

<b>Buy</b> <b>EUR 25.00</b>  Price <b>EUR 17.20</b> Upside <b>45.3 %</b>	<b>Value Indicators:</b> EUR DCF: 25.08 FCF-Value Potential 2026e: 20.33	<b>Warburg ESG Risk Score: 2.5</b> ESG Score (MSCI based): 3.0 Balance Sheet Score: 4.0 Market Liquidity Score: 0.5	<b>Description:</b> Leifheit is one of the leading European brands for household appliances
	<b>Market Snapshot:</b> EUR m Market cap: 163.6 No. of shares (m): 9.5 EV: 175.3 Freefloat MC: 123.6 Ø Trad. Vol. (30d): 27.34 th	<b>Shareholders:</b> Freefloat 75.56 % MKV Verwaltungs GmbH 10.03 % Ruthild Loh 8.26 % Leifheit AG (own shares) 6.15 % Alantra EQMC Asset Management 15.42 %	<b>Key Figures (WRE):</b> 2024e Beta: 1.0 Price / Book: 1.7 x Equity Ratio: 49 % Net Debt / EBITDA: 0.6 x

## Focus on growth intensifies as margin recovery continues; Initiation with Buy

Leifheit stands for high-quality household products in the European market. The group has achieved a strong position in the household goods category by offering products that facilitate household chores such as drying laundry, ironing, cleaning, and kitchen work. Leifheit products are used in millions of households across Europe, which underlines customer satisfaction and a high brand awareness. Based on long-standing expertise in product development and customer orientation, Leifheit has successfully launched best-in-class products. In the current year, the group introduced a new growth strategy with a clear focus on efficiency measures, profitability and the ambition to further strengthen the brand positioning. Key element of the strategy is a clear focus on the core categories mechanical cleaning and drying.

There is considerable growth opportunity for Leifheit, especially in the regional markets outside Germany. This should be supported by an intensified presence at the point-of-sale and in the e-commerce channel. Product innovation is an important growth driver. Recent product launches, like the Black Line edition in Laundry Care and the new Power Clean system, combine a high level of functionality as well as modern design requirements. This underpins the convincing competitive quality of the group.

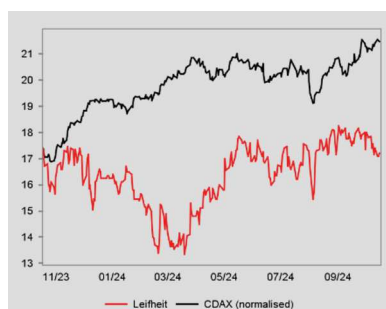
With three central logistic hubs located in close proximity to its own production facilities, the group is well prepared for further growth in online sales with highly efficient direct-to-consumer deliveries. Additional measures to optimise organisational structures and to push the digital transformation should pay off in the coming years.

Overall, Leifheit has returned to a sustainable profitable growth path after significant margin pressure in 2022/23. The EBIT margin recovery is in full swing. Further gross-margin improvements from ongoing product optimisation, efficiency measures as well as operating leverage are expected to drive earnings in the years to come. We assume an accelerated sales increase based on the growth strategy and a steady EBIT-margin improvement to 7.2% in 2027.

Based on its rock-solid balance sheet with a net cash position of around EUR 40m (before pension provisions) the group can react flexibly to potential M&A or market opportunities and also continue its shareholder-friendly dividend policy.

We expect that key valuation parameters (ROCE, FCF Potential) will clearly improve in the coming years based on the positive business performance expected. Therefore, we regard the implementation of further steps of the announced growth and efficiency strategy as an attractive investment case. The margin recovery potential is not yet reflected in the current share-price valuation. The EV/sales multiple is significantly below the 10-year average. From our DCF model we derive a PT of EUR 25.

We initiate our coverage with a Buy rating in light of the attractive valuation and promising mid-term prospects.

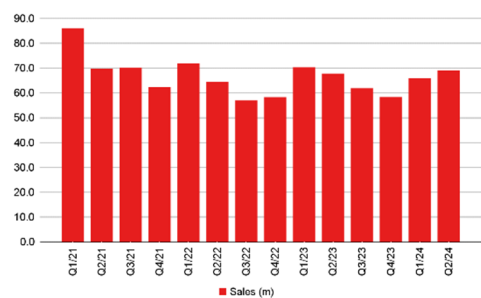


<b>Rel. Performance vs CDAX:</b>	
1 month:	-6.3 %
6 months:	4.2 %
Year to date:	-5.6 %
Trailing 12 months:	-26.1 %

**Company events:**  
12.11.24 Q3

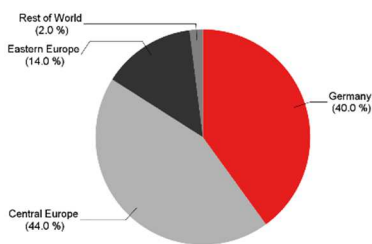
FY End: 31.12. in EUR m	CAGR (23-26e)	2020	2021	2022	2023	2024e	2025e	2026e
<b>Sales</b>	3.3 %	271.6	288.3	251.5	258.3	261.7	272.0	285.1
Change Sales yoy		16.0 %	6.2 %	-12.8 %	2.7 %	1.3 %	3.9 %	4.8 %
Gross profit margin		45.0 %	42.3 %	38.7 %	42.1 %	44.3 %	45.0 %	45.5 %
<b>EBITDA</b>	23.8 %	27.3	27.9	10.3	15.0	21.2	25.3	28.5
Margin		10.0 %	9.7 %	4.1 %	5.8 %	8.1 %	9.3 %	10.0 %
<b>EBIT</b>	46.1 %	18.8	20.1	2.8	6.0	12.3	16.0	18.8
Margin		6.9 %	7.0 %	1.1 %	2.3 %	4.7 %	5.9 %	6.6 %
<b>Net income</b>	57.7 %	12.5	14.2	1.2	3.2	8.1	10.6	12.6
<b>EPS</b>	58.4 %	1.32	1.49	0.13	0.34	0.85	1.14	1.35
EPS adj.	58.4 %	1.32	1.49	0.13	0.34	0.85	1.14	1.35
DPS	0.0 %	1.05	1.05	0.70	1.05	0.95	1.00	1.05
Dividend Yield		3.8 %	2.5 %	3.5 %	6.0 %	5.5 %	5.8 %	6.1 %
<b>FCFPS</b>		-1.30	1.53	0.97	1.64	1.34	1.26	1.29
<b>FCF / Market cap</b>		-4.8 %	3.7 %	4.8 %	9.4 %	7.4 %	6.8 %	7.0 %
<b>EV / Sales</b>		1.1 x	1.5 x	0.8 x	0.7 x	0.7 x	0.7 x	0.6 x
<b>EV / EBITDA</b>		10.6 x	15.1 x	19.8 x	11.8 x	8.7 x	7.2 x	6.3 x
<b>EV / EBIT</b>		15.4 x	21.0 x	73.5 x	29.5 x	14.9 x	11.4 x	9.6 x
<b>P / E</b>		20.7 x	27.8 x	155.1 x	51.1 x	20.2 x	15.1 x	12.7 x
<b>P / E adj.</b>		20.7 x	27.8 x	155.1 x	51.1 x	20.2 x	15.1 x	12.7 x
<b>FCF Potential Yield</b>		5.3 %	3.7 %	1.4 %	3.9 %	6.1 %	7.6 %	8.9 %
<b>Net Debt</b>		30.2	26.5	12.2	11.9	11.7	10.8	8.1
<b>ROCE (NOPAT)</b>		10.9 %	11.0 %	1.1 %	3.4 %	7.6 %	10.1 %	11.9 %
<b>Guidance:</b>	2024: Slight sales increase, EBIT between EUR 11-13m							

**Sales development**  
in EUR m



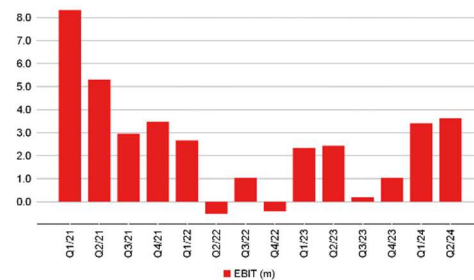
Source: Warburg Research

**Sales by regions**  
2023; in %



Source: Warburg Research

**EBIT development**  
in EUR m



Source: Warburg Research

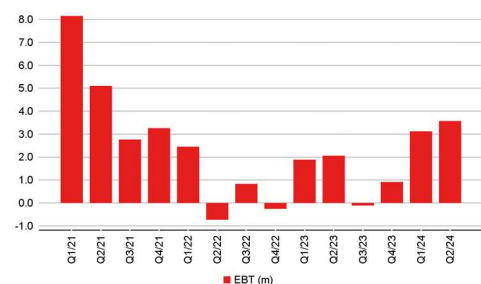
**Company Background**

- Leifheit was founded in 1959. Today the group employs more than 1,000 people and operates 14 locations and branches across Europe.
- Core product categories are cleaning, laundry care and kitchen goods. Besides the Leifheit brand, the group also owns Soehnle, a specialist for kitchen and bathroom weighing scales.
- Leifheit operates its own production facilities and logistic centers in Germany, the Czech Republic and France.
- The French subsidiaries Birambeau and Herby are focused on private label products for individual customers and markets.
- Key sales channels for the products are hypermarkets (24% of sales in 2023), e-commerce partners (22%), DIY stores (19%) and department stores (10%).

**Competitive Quality**

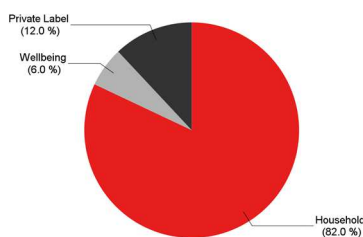
- Leifheit enjoys a strong brand awareness and a high level of customer satisfaction, which is the basis for a successful point-of-sale presence.
- The group is highly focused on product innovations in core categories. Regular awards from product testing institutes underline the brand quality.
- Continued international expansion outside core countries Germany (40% of sales) and France (16%) as well as the e-commerce channel offer additional growth potential.
- Lean production and logistic processes as well as the focus on further digitalisation provide the basis for efficiency gains and economies of scale.
- Based on its strong balance sheet with a considerable net cash position, Leifheit can flexibly react to potential investment opportunities.

**EBT development**  
in EUR m



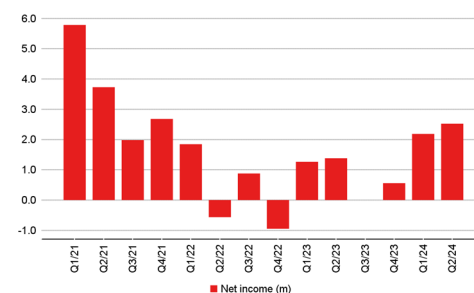
Source: Warburg Research

**Sales by segments**  
2023; in %



Source: Warburg Research

**Net income development**  
in EUR m



Source: Warburg Research

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## Summary of Investment Case

### Investment triggers

- We expect a substantial margin recovery after significant gross-margin pressure due to supply-chain difficulties in the tough years 2022/23.
- The recently announced growth strategy with a strong focus on core categories and on international expansion should provide the basis for an accelerated sales increase in the coming years.
- New product innovations become visible, underline the brand quality and offer potential for an intensified presence at the point-of-sale and in the online channel.
- The implementation of efficiency measures would unlock additional earnings potential.

### Valuation

- From our DCF model we derive a PT of EUR 25 for the Leifheit shares.
- Current EV/sales multiples are significantly below historic valuation multiples, which underline that the margin-recovery potential and the promising focus on growth is not yet reflected in the share-price valuation.
- Leifheit offers attractive dividend payments with dividend yields between 5-6%.

### Growth

- We expect the group to return to sustainable mid-single-digit growth rates in the coming years. The international business will be the growth driver with a stronger focus on country-specific sales opportunities.
- Higher sales growth in core categories Cleaning and Laundry Care likely in light of performance in recent years and new product innovations.

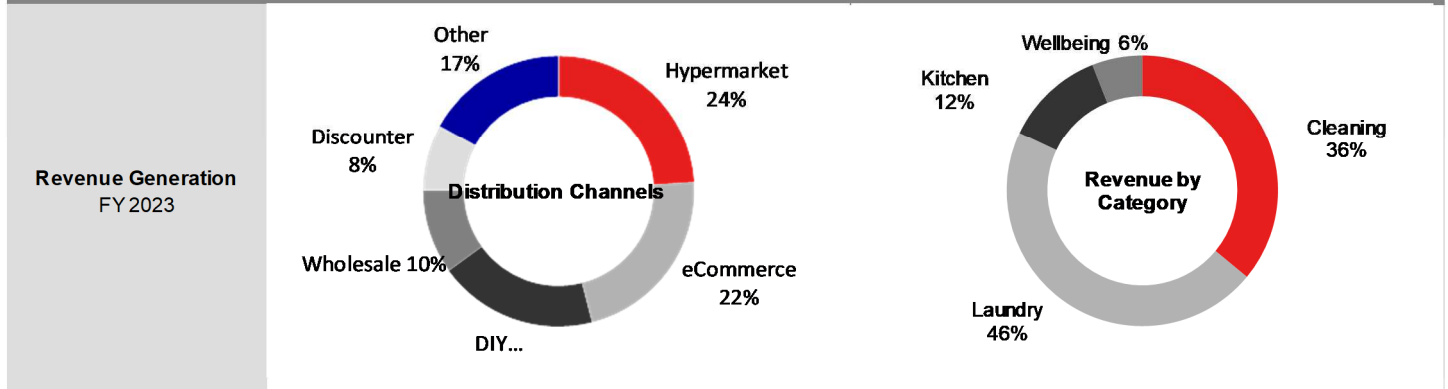
### Competitive quality

- With its focus on high-quality products, Leifheit has achieved a strong brand awareness and high customer satisfaction.
- New product launches underpin the innovative strength and the focus on customer benefits.
- Leifheit has built up a strong logistic network for efficient direct-to-customer deliveries in the growth e-commerce channel.
- Based on the strong balance sheet with a substantial liquidity position, the group can flexibly react to potential M&A and investment opportunities.

