

Quarterly statement for the period ending 30 September 2021

At a glance

- Group turnover up by 11.9% in the first nine months of financial year 2021
- Domestic market of Germany sees turnover growth of 20.0%
- Group turnover in Q3 2021 with m€ 69.7 slightly below the high level of the prior-year quarter
- Group EBIT climbs by 8.1% to m€ 16.6 in 9M 2021
- Free cash flow improved to m€ 7.1
- Turbulence in global supply chains affects EBIT in Q3 2021
- Group turnover forecast for 2021 unchanged, earnings (EBIT) forecast adjusted to between m€ 15 and m€ 20

Key figures of the Group as at 30 September

		2020	2021	Change
Turnover				
Group	m€	201.9	226.0	11.9%
Household	m€	161.3	182.6	13.2%
Wellbeing	m€	18.5	19.8	6.7%
Private Label	m€	22.1	23.6	6.9%
Foreign share	%	57.9	54.9	-3.0 pps
Profitability				
Gross margin	%	44.7	42.7	-2.0 pps
Cash flow from operating activities	m€	4.6	11.2	>100%
Free cash flow	m€	-0.3	7.1	>100%
Foreign currency result	m€	-0.6	0.6	>100%
EBIT	m€	15.4	16.6	8.1%
EBIT margin	%	7.6	7.3	-0.3 pps
EBT	m€	14.6	16.0	9.6%
Net result for the period	m€	10.6	11.5	8.8%
EPS	€	1.11	1.21	9.0%
Investments	m€	5.0	4.3	-14.0%

Foreword

Dear Shareholders,

The Leifheit Group systematically drove forward its Scaling up Success growth strategy in the first nine months of financial year 2021.

As at 30 September 2021, we generated earnings before interest and taxes (EBIT) of m€ 16.6, up 8.1% compared with the previous year's figure of m€ 15.4. This increase was driven primarily by double-digit turnover growth. The first nine months of 2021 saw Group turnover reach m€ 226.0 – a significant rise of 11.9% on the corresponding 2020 figure of m€ 201.9.

The turnover growth and the substantial improvement in earnings reflect the positive effects of the Group's Scaling up Success growth strategy. In the current financial year, we have continued to invest more heavily in consumer advertising for our Leifheit and Soehnle brand products as part of our strategic initiatives. We will continue these investments until the end of the year and beyond in 2022, among other things with a large-scale print campaign, that puts the Soehnle Page Profi 300 kitchen scale into the focus of consumers. This product features intelligent four-sensor technology for precision weighing and was awarded the test rating "very good" by "Haus & Garten Test" magazine. We are also running TV campaigns in selected European markets for best-selling products such as the innovative Regulus Aqua PowerVac cordless vacuum wiper, the CLEAN TWIST Disc Mop and the Pegasus standing laundry dryer. In the third quarter, we were again able to further strengthen in particular our core brand Leifheit as a growth driver thanks to our strategic marketing measures.

From a regional perspective, our domestic market of Germany, which generates the highest turnover, saw an above-average increase in sales of 20.0% in the first nine months. The Group's positive performance in the key markets of France and Italy also continued due to successful TV campaigns and the expansion of the distribution network. As a result of stepping up our marketing activities, we likewise achieved double-digit turnover growth in our most important Eastern European market, the Czech Republic.

The overall very good business performance in the first nine months of 2021 was increasingly impacted by the effects of the COVID-19 pandemic and the implications for procurement markets worldwide. For example, further commodity price hikes, limited availability of freight capacity and associated cost increases and supply bottlenecks weighed heavily on business development in the third quarter, as can be seen in particular in the earnings development in this period. Group EBIT amounted to m€ 3.0, compared with m€ 6.6 in the same quarter of the previous year.

At m€ 69.7, Group turnover in the third quarter of 2021 was only slightly below the exceptionally strong previous-year period, which was also influenced by the effects of the pandemic and in which growth of 28% to m€ 71.6 was recorded.

In view of current market trends, we expect the turbulence in global supply chains to remain a challenge for the Leifheit Group in the coming months. At the same time, necessary sales price increases

can only be passed on to the market with some delay. As a result, these measures will only have a partially effect in the current financial year.

