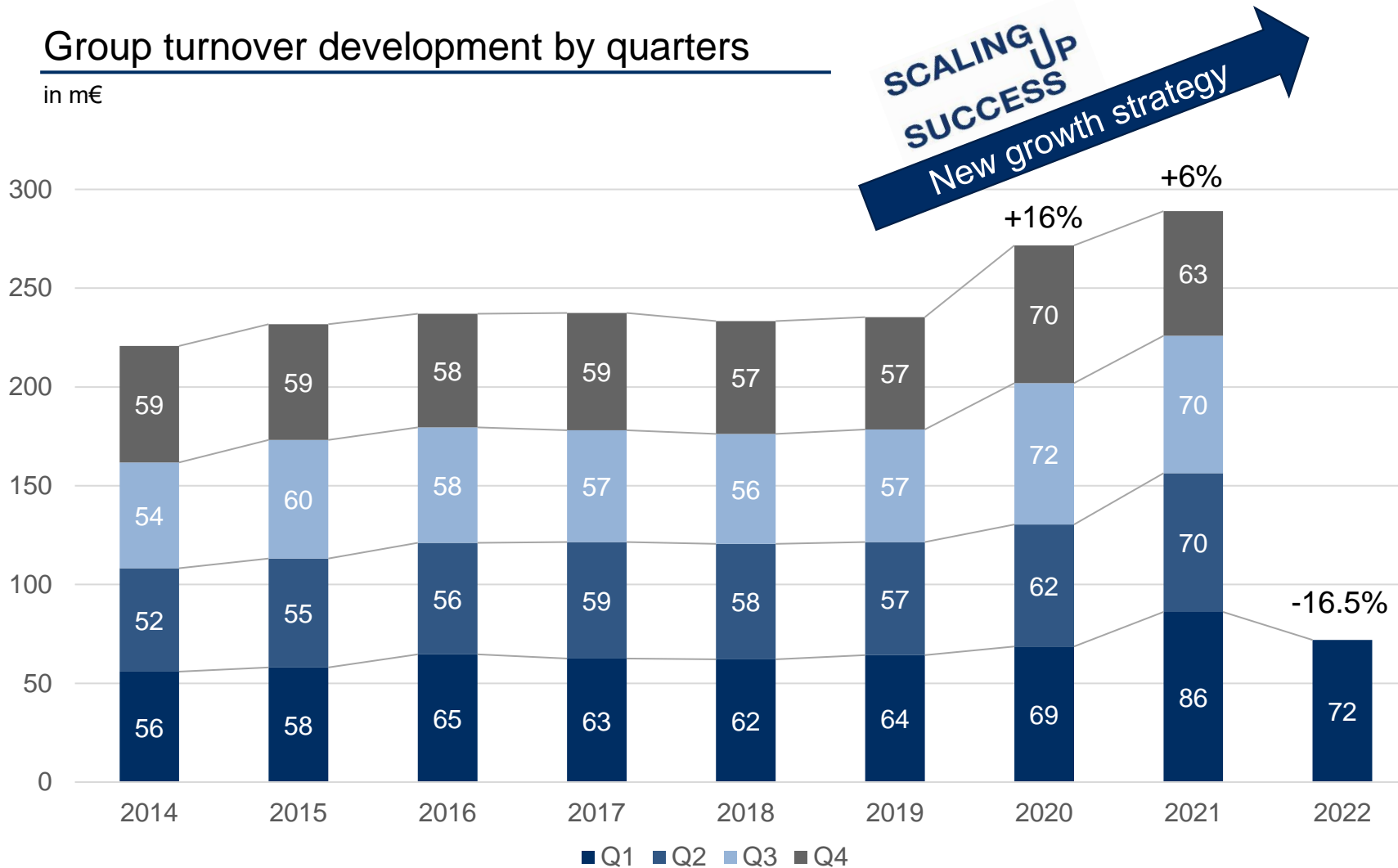


Q1 2022 saw the 2nd highest turnover of Leifheit AG in the last 15 years (on comparable basis, i.e. excluding divested businesses)



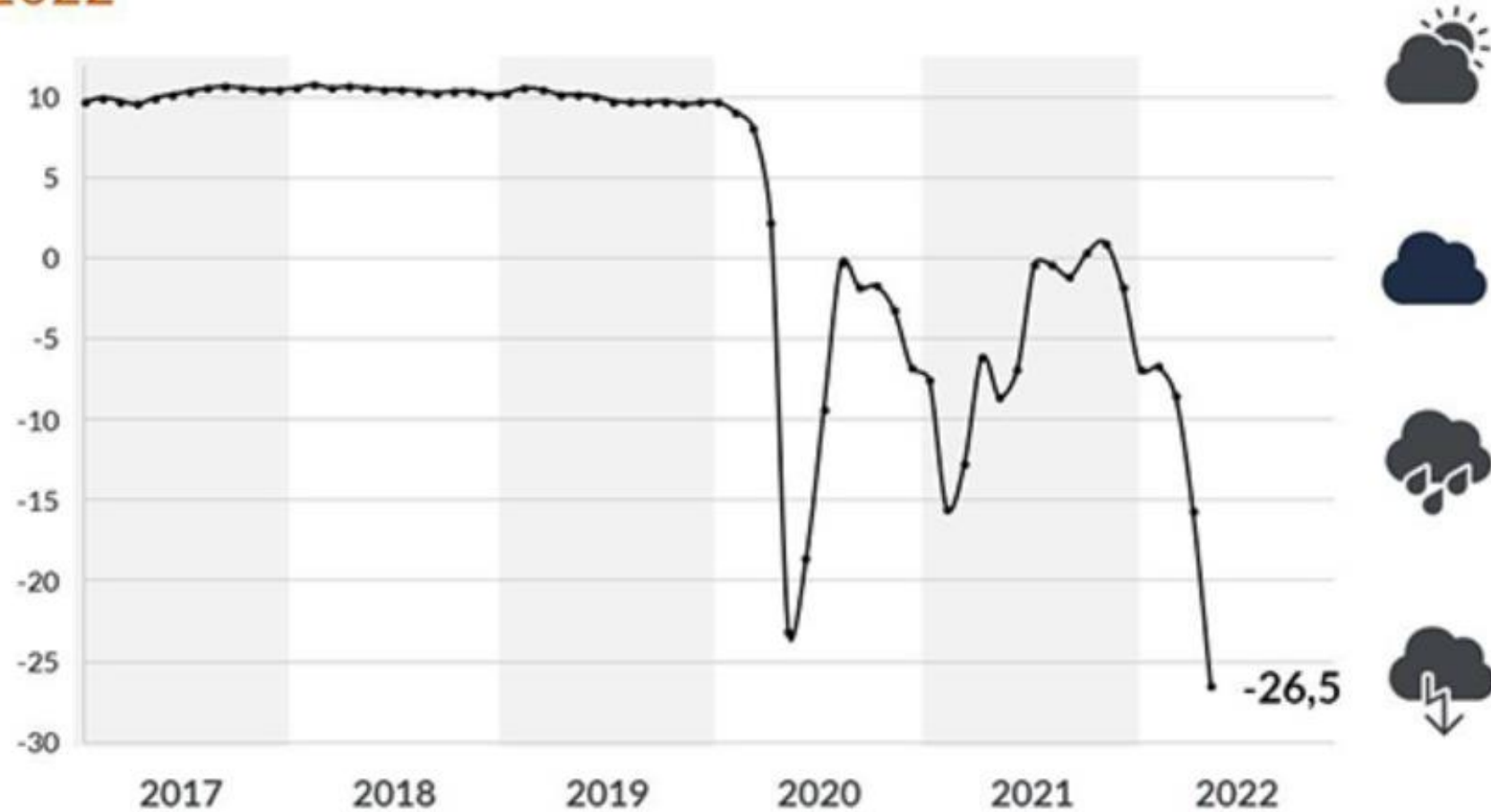
Group turnover development by quarters

in m€



Consumer climate in Germany reaches historic low

Mai 2022

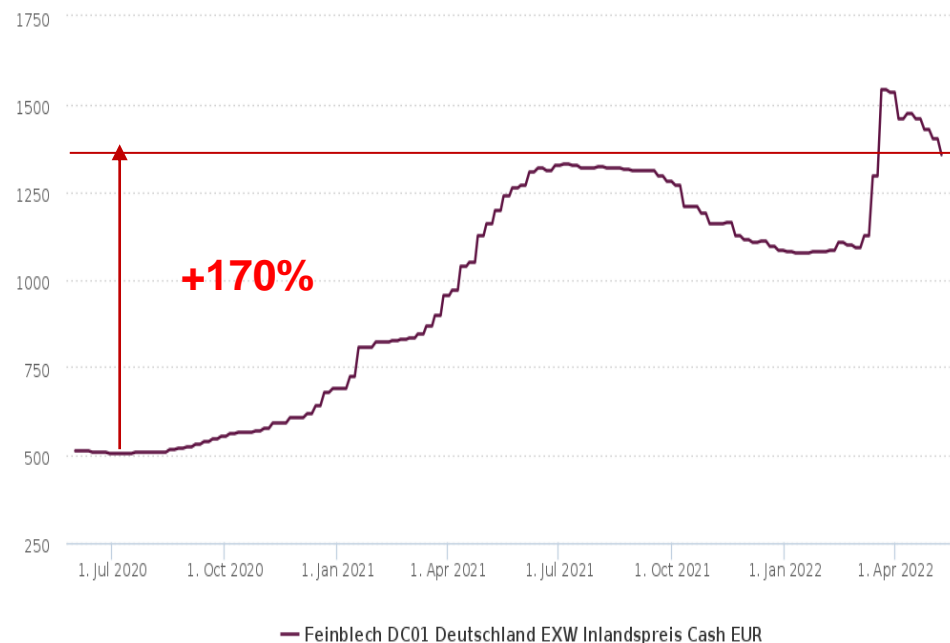


Source: GfK-Study

Raw material prices soared – no end of price rally in sight!