### Warburg versus consensus

- Limited research coverage on Leifheit so far. Only one other broker with up-to-date earnings estimates for the company, which are below our assumptions.

Company Overview



**Market Focus**  
 Leifheit is a leading European brand provider of household products, focusing on innovative solutions in the categories of cleaning, laundry care, kitchen, and wellbeing. The company primarily operates in Germany and Central Europe, where it distributes high-quality branded products and private-label goods through various channels, including e-commerce and traditional retail.

Segments	Household	Wellbeing	Private Labels
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Brands				
Revenue FY 2023	<b>211.9</b>	<b>16.4</b>	<b>32.6</b>	
<i>in % of total</i>	<b>81%</b>	<b>6%</b>	<b>12%</b>	
EBIT FY 2023	<b>3.2</b>	<b>0.5</b>	<b>2.3</b>	
<i>in % of total</i>	<b>53%</b>	<b>8%</b>	<b>38%</b>	
Employee Split	<b>867</b>	<b>25</b>	<b>138</b>	



<b>Revenue by Region FY 2023</b>	Germany	46%	Germany	41%	Germany	0%
	Central Europe	36%	Central Europe	53%	Central Europe	98%
	Eastern Europe	16%	Eastern Europe	4%	Eastern Europe	2%
	Rest of the World	2%	Rest of the World	2%	Rest of the World	0%



Source: Warburg Research

## Competitive Quality

- Leifheit is a well-known brand name with a high level of customer satisfaction in the core categories mechanical cleaning and drying.
- The group has its own production facilities and places strong focus on high quality and on product innovation.
- The presence in different distribution channels underpins the strong brand awareness.
- With central logistic facilities, Leifheit has laid the foundation for an accelerated international growth approach.

Clear focus on core categories  
Cleaning and Laundry Care

## Growth strategy based on quality brand name for household goods

### Strong brand awareness

Leifheit is a best-known brand in the household segment. The brand stands for high-quality products, which offer clever and effective solutions for drying laundry, cleaning, ironing and kitchen work. Leifheit products are used in millions of households across Europe, which underline the high level of user-friendliness.

Since its start in 1959, the group has a strong focus on product innovation to make housework more efficient and convenient. Today, Leifheit belongs to the leading European brand suppliers in its category.

Based on the long-standing expertise in product development, customer centricity and quality control, Leifheit has successfully launched best-in-class products like the Linomatic rotary clothesline or the Pegasus standing clothes drying rack as well as cleaning equipment for floors and windows. Awards from trade magazines that conduct regular product testing underpin the product quality, which is important for customer satisfaction.

The Soehnle brand (acquired by the group in 2001) has a similar approach and a strong brand awareness in the niche market for kitchen and bathroom weighing-scales.

In the current year, Leifheit has implemented a new growth strategy with the ambition to further strengthen and modernize the brand positioning. This includes a digital transformation of the brand as well as an intensified presence at the point-of-sale.

Key element of the strategy is a clear focus on the product categories of mechanical (which means non-electrical) cleaning and drying, where the group has its roots. In these categories, the group achieved above-average growth rates in recent years, which underline the competence and the product quality. As a consequence of the focus on the announced target categories, we expect the share of business with weighing-scales (Wellbeing segment), kitchen equipment and electrical or battery-driven cleaning appliances to decline in the coming years.

The market for mechanical cleaning and drying products in Europe offer growth opportunities for Leifheit, especially outside the domestic German market. Moreover, we regard the market as a rather stable and non-cyclical market with steady growth in light of the regular replacement demand.

Leifheit has also announced an intensified focus on product innovations in the core categories. Innovations seem to be an important growth driver and also relevant for product marketing. After the launch of the Power Clean flat-mop set in mid-2024 with improved functionalities, we expect further product development to be rolled out in the years to come. The clear focus on quality products in the mentioned categories of mechanical cleaning and drying should also be a catalyst for further gross-margin improvements in the next years.

Important Leifheit products in Cleaning and Laundry Care

	
<p>Rotary clothesline (Linomatic series)</p>	<p>Floor cleaning sets (Power Clean)</p>
	
<p>Laundry racks (Pegasus series)</p>	<p>Ironing Boards</p>
	
<p>Click system (extendable handle for various tools)</p>	<p>Window cleaner</p>

Source: Warburg Research

**Focus on product innovations**

Leifheit consistently works on product innovation to implement new features and to increase benefits for the customers. The clear consumer focus and its own testing laboratory facilities at the production sites seem to be a clear competitive advantage in our view.

Several product series and product components in the core categories Cleaning and Laundry Care demonstrate the innovative power of the company, for example the introduction of the Click System cleaning tool, which enables various pieces of cleaning equipment to be fitted interchangeably to an extendable handle.

In 2023, Leifheit successfully launched a new Black Line edition in Laundry Care in response to consumer demand for more sophisticated design and aesthetics. This led to a significant pick-up in volume sales of Pegasus standing racks and ironing boards. In the current year, the Black Line was further extended with new tower dryer offer.

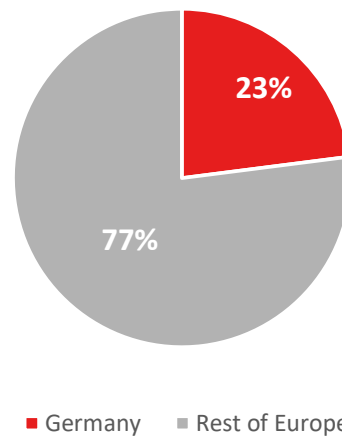
In Cleaning, the new Power Clean system was launched in mid-2024 with new technology and new features for user friendliness. This will strengthen Leifheit's market position in the category of floor-mop sets. Supported by marketing initiatives at the point-of-sale for the new product launch we expect a boost for sales in mechanical cleaning, which could compensate for lower sales volumes from electrical cleaning appliances.

As the competitive environment in the Cleaning market is less fragmented with Vileda and Swiffer as larger international brands, new product launches seem to be highly relevant for the international growth strategy in this segment.

**Broad regional presence in different distribution channels**

As part of its growth strategy, the Leifheit management is aiming for accelerated growth outside Germany. The European market in the focus categories of mechanical cleaning and drying has a total sales volume of around EUR 2.4bn. Germany accounts for 23% of the European market, but for around 40% of Leifheit sales.

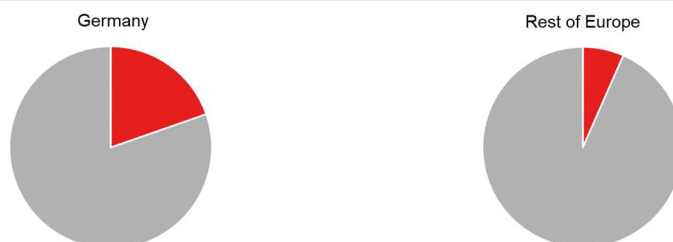
**EUR 2.4bn market offers international growth opportunities**



Source: Leifheit

While Leifheit achieves a market share of almost 20% in Germany, the market share in Europe as a whole is significantly lower at 6.5%. Therefore, the group has started to review the international business model and to define growth drivers per country. Based on its strong product assortment and by paying greater attention to regional sales and marketing activities, we assume that the growth in the foreign markets will gain further momentum in the coming years.

**Market share in Germany and in Rest of Europe**

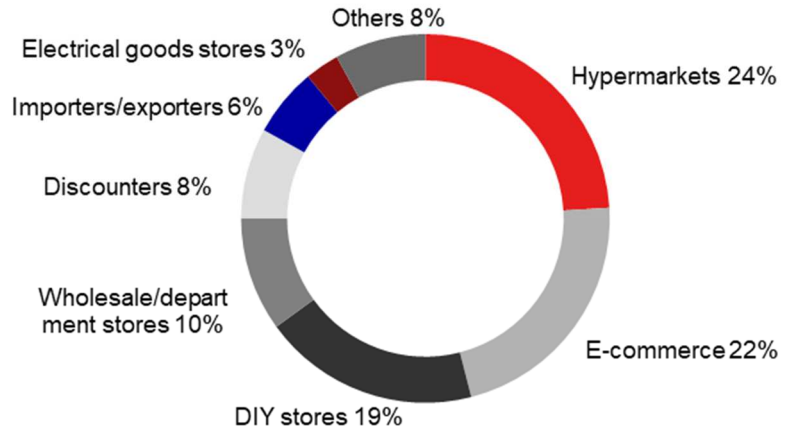


Source: Leifheit



Leifheit has a significant presence in the relevant sales channels for household goods. Over the past five years, the share of sales in DIY stores and the e-commerce channel has increased, while the development of sales in traditional formats (department stores or hypermarkets) was weaker.

**Distribution channels H1 2024**

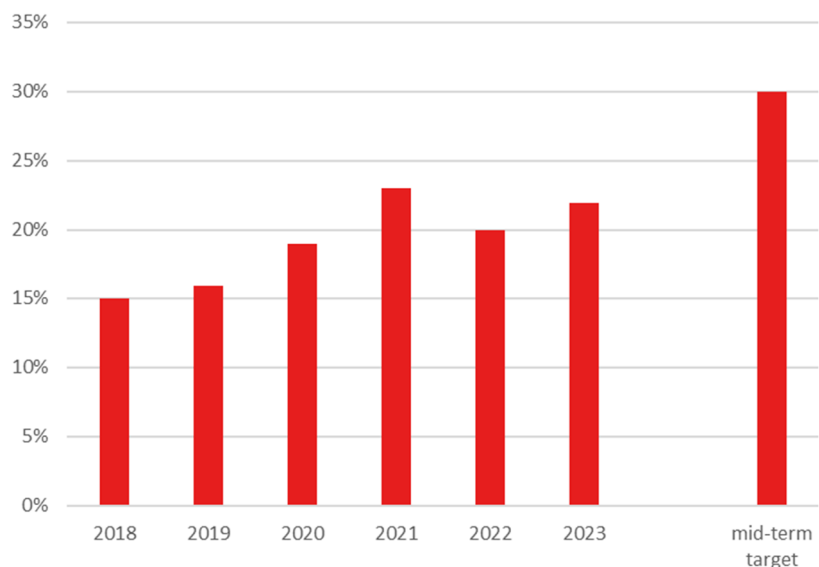


Source: Leifheit, Warburg Research

The e-commerce channel, in particular, is where the group sees further growth potential. With the focus on digital transformation as well as on product optimization and pricing, e-commerce sales are expected to increase further. The management expects the share of e-commerce sales to increase to around 30% in the coming years. This is also underpinned by intensified digital marketing measures.

The strong position in the e-commerce channel underlines the high brand awareness as well as positive customer reviews for the Leifheit household products. Besides the e-commerce channel and the presence in the DIY stores, the group also sees growth opportunities in the discounter formats, which offer a high level of regular consumer frequency.

**Share of e-commerce sales to increase further**

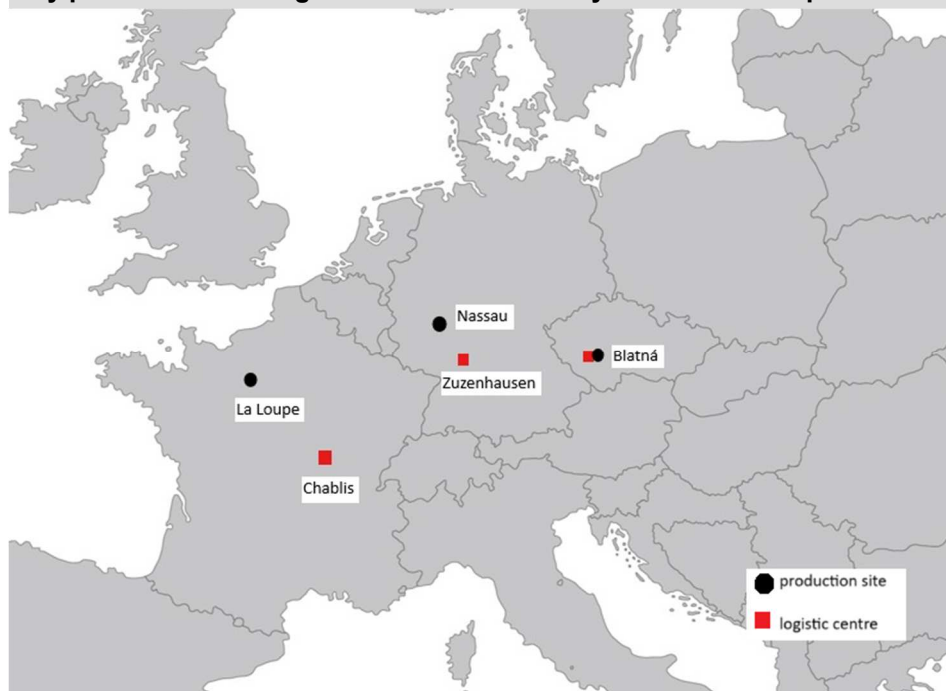


Source: Leifheit, Warburg Research

Optimized logistic and distribution structures are highly important for the e-commerce channel. Leifheit has built an efficient network of three central logistics centers located

close to its own production facilities. This provides a strong basis for Direct-to-Consumer (D2C) deliveries across Europe. D2C business accounts for half of the overall e-commerce sales of Leifheit.

