



HEALTH & BEAUTY

# INVESTOR CONFERENCE

## Q1 2023

LR HEALTH & BEAUTY GROUP  
MAY 31, 2023



## **CONTENT**

**01\_BUSINESS HIGHLIGHTS**

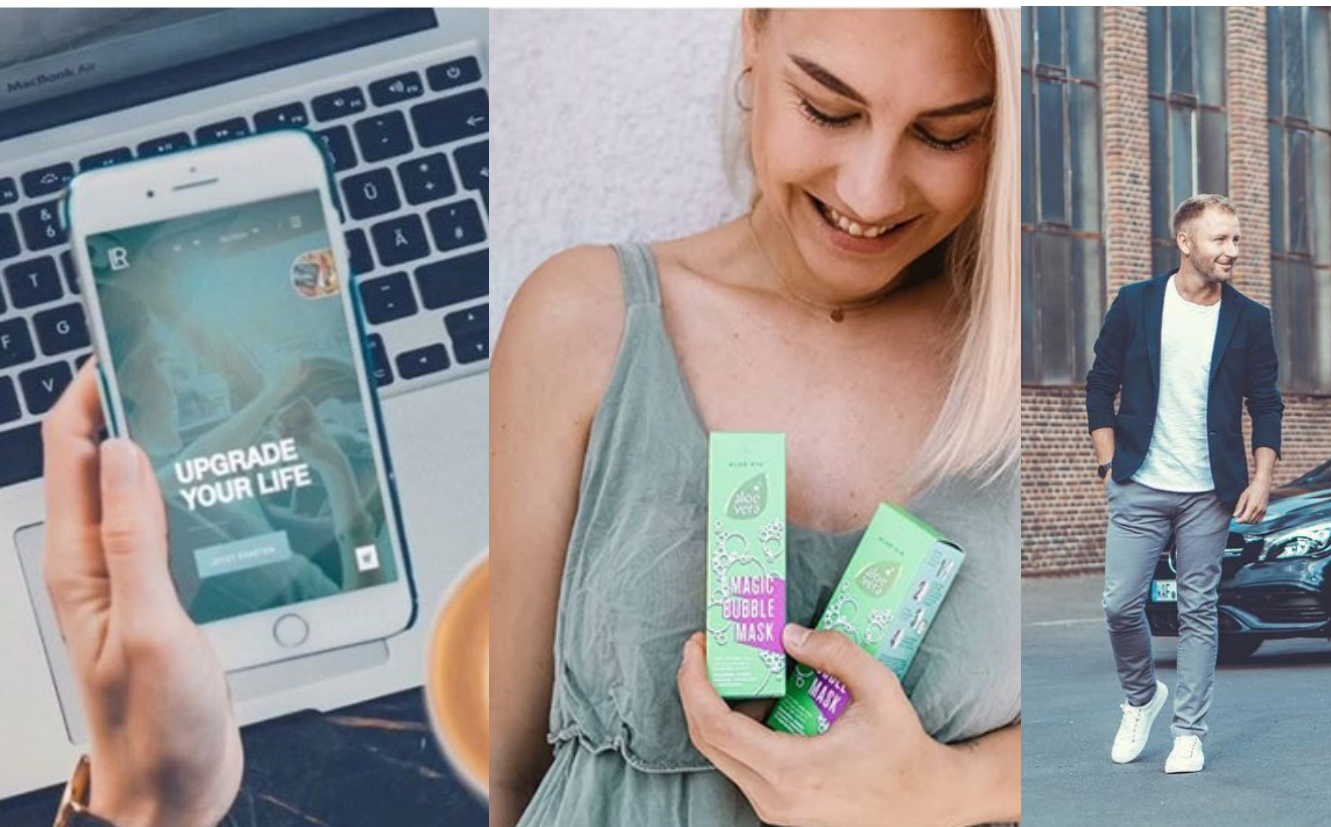
**02\_FACTS & FIGURES**

**03\_CORPORATE BOND**

**04\_OUTLOOK**



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# 01\_\_ BUSINESS HIGHLIGHTS