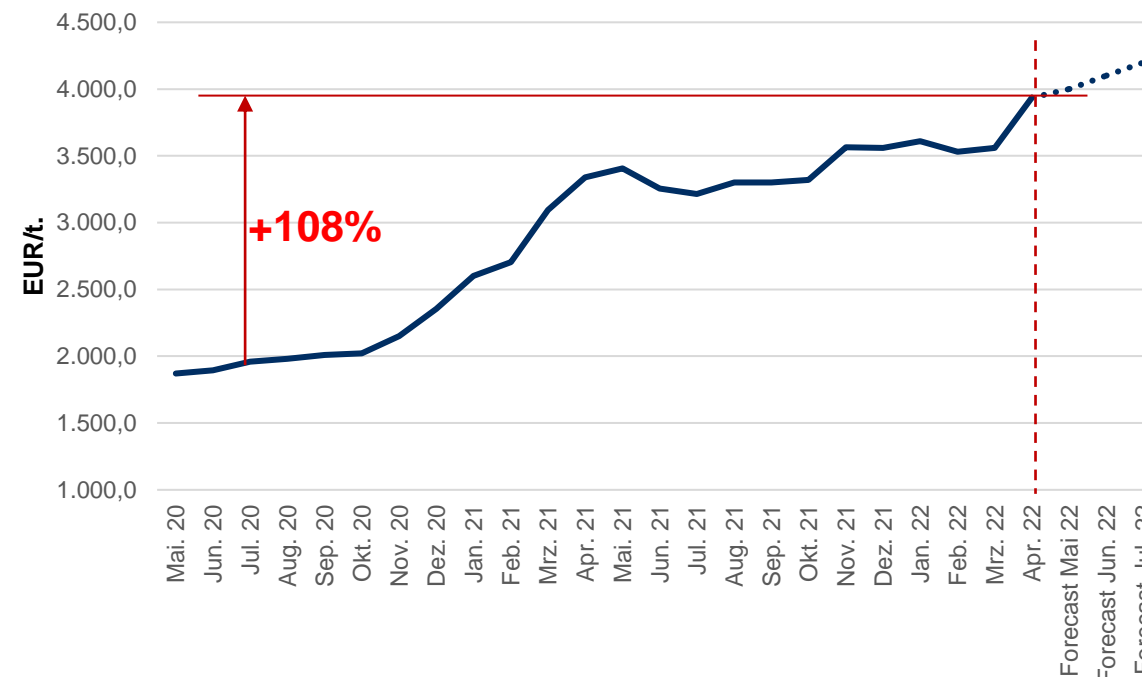
Steel DC 01 +170%

since mid 2020



Plastics ABS Granulate +108%

since mid 2020

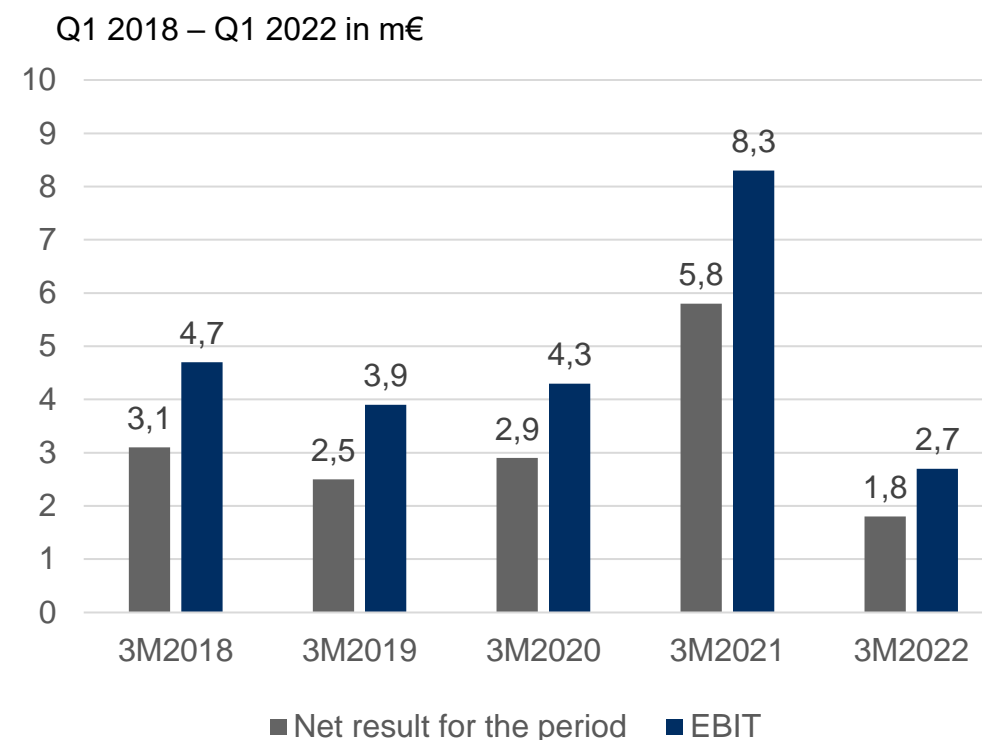


Positive EBIT despite challenging market prices in raw materials, energy and freight

		Q1 2021	Q1 2022	Δ
Group turnover	m€	85.9	71.8	-16.5%
Gross margin	%	45.0	40.9	-4.1 pps
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
Earnings before taxes (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%

- Due to enormous increase in prices for raw material and energy and delayed effect of sales price increases EBIT down to €2.7 million (Q1 2021: €8.3 million).
- EBIT margin decreased to 3.7% in the reporting quarter (Q1 2021: 9.7%).

Group earnings development



Measures to safeguard the ability to deliver in the current crisis situation led to an increase in working capital

in m€	Q1 2021	Q1 2022	Δ
Cash flow from operating activities	-11.4	-13.7	-2.3
Cash flow from investment activities	-0.8	-1.9	-1.1
Cash flow from financing activities	-0.1	-0.2	-0.1
Free cash flow ¹	-12.2	-15.6	-3.4
in m€	31/03/2021	31/03/2022	Δ
Cash and cash equivalents at the end of reporting period	26.5	22.3	-4.2
Financial liabilities	-	-	-

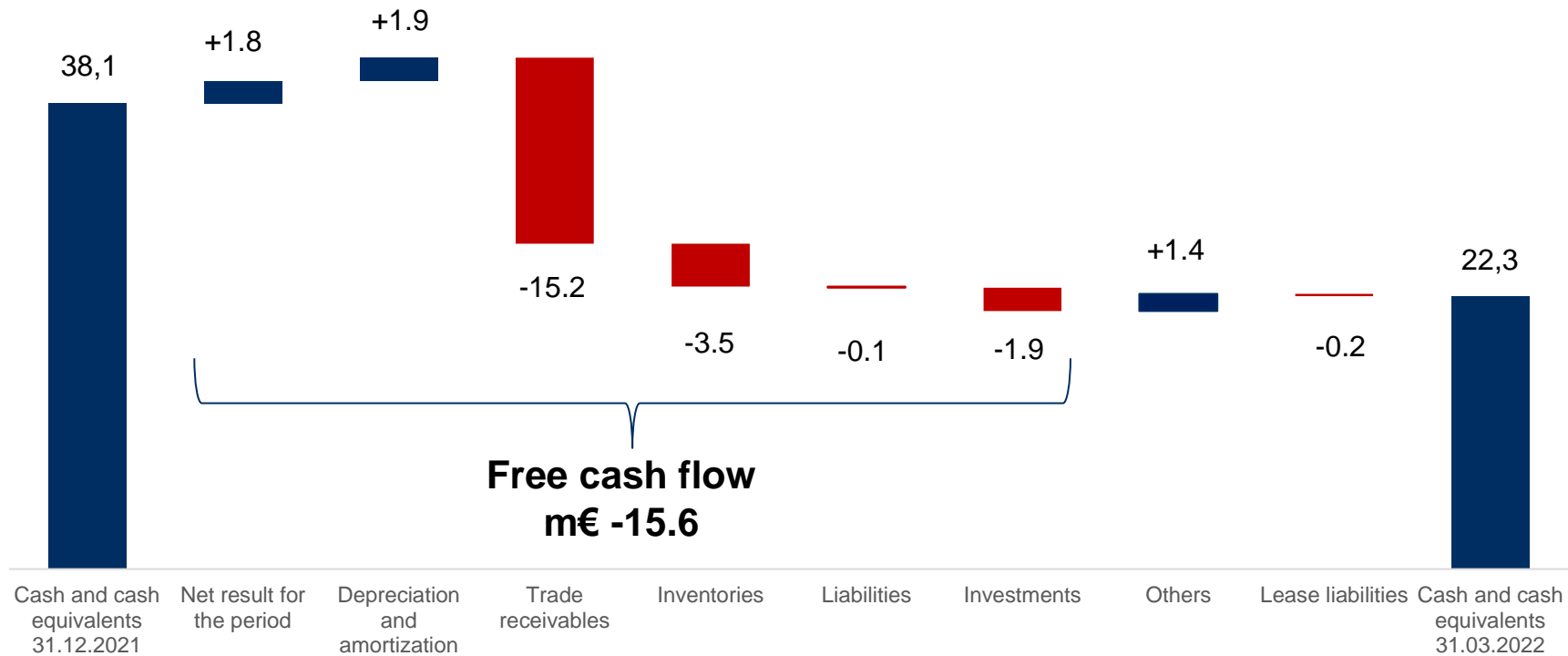
- Free cash flow down to € -15.6 million in the first quarter 2022 (Q1 2021: € -12.2 million). In addition to seasonal factors, higher investments due to delayed deliveries and unfinished investment projects from the previous year are detrimental to current cash flow.
- The cash outflow from financing activities was stable at € -0.2 million (Q1 2021: € -0.1 million).