#### Key production and logistic locations centrally located in Europe



Source: Warburg Research

In Blatná (in the Czech Republic) and Zuzenhausen (in southwest Germany) the group operates central logistic hubs for Eastern and Central Europe. These warehouses are located near the major manufacturing sites in Nassau (production of rotary clotheslines, vacuum jugs, roll holders and floor-mops) and Blatná (production of tower clothes drying racks, wall racks and floor-mops).

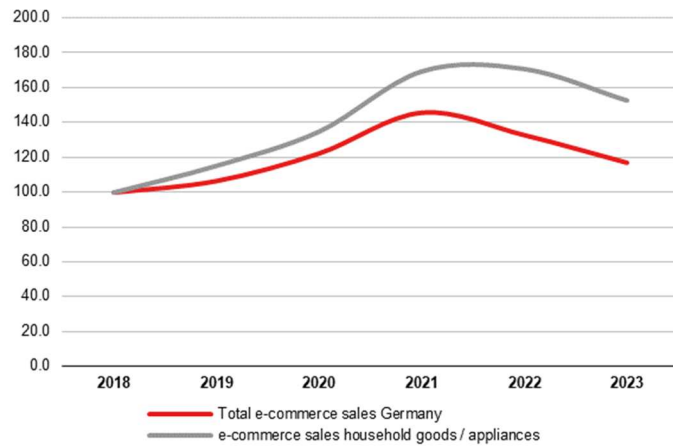
After the opening of the Logistic Center for Western Europe in Chablis (France) in October 2023, deliveries to Southern and Western European customers can also be carried out faster and more efficiently.

Overall, the capability of the Leifheit group to efficiently deliver D2C orders is an important competitive advantage. With improved processes in production, packaging and logistics, Leifheit significantly increased the productivity of the D2C activities in the last years.

The focus on the e-commerce channel is reasonable. Besides the listings in traditional retail formats, Leifheit's brand awareness and the strong product portfolio can be applied in the online channel to strengthen the presence in the foreign markets.

Data from the German market show that, compared to other product categories, the e-commerce channel has gained in relevance in the category of household items.

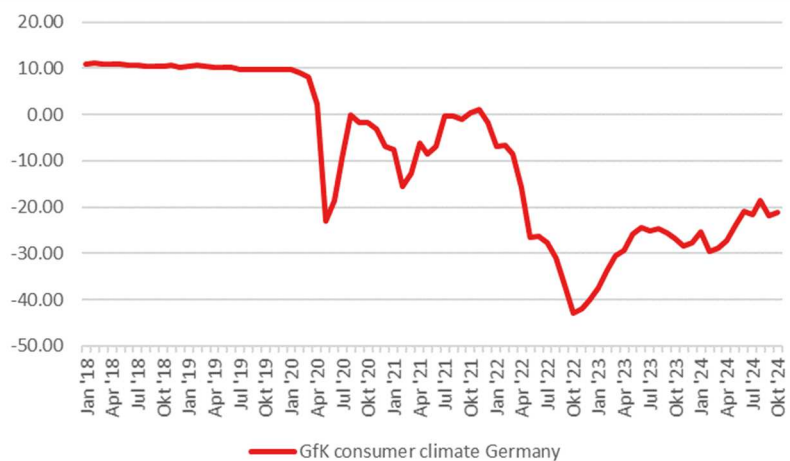
**E-commerce sales in Germany (2018 = 100)**



Source: BEVH, Warburg Research

The general consumer climate remains challenging in Germany and other core markets in Europe. This curbs customers' willingness to spend. However, the weak macro environment has a far more significant impact on other categories than mechanical cleaning and drying, which comes with steady replacement demand.

**Recent consumer climate development in Germany**



Source: GfK

## Analysis of Return on Capital

- Strong balance sheet with 51% equity ratio and significant net cash position.
- Net working capital to improve further after higher inventory levels in prior years.
- ROCE to increase again to double-digit levels driven by substantial EBIT-margin recovery and profitable growth potential.

### Financial strength underpinned by cash reserve and increasing ROCE

#### Strong balance sheet

Leifheit has a rock-solid balance sheet with a strong equity ratio, no bank debt and a substantial net cash position.

Fixed assets mainly reflect land and buildings from the company's own property, such as its headquarters, production and logistic facilities as well as equipment and machinery. Intangible assets include a goodwill position of EUR 10.7m (from the acquisitions in Birambeau and Herby) and the Soehnle brand value of EUR 4.8m.

With equity of around EUR 100m (equity ratio of 51% per end of 2023) the group shows a very conservative refinancing structure. Leifheit has only marginal lease liabilities and a significant cash position of around EUR 41m.

With EUR 51.5m per end of 2023, provisions for pension liabilities from former pension schemes are also highly relevant for the balance-sheet structure.

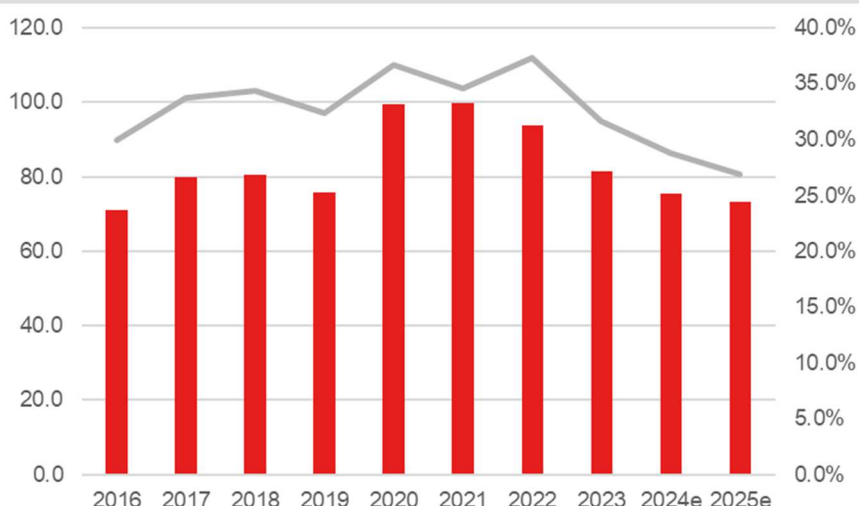
#### Balance sheet structure (2023)



Source: Company data

Working-capital management has an important impact on Leifheit's balance sheet. Inventories as well as trade receivables and trade payments are fluctuating with the business trend. Until 2023 the inventory position was rather high in light of supply-chain challenges. Therefore, we expect further cash-flow improvement in the current year from better working-capital ratios.

**Working capital in EURm and in % of sales**



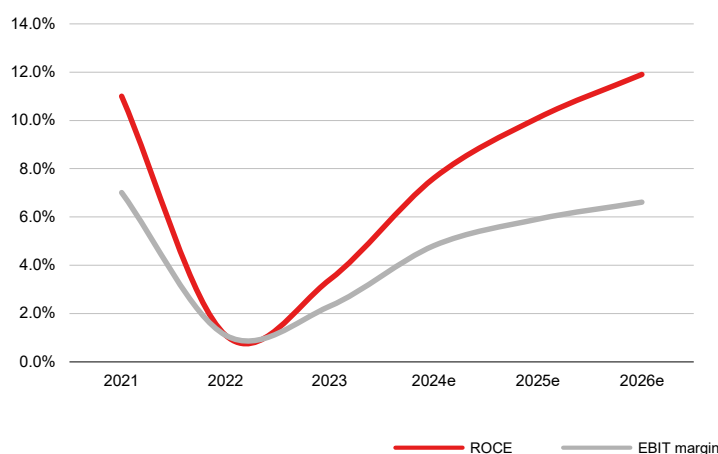
Source: Company data, Warburg Research

**Margin recovery in full progress**

In the 10-year period from 2012 to 2021, Leifheit was always clearly profitable and achieved an average EBIT margin of 6.6% (annual EBIT margins between 3.8% and 8.8%). In 2022/23 margins came under pressure from supply-chain challenges with significant input price increases and lower sales volumes. In H2 2023, the gross-margin recovery started.

The financial guidance for the current year implies an EBIT margin increase to 4.2-5.0% in 2024 (after 2.3% in 2023). For the coming years, we expect a further significant EBIT-margin increase, supported by the growth strategy in the core segment mechanical cleaning and drying as well as a strong focus on efficiency drivers. ROCE should steadily improve and return to double-digit territory.

**ROCE benefits from EBIT-margin recovery**



Source: Company data, Warburg Research

## Growth / Financials

- Strong focus on core categories of mechanical cleaning and drying as well as international expansion opportunities should lead to accelerated sales growth
- Expected EBIT-margin increase based on gross-margin upside potential and cost efficiencies
- Steady FCF generation and strong cash position enable attractive dividend pay-outs and share buy-backs.

### Growth track record in core categories and international markets

### Accelerated growth expected in coming years based on core categories

For the period from 2018 to 2023, Leifheit achieved a sales CAGR of 2.0%. We expect the sales growth to accelerate in the coming years, based on the implemented growth strategy with a strong focus on product innovations in the core categories as well as international expansion.

The limited sales growth over the past years also reflects declining sales in Kitchen Goods (CAGR 2018/23: -4.4%) and in Wellbeing (CAGR 2018/23: -3.8%), while Cleaning (CAGR 2018/23: +3.1%) and Laundry Care (CAGR 2018/23: 4.4%) generated above-average sales increases. Consequently, Leifheit has intensified the focus on its core products in the context of the corporate strategy.

The new growth strategy has several pillars: brand positioning, focus on core categories and core countries as well higher digital investments. In our view, it is the clear focus on mechanical cleaning and drying with further product innovations ahead that should pay off. We expect an intensified presence in the online channel and at the point-of-sale in the retail formats. Further product innovations offer appropriate marketing opportunities. Therefore, the forecast of a further increase in the online channel and prospective new retail listings in the international markets seem likely.

We are not expecting any significant growth contribution from the other product categories in the coming years. While we assume only limited growth potential in the market for weighing-scales, the kitchen product assortment could be further optimized.

### Our growth scenario 2023/27e vs. sales growth in recent years

CAGR 2017/23	Sales development	CAGR 2023/27e
2.0%	<b>Leifheit Group</b>	3.8%
	<b><u>by product categories:</u></b>	
3.1%	Cleaning	4.7%
4.4%	Laundry Care	4.7%
-4.4%	Kitchen goods	-0.6%
-3.8%	Wellbeing	0.3%
	<b><u>by regions:</u></b>	
1.2%	Germany	1.2%
2.6%	Central Europe	5.2%
3.8%	Eastern Europe	5.4%

Source: Warburg Research

**Our sales and EBIT scenario until 2027**

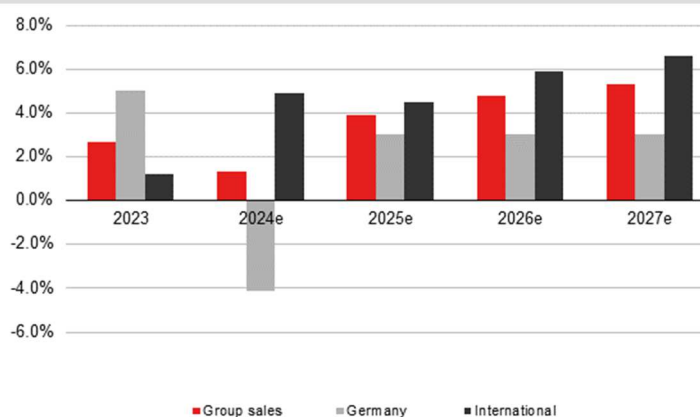
Sales by region	FY 2022	FY 2023	FY 2024e	FY 2025e	FY 2026e	FY 2027e
Germany	98.8	103.7	99.5	102.5	105.6	108.8
International	152.7	154.6	162.2	169.5	179.5	191.3
<b>Total sales (in EURm)</b>	<b>251.5</b>	<b>258.3</b>	<b>261.7</b>	<b>272.0</b>	<b>285.1</b>	<b>300.1</b>
<i>change y/y</i>	-12.8%	2.7%	1.3%	3.9%	4.8%	5.3%
<i>Germany</i>	-21.8%	5.0%	-4.1%	3.0%	3.0%	3.0%
<i>International</i>	-5.7%	1.2%	4.9%	4.5%	5.9%	6.6%

Sales by segment	FY 2022	FY 2023	FY 2024e	FY 2025e	FY 2026e	FY 2027e
Household	204.2	211.9	215.2	224.9	237.3	251.5
Wellbeing	16.1	16.4	16.0	16.2	16.4	16.6
Private label	31.2	30.0	30.5	30.9	31.4	32.0
<b>Total sales (in EURm)</b>	<b>251.5</b>	<b>258.3</b>	<b>261.7</b>	<b>272.0</b>	<b>285.1</b>	<b>300.1</b>
<i>change y/y</i>	-12.8%	2.7%	1.3%	3.9%	4.8%	5.3%
<i>Household</i>	-11.5%	3.8%	1.6%	4.5%	5.5%	6.0%
<i>Wellbeing</i>	-36.9%	1.9%	-2.4%	1.3%	1.2%	1.2%
<i>Private label</i>	-2.5%	-3.8%	1.7%	1.3%	1.6%	1.9%

EBIT by segment	FY 2022	FY 2023	FY 2024e	FY 2025e	FY 2026e	FY 2027e
Household	2.1	3.2	9.5	12.9	15.6	18.2
Wellbeing	-1.1	0.5	0.5	0.6	0.7	0.8
Private label	1.8	2.3	2.3	2.5	2.5	2.6
<b>Group EBIT (in EURm)</b>	<b>2.8</b>	<b>6.0</b>	<b>12.3</b>	<b>16.0</b>	<b>18.8</b>	<b>21.6</b>
<i>EBIT margin</i>	1.1%	2.3%	4.7%	5.9%	6.6%	7.2%
<i>Household</i>	1.0%	1.5%	4.4%	5.7%	6.6%	7.2%
<i>Wellbeing</i>	-6.8%	3.0%	3.1%	3.7%	4.3%	4.8%
<i>Private label</i>	5.8%	7.7%	7.5%	8.1%	8.1%	8.1%

Source: Company data, Warburg Research

In light of the current market share in the domestic markets and the focus on growth opportunities in the foreign business, we expect stronger growth in international sales in the coming years. Leifheit announced that it would define and monitor clear growth targets per country in Europe. This should raise the share of international sales from 60% in 2023 to 64% in 2027.