# SECOND BEST LAUNCH IN LR HISTORY: BODY MISSION WITH NEW FIGU ACTIVE PRODUCTS



- 1 New FiguActive Products **launched in January 2023**
- 2 **Sales** in the first three months after the launch more than **doubled** compared to the diet products sold in Q1 2022
- 3 Demand exceeded supply despite significantly **increased inventories**



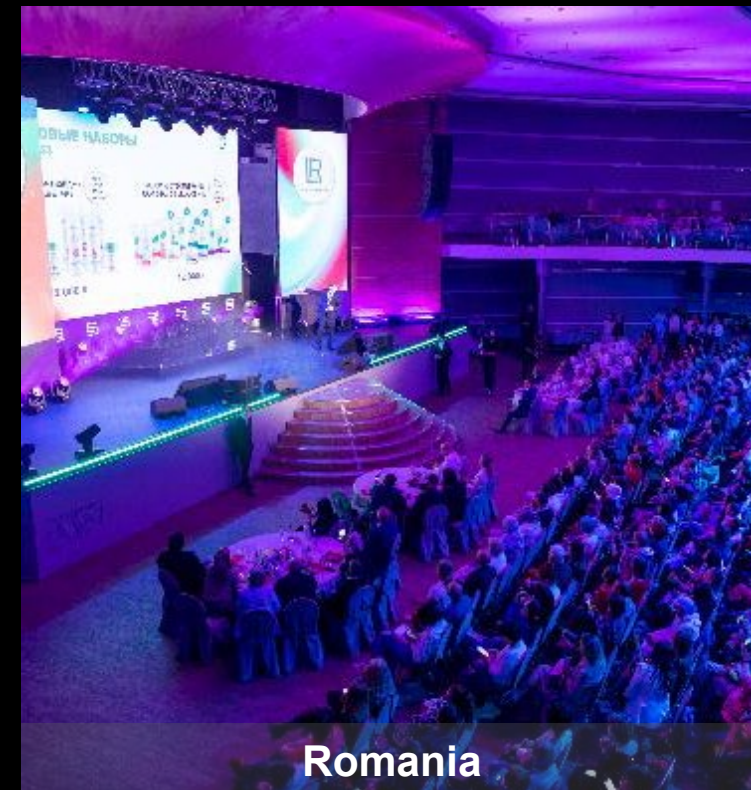
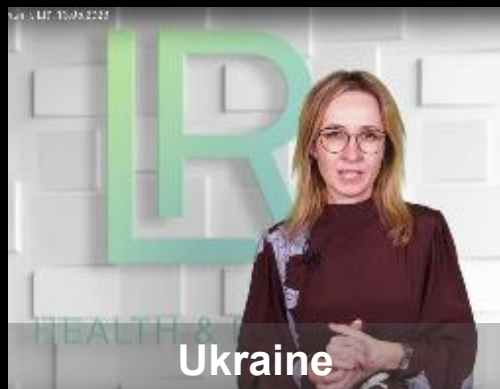
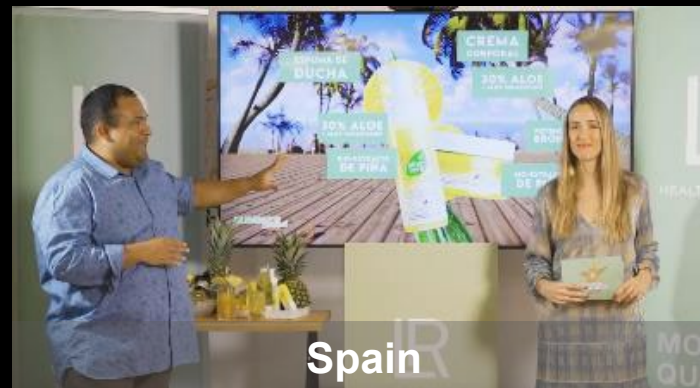