¹ Cash flow from operating activities and from investment activities, adjusted for incoming and outgoing payments in financial assets and, if existing, from acquisition and divestiture of business divisions.

Measures to safeguard the ability to deliver in the current crisis situation led to an increase in working capital

Group liquidity

31/12/2021 vs. 30/03/2022 in m€

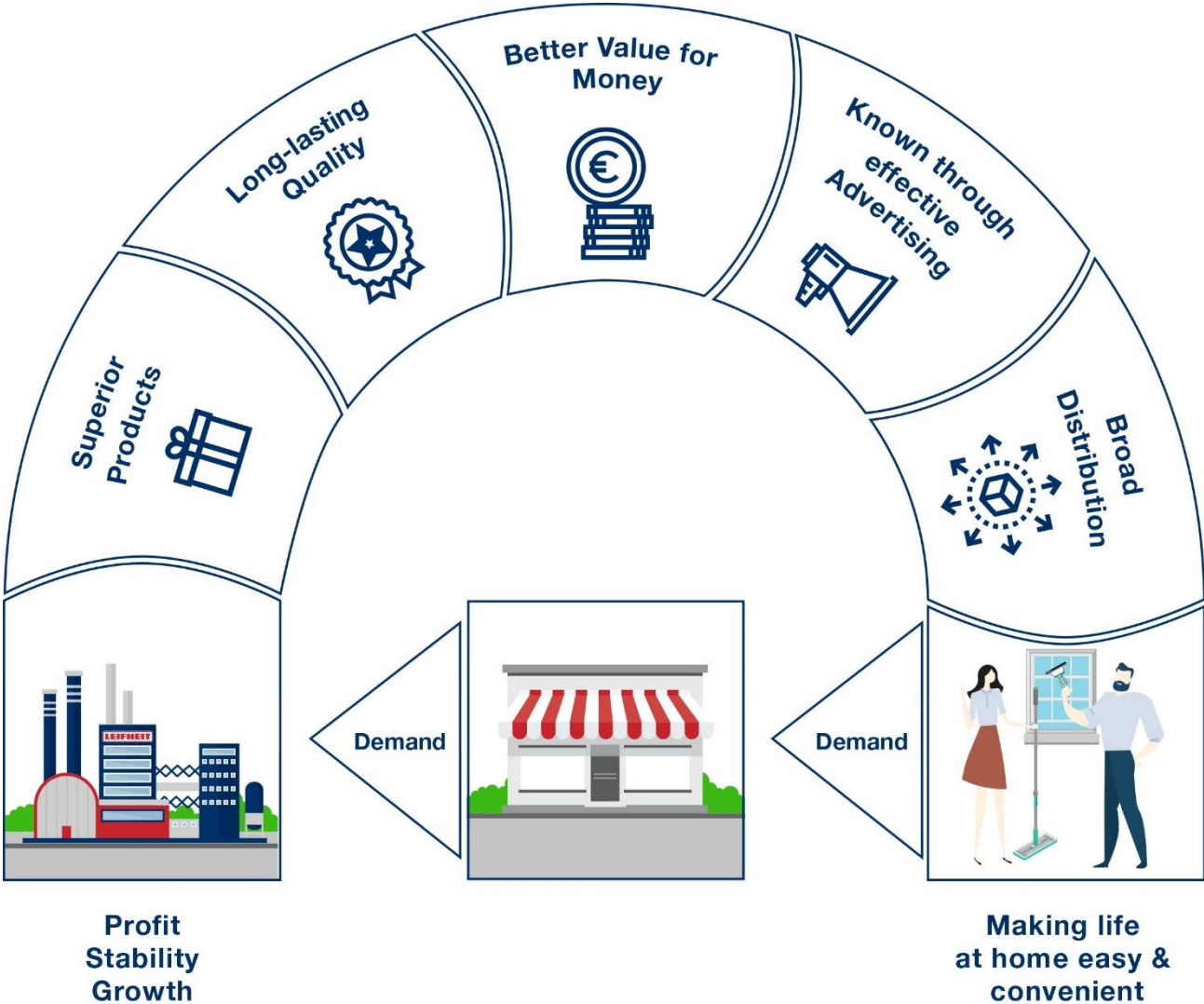


- Development of turnover led to higher trade receivables compared to the end of 2021.
- Negative customer mix effects.
- Increase in inventories to safeguard supply chain.
- Higher investments due to delayed deliveries and unfinished investment projects from the previous year.

Our purpose? Happy consumers!

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We call our strategy “Scaling up success”

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		Focus	
		Growth	Profitability
1	Create consumer demand <ul style="list-style-type: none"> Invest in pre-tested and scalable high ROI consumer advertising on profitable best sellers Launch new products only if margin > average and if supported by pre-tested advertising 		
2	Increase national and international distribution <ul style="list-style-type: none"> Leverage stronger brand to attract additional retailers and e-tailers Ensure good sell-out in new retail partners with co-advertising 		
3	Improve gross margins <ul style="list-style-type: none"> Focus on own “made in Europe” profitable products Negotiate win-win with retailers, growing their total but not their % profit Take pricing and charge for logistics complexities 		
4	Reduce all cost except consumer advertising <ul style="list-style-type: none"> Reduce SKUs dramatically Strict R&D discipline Create fun, fast, friendly & fearless culture Growing revenues leverages current structure 		

KPIs 2019 vs. 2021

Revenue growth
+11% CAGR

Gross profit
+10% CAGR

Gross margin
-0.8 pps

EBIT
+43% CAGR

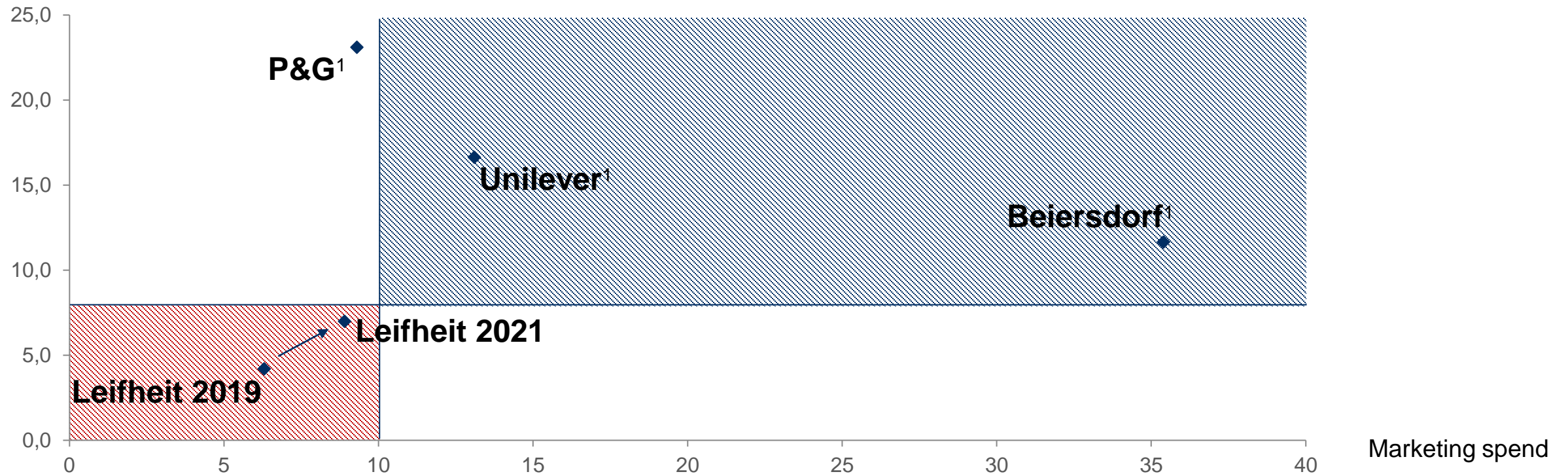
EBIT margin
+2.8 pps

① Create consumer demand and make brands stronger

Peer group comparison Marketing spend and EBIT

in % of turnover

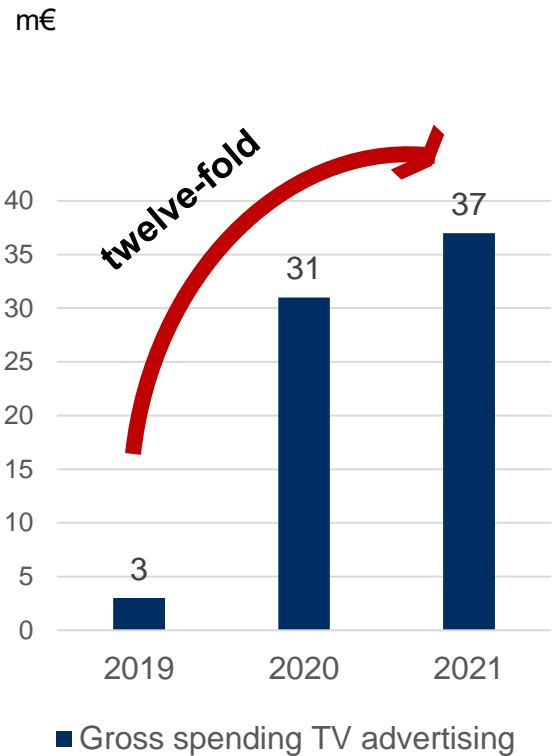
EBIT margin



¹ Source: Annual reports 2021

① Our massive investments in TV advertising have turned Leifheit & Soehnle into winning brands