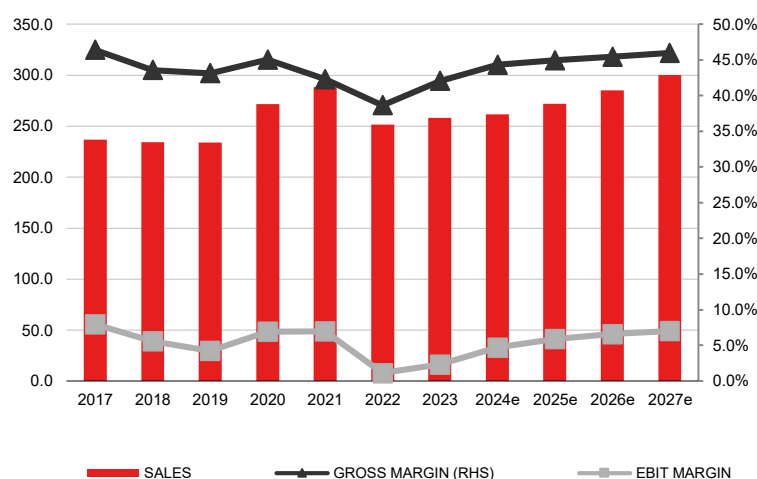
**Growth rates Germany vs. international business**


Source: Warburg Research

## EBIT margin offers upside potential

As mentioned above, a further EBIT-margin recovery is likely, in our view, after the weak profitability in 2022/23. Starting from an assumed EBIT margin of 4.7% in the current year (target range: 4.2-5.0%), we expect an increase to 7.2% in 2027. Further down the line, in our mid-term scenario, we are calculating with an EBIT margin in the range of 7.5-8.5%.

### Sales and margin development 2017 – 2027e



Source: Company data, Warburg Research

## Efficiency gains and product range optimization ahead

The margin recovery is based on gross-margin improvements as well as on cost efficiencies. In light of the focus on product-range optimization initiatives (e.g. in Kitchen Goods) and on new product launches from own production facilities in core categories we expect a steady gross-margin increase to 46.0% in 2027. Raw-material price fluctuations (e.g. aluminium or packaging) and other input or transportation costs can have an impact on the gross margin. On the other hand, we regard the inventory risk to be rather limited as most products are less fashionable durable goods with very limited seasonality.

Moreover, a strong focus on efficiency drivers is part of the new corporate strategy. This includes a leaner organization and the optimization of processes with a clear reduction in manual work. This should result in operating cost ratio improvements in the coming years.

Overall, the profitability should benefit from stronger top-line growth as the platform offers clear leveraging potential. Higher costs for research and development as well as additional marketing investments can be more than offset by overall efficiency gains. Historic performance data underline that Leifheit's EBIT margins have already been above 7% several times.

### Our sales and EBIT scenario until 2027

<i>in % of sales</i>	2021	2022	2023	2024e	2025e	2026e	2027e	mid-term scenario
<b>Gross margin</b>	42.3%	38.7%	42.1%	44.3%	45.0%	45.5%	46.0%	46.0-47.0%
<i>Research and development costs</i>	-2.1%	-2.4%	-2.0%	-2.0%	-2.1%	-2.1%	-2.2%	-2.5%
<i>Selling and distribution costs</i>	-29.1%	-31.0%	-30.3%	-30.6%	-30.2%	-30.0%	-30.0%	-29.5-30.0%
<i>Administrative costs</i>	-5.0%	-5.8%	-7.2%	-7.4%	-7.3%	-7.1%	-7.0%	-6.5%
<i>Other</i>	0.9%	1.7%	-0.3%	0.4%	0.4%	0.4%	0.4%	0.5%
<b>EBIT margin</b>	7.0%	1.1%	2.3%	4.7%	5.9%	6.6%	7.2%	7.5-8.5%

Source: Company data, Warburg Research



### Performance in the current year

For H1 2024, Leifheit reported a considerable EBIT-increase despite weaker sales (which mainly reflect the high Q1 comparison base and lower sales with electrical cleaning appliances). The gross margin was up significantly, by around 350bps, due to positive product-mix effects as well as normalized raw-material prices.

#### Key numbers for H1 2024

<i>in EURm</i>	Q1 24	Q1 23	y/y	Q2 24	Q2 23	y/y	H1 24	H1 23	y/y
<b>Sales</b>	<b>65.9</b>	<b>70.3</b>	-6.3%	<b>69.1</b>	<b>67.8</b>	1.9%	<b>135.0</b>	<b>138.1</b>	-2.2%
<i>Gross margin</i>	44.6%	40.5%		44.1%	41.3%		44.4%	40.9%	
<b>EBIT</b>	<b>3.4</b>	<b>2.3</b>	47.8%	<b>3.6</b>	<b>2.5</b>	44.0%	<b>7.0</b>	<b>4.8</b>	45.8%
<i>EBIT margin</i>	5.2%	3.3%		5.2%	3.7%		5.2%	3.5%	
<b>EBIT</b>	<b>3.1</b>	<b>1.9</b>	65.5%	<b>3.6</b>	<b>2.1</b>	73.6%	<b>6.7</b>	<b>3.9</b>	69.7%
<b>EPS (in EUR)</b>	<b>0.23</b>	<b>0.13</b>	76.9%	<b>0.27</b>	<b>0.15</b>	80.0%	<b>0.50</b>	<b>0.28</b>	78.6%

Source: Company data

Profitability in H1 benefitted from a clear gross-margin recovery, while EBIT was also affected by one-off expenses for the reorganisation in sales and marketing (around EUR 1.3m). These measures should pay off in the following years.

In light of the positive performance, the management increased its earnings guidance following the H1 report. The group is aiming for an EBIT of EUR 11-13m in the current year (previously: EUR 10-12m). The EBIT outlook for H2 already reflects potential headwinds from significantly increased container freight rates.

Leifheit expects a slight sales increase for the full year 2024, which implies clear sales growth in H2. The sales outlook is based on following assumptions for the different segments:

- Household: sales slightly above prior year's level
- Wellbeing: sales slightly below prior year's level
- Private label: sales slightly above prior year's level

#### Implied H2 performance based on current full-year guidance

	H1 24	H1 23	y/y	H2 24e	H2 23	y/y	FY 24e	FY 23	y/y
Household	113.2	115.0	-1.6%	102.0	96.9	5.3%	215.2	211.9	1.6%
Wellbeing	7.4	8.7	-14.9%	8.6	7.7	11.7%	16.0	16.4	-2.4%
Private label	14.1	14.4	-2.1%	16.4	15.6	5.1%	30.5	30.0	1.7%
<b>Group sales</b>	<b>134.7</b>	<b>138.1</b>	-2.5%	<b>127.0</b>	<b>120.2</b>	5.7%	<b>261.7</b>	<b>258.3</b>	1.3%
Gross profit	59.9	56.5	6.0%	56.1	52.1	7.7%	116.0	108.6	6.8%
<b>Gross margin</b>	<b>44.5%</b>	<b>40.9%</b>		<b>44.2%</b>	<b>43.3%</b>		<b>44.3%</b>	<b>42.0%</b>	
<b>EBIT</b>	<b>7.0</b>	<b>4.8</b>	46%	<b>5.3</b>	<b>1.2</b>	342%	<b>12.3</b>	<b>6.0</b>	105%
<b>EBIT margin</b>	<b>5.2%</b>	<b>3.5%</b>		<b>4.2%</b>	<b>1.0%</b>		<b>4.7%</b>	<b>2.3%</b>	

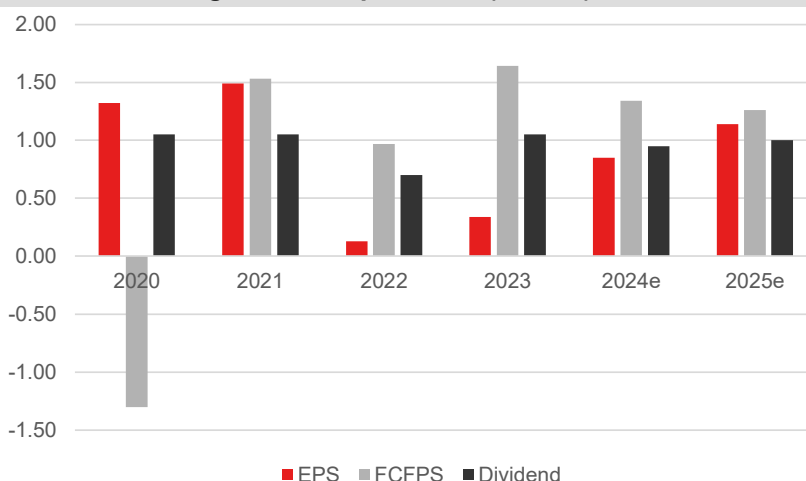
Source: Warburg Research

### Strong cash position and attractive dividend pay-outs

A considerable net cash position of around EUR 40m underpins the strong financial profile of the Leifheit group. Together with a positive FCF (guidance 2024: around EUR 12m after EUR 12.1m in 2023) this provides the basis for attractive dividend payments.

As part of its dividend policy, Leifheit is in principle distributing roughly 75% of the net result for the period or the free cash flow of a financial year as dividends. In light of the liquidity situation, the dividend payment of EUR 1.05 for 2023 included a special dividend of EUR 0.10 per share.

#### Dividends vs. earnings and FCF per share (in EUR)



Source: Leifheit, Warburg Research

For the coming year we expect a stable dividend payment of EUR 0.95 per share owing to the positive FCF development.

In light of the positive liquidity situation, the group has also implemented share buy-backs. The current buy-back programme started in May 2024 with a total volume of EUR 8.5m until December 11.

With the existing cash position, Leifheit can also react flexibly to potential M&A opportunities.

## Valuation

- Our PT of EUR 25 is derived from the DCF model.
- We are calculating with a peak EBIT margin of 8% and a sustainable long-term EBIT margin of 6.5%.
- Current EV/sales multiple below historic valuation multiples, which underline that the margin-recovery potential and the growth focus is not yet reflected in the share price.

DCF model implies considerable upside potential

### DCF model

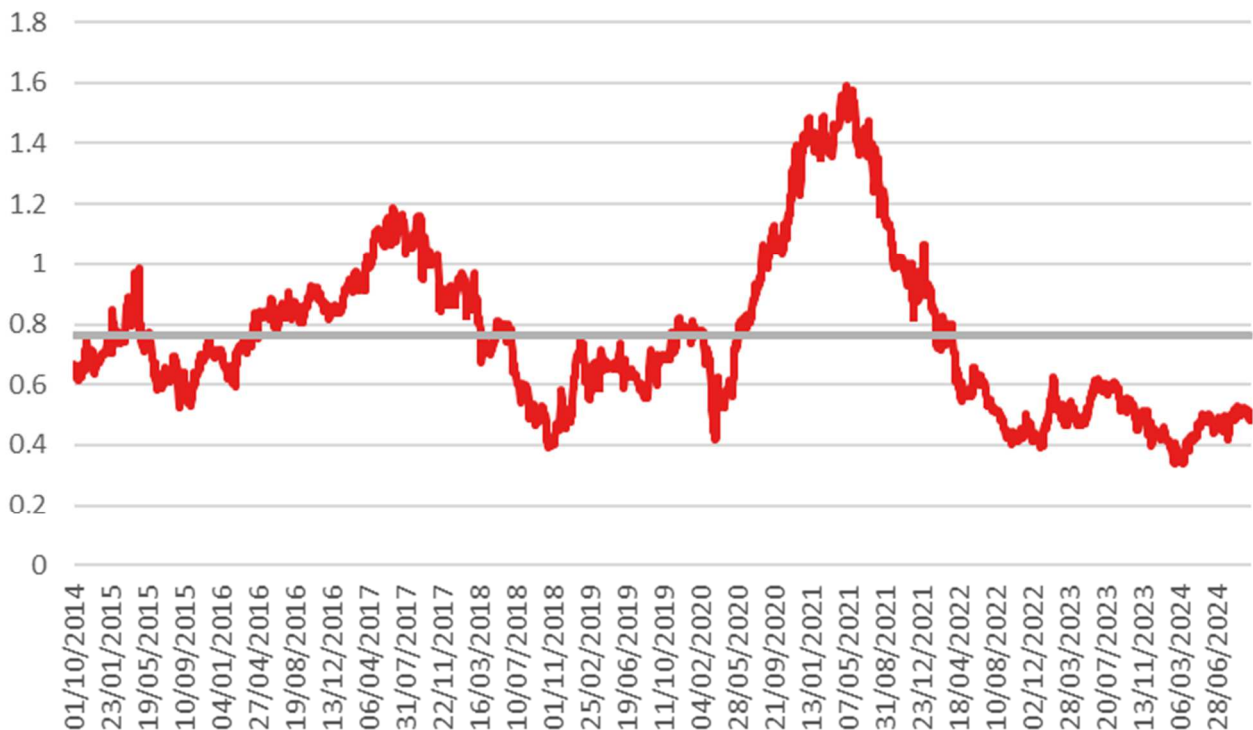
Our valuation is based on a Discounted Cash Flow (DCF) model. We regard the DCF model to be most appropriate to reflect the mid to long-term potential of Leifheit. A detailed peer-group analysis is less meaningful due to the absence of listed comparable companies in terms of size and regional activities. However, current EV/sales multiples look attractive compared with historic valuation and in light of the expected in EBIT-margin recovery.