# LARGEST LR BUSINESS DAY EVER WITH 5,000 PARTICIPANTS IN DÜSSELDORF, GERMANY





# LR BUSINESS DAYS SIMULTANEOUSLY IN MANY COUNTRIES ON SITE AND ONLINE

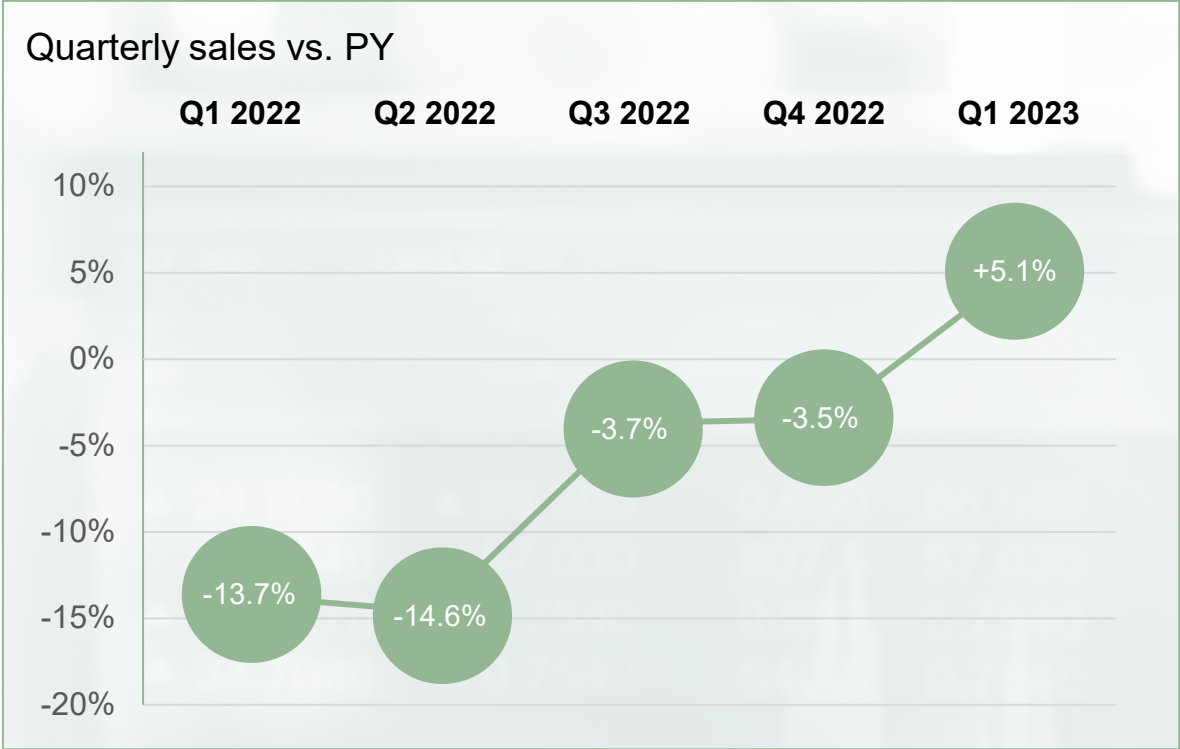
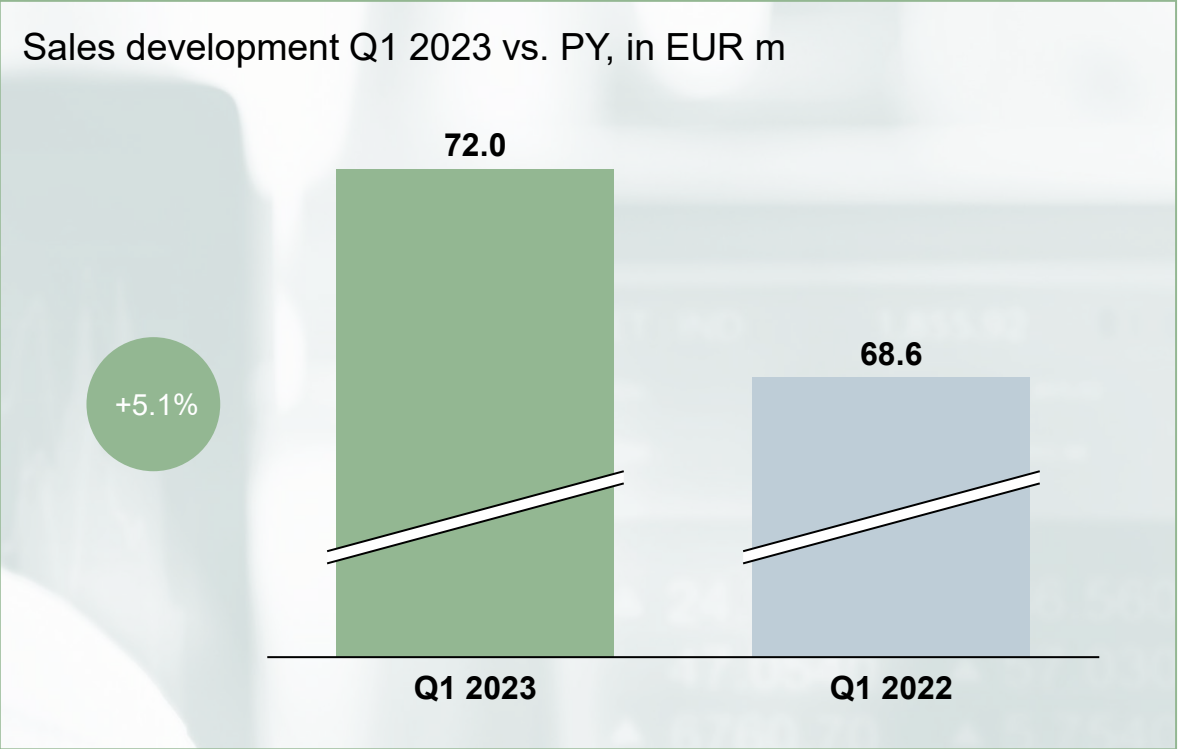