Against the background of the described business development in the third quarter, we have reassessed our earnings expectations for the full year 2021. Based on an unchanged Group turnover forecast of at least 5% growth year-on-year, we now anticipate Group EBIT of between m€ 15 and m€ 20 for 2021.

Despite the more difficult conditions, we will continue to implement our strategic initiatives in the interests of all our shareholders and focus our work on enhancing the success of our multi-award-winning products on the market. Our European production and logistics footprint and the safeguards we have taken in the supply chain have enabled us to ensure a largely reliable supply of our best-selling products to our customers in recent months, despite the challenges. We will continue to focus on preparing the Leifheit Group for the tense situation on the global procurement markets while maintaining our growth trajectory.

We greatly appreciate your continued support on this journey and your loyalty to the Leifheit Group.

The Board of Management

Henner Rinsche

Igor Iraeta Munduate

Marco Keul

Quarterly statement for the period ending 30 September 2021

Business performance

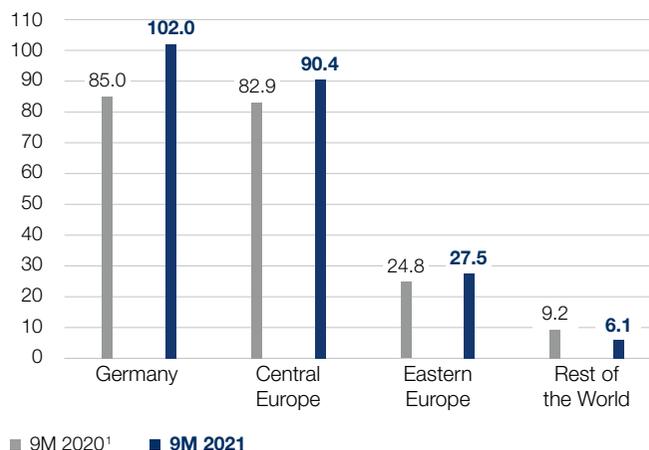
The Leifheit Group generated turnover of m€ 226.0 in the first nine months of financial year 2021, which represents growth of 11.9% on the previous year's figure (m€ 201.9). This is firstly due to the good results from our highest-turnover market, the domestic market of Germany, where turnover rose strongly by 20.0%, continuing the upward trend in this country. Secondly, the positive development reflects the momentum from the expansion of marketing activities in the current financial year. In particular, the Leifheit brand advertised in TV campaigns recorded a double-digit increase in turnover. At the same time, sales dynamics in the Wellbeing segment with the Soehnle brand product range weakened somewhat in the course of a change in consumer behavior in the third quarter. Turnover growth amounted to 6.7% in the first nine months of 2021.

Overall, business development in the third quarter was heavily impacted by the effects of the COVID-19 pandemic and the resulting global implications for procurement markets. Particularly in August and September, delivery bottlenecks and the associated cost increases for many commodities and intermediate products became increasingly noticeable. In addition, any comparison with the previous-year period should take the fact into account that a large proportion of turnover was shifted to late summer due to the closure of physical stores in spring 2020, resulting in substantial double-digit growth rates in the third and fourth quarters of last year. Nevertheless, at m€ 69.7, Group turnover in the third quarter of 2021 was only slightly below the level of the exceptionally strong comparative quarter of the previous year, in which turnover of m€ 71.6 had been generated.

In terms of its regions, the Leifheit Group generated double-digit turnover growth in almost all of its core markets in the first nine months of 2021. Bolstered by the increase in turnover in Central Europe and Eastern Europe, foreign turnover rose by a total of m€ 7.1 to m€ 124.0 (previous year: m€ 116.9). The share of turnover generated abroad therefore stood at 54.9% (previous year: 57.9%¹).

Group turnover by region

in m€



¹ Previous-year figure adjusted due to turnover by a major online retailer being attributed to the market in which it was generated.

Group turnover by region

Germany

The domestic market of Germany recorded extremely dynamic turnover growth in the first nine months of financial year 2021. Group turnover here totalled m€ 102.0 (previous year: m€ 85.0¹), up 20.0%. As a result, the Leifheit Group generated 45.1% of its turnover in Germany. Successful TV campaigns for selected best-selling Leifheit and Soehnle products were the main drivers of this positive trend.