In light of the announced growth strategy as well as the margin and efficiency potential we expect a mid-single-digit sales growth and an EBIT-margin increase up to 8.0% over the coming years, as discussed in detail in the chapter “Growth / Financials”.

We apply a peak EBIT margin of 8%, a sustainable long-term EBIT margin level of 6.5% as well as a terminal value growth of 2.5%. Moreover, we expect a stable tax rate of 30%.

We have calculated a WACC of 8.09% for Leifheit. The beta of almost 1.0 reflects the financial strength of the company as well as the limited sector cyclicity.

### Current EV/sales multiple well below historic average



Source: Factset

**DCF model**

Figures in EUR m	Detailed forecast period			Transitional period										Term. Value
	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	2036e	
Sales	261.7	272.0	285.1	300.1	318.1	337.2	357.5	378.9	401.6	421.7	438.6	451.7	463.0	
Sales change	1.3 %	3.9 %	4.8 %	5.3 %	6.0 %	6.0 %	6.0 %	6.0 %	6.0 %	5.0 %	4.0 %	3.0 %	2.5 %	2.5 %
EBIT	12.3	16.0	18.8	21.6	23.9	27.0	28.6	30.3	32.1	31.6	32.9	33.9	30.1	
EBIT-margin	4.7 %	5.9 %	6.6 %	7.2 %	7.5 %	8.0 %	8.0 %	8.0 %	8.0 %	7.5 %	7.5 %	7.5 %	6.5 %	
Tax rate (EBT)	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	
NOPAT	8.6	11.2	13.1	15.1	16.7	18.9	20.0	21.2	22.5	22.1	23.0	23.7	21.1	
Depreciation	8.9	9.3	9.7	10.2	10.8	11.5	11.8	12.5	13.3	13.5	14.0	14.5	14.8	
in % of Sales	3.4 %	3.4 %	3.4 %	3.4 %	3.4 %	3.4 %	3.3 %	3.3 %	3.3 %	3.2 %	3.2 %	3.2 %	3.2 %	
Changes in provisions	0.0	0.0	0.0	-0.5	-0.1	-0.3	-0.5	-0.4	-0.2	-0.5	-0.7	-0.8	-0.7	
Change in Liquidity from														
- Working Capital	-6.1	-2.3	-0.2	3.3	3.9	4.1	5.1	5.4	5.7	5.0	4.2	3.3	2.8	
- Capex	10.4	10.5	10.5	10.2	10.8	11.5	11.8	12.5	13.3	13.5	14.0	14.5	14.8	
Capex in % of Sales	4.0 %	3.9 %	3.7 %	3.4 %	3.4 %	3.4 %	3.3 %	3.3 %	3.3 %	3.2 %	3.2 %	3.2 %	3.2 %	
- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Free Cash Flow (WACC Model)	13.2	12.3	12.5	11.3	12.6	14.4	14.4	15.4	16.6	16.6	18.1	19.6	17.6	19
PV of FCF	13.1	11.2	10.6	8.8	9.1	9.7	8.9	8.8	8.8	8.2	8.2	8.2	6.8	130
share of PVs	13.93 %			34.17 %										51.90 %

**Model parameter**

Derivation of WACC:		Derivation of Beta:	
Debt ratio	0.00 %	Financial Strength	0.75
Cost of debt (after tax)	4.2 %	Liquidity (share)	1.20
Market return	8.25 %	Cyclicality	0.90
Risk free rate	2.75 %	Transparency	1.00
		Others	1.00
<b>WACC</b>	<b>8.09 %</b>	<b>Beta</b>	<b>0.97</b>

**Valuation (m)**

Present values 2036e	121		
Terminal Value	130		
Financial liabilities	2		
Pension liabilities	52		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	41	No. of shares (m)	9.5
<b>Equity Value</b>	<b>239</b>	<b>Value per share (EUR)</b>	<b>25.08</b>

**Sensitivity Value per Share (EUR)**

Beta	WACC	Terminal Growth							Delta EBIT-margin						
		1.75 %	2.00 %	2.25 %	2.50 %	2.75 %	3.00 %	3.25 %	-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
1.15	9.1 %	20.09	20.41	20.77	21.15	21.55	22.00	22.48	15.38	17.30	19.22	21.15	23.07	24.99	26.91
1.06	8.6 %	21.65	22.05	22.48	22.95	23.46	24.01	24.62	16.71	18.79	20.87	22.95	25.03	27.11	29.19
1.02	8.3 %	22.52	22.97	23.45	23.97	24.54	25.16	25.85	17.46	19.63	21.80	23.97	26.14	28.31	30.48
0.97	8.1 %	23.46	23.96	24.50	25.08	25.72	26.43	27.20	18.28	20.55	22.81	25.08	27.35	29.62	31.89
0.92	7.8 %	24.48	25.04	25.64	26.30	27.02	27.82	28.71	19.17	21.55	23.92	26.30	28.67	31.05	33.42
0.88	7.6 %	25.59	26.21	26.89	27.63	28.46	29.37	30.38	20.15	22.65	25.14	27.63	30.13	32.62	35.11
0.79	7.1 %	28.12	28.91	29.78	30.74	31.82	33.03	34.39	22.44	25.21	27.98	30.74	33.51	36.28	39.05

- Return to mid-single-digit growth rates anticipated
- EBIT margins in line with historic profitability

## Company & Products

### Group structure and brands

Leifheit offers its products under a variety of brands. The main brand, Leifheit, is focused on Cleaning, Laundry Care and Kitchen Goods. This is combined in the Household segment, which is by far the largest segment of the group, accounting for 82% of total sales.

The Wellbeing segment consists of the Soehnle brand business. Soehnle is focused on health and wellness products, mainly bathroom and kitchen weighing-scales. This segment generates around 6% of group sales.

The third segment is the private-label business, operated by the French subsidiaries Birambeau and Herby. This segment accounts for 12% of group sales, which are generated with kitchen goods and laundry care products.

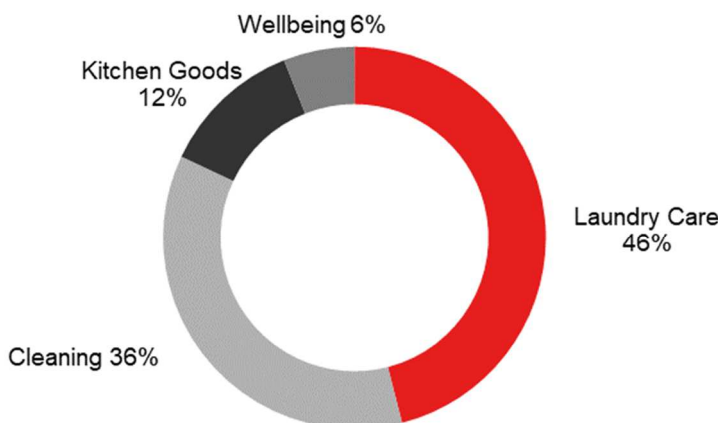
### Group segments

Household	Wellbeing	Private Label
<b>LEIFHEIT</b>	<b>SOEHNLE</b>	BIRAMBEAU herby
Laundry Care    Cleaning    Kitchen Goods	Kitchen und Personal Scales	Kitchen Goods    Standing Dryers
High-quality brand products with consistent brand management Steady product innovation Distribution in international markets		Primarily private-label products Medium price segment Focus on individual customers

Source: Warburg Research

Overall, the products can be divided in four different categories: Laundry Care, Cleaning, Kitchen Goods, and Wellbeing.

### Sales split by product categories



Source: Leifheit Group, Warburg Research

Leifheit's Laundry Care category, accounting for 46% of the group's revenue, includes products like rotary clotheslines, standing laundry racks, and ironing boards. This segment serves customers across Europe and beyond, offering efficient and durable solutions. Growth is driven by product innovations like the Black Line range, which combines functionality with modern design.

The Cleaning category makes up 36% of the group's revenue and includes floor and window cleaning systems like mops, window vacuums, and other tools. New products,

such as the PowerClean floor wiper set, show the company's focus on growing this segment. The category serves a wide customer base with practical solutions for daily cleaning tasks.

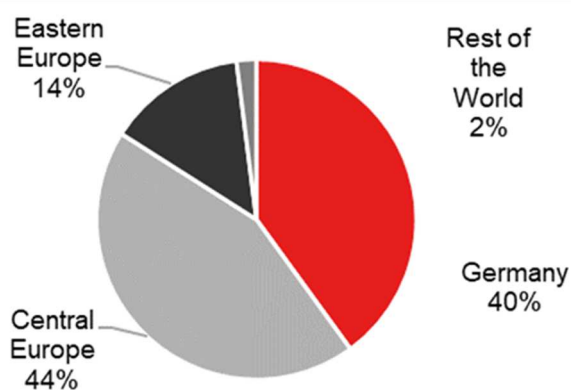
In the Kitchen Goods category, Leifheit offers a wide range of durable products, e.g. roll holders and insulating jugs.

The Wellbeing category includes health-related products like bathroom and kitchen weighing-scales and blood-pressure monitors. The Soehnle brand is central to this segment, offering products aimed at promoting a healthy lifestyle.

## Regional presence

Leifheit is focused on established markets across Europe, with a strong presence in Germany, Central Europe, and Eastern Europe. In 2023, the company generated most of its revenue in Germany and key European markets such as France, Belgium, and the Netherlands. While Leifheit primarily operates within Europe, it also has a smaller presence in non-European markets.

### Regional sales split



Source: Warburg Research

Germany is Leifheit's largest single market, contributing 40% of the company's total revenue in 2023. Leifheit's presence in Germany is dominated by the Household segment, which represents 93% of its turnover in the region. Meanwhile, the Wellbeing segment accounts for 7%, driven by Soehnle's strong market position in bathroom and kitchen scales.

Central Europe is contributing 44% of total revenue and, besides Household and Wellbeing, sales are also generated by the private-label activities in France.

Eastern Europe contributed 14% of Leifheit's total revenue in 2023. This is mainly related to the Household segment with strong business activities in Poland, Romania and the Czech Republic.

Overall, the group is selling and distributing its products in 80 countries, including Asia, the US, the Far East and Middle East. However, we assume, that some smaller country activities will be reviewed in the context of the current strategy process.

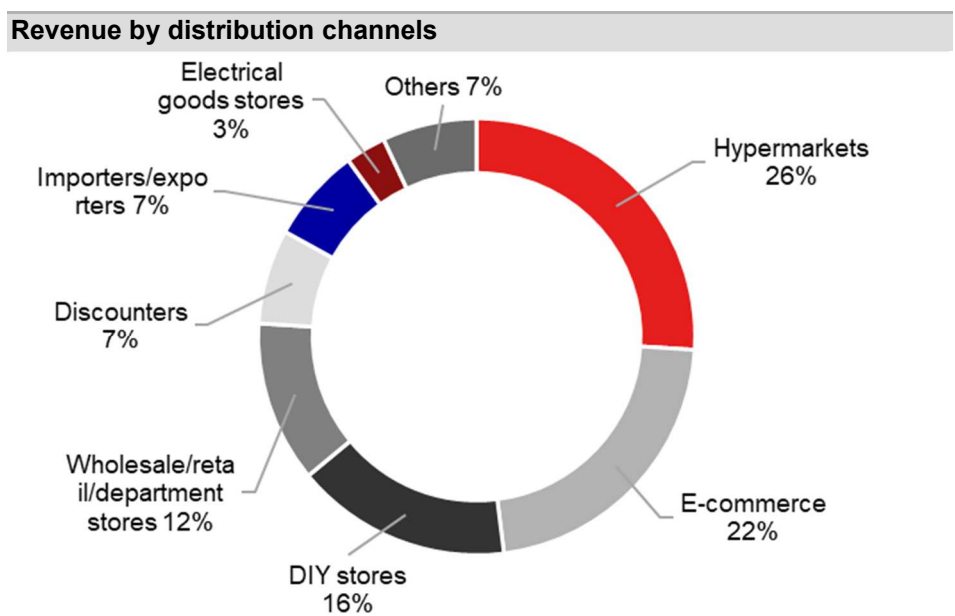
The strong presence in Europe is underpinned by the following core production, administration and logistic locations:

- **Nassau** (Germany, around 270 employees). This is the location of the headquarters of the group with central activities for the Leifheit and Soehnle brands as well as product development and quality assurance. Rotary clotheslines, vacuum jugs, roll holders and floor-mops are produced at this site.