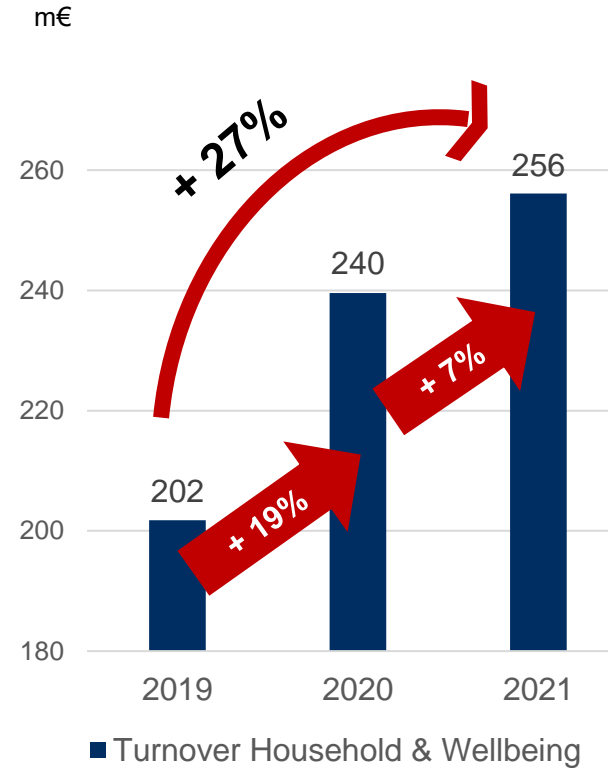
Leifheit & Soehnle
Gross spending for advertising



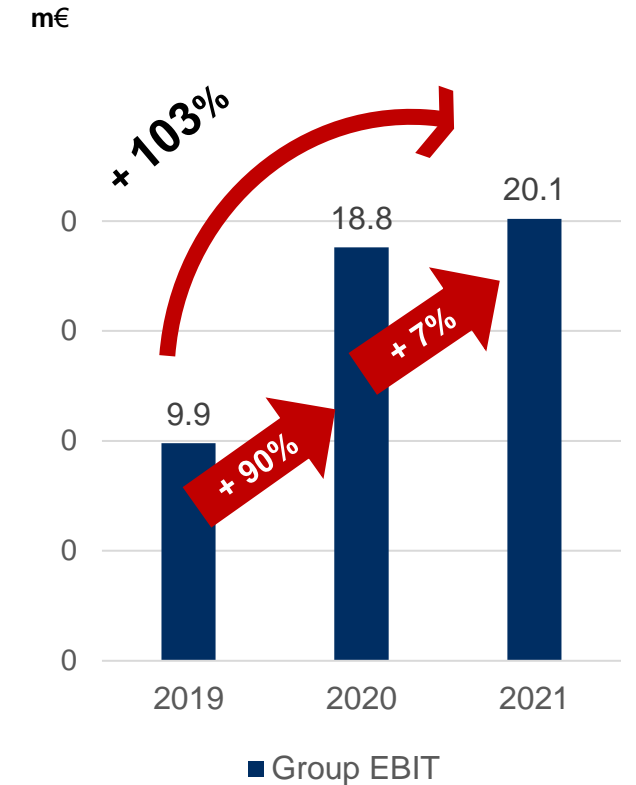
TV
advertising
works!



Leifheit & Soehnle
Turnover development



Group EBIT























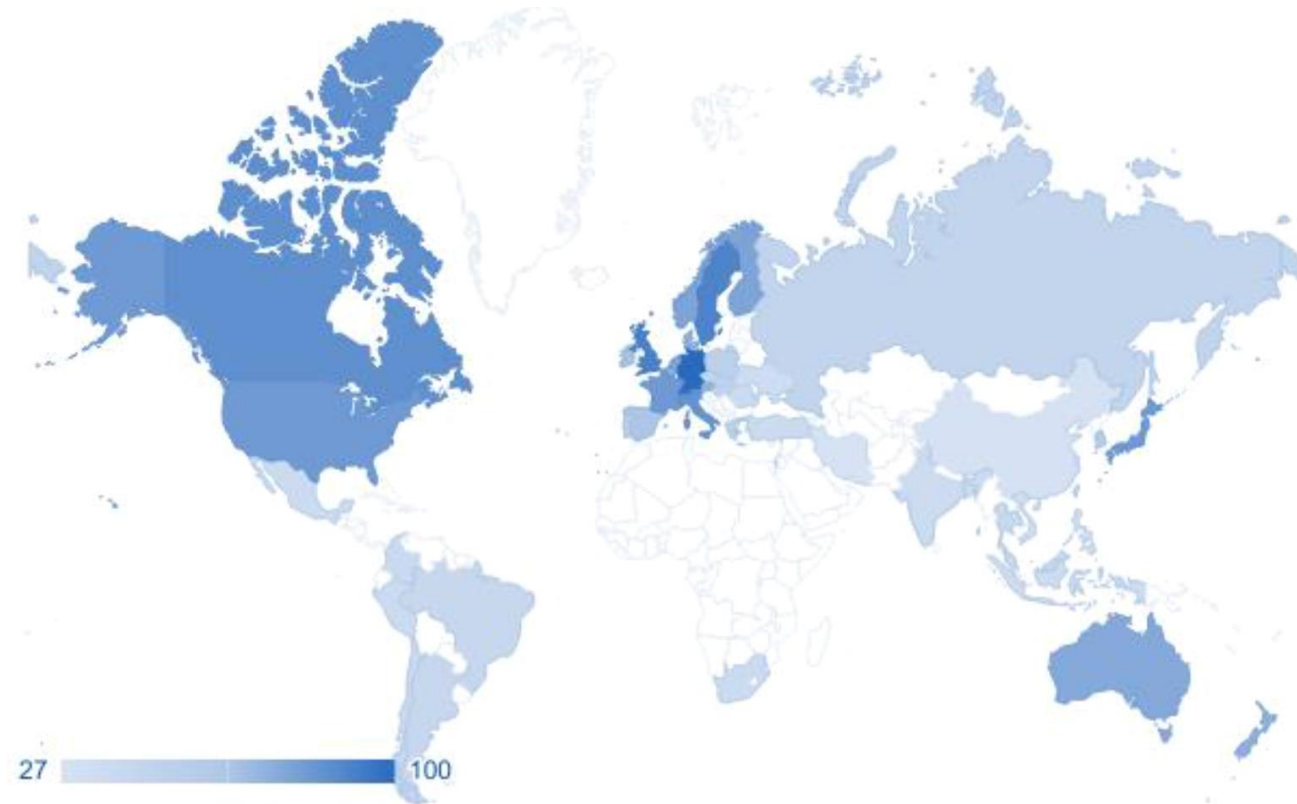
② We are successfully expanding our distribution network

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② International expansion: German heritage products are ranked # 1 for consumers in terms of positive image

Rank	Country	Index
1	 Deutschland	100
2	 Schweiz	98
3	 Europäische Union	92
4	 Großbritannien	91
5	 Schweden	90
6	 Kanada	85
7	 Italien	84
8	 Japan	81
8	 Frankreich	81
8	 USA	81
11	 Finnland	77
11	 Norwegen	77
13	 Niederlande	76
14	 Australien	75
15	 Neuseeland	73
15	 Dänemark	73
20	 Spanien	64
30	 Argentinien	42
42	 Indien	36
49	 China	28



Source: Statista Made-In-Country-Index 2017

- Germany leads the Made-in-Country-Index
- The global ranking according to the Made-In-Country-Index shows how positively products “Made in ...” from the respective country are perceived worldwide.

④ We create a fun, fast, friendly and fearless winning culture



Further developing our corporate culture into a “winning culture” is a key success factor in our Scaling up Success strategy.

Our goal is to foster an agile culture that is fun, fast, friendly and fearless. Our vision is for our employees to tackle the challenges they face with a sense of fun and friendliness, and with speed and confidence. This will help us tap into the full potential of the Leifheit Group even better in the future.



Fun

Generate positive energy. Make a joke, smile, laugh. Don't take yourself too seriously. Be optimistic. Visualise your goal. Concentrate more on opportunities than on issues. Find commonalities within the team and create a sense of cohesion. Be proactive and show initiative. Celebrate successes.



Fast

Time is our biggest bottleneck: focus on the essentials, not on what seems to be most urgent. Bias for action. Focus on the future and the big picture. Don't look for perfection. Test and scale up fast. Be laser-focused on the business. Don't play politics.



Friendly

Be tough on the facts, but respectful and appreciative to people. Try to understand first, then be understood. Forget your ego. View things from the other person's perspective. Give praise and be open to feedback. Don't point fingers or engage in destructive criticism. Don't bad-mouth others. Be friendly. Never raise your voice.