Central Europe

In Central Europe, the Leifheit Group's turnover rose by 9.1% in the first nine months of financial year 2021 to a total of m€ 90.4 (previous year: m€ 82.9¹). Positive performance with double-digit growth rates was delivered not only by Scandinavia, but above all by the key markets of France and Italy, where the fruits of the successful TV campaigns were evident. Another positive effect came from the further expansion of the distribution network in the two countries as a result of the efforts to step up marketing activities. As a consequence, turnover in both regions grew by strong double-digit percentages.

Eastern Europe

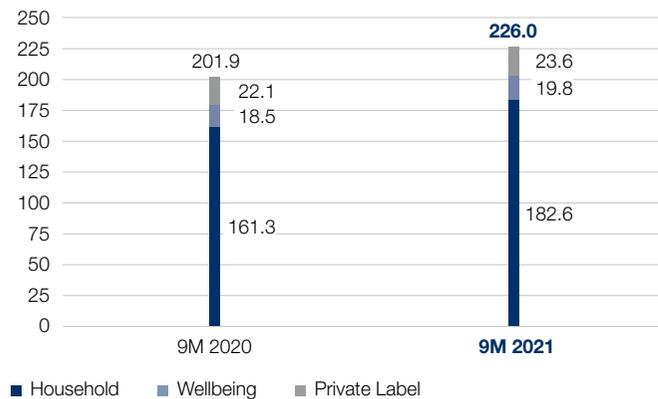
Turnover in the Eastern Europe region amounted to m€ 27.5 in the first three quarters of 2021, 10.6% higher than the comparable figure of the previous year (m€ 24.8). The Czech Republic – the regions' highest-turnover market – again saw double-digit growth. Here, too, this was attributable to efforts to intensify marketing activities. In the first nine months of 2021, turnover in Poland and Ukraine also exceeded the previous-year period, rising by double-digit percentages in both countries.

Rest of the World

Turnover in non-European regions declined overall, falling by 33.9% in the reporting period to m€ 6.1 (previous year: m€ 9.2). This trend is mainly due to effects caused by the COVID-19 pandemic, which are evident in the year-on-year comparison. For example, online business increased sharply in the previous year, especially in the US but also in Asia, following the temporary closure of physical stores. As this effect was no longer present in the current reporting period, turnover decreased accordingly, in particular in the US market.

Group turnover by segment

in m€



Group turnover by segment

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

Household

In the Household segment, the Leifheit Group grew turnover by 13.2% in the first nine months of financial year 2021 to a total of m€ 182.6 (previous year: m€ 161.3). Thanks to this strong increase, the share of Group turnover accounted for by this segment rose from 79.9% in 2020 to 80.8%. With growth of 22.6%, the cleaning category in particular contributed to the robust performance of the Household segment. In this category, Leifheit benefited from the positive effects of the expansion of TV advertising campaigns for cleaning products. The highest-turnover category, laundry care, also developed positively in the reporting period, achieving growth of 9.1%. However, the kitchen goods category was weaker, reflecting the change in consumer spending priorities in the non-food sector.

Wellbeing

The Leifheit Group generated total turnover of m€ 19.8 (previous year: m€ 18.5) with the Wellbeing segment's Soehnle brand. At 6.7%, the growth dynamic slowed somewhat compared to the same period of the previous year, which was also characterized by the effects of the protective measures in the course of the COVID-19 pandemic. This segment accounted for 8.8% of Group turnover (previous year: 9.2%). In the Wellbeing segment, too, the expansion of marketing activities was instrumental in driving turnover growth. In particular, the Soehnle scales that featured in advertising campaigns recorded a significant increase in turnover. By contrast, the strong demand for air treatment products seen in the previous-year period as well as in the first half of 2021 eased in the third quarter.

Private Label

The Private Label segment, which mainly comprises sales of private-label brands by the French subsidiaries Birambeau and Herby, achieved turnover of m€ 23.6 in the reporting period (previous year: m€ 22.1), which equates to a rise of 6.9%. This segment accounted for 10.4% of Group turnover (previous year: 10.9%). Business here was affected by the fact that physical stores in the French market were hit especially hard by the pandemic-related restrictions in the same period of the previous year, which meant that major sales channels were temporarily closed. The trend is normalising again there in the current year, and the Leifheit Group has been able to benefit from the uptick in turnover.