## 02\_\_\_\_ FACTS & FIGURES

# POSITIVE SALES TREND CONTINUES – GROWTH OF 5.1% COMPARED TO PY

## Sales<sup>1</sup> development LR Group



(1) Sales as revenue from goods sold



# REGION 1 INCLUDING LR'S HOME MARKET

## GERMANY CONTINUES WITH STRONG GROWTH

Sales<sup>1</sup> Q1 2023 per region compared to previous year

### Region 1

Austria, Belgium / Luxembourg, Germany,  
The Netherlands, and Switzerland

+18.3%

in EUR m

Q1 2023	Q1 2022
33.3	28.1

### Region 2

Czech Republic, Italy, Poland, Portugal,  
Slovakia, Spain, and Ukraine

-12.1%

in EUR m

Q1 2023	Q1 2022
15.9	18.1

### Region 3

Albania, Bulgaria, Denmark, Finland, France,  
Greece / Cyprus, Hungary, Norway, Romania,  
Russia / Kazakhstan, Sweden, and Turkey

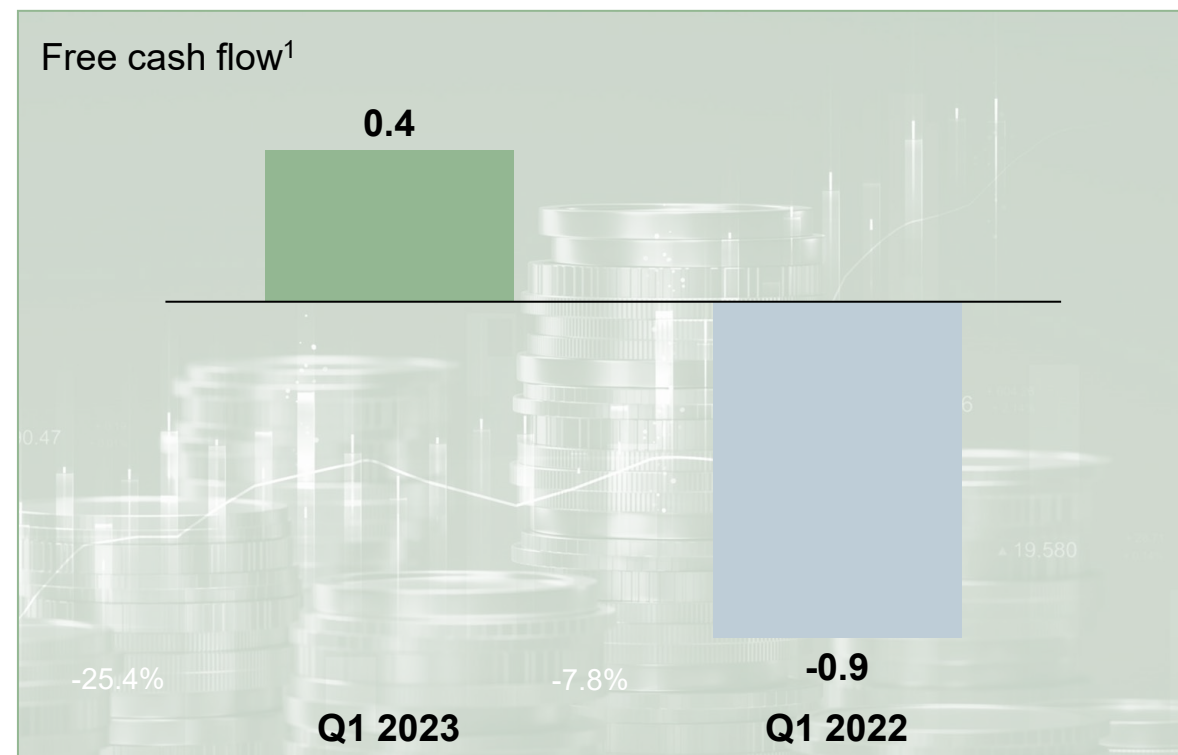
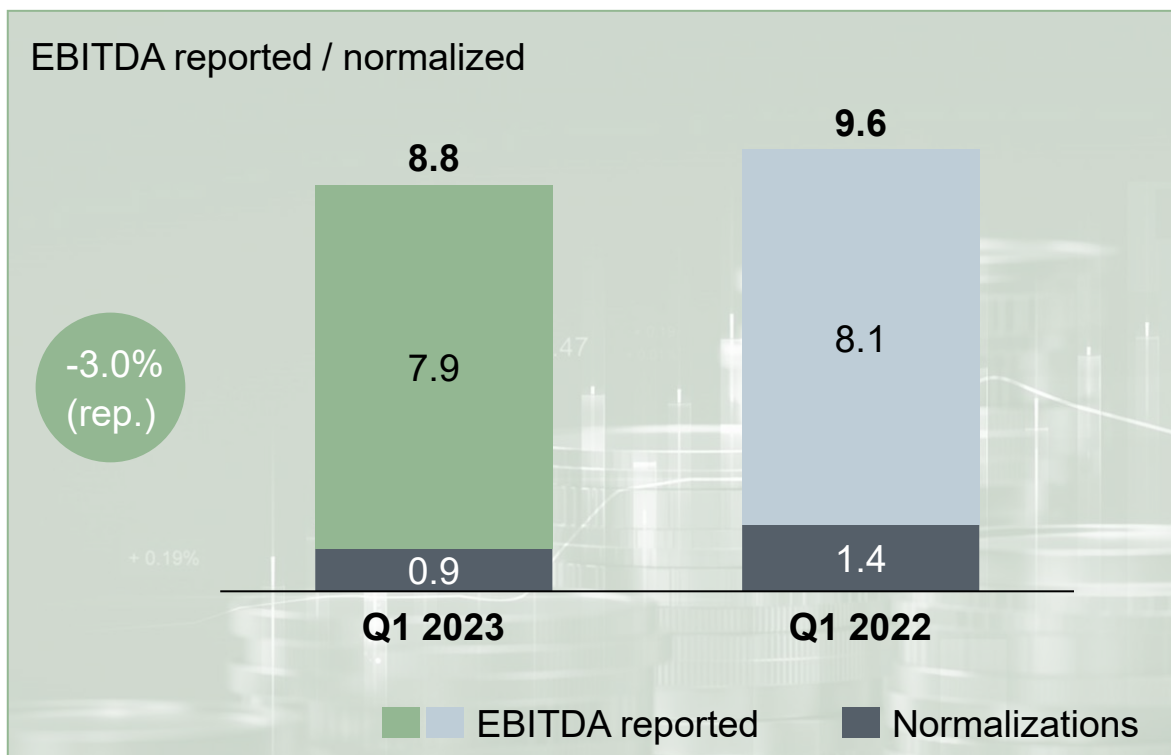
+1.0%