Fearless

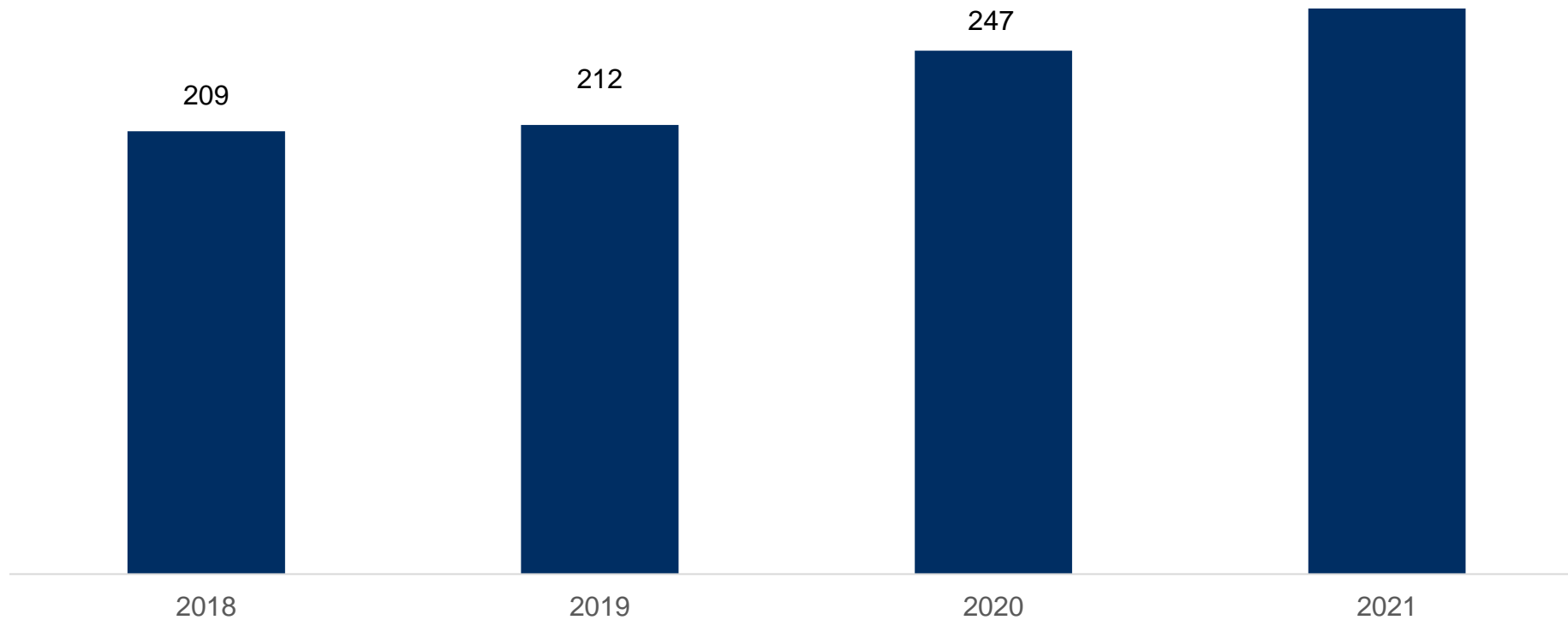
Don't be afraid of bosses or committees. Take calculated risks. Take decisions based on facts and figures. Mistakes are ok – celebrate them. Leave your comfort zone and try out new things. Set big, inspiring goals for yourself. Stay hungry and always keep working to improve yourself and the company. The most important leadership quality for successful managers: create a fear-free organisation.

④ 26% increase in turnover per employee FY 2021 vs. FY 2019

Group turnover per employee

2018 - 2021 in k€

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New growth strategy



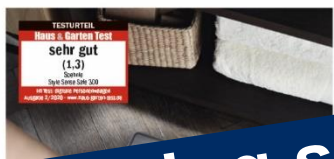
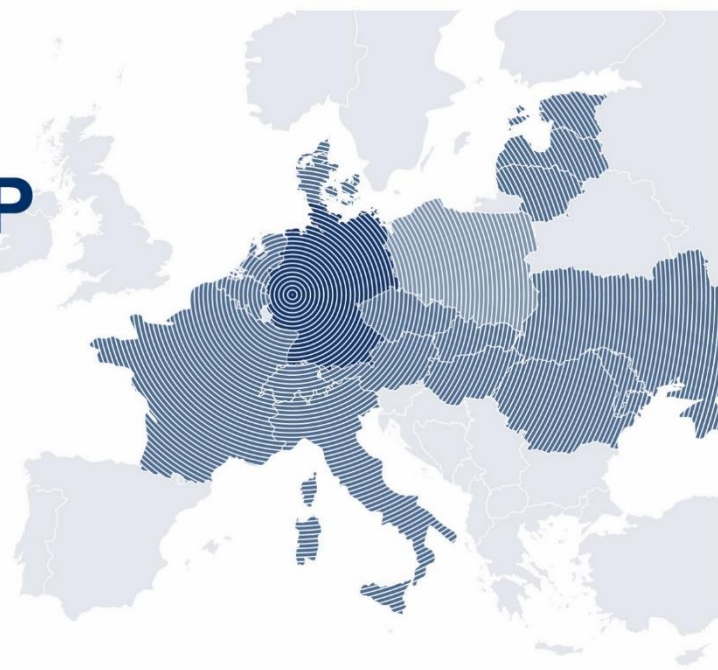
EBIT forecast 2022 confirmed: further significant increases in procurement costs and supply bottlenecks expected



Forecast 2022	
Group turnover	Slight decrease
Turnover Household	Slight decrease
Turnover Wellbeing	Slight decrease
Turnover Private Label	Slight decrease
Group EBIT	Significant below previous year
Free Cashflow	below previous year

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.

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**Our winning strategy
will be scaled up
to more countries,
retailers, brands and
product lines.**



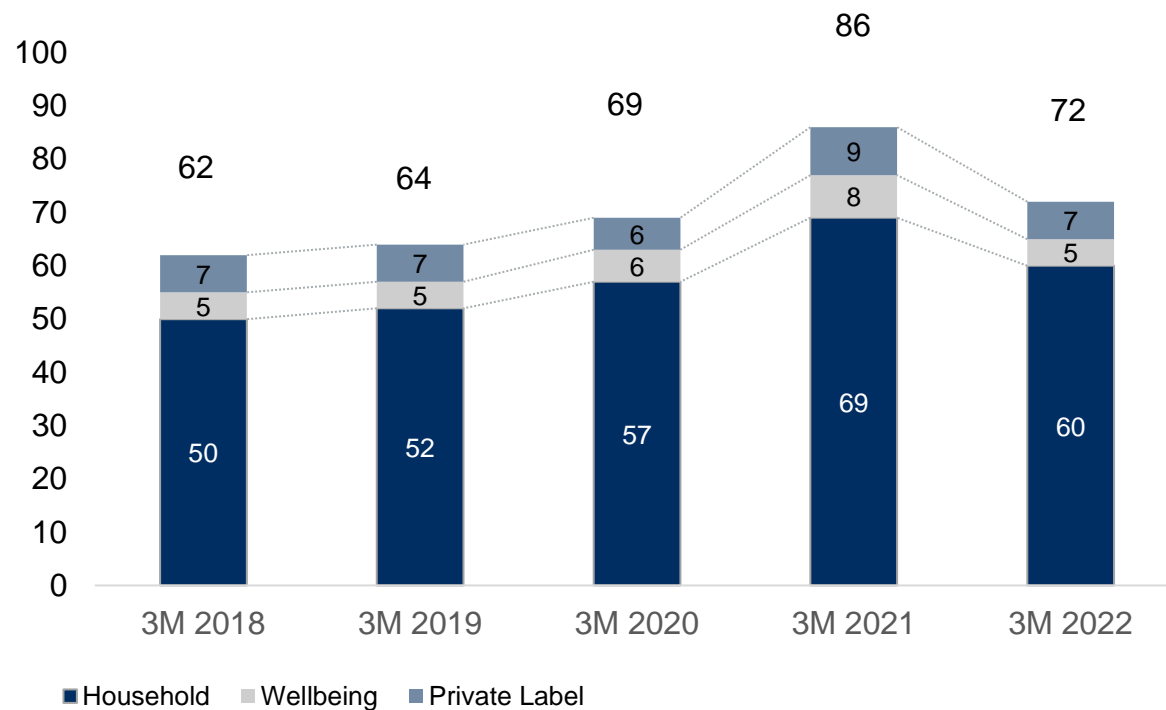
Investor Presentation Q1 2022

Annex

Household segment below prior-year turnover, but at a high level, due to continued large-scale advertising