Net assets, financial position and results of operations

The Leifheit Group generated earnings before interest and taxes (EBIT) of m€ 16.6 in the first nine months of financial year 2021 (previous year: m€ 15.4). This corresponds to an increase of m€ 1.2 or 8.1%.

Strong turnover growth of m€ 24.1, or 11.9% was the main factor in this rise in earnings. In absolute terms, gross profit climbed by m€ 6.1 to m€ 96.4, while the gross margin fell by 2 percentage points from 44.7% in the previous-year period to 42.7%. The reason for this was a sharp increase in commodity prices and inbound freight. At the same time, necessary sales price rises can only be passed on to the market with some delay, and have therefore had barely any impact on business so far. Nevertheless, the EBIT margin of 7.3% was only 0.3 percentage points below the comparable figure for the previous year (7.6%). A strict cost management made a significant contribution to this.

Distribution costs were up by m€ 6.1 to m€ 65.8. This was due to the further increase in advertising costs in the first nine months of 2021, which totalled m€ 4.8 and primarily resulted from TV advertising campaigns. Higher turnover also led to a rise in freight out of m€ 1.5. The slight decrease in administrative costs of m€ 0.3 to m€ 11.4 was mainly attributable to lower personnel costs.

Earnings before taxes (EBT) were up by m€ 1.4 to m€ 16.0 (previous year: m€ 14.6). Less taxes, this equalled a net result for the period of m€ 11.5 in the first nine months of 2021 (previous year: m€ 10.6).

The Leifheit Group maintains a solid liquidity base, although Group liquidity fell by m€ 3.2 to m€ 35.6 in the first nine months of 2021. Cash inflow from operating activities rose by m€ 6.6 in the reporting period to m€ 11.2 (previous year: m€ 4.6). This is due to the fact that receivables and inventories increased significantly more in the prior-year period than in the reporting period. At m€ 4.3, investments in the first three quarters of 2021 were m€ 0.7 lower than the previous year's figure of m€ 5.0. Free cash flow climbed to m€ 7.1 (previous year: m€ -0.3), which resulted from the increase in cash inflow from operating activities. The free cash flow was offset by cash flow from financing activities of m€ -10.3 – mainly the dividend payment – which led to a decrease of Group liquidity by m€ 3.2.

As at the balance sheet date of 30 September 2021, the balance sheet total remained virtually unchanged at m€ 230.5, compared with m€ 230.0 as at the end of 2020. Trade receivables increased by m€ 4.9 as against 31 December 2020 (previous year: rise of m€ 16.2).

Our strategic measures to streamline our product lines led to a reduction in the volume of inventories. Nevertheless, the value of inventories grew because of higher procurement prices in particular. Therefore, inventories increased by m€ 2.7 compared with 31 December 2020 (previous year: rise of m€ 12.6). VAT receivables fell by m€ 1.6.

Current trade payables and other liabilities were up by m€ 0.9 and mainly consisted of turnover deductions. Income tax liabilities decreased by m€ 2.2 due to higher advance payments.

The dividend in the current year of m€ 10.0 was paid out in the second quarter. By contrast, the dividend of m€ 5.2 was not paid out until the fourth quarter in the previous year. Equity rose by m€ 6.1 compared with 31 December 2020 to m€ 106.6 as at 30 September 2021. The equity ratio increased accordingly to 46.2% (31 December 2020: 43.7%). The net result for the period of m€ 11.5 also includes a rise in other reserves of m€ 4.4, while the dividend payment reduced equity by m€ 10.0.

Opportunities and risks

The opportunities and risks for the Leifheit Group were described in detail in the combined management report as at 31 December 2020, which we hereby refer. In the reporting period there were no significant changes in the main opportunities and risks for the remaining months of the financial year. The ongoing COVID-19 pandemic has not led to any significant changes in the risk assessment in this regard. Taking into consideration each probability of occurrence and the potential financial effects of the explained risks, as well as in light of the solid balance sheet structure and the current business outlook, the Board of Management does not anticipate any substantial risk to the continuation of the company as a going concern.