- In **Blatná** (CZ, around 390 employees), Leifheit operates a production facility for tower dryer, wall racks and floor-mops. Moreover, the Logistic Center Eastern Europe is located in Blatná.
- In **Zuzenhausen** (Southern German, around 100 employees) the group operates the Logistic Center Central Europe.
- The Logistic Center Western Europe was built up in **Chablis** (France, around 40 employees).
- The Herby subsidiary is located in **La Loupe** (France, around 80 employees) with a manufacturing site for wall and tower dryers. Activities of Birambeau are located in **Paris** (France) with 15 employees in sales, marketing and administration.

### Distribution channels

Leifheit distributes its products over a diversified mix of channels, including hypermarkets, e-commerce platforms, DIY stores, and discounters. This multi-channel approach ensures the company's products reach a broad audience across its key markets in Europe and beyond.



Source: Leifheit, Warburg Research

In 2023, hypermarkets accounted for 26% of Leifheit's total turnover of EUR 258.3m, making them the company's largest distribution channel. Key partners in this segment include major retailers like Carrefour, REWE, and E.Leclerc. Additionally, retail/wholesale and department stores contributed 12% of total revenue, playing an important role in Leifheit's traditional sales model. Meanwhile, the DIY channel represented 16% of the company's sales, supported by partnerships with retailers such as OBI and Hagebau, which cater to customers seeking practical and durable household products.

E-commerce is Leifheit's fastest-growing channel, increasing by 12.6% in 2023 and now making up 22% of total turnover. This growth was largely driven by major online platforms like Amazon and the company's efforts to expand its direct-to-consumer capabilities. Discounters, despite seeing a decrease in sales, still accounted for 7% of Leifheit's revenue. Notably, the company's top 10 customers, including key partners across various channels, account for 50% of Leifheit's total revenue, underscoring the importance of strong retail partnerships in maintaining the company's market position.

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## Company history

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- 1959** Leifheit was founded
- 
- 1970** Annual production of carpet sweepers reaches 2 million units, making Leifheit the European market leader
- 
- 1972** Leifheit was acquired by ITT (U.S.)
- 
- 1984** IPO of Leifheit AG
- 
- 1988** License agreement with Dr. Oetker Bakeware and acquisition of Spirella and Kleine Wolke (bathroom furnishings)
- 
- 1995** Start of new production plant in Blatná, Czech Republic
- 
- 1998** Acquisition of 34.6% of shares in Birambeau (France)
- 
- 2001** Takeover of Soehnle Group
- 
- 2006** Takeover of the remaining shares of Birambeau
- 
- 2008** Acquisition of 60% of Herby (France)
- 
- 2010** Sale of the bathroom business unit including the brands Spirella, Kleine Wolke, and Meusch  
Takeover of the remaining shares of Herby
- 
- 2015** Significant change in shareholder structure: 50% of shares from former majority owner sold to institutional European investors
- 
- 2023** Opening of a new logistics center in Chablis, France
- 
- 2024** 40th anniversary of the famous Linomatic rotary clothesline
-



## Management

### Management Board

Leifheit AG is managed by a three-member Management Board consisting of Alexander Reindler (CEO), Igor Iraeta Munduate (COO), and Marco Keul (CFO). The board members bring a wealth of international experience across various sectors, and each is responsible for a specific area of the company's operations. The management focuses on ensuring the company's strategic growth, operational efficiency, and financial stability.



#### Alexander Reindler (CEO)

Appointed as the CEO of Leifheit AG in December 2023, Alexander Reindler oversees marketing, sales, human resources, legal, IP, and the private-label business (Birambeau and Herby). He brings over 25 years of experience in consumer goods, having worked at Beiersdorf AG in senior positions in multiple markets, including Germany, Russia, Latin America, and Africa. Reindler successfully led a major turnaround in Beiersdorf's global healthcare business and is now focused on driving growth and innovation at Leifheit AG.



#### Marco Keul (CFO)

Marco Keul has served as the CFO of Leifheit AG since May 2021, having risen through the ranks after joining the company in 2002. His role includes overseeing finance, controlling, IT, business processes, and internal sales. Keul's experience in financial management and business processes allows him to steer Leifheit's financial strategy, ensuring the company maintains stability while pursuing growth opportunities.



#### Igor Iraeta Munduate (COO)

Igor Iraeta Munduate, who joined Leifheit AG as COO in November 2018, is responsible for procurement, production, logistics, and development. With a background in mechanical engineering, Munduate has held leadership roles in digitalization, IoT, and Industry 4.0 at Igus GmbH and Stoba Präzisionstechnik GmbH. His extensive experience in managing production and development operations helps ensure Leifheit's focus on efficiency and innovation.

### Supervisory Board

#### Dr. Günter Blaschke (Chairman)

Dr. Günter Blaschke has been Chairman of Leifheit AG's Supervisory Board since April 2019. With a background that includes serving as CEO of Rational AG and Chairman of the Supervisory Board of WashTec AG, Dr. Blaschke brings decades of leadership experience in marketing, production, and corporate strategy. He is also an expert in guiding companies through transformation and innovation, having helped Rational AG grow into a global market leader. At Leifheit, Dr. Blaschke plays a key role in overseeing the company's governance and long-term strategic direction.

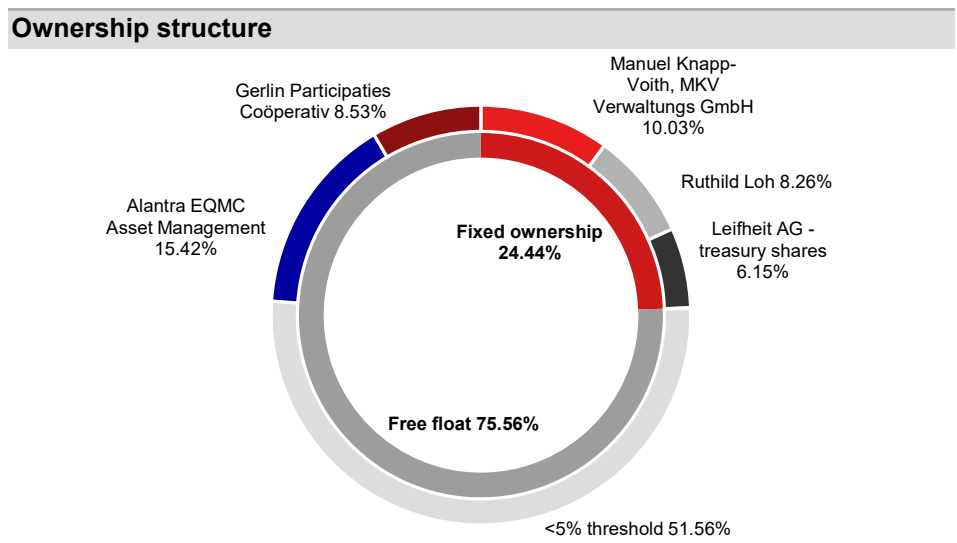


### Shareholder structure

With several long-term oriented anchor shareholders, Leifheit has a stable ownership structure. This includes private shareholders MKV Verwaltungs GmbH (Manuel Knapp-Voith) and Ruthild Loh with stakes of around 10% and 8% respectively.

The largest institutional shareholders are Alantra EQMC Asset Management with a stake of more than 15% and Gerlin with a shareholding of around 8.5%. Both institutions have been invested in Leifheit for many years. Larissa Böhm (Managing Director of Alantra EQCM) was elected as Supervisory Board member at latest AGM in May 2024.

Leifheit’s own treasury share has exceeded the 5% threshold in the current year. In May 2024, the group started a share buy-back programme with total volume of EUR 8.5m until December 2024. As of October 4, around 141k shares were purchased under this programme.



Source: Leifheit, Warburg Research

**DCF model**

Figures in EUR m	Detailed forecast period			Transitional period										Term. Value
	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	2036e	
Sales	261.7	272.0	285.1	300.1	318.1	337.2	357.5	378.9	401.6	421.7	438.6	451.7	463.0	
Sales change	1.3 %	3.9 %	4.8 %	5.3 %	6.0 %	6.0 %	6.0 %	6.0 %	6.0 %	5.0 %	4.0 %	3.0 %	2.5 %	2.5 %
EBIT	12.3	16.0	18.8	21.6	23.9	27.0	28.6	30.3	32.1	31.6	32.9	33.9	30.1	
EBIT-margin	4.7 %	5.9 %	6.6 %	7.2 %	7.5 %	8.0 %	8.0 %	8.0 %	8.0 %	7.5 %	7.5 %	7.5 %	6.5 %	
Tax rate (EBT)	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	
NOPAT	8.6	11.2	13.1	15.1	16.7	18.9	20.0	21.2	22.5	22.1	23.0	23.7	21.1	
Depreciation	8.9	9.3	9.7	10.2	10.8	11.5	11.8	12.5	13.3	13.5	14.0	14.5	14.8	
in % of Sales	3.4 %	3.4 %	3.4 %	3.4 %	3.4 %	3.4 %	3.3 %	3.3 %	3.3 %	3.2 %	3.2 %	3.2 %	3.2 %	
Changes in provisions	0.0	0.0	0.0	-0.5	-0.1	-0.3	-0.5	-0.4	-0.2	-0.5	-0.7	-0.8	-0.7	
Change in Liquidity from														
- Working Capital	-6.1	-2.3	-0.2	3.3	3.9	4.1	5.1	5.4	5.7	5.0	4.2	3.3	2.8	
- Capex	10.4	10.5	10.5	10.2	10.8	11.5	11.8	12.5	13.3	13.5	14.0	14.5	14.8	
Capex in % of Sales	4.0 %	3.9 %	3.7 %	3.4 %	3.4 %	3.4 %	3.3 %	3.3 %	3.3 %	3.2 %	3.2 %	3.2 %	3.2 %	
- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Free Cash Flow (WACC Model)	13.2	12.3	12.5	11.3	12.6	14.4	14.4	15.4	16.6	16.6	18.1	19.6	17.6	19
PV of FCF	13.1	11.2	10.6	8.8	9.1	9.7	8.9	8.8	8.8	8.2	8.2	8.2	6.8	130
share of PVs	13.93 %			34.17 %										51.90 %

**Model parameter**

Derivation of WACC:		Derivation of Beta:	
Debt ratio	0.00 %	Financial Strength	0.75
Cost of debt (after tax)	4.2 %	Liquidity (share)	1.20
Market return	8.25 %	Cyclicalilty	0.90
Risk free rate	2.75 %	Transparency	1.00
		Others	1.00
<b>WACC</b>	<b>8.09 %</b>	<b>Beta</b>	<b>0.97</b>

**Valuation (m)**

Present values 2036e	121		
Terminal Value	130		
Financial liabilities	2		
Pension liabilities	52		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	41	No. of shares (m)	9.5
<b>Equity Value</b>	<b>239</b>	<b>Value per share (EUR)</b>	<b>25.08</b>

**Sensitivity Value per Share (EUR)**

Beta	WACC	Terminal Growth							Beta	WACC	Delta EBIT-margin						
		1.75 %	2.00 %	2.25 %	2.50 %	2.75 %	3.00 %	3.25 %			-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
1.15	9.1 %	20.09	20.41	20.77	21.15	21.55	22.00	22.48	1.15	9.1 %	15.38	17.30	19.22	21.15	23.07	24.99	26.91
1.06	8.6 %	21.65	22.05	22.48	22.95	23.46	24.01	24.62	1.06	8.6 %	16.71	18.79	20.87	22.95	25.03	27.11	29.19
1.02	8.3 %	22.52	22.97	23.45	23.97	24.54	25.16	25.85	1.02	8.3 %	17.46	19.63	21.80	23.97	26.14	28.31	30.48
0.97	8.1 %	23.46	23.96	24.50	25.08	25.72	26.43	27.20	0.97	8.1 %	18.28	20.55	22.81	25.08	27.35	29.62	31.89
0.92	7.8 %	24.48	25.04	25.64	26.30	27.02	27.82	28.71	0.92	7.8 %	19.17	21.55	23.92	26.30	28.67	31.05	33.42
0.88	7.6 %	25.59	26.21	26.89	27.63	28.46	29.37	30.38	0.88	7.6 %	20.15	22.65	25.14	27.63	30.13	32.62	35.11
0.79	7.1 %	28.12	28.91	29.78	30.74	31.82	33.03	34.39	0.79	7.1 %	22.44	25.21	27.98	30.74	33.51	36.28	39.05

- Return to mid-single-digit growth rates anticipated
- EBIT margins in line with historic profitability

## Free Cash Flow Value Potential

Warburg Research's valuation tool "FCF Value Potential" reflects the ability of the company to generate sustainable free cash flows. It is based on the "FCF potential" - a FCF "ex growth" figure - which assumes unchanged working capital and pure maintenance capex. A value indication is derived via the perpetuity of a given year's "FCF potential" with consideration of the weighted costs of capital. The fluctuating value indications over time add a timing element to the DCF model (our preferred valuation tool).