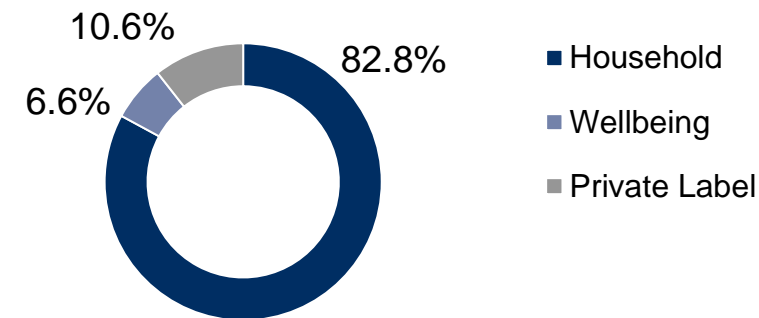
Group turnover by segment

3M 2018 – 3M 2022 in m€



Group turnover by segment

Q1 2022



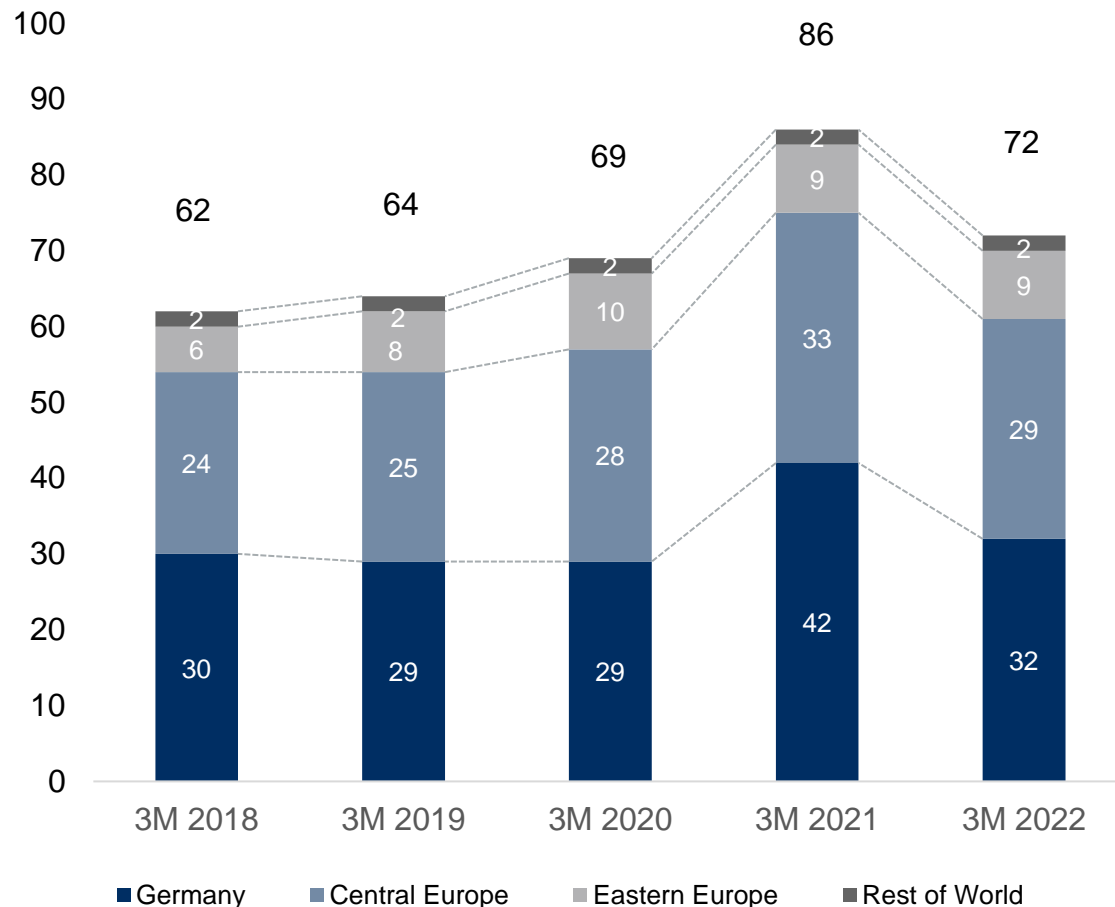
- Turnover in Household segment decreased by -14.5% year-on-year to m€ 59.5. Continued positive momentum from recently expanded TV advertising campaigns in the cleaning and laundry care categories.
- Wellbeing segment declined by -40.2%. In the first quarter of the previous year, strong growth in Soehnle scales and increased demand for Soehnle air purifiers in view of the pandemic led to a significant sales increase in this segment.
- Private Label segment generated turnover of m€ 7.6, thus 10.2% below the previous year's figure (Q1 2021: m€ 8.5).

Successful TV advertising campaigns are paying off, but Russia-Ukraine war and effects of COVID-19 weigh on private consumption



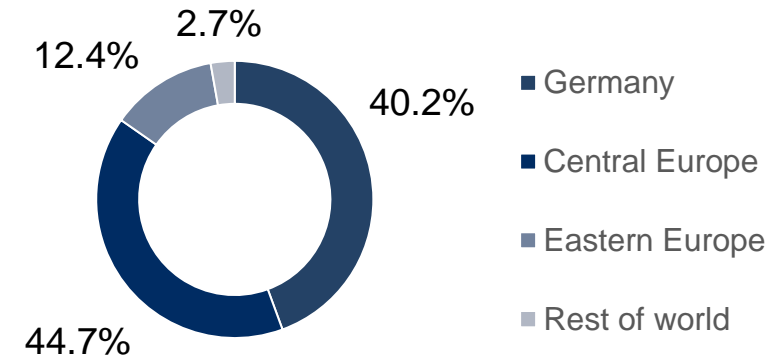
Group turnover by region

3M 2018 – 3M 2022 in m€



Group turnover by region

Q1 2022






- Germany: Sales declined compared to previous year, but demand for the products advertised on TV continues to make an above-average contribution to sales
- Central Europe: Despite increased marketing activities in France and Italy, sales were below the prior-year level due to higher consumer prices and consumer uncertainty. Belgium, the Netherlands and Luxembourg with in some cases clearly positive turnover contributions.
- Eastern Europe: Significant double-digit turnover growth in the Baltic States and Slovakia. Otherwise, also in Eastern Europe consumer demand was lower than in Q1 2021.

Leifheit Group structure



Household

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Laundry Care

Cleaning

Kitchen goods

Wellbeing

SOEHNLE



Personal scales

Kitchen scales

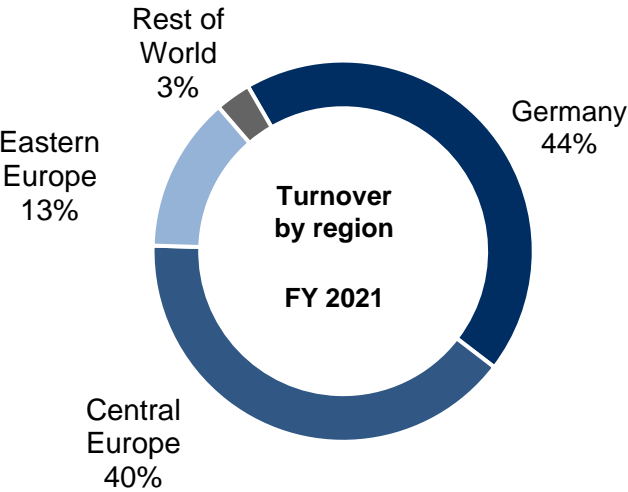
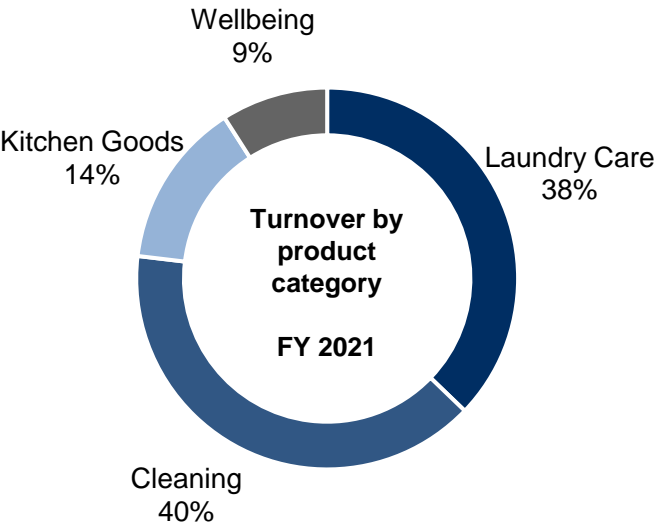
Private Label

BIRAMBEAU herby



Kitchen goods

Standing Dryers



Our European production footprint ensured reliable supply to customers in spite of COVID-19 challenges in the supply chain



Operating in more than 80 countries with 14 own branches

- Head office and branches
- Sales region

Paris/F (Leifheit/Birambeau)

- About 70 employees
- Marketing, sales and administration

Nassau/D (Leifheit/Soehnle)

- About 280 employees
- Marketing, sales, development, quality assurance, central administration
- Manufacturing of rotary dryers, vacuum jugs, roll holders and floor wipers



Blatná/CZ (Leifheit)

- About 450 employees
- Manufacturing of tower dryers, wall dryers and floor wipers
- Logistic center Eastern Europe



Zuzenhausen/D (Leifheit)

- About 120 employees
- Logistics center



La Loupe/F (Herby)