Turnover and earnings forecast for the current financial year 2021

Overall, the Leifheit Group can look back on a successful first nine months of financial year 2021. However, the global impact of the pandemic on procurement markets became even more acute in the third quarter. Further commodity price hikes, limited availability of freight capacity and associated cost increases and supply bottlenecks weighed even more heavily on the Leifheit Group's results of operations. The turbulence in global supply chains will remain a challenge in the coming months. At the same time,

necessary sales price increases can only be passed on to the market with some delay. The effects of these measures will therefore only be partially felt in the current financial year. This will also have a negative impact on the Group result in the final quarter.

As a result, the Board of Management has reassessed its forecast for 2021 as a whole: it now anticipates earnings before interest and taxes (EBIT) for the Group of between m€ 15 and m€ 20, compared with the previous EBIT forecast of m€ 20 to m€ 24.

The Leifheit Group turnover forecast for 2021 published in March remains unchanged. Therefore, the Board of Management continues to expect an increase in Group turnover of at least 5% compared with the previous year. The strategy continues to focus on expanding core business with the Leifheit and Soehnle brands in the Household and Wellbeing segments. We anticipate turnover growth of at least 6% in the Household segment, while we predict that turnover will be down slightly year-on-year in the much smaller Wellbeing segment. In the Private Label segment, we still expect turnover to be slightly above the previous year's level.

We will continue to follow our fundamentally conservative financial policy for the rest of the financial year. In view of the challenges in the supply chain and our adjusted earnings forecast, we now expect free cash flow of around m€ 4 to m€ 8 for 2021. We now anticipate an increase in working capital as against 2020, mainly due to a rise in inventories because of price effects and the further need for higher stockpiling, in particular of raw materials, to safeguard our supply capabilities, as well as due to a decline in trade receivables. Previously, we had expected free cash flow of around m€ 10 to m€ 14.

The forecast for 2021 as a whole is based on the assumption that there will be no further significant restrictions due to the COVID-19 pandemic in the markets and sales channels relevant to the Leifheit Group.

Further information can be found in the recently published annual financial report for financial year 2020 of the Leifheit Group, which is available on the website at financial-reports.leifheit-group.com.

Statement of comprehensive income

k€	1 Jul to 30 Sep 2020	1 Jul to 30 Sep 2021	1 Jan to 30 Sep 2020	1 Jan to 30 Sep 2021
Turnover	71,594	69,659	201,948	225,972
Cost of turnover	-38,835	-41,928	-111,643	-129,577
Gross profit	32,759	27,731	90,305	96,395
Research and development costs	-1,314	-1,450	-3,967	-4,315
Distribution costs	-21,533	-21,620	-59,698	-65,757
Administrative costs	-3,142	-2,015	-11,656	-11,392
Other operating income	383	255	1,124	1,260
Other operating expenses	-61	-60	-159	-244
Foreign currency result	-545	118	-599	649
EBIT	6,547	2,959	15,350	16,596
Interest income	5	10	12	19
Interest expenses	-243	-211	-746	-601
Net other financial result	-1	6	-4	6
EBT	6,308	2,764	14,612	16,020
Income taxes	-1,782	-784	-4,048	-4,525
Net result for the period	4,526	1,980	10,564	11,495
Contributions that are not reclassified in future periods in the statement of profit or loss				
Actuarial gains/losses on defined benefit pension plans	-3,098	-751	-1,593	2,915
Income taxes from actuarial gains/losses on defined benefit pension plans	908	220	467	-854
Contributions that may be reclassified in future periods in the statement of profit or loss				
Currency translation of foreign operations	-307	41	-888	477
Currency translation of net investments in foreign operations	-257	-5	-1,035	446
Income taxes from currency translation of net investments in foreign operations	75	-8	303	-140
Net result of cash flow hedges	-377	797	-607	2,182
Income taxes from cash flow hedges	102	-226	171	-626
Other comprehensive income	-2,954	68	-3,182	4,400
Comprehensive income after taxes	1,572	2,048	7,382	15,895
Earnings per share based on net result for the period (diluted and undiluted)	€ 0.48	€ 0.21	€ 1.11	€ 1.21