in EUR m

Q1 2023	Q1 2022
22.4	22.2

# SOLID EBITDA WITH FREE CASH FLOW ABOVE PREVIOUS YEAR

## Development of EBITDA and free cash flow<sup>1</sup> LR Group, in EUR m



(1) Free cash flow, defined as sum of cash flow from operating activities and cash flow from investing activities

# P&L AS EXPECTED WITH INCREASED REVENUE AND SLIGHTLY DECREASED EBITDA

## Unaudited consolidated interim statement of profit and loss (shortened)

<i>in EUR m</i>	<b>Q1 2023</b>	<b>Q1 2022</b>	<b>Δ in %</b>
<b>Sales<sup>1</sup></b>	<b>72.0</b>	<b>68.6</b>	<b>+5.1%</b>
Revenue	70.8	67.8	+4.4%
Changes in finished goods and work in progress	+0.4	+0.4	
Other operating income	+1.0	+3.4	
Cost of material	-13.7	-12.5	+9.8%
Personnel expenses	-13.5	-13.4	+0.9%
Other operating expenses	-37.2	-37.7	-1.3%
<b>EBITDA</b>	<b>7.9</b>	<b>8.1</b>	<b>-3.0%</b>
Exceptional items	0.9	1.4	
<b>EBITDA normalized</b>	<b>8.8</b>	<b>9.6</b>	<b>-8.0%</b>
<i>in % of sales</i>	<i>12.2%</i>	<i>14.0%</i>	