- About 80 employees
- Manufacturing of wall and tower dryers

Distribution in all relevant distribution channels

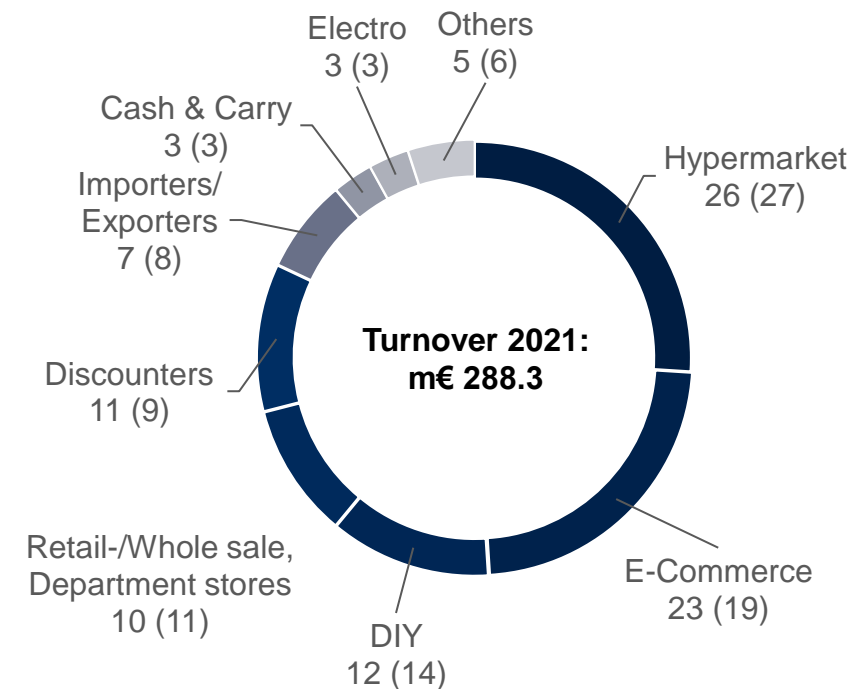


Blue Chip client base



Distribution channels

Turnover 2021 in % (previous year's figures)

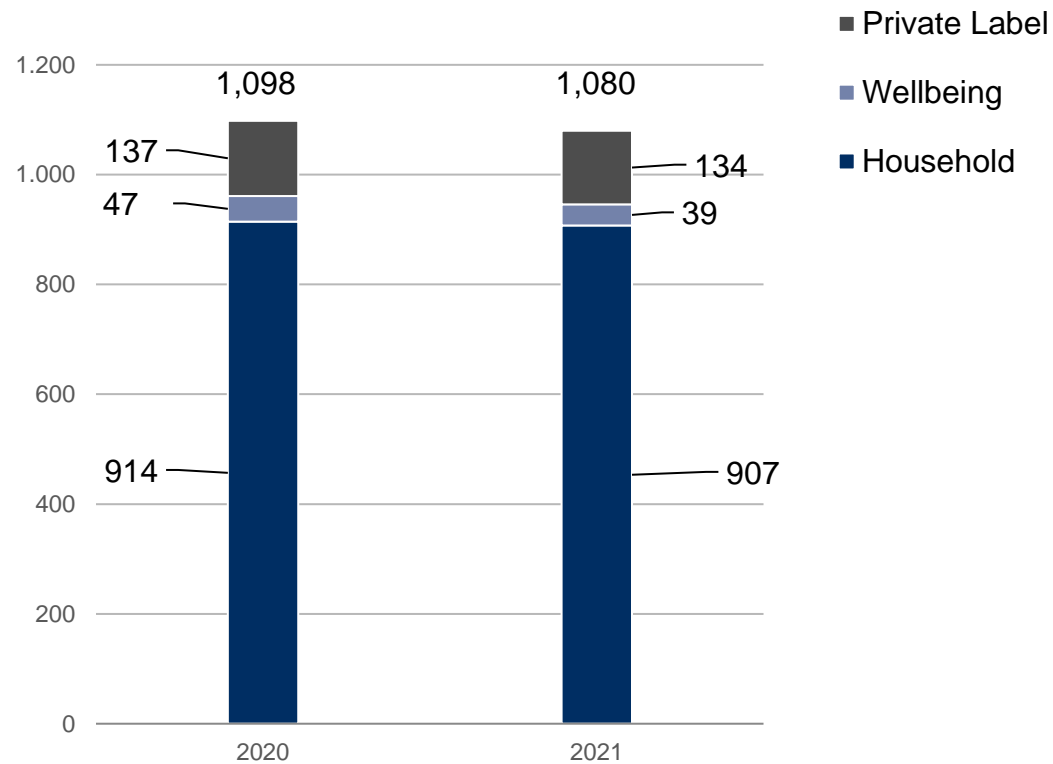


Number of employees at a stable level



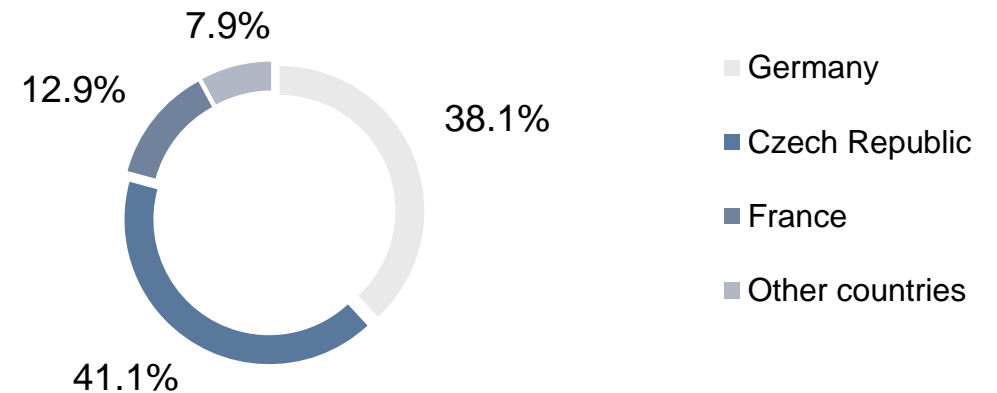
Employee development

31 Dec



Employees by region

31 Dec 2021



Long-term financial overview



		2017	2018	2019	2020	2021
Group turnover	m€	236.8	234.2	234.0	271.6	288.3
Profitability						
Gross margin	%	46.4	43.6	43.1	45.0	42.3
Cash flow from operating activities	m€	7.2	10.2	15.9	4.0	16.4
Free cash flow	m€	1.5	3.7	10.1	-5.5	9.6
EBIT	m€	18.8	13.1	9.9	18.8	20.1
EBIT margin	%	8.0	5.6	4.2	6.9	7.0
EBT	m€	17.7	11.9	8.5	17.7	19.3
Net result for the period	m€	12.8	8.4	5.8	12.5	14.2
ROCE ¹	%	12.7	10.5	8.2	14.1	13.8

¹ Definition of ROCE changed in 2019, ROCE 2018 adjusted for comparability reasons

Long-term financial overview



		2017	2018	2019	2020	2021
Per share						
Net result for the period, EPS ²	€	1.35	0.88	0.61	1.32	1.49
Free cash flow	€	0.16	0.39	1.06	-0.57	1.00
Dividend	€	1.05	1.05	0.55	1.05	1.05 ²
Special dividend	€	--	--	--	--	--
Investments	m€	7.8	6.6	6.0	9.6	7.3
Depreciation	m€	6.4	6.9	8.2	8.5	7.8

		31/12/17	31/12/18	31/12/19	31/12/20	31/12/2021
Employees	No.	1,137	1,119	1,106	1,098	1,080
Balance sheet total¹	m€	224.9	221.8	214.6	230.0	238.8
Equity	m€	98.5	101.8	96.2	100.4	111.3
Equity ratio	%	43.8	45.9	44.8	43.7	46.6
Liquidity	m€	57.2	50.9	50.3	38.8	38.1

¹ Not including repurchased treasury shares

² Dividend proposal

Experienced Management



Henner Rinsche
CEO

Previous experience

- President Europe at SodaStream
- Various leading positions at Procter & Gamble, PepsiCo, Danone and Henkel

Core competencies

- General management and consumer goods marketing



Igor Iraeta Munduate
COO

Previous experience

- Many years of experience as CTO at Igus GmbH and Stoba Präzisionstechnik
- Various technical management positions at Robert Bosch GmbH

Core competencies

- Digitalization, IoT, Industry 4.0, implementation of lean production systems, agile “Scrum” methods



Marco Keul
CFO

Previous experience

- Resp. for Controlling, IT/Business processes and internal sales services as Vice president finance at Leifheit AG
- Years of experience as Head of Controlling at Leifheit AG

Core competencies

- IT, Finance & Controlling

Committed to shareholder returns



Long-term dividend development

Dividend per share / in €

Dividend yield ¹

2021: 2.9% ²	2017: 3.8%
2020: 2.4%	2016: 5.1%
2019: 2.3%	2015: 5.6%
2018: 5.9%	2014: 3.9%



¹ Based on the particular closing price at year-end

² Dividend 2021: proposal to the AGM

Leifheit awards (selection)



Floor wiper
Profi micro duo



CLEAN TWIST
Disc Mop Ergo



CLEAN TWIST
M Ergo



Isolating jug
Columbus



Salad spinner
Comport Line



Rotary dryers
Linomatic



Window vacuum
cleaner Nemo



Window vacuum
cleaners



Cordless vacuum wiper
Regulus Aqua PowerVac



Cordless vacuum
Regulus PowerVac 2in1



Laundry dryers
Pegasus



Steam Mop CleanTenso



Soehnle awards (selection)