in EUR m	2020	2021	2022	2023	2024e	2025e	2026e	
Net Income before minorities	12.5	14.2	1.2	3.2	8.1	10.6	12.6	
+ Depreciation + Amortisation	8.5	7.8	7.5	9.0	8.9	9.3	9.7	
- Net Interest Income	-1.1	-0.8	-0.5	-1.3	-0.8	-0.8	-0.8	
- Maintenance Capex	6.8	7.2	6.3	6.5	6.5	6.8	7.1	
+ Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<b>= Free Cash Flow Potential</b>	<b>15.3</b>	<b>15.6</b>	<b>2.9</b>	<b>7.0</b>	<b>11.2</b>	<b>13.9</b>	<b>15.9</b>	
FCF Potential Yield (on market EV)	5.3 %	3.7 %	1.4 %	3.9 %	6.1 %	7.6 %	8.9 %	
WACC	8.09 %	8.09 %	8.09 %	8.09 %	8.09 %	8.09 %	8.09 %	
<b>= Enterprise Value (EV)</b>	<b>290.0</b>	<b>420.6</b>	<b>204.0</b>	<b>177.3</b>	<b>183.7</b>	<b>182.8</b>	<b>180.1</b>	
<b>= Fair Enterprise Value</b>	<b>189.6</b>	<b>192.4</b>	<b>36.0</b>	<b>86.6</b>	<b>138.8</b>	<b>172.4</b>	<b>197.2</b>	
- Net Debt (Cash)	-39.6	-39.6	-39.6	-39.6	-39.9	-40.8	-43.4	
- Pension Liabilities	51.5	51.5	51.5	51.5	51.5	51.5	51.5	
- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Market value of minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
+ Market value of investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<b>= Fair Market Capitalisation</b>	<b>177.7</b>	<b>180.5</b>	<b>24.1</b>	<b>74.6</b>	<b>127.1</b>	<b>161.6</b>	<b>189.1</b>	
Number of shares, average	9.5	9.5	9.5	9.5	9.5	9.3	9.3	
<b>= Fair value per share (EUR)</b>	<b>18.68</b>	<b>18.97</b>	<b>2.53</b>	<b>7.84</b>	<b>13.45</b>	<b>17.38</b>	<b>20.33</b>	
premium (-) / discount (+) in %					-21.8 %	1.0 %	18.2 %	
<b>Sensitivity Fair value per Share (EUR)</b>								
	11.09 %	13.28	13.50	1.50	5.38	9.48	12.36	14.59
	10.09 %	14.73	14.96	1.78	6.04	10.54	13.70	16.13
	9.09 %	16.48	16.75	2.11	6.84	11.84	15.34	18.00
WACC	<b>8.09 %</b>	<b>18.68</b>	<b>18.97</b>	<b>2.53</b>	<b>7.84</b>	<b>13.45</b>	<b>17.38</b>	<b>20.33</b>
	7.09 %	21.49	21.83	3.06	9.13	15.52	19.99	23.32
	6.09 %	25.23	25.62	3.77	10.83	18.28	23.47	27.30
	5.09 %	30.44	30.91	4.76	13.21	22.12	28.31	32.84

■ FCF Value Potential expected to increase in the coming years following improved profitability

Valuation	2020	2021	2022	2023	2024e	2025e	2026e
Price / Book	2.6 x	3.5 x	1.7 x	1.6 x	1.7 x	1.7 x	1.7 x
Book value per share ex intangibles	8.17	9.30	9.47	8.74	8.33	8.33	8.68
EV / Sales	1.1 x	1.5 x	0.8 x	0.7 x	0.7 x	0.7 x	0.6 x
EV / EBITDA	10.6 x	15.1 x	19.8 x	11.8 x	8.7 x	7.2 x	6.3 x
EV / EBIT	15.4 x	21.0 x	73.5 x	29.5 x	14.9 x	11.4 x	9.6 x
EV / EBIT adj.*	15.4 x	21.0 x	73.5 x	29.5 x	14.9 x	11.4 x	9.6 x
P / FCF	n.a.	27.0 x	20.9 x	10.6 x	12.8 x	13.6 x	13.4 x
P / E	20.7 x	27.8 x	155.1 x	51.1 x	20.2 x	15.1 x	12.7 x
P / E adj.*	20.7 x	27.8 x	155.1 x	51.1 x	20.2 x	15.1 x	12.7 x
Dividend Yield	3.8 %	2.5 %	3.5 %	6.0 %	5.5 %	5.8 %	6.1 %
FCF Potential Yield (on market EV)	5.3 %	3.7 %	1.4 %	3.9 %	6.1 %	7.6 %	8.9 %

\*Adjustments made for: -

**Consolidated profit and loss**

In EUR m	2020	2021	2022	2023	2024e	2025e	2026e
<b>Sales</b>	<b>271.6</b>	<b>288.3</b>	<b>251.5</b>	<b>258.3</b>	<b>261.7</b>	<b>272.0</b>	<b>285.1</b>
Change Sales yoy	16.0 %	6.2 %	-12.8 %	2.7 %	1.3 %	3.9 %	4.8 %
COGS	149.3	166.3	154.3	149.6	145.7	149.7	155.5
<b>Gross profit</b>	<b>122.3</b>	<b>122.0</b>	<b>97.2</b>	<b>108.6</b>	<b>116.0</b>	<b>122.3</b>	<b>129.6</b>
<i>Gross margin</i>	<i>45.0 %</i>	<i>42.3 %</i>	<i>38.7 %</i>	<i>42.1 %</i>	<i>44.3 %</i>	<i>45.0 %</i>	<i>45.5 %</i>
Research and development	5.7	6.1	6.0	5.2	5.2	5.6	6.0
Sales and marketing	83.3	84.0	77.9	78.2	80.1	82.0	85.6
Administration expenses	14.8	14.5	14.7	18.6	19.4	19.7	20.3
Other operating expenses	1.1	0.3	0.4	0.8	0.3	0.5	0.6
Other operating income	1.3	3.0	4.5	1.1	1.3	1.5	1.6
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITDA</b>	<b>27.3</b>	<b>27.9</b>	<b>10.3</b>	<b>15.0</b>	<b>21.2</b>	<b>25.3</b>	<b>28.5</b>
<i>Margin</i>	<i>10.0 %</i>	<i>9.7 %</i>	<i>4.1 %</i>	<i>5.8 %</i>	<i>8.1 %</i>	<i>9.3 %</i>	<i>10.0 %</i>
Depreciation of fixed assets	7.7	7.0	6.8	7.3	8.2	8.6	9.0
<b>EBITA</b>	<b>19.6</b>	<b>20.9</b>	<b>3.5</b>	<b>7.7</b>	<b>13.0</b>	<b>16.7</b>	<b>19.5</b>
Amortisation of intangible assets	0.8	0.8	0.8	0.7	0.7	0.7	0.7
Goodwill amortisation	0.0	0.0	0.0	0.9	0.0	0.0	0.0
<b>EBIT</b>	<b>18.8</b>	<b>20.1</b>	<b>2.8</b>	<b>6.0</b>	<b>12.3</b>	<b>16.0</b>	<b>18.8</b>
<i>Margin</i>	<i>6.9 %</i>	<i>7.0 %</i>	<i>1.1 %</i>	<i>2.3 %</i>	<i>4.7 %</i>	<i>5.9 %</i>	<i>6.6 %</i>
<b>EBIT adj.</b>	<b>18.8</b>	<b>20.1</b>	<b>2.8</b>	<b>6.0</b>	<b>12.3</b>	<b>16.0</b>	<b>18.8</b>
Interest income	0.0	0.0	0.4	0.8	1.0	1.0	1.0
Interest expenses	1.1	0.8	0.9	2.1	1.8	1.8	1.8
Other financial income (loss)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBT</b>	<b>17.7</b>	<b>19.3</b>	<b>2.3</b>	<b>4.7</b>	<b>11.5</b>	<b>15.2</b>	<b>18.0</b>
<i>Margin</i>	<i>6.5 %</i>	<i>6.7 %</i>	<i>0.9 %</i>	<i>1.8 %</i>	<i>4.4 %</i>	<i>5.6 %</i>	<i>6.3 %</i>
Total taxes	5.2	5.1	1.1	1.5	3.5	4.6	5.4
<b>Net income from continuing operations</b>	<b>12.5</b>	<b>14.2</b>	<b>1.2</b>	<b>3.2</b>	<b>8.1</b>	<b>10.6</b>	<b>12.6</b>
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income before minorities</b>	<b>12.5</b>	<b>14.2</b>	<b>1.2</b>	<b>3.2</b>	<b>8.1</b>	<b>10.6</b>	<b>12.6</b>
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>12.5</b>	<b>14.2</b>	<b>1.2</b>	<b>3.2</b>	<b>8.1</b>	<b>10.6</b>	<b>12.6</b>
<i>Margin</i>	<i>4.6 %</i>	<i>4.9 %</i>	<i>0.5 %</i>	<i>1.2 %</i>	<i>3.1 %</i>	<i>3.9 %</i>	<i>4.4 %</i>
Number of shares, average	9.5	9.5	9.5	9.5	9.5	9.3	9.3
<b>EPS</b>	<b>1.32</b>	<b>1.49</b>	<b>0.13</b>	<b>0.34</b>	<b>0.85</b>	<b>1.14</b>	<b>1.35</b>
EPS adj.	1.32	1.49	0.13	0.34	0.85	1.14	1.35

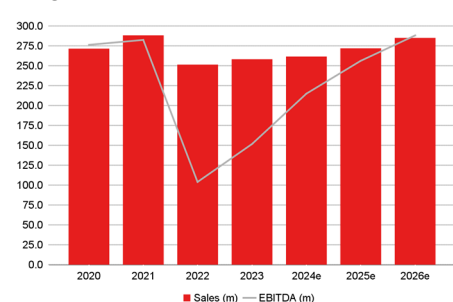
\*Adjustments made for:

**Guidance: 2024: Slight sales increase, EBIT between EUR 11-13m**

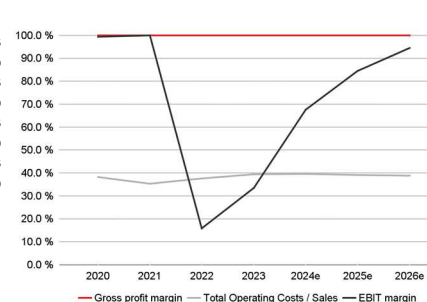
**Financial Ratios**

	2020	2021	2022	2023	2024e	2025e	2026e
Total Operating Costs / Sales	38.1 %	35.4 %	37.6 %	39.4 %	39.6 %	39.1 %	38.9 %
Operating Leverage	5.6 x	1.1 x	6.8 x	43.4 x	79.3 x	7.6 x	3.6 x
EBITDA / Interest expenses	24.4 x	34.1 x	11.2 x	7.2 x	11.8 x	14.1 x	15.8 x
Tax rate (EBT)	29.2 %	26.5 %	47.3 %	32.5 %	30.0 %	30.0 %	30.0 %
Dividend Payout Ratio	79.7 %	70.5 %	551.4 %	312.0 %	111.3 %	87.4 %	77.7 %
Sales per Employee	248,261	262,345	237,278	250,279	255,317	266,667	275,459

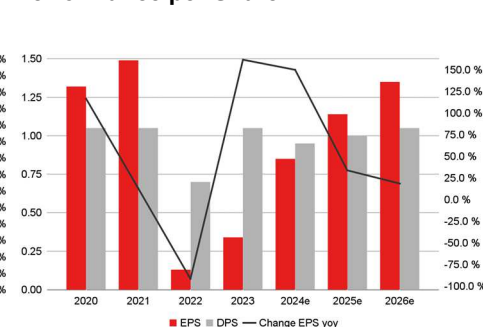
**Sales, EBITDA**  
in EUR m



**Operating Performance**  
in %



**Performance per Share**



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

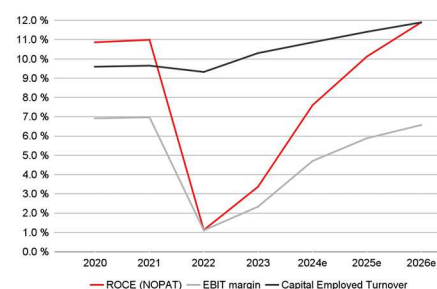
**Consolidated balance sheet**

In EUR m	2020	2021	2022	2023	2024e	2025e	2026e
<b>Assets</b>							
Goodwill and other intangible assets	18.8	18.3	17.8	16.5	16.2	16.0	15.8
thereof other intangible assets	0.0	0.0	6.1	5.8	5.5	5.3	5.1
thereof Goodwill	11.7	11.7	11.7	10.7	10.7	10.7	10.7
Property, plant and equipment	38.6	40.5	39.8	41.0	42.8	44.2	45.2
Financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other long-term assets	0.1	0.2	0.1	0.1	0.1	0.1	0.1
<b>Fixed assets</b>	<b>57.5</b>	<b>58.9</b>	<b>57.7</b>	<b>57.5</b>	<b>59.0</b>	<b>60.2</b>	<b>61.0</b>
Inventories	59.7	70.1	62.5	50.2	50.3	50.8	51.8
Accounts receivable	57.4	52.7	48.6	43.7	43.0	43.2	44.5
Liquid assets	38.8	38.1	36.3	41.3	41.5	42.4	45.1
Other short-term assets	16.6	18.9	11.0	10.9	10.9	10.9	10.9
<b>Current assets</b>	<b>172.5</b>	<b>179.9</b>	<b>158.4</b>	<b>146.1</b>	<b>145.8</b>	<b>147.4</b>	<b>152.4</b>
<b>Total Assets</b>	<b>230.0</b>	<b>238.8</b>	<b>216.1</b>	<b>203.6</b>	<b>204.8</b>	<b>207.6</b>	<b>213.4</b>
<b>Liabilities and shareholders' equity</b>							
Subscribed capital	30.0	30.0	30.0	30.0	30.0	30.0	30.0
Capital reserve	17.0	17.2	17.2	17.2	17.2	17.2	17.2
Retained earnings	78.1	82.3	73.5	70.0	68.2	70.0	73.2
Other equity components	-24.7	-18.1	-8.2	-13.4	-15.9	-17.9	-17.9
Shareholders' equity	100.4	111.3	112.5	103.8	99.5	99.3	102.5
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total equity</b>	<b>100.4</b>	<b>111.3</b>	<b>112.5</b>	<b>103.8</b>	<b>99.5</b>	<b>99.3</b>	<b>102.5</b>
Provisions	76.8	73.0	55.4	58.5	58.5	58.5	58.5
thereof provisions for pensions and similar obligations	68.0	62.9	46.8	51.5	51.5	51.5	51.5
Financial liabilities (total)	1.0	1.8	1.7	1.7	1.7	1.7	1.7
Short-term financial liabilities	0.7	0.6	0.4	0.6	0.6	0.6	0.6
Accounts payable	17.7	23.3	17.3	12.4	17.9	20.9	23.4
Other liabilities	34.1	29.4	29.2	27.2	27.2	27.2	27.2
<b>Liabilities</b>	<b>129.6</b>	<b>127.5</b>	<b>103.6</b>	<b>99.8</b>	<b>105.3</b>	<b>108.3</b>	<b>110.8</b>
<b>Total liabilities and shareholders' equity</b>	<b>230.0</b>	<b>238.8</b>	<b>216.1</b>	<b>203.6</b>	<b>204.8</b>	<b>207.6</b>	<b>213.4</b>