Balance sheet

k€	31 Dec 2020	30 Sep 2021
Current assets		
Cash and cash equivalents	38,825	35,640
Trade receivables	57,427	62,306
Inventories	59,720	62,418
Income tax receivables	579	51
Contractual assets	1,078	687
Derivative financial instruments	374	1,767
Other current assets	4,297	1,508
Total current assets	162,300	164,377
Non-current assets		
Intangible assets	18,755	18,272
Tangible assets	37,597	37,471
Right of use assets from leases	1,011	838
Deferred tax assets	10,234	9,193
Derivative financial instruments	–	210
Other non-current assets	112	113
Total non-current assets	67,709	66,097
Total assets	230,009	230,474
Current liabilities		
Trade payables and other liabilities	47,059	47,925
Income tax liabilities	3,395	1,173
Other provisions	4,917	4,805
Derivative financial instruments	641	–
Lease liabilities	670	425
Total current liabilities	56,682	54,328
Non-current liabilities		
Provisions for pensions and similar obligations	68,004	64,115
Other provisions	3,880	3,821
Deferred tax liabilities	524	1,230
Derivative financial instruments	149	–
Lease liabilities	344	414
Total non-current liabilities	72,901	69,580
Equity		
Subscribed capital	30,000	30,000
Capital surplus	17,026	17,164
Treasury shares	–7,445	–7,350
Retained earnings	78,072	79,579
Other reserves	–17,227	–12,827
Total equity	100,426	106,566
Total equity and liabilities	230,009	230,474

Statement of cash flow

k€	1 Jan to 30 Sep 2020	1 Jan to 30 Sep 2021
Net result for the period	10,564	11,495
Depreciation and amortisation	6,335	5,788
Change in provisions	-614	-1,160
Result from disposal of fixed assets and other non-current assets	-2	-36
Change in inventories, trade receivables and other assets not classified as investment or financing activities	-24,419	-3,142
Change in trade payables and other liabilities not classified as investment or financing activities	12,291	-1,712
Other non-cash expenses and income	434	-79
Cash flow from operating activities	4,589	11,154
Investments from the sale of tangible assets and other non-current assets	100	275
Payments for the purchase of tangible and intangible assets	-5,012	-4,308
Cash flow from investment activities	-4,912	-4,033
Change in treasury shares	-	233
Payments for lease liabilities	-545	-587
Dividends paid to the shareholders of the parent company	-	-9,988
Cash flow from financing activities	-545	-10,342
Change in cash and cash equivalents	-868	-3,221
Change in cash and cash equivalents due to exchange rates	-47	36
Cash and cash equivalents at the start of the reporting period	50,301	38,825
Cash and cash equivalents at the end of the reporting period	49,386	35,640

Segment reporting

Key figures by reportable segments as at 30 September 2021 in m€	Household	Wellbeing	Private Label	Total
Turnover	182.6	19.8	23.6	226.0
Gross profit	82.8	8.2	5.4	96.4
Segment result (EBIT)	14.1	1.2	1.3	16.6

Key figures by reportable segments as at 30 September 2020 in m€	Household	Wellbeing	Private Label	Total
Turnover	161.3	18.5	22.1	201.9
Gross profit	76.2	8.5	5.6	90.3
Segment result (EBIT)	12.2	2.0	1.2	15.4

Information on the segments and their management is available in our annual financial report 2020.

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 financial report 2020 of the Leifheit Group, which is available on the 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 in the reporting period.

The reporting period saw personnel changes in Leifheit AG organs:

The Supervisory Board appointed Marco Keul as a member of the Board of Management and Chief Financial Officer (CFO) effective as at 1 May 2021. Marco Keul took over the CFO function from Henner Rinsche (Chairman of the Board of Management, CEO), who held both roles since April 2020. As a result, the Leifheit AG Board of Management now consists of three members again.

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 statement.

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

Minor differences may occur when using rounded amounts and percentages due to commercial rounding.

Financial calendar

23 – 24 Nov 2021	German Equity Forum (virtual)
29 Mar 2022	Annual financial report 2021, Non-financial Group report 2021
11 May 2022	Quarterly statement for the period ending 31 March 2022
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

LEIFHEIT

AKTIENGESELLSCHAFT

PO Box 11 65
56371 Nassau/Lahn, Germany
Telephone: +49 2604 977-0
www.leifheit-group.com
ir@leifheit.com