Kitchen Scales
Page Profi + Page Profi 300



Personal Scales
Style Sense



Personal Scales
Style Sense Bamboo Magic



Page Aqua Proof
Kitchen Scale



Body analysis scales
Shape Sense Connect 100 + 200

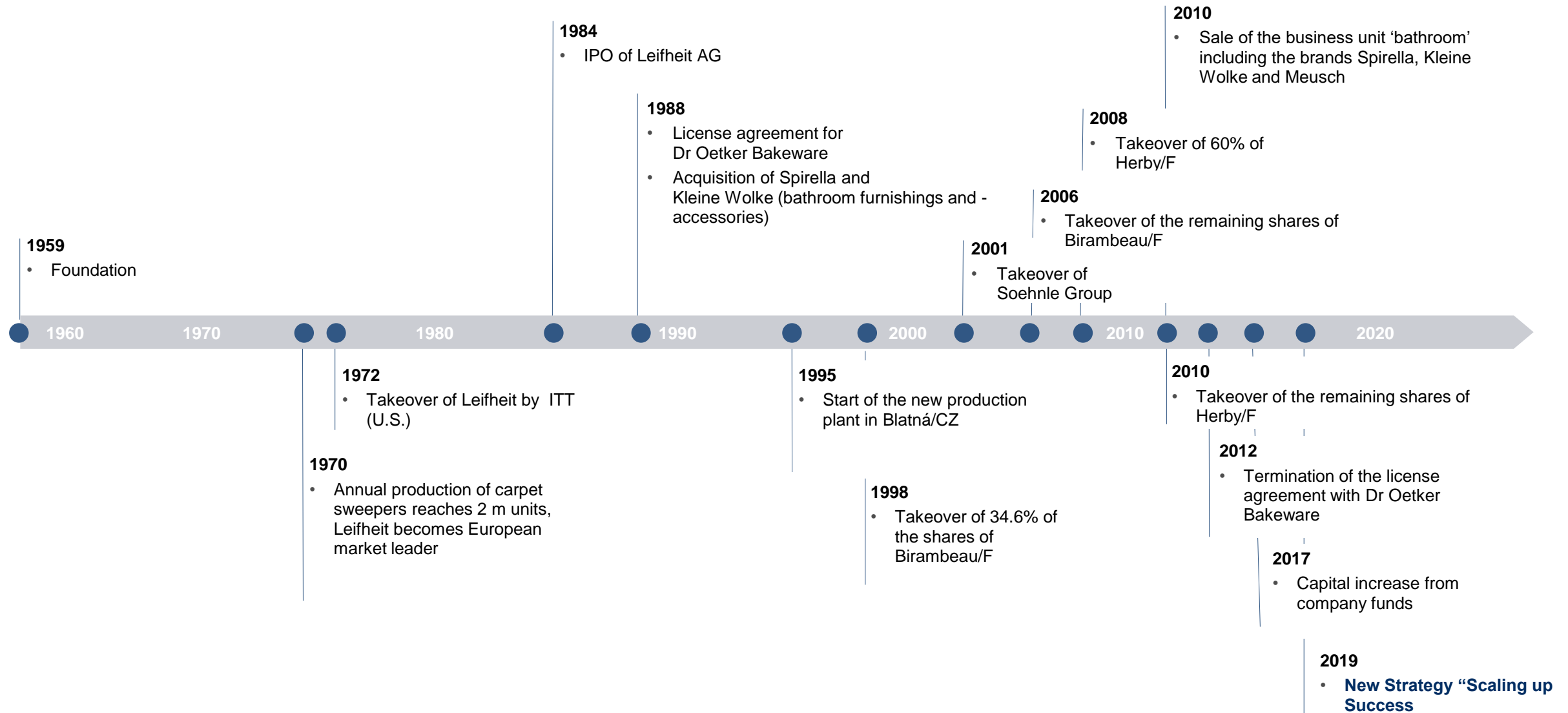


Blood pressure monitors
Systo Monitor 200 + 300



Air Purifier
AirFresh Clean 400

Leifheit – more than 60 years of passion for housework



European competitors by category



Cleaning

Spontex
Tonkita Swiffer Rival
Kärcher Vileda



Laundry care

Vileda Brabantia Artweger
Wenko Gimi Juwel Stewi
Metaltex Rörets Blome



Kitchen goods

Tescoma WMF Gefu
Zyliss Oxo Rösle Fackelmann Lurch
Brabantia Westmark Emsa Tefal



Wellbeing

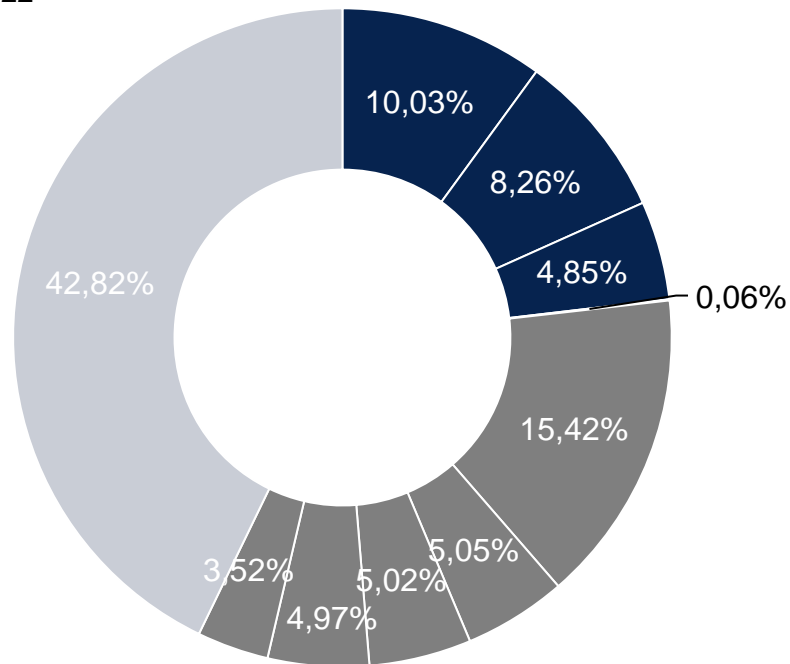
Bosch Laica Tanita
ADE Homedics Beurer
Sanitas Withings Terraillon

Significant free float and international investors



Shareholder structure

May 2022



- MKV Verwaltungs GmbH, Grünwald (GER), 10.03%
- Ruthild Loh, Haiger (GER), 8.26%
- Leifheit AG Nassau (GER), treasury shares, 4.85%
- Employee shares subject to a lock-up period 0.06%
- Alantra EQMC Asset Management, SGIIC, SA, Madrid (ES), 15.42%
- Teslin Capital Management BV/Gerlin NV, Maarsbergen (NL), 5.05%
- MainFirst SICAV, Senningerberg (LUX), 5.02%
- The Capital Group Companies, Inc., Los Angeles (USA), 4.97%
- Blackmoor Ownership Holdings Master Limited, London (UK), 3.52%
- Voting rights under notification threshold 42.82%

● Non free float shareholders¹ 23.20%

● Free float^{1,2} 76.80%

¹ Definition of German stock exchange for indices

² Including shareholdings of the management board

Financial calendar and contact



Dates 2022

25 May 2022

Annual General Meeting

09 Aug 2022

Financial report for the first half-year
ending 30 June 2022

08 Nov 2022

Quarterly statement for the period
ending 30 September 2022

Contact

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Leifheit is frequently top company in home appliances and household goods categories



Most Valuable Company

July 2021
Deutschland Test / Focus Money



1st place
Home appliances
100.0 points
awarded 3rd time in a row

Study examines what companies **do for their employees and society**. Among other things, the **sustainability reports** of the largest German companies were evaluated according to the **GRI standard**.

Germany's fairest companies

Jan 2022
IMWF Institut / FAZ-Institut



3rd place
Household items
90.3 points

Study analyses social listening data and identified 7.4 million mentions for over **17,000 companies**. Relevant criteria include product and service, customer satisfaction and value for money, employer fairness and sustainability

Highest Level of Trust 2021

Oct 2021
Deutschland Test / Focus Money



1st place
Household items
100.0 points

Study shows which companies have a high level of trust by assigning and identifying **3.7 million mentions** of **about 21,000 brands** in the investigation period September 2020 to August 2021.

Germany's Best Customer Hotline 2021

July 2021
IMWF Institut / FAZ-Institut



1st place
Home appliances
100.0 points

Study analyses social listening data for over **20,000 companies** in the categories customer service and satisfaction, hotline, price and service. **438 million online outlets** serve as a source.

Our ESG Principles



What sustainability means to us:
Responsible actions toward the environment and people,
corporate integrity and durable, high-quality products



Environment

Durable, high-quality products
that make life at home easier
and more convenient

Efficient use of resources without
sacrificing quality

European production and logistics
footprint with close connections to
our customers

Compliance with applicable laws
and regulations in our production
activities (WEEE, RoHS, REACH,
PAH, Ecodesign Directive, etc.)

Strict environmental standards in
our supply chain, laid down in our
supplier code of conduct



Social

Fun, fast, friendly and fearless
corporate culture

HR strategy geared towards
employer attractiveness

Focus on employee safety and
health

Welcome diversity and equality
of opportunity

Fair and competitive pay, training
and continuing education

Strict social standards in the supply
chain, laid down in our supplier
code of conduct

Giving back to society at
our locations



Governance

Responsible corporate
management and compliance

High transparency for stakeholders
through quarterly reporting and
regular news updates

Compliance management system
(CMS), including guidelines and
measures to ensure compliant
and ethical conduct

Combating corruption and bribery
as integral parts of CMS

Protecting personal data according
to the high standards of the GDPR

**Read more at our
sustainability report 2021**

www.leifheit-group.com/en/investor-relations/reports-and-presentations/



Aktiengesellschaft

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