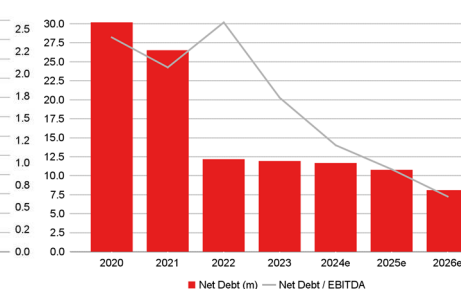
**Financial Ratios**

	2020	2021	2022	2023	2024e	2025e	2026e
<b>Efficiency of Capital Employment</b>							
Operating Assets Turnover	2.0 x	2.1 x	1.9 x	2.1 x	2.2 x	2.3 x	2.4 x
Capital Employed Turnover	2.1 x	2.1 x	2.0 x	2.2 x	2.4 x	2.5 x	2.6 x
ROA	21.8 %	24.1 %	2.1 %	5.6 %	13.7 %	17.7 %	20.6 %
<b>Return on Capital</b>							
ROCE (NOPAT)	10.9 %	11.0 %	1.1 %	3.4 %	7.6 %	10.1 %	11.9 %
ROE	12.7 %	13.4 %	1.1 %	3.0 %	7.9 %	10.7 %	12.5 %
Adj. ROE	12.7 %	13.4 %	1.1 %	3.0 %	7.9 %	10.7 %	12.5 %
<b>Balance sheet quality</b>							
Net Debt	30.2	26.5	12.2	11.9	11.7	10.8	8.1
Net Financial Debt	-37.8	-36.3	-34.6	-39.6	-39.9	-40.8	-43.4
Net Gearing	30.1 %	23.8 %	10.8 %	11.5 %	11.7 %	10.9 %	7.9 %
Net Fin. Debt / EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Book Value / Share	10.0	11.1	11.2	10.4	9.9	9.9	10.3
Book value per share ex intangibles	8.2	9.3	9.5	8.7	8.3	8.3	8.7

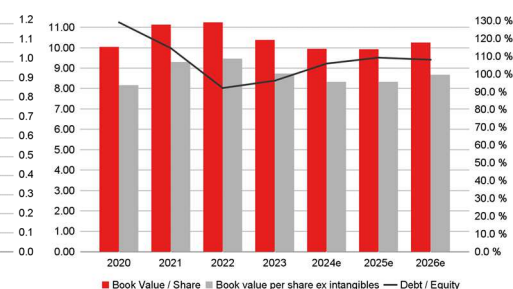
**ROCE Development**



**Net debt in EUR m**



**Book Value per Share in EUR**



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

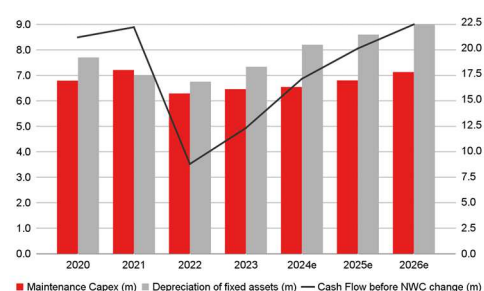
**Consolidated cash flow statement**

In EUR m	2020	2021	2022	2023	2024e	2025e	2026e
Net income	12.5	14.2	1.2	3.2	8.1	10.6	12.6
Depreciation of fixed assets	7.7	7.0	6.8	7.3	8.2	8.6	9.0
Amortisation of goodwill	0.0	0.0	0.0	0.9	0.0	0.0	0.0
Amortisation of intangible assets	0.8	0.8	0.8	0.7	0.7	0.7	0.7
Increase/decrease in long-term provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other non-cash income and expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Cash Flow before NWC change</b>	<b>21.0</b>	<b>22.0</b>	<b>8.7</b>	<b>12.2</b>	<b>17.0</b>	<b>19.9</b>	<b>22.3</b>
Increase / decrease in inventory	-13.9	-10.4	7.7	12.2	-0.1	-0.5	-1.0
Increase / decrease in accounts receivable	-13.0	4.7	4.1	5.0	0.7	-0.2	-1.3
Increase / decrease in accounts payable	3.1	5.6	-5.9	-4.9	5.5	3.0	2.5
Increase / decrease in other working capital positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase / decrease in working capital (total)	-23.8	-0.1	5.8	12.3	6.1	2.3	0.2
<b>Net cash provided by operating activities [1]</b>	<b>-2.8</b>	<b>21.8</b>	<b>14.6</b>	<b>24.4</b>	<b>23.1</b>	<b>22.2</b>	<b>22.5</b>
Investments in intangible assets	-0.7	-0.3	-0.3	-0.3	-0.4	-0.5	-0.5
Investments in property, plant and equipment	-8.9	-6.9	-5.1	-8.5	-10.0	-10.0	-10.0
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net cash provided by investing activities [2]</b>	<b>-9.6</b>	<b>-7.3</b>	<b>-5.4</b>	<b>-8.9</b>	<b>-10.4</b>	<b>-10.5</b>	<b>-10.5</b>
Change in financial liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividends paid	-5.2	-10.0	-10.0	-6.7	-9.9	-8.8	-9.3
Purchase of own shares	0.0	0.0	0.0	0.0	-2.5	-2.0	0.0
Capital measures	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net cash provided by financing activities [3]</b>	<b>-5.2</b>	<b>-10.0</b>	<b>-10.0</b>	<b>-6.7</b>	<b>-12.4</b>	<b>-10.8</b>	<b>-9.3</b>
<b>Change in liquid funds [1]+[2]+[3]</b>	<b>-17.6</b>	<b>4.6</b>	<b>-0.8</b>	<b>8.9</b>	<b>0.3</b>	<b>0.9</b>	<b>2.7</b>
Effects of exchange-rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash and cash equivalent at end of period	32.7	43.4	37.3	45.2	41.5	42.4	45.1

**Financial Ratios**

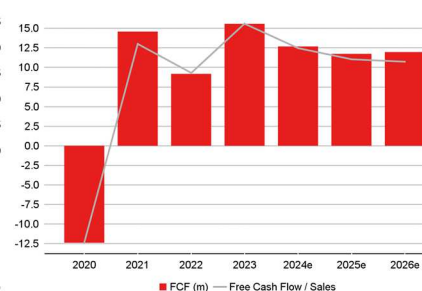
	2020	2021	2022	2023	2024e	2025e	2026e
<b>Cash Flow</b>							
FCF	-12.4	14.6	9.2	15.6	12.7	11.7	12.0
Free Cash Flow / Sales	-4.6 %	5.1 %	3.7 %	6.0 %	4.8 %	4.3 %	4.2 %
Free Cash Flow Potential	15.3	15.6	2.9	7.0	11.2	13.9	15.9
Free Cash Flow / Net Profit	-98.8 %	102.9 %	760.3 %	486.2 %	157.3 %	110.3 %	95.2 %
Interest Received / Avg. Cash	0.1 %	0.1 %	1.2 %	2.1 %	2.4 %	2.4 %	2.3 %
Interest Paid / Avg. Debt	85.7 %	58.9 %	53.1 %	125.0 %	108.1 %	108.1 %	108.1 %
<b>Management of Funds</b>							
Investment ratio	3.5 %	2.5 %	2.1 %	3.4 %	4.0 %	3.9 %	3.7 %
Maint. Capex / Sales	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %
Capex / Dep	113.1 %	93.1 %	71.7 %	98.7 %	116.9 %	112.9 %	108.2 %
Avg. Working Capital / Sales	32.3 %	34.5 %	38.4 %	33.9 %	30.0 %	27.3 %	25.6 %
Trade Debtors / Trade Creditors	325.2 %	226.8 %	280.9 %	353.2 %	240.2 %	206.7 %	190.2 %
Inventory Turnover	2.5 x	2.4 x	2.5 x	3.0 x	2.9 x	2.9 x	3.0 x
Receivables collection period (days)	77	67	71	62	60	58	57
Payables payment period (days)	43	51	41	30	45	51	55
Cash conversion cycle (Days)	180	170	177	154	141	131	124

**CAPEX and Cash Flow**  
in EUR m



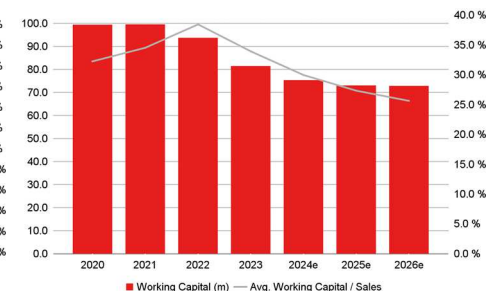
Source: Warburg Research

**Free Cash Flow Generation**



Source: Warburg Research

**Working Capital**



Source: Warburg Research



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Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
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Investment recommendation: expected direction of the share price development of the financial instrument up to the given price target in the opinion of the analyst who covers this financial instrument.

-B-	<b>Buy:</b>	The price of the analysed financial instrument is expected to rise over the next 12 months.
-H-	<b>Hold:</b>	The price of the analysed financial instrument is expected to remain mostly flat over the next 12 months.
-S-	<b>Sell:</b>	The price of the analysed financial instrument is expected to fall over the next 12 months.
“-“	<b>Rating suspended:</b>	The available information currently does not permit an evaluation of the company.

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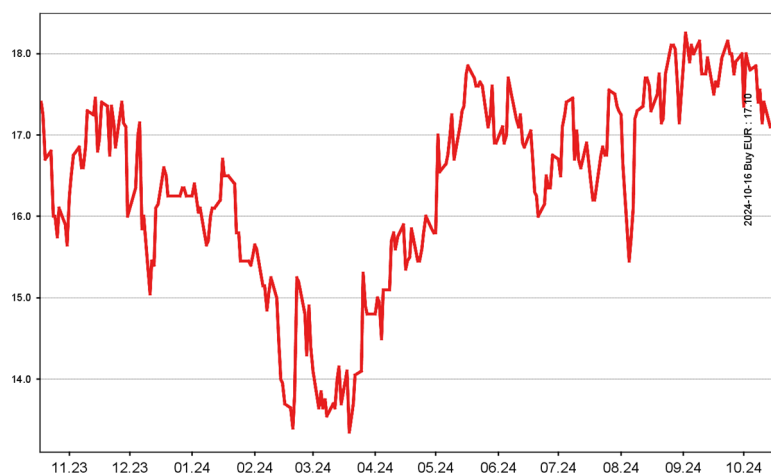
Rating	Number of stocks	% of Universe
Buy	142	71
Hold	42	21
Sell	10	5
Rating suspended	6	3
<b>Total</b>	<b>200</b>	<b>100</b>

**WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING ...**

... taking into account only those companies which were provided with major investment services in the last twelve months.

Rating	Number of stocks	% of Universe
Buy	43	77
Hold	9	16
Sell	2	4
Rating suspended	2	4
<b>Total</b>	<b>56</b>	<b>100</b>

**PRICE AND RATING HISTORY LEIFHEIT AS OF 17.10.2024**



Markings in the chart show rating changes by Warburg Research GmbH in the last 12 months. Every marking details the date and closing price on the day of the rating change.

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## Our research can be found under:

Warburg Research [research.mmwarburg.com/en/index.html](https://research.mmwarburg.com/en/index.html)  
Bloomberg RESP MMWA GO  
FactSet [www.factset.com](https://www.factset.com)

LSEG [www.lseg.com](https://www.lseg.com)  
Capital IQ [www.capitaliq.com](https://www.capitaliq.com)

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