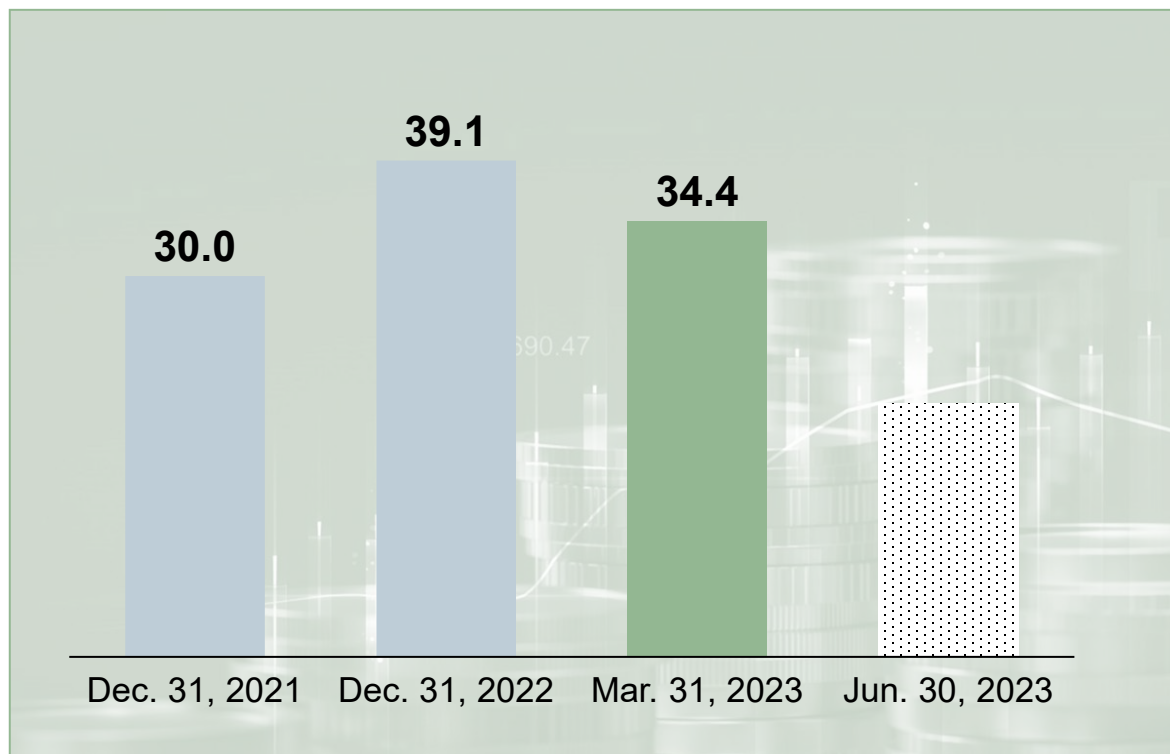
- Revenue above previous year's level
- Other operating income lower year-on-year; Q1 2022 mainly driven by exchange rate gains
- Ratio of the sum of material costs and changes in finished goods and work in progress to the sales in Q1 of 18.4% increased compared to PY (17.6%)
- Personnel and other operating expenses on track / tight cost management continuing
- EBITDA at the expected level

(1) Sales as revenue from goods sold, not part of the P&L according to IFRS



# EXCEPTIONALLY STRONG CASH LEVEL IN DEC 2022 – HIGH CASH OUTFLOWS IN Q1 AND Q2

## Cash development LR Group, EUR m



### High cash outflows in Q2 2023 expected

- Tax payments for previous years EUR 2.1m in Q1 and approx. EUR 5m to follow in Q2
- Annual bonus for sales partner approx. EUR 7m



# TOTAL ASSETS STABLE

## EQUITY IMPROVED BY POSITIVE RESULT

### Unaudited consolidated interim statement of financial positions (shortened)

<i>in EUR m</i>	<b>Mar. 31, 2023</b>	<b>Dec. 31, 2022</b>	<b>Δ in %</b>
Non-current assets	147.9	148.8	-0.6%
Current assets	87.8	86.7	+1.3%
<i>thereof inventories</i>	28.6	25.8	+11.0%
<i>thereof cash</i>	34.4	39.1	-12.2%
Total assets	235.7	235.5	+0.1%
Equity	30.1	29.1	+3.5%
Non-current liabilities	147.8	148.4	-0.4%
<i>thereof liabilities from bonds</i>	124.8	124.6	+0.2%
<i>thereof liabilities from loans</i>	8.2	8.5	-3.6%
Current liabilities	57.8	58.0	-0.4%
<i>thereof liabilities from loans</i>	0.6	0.4	+61.0%
<i>thereof income tax liabilities</i>	5.5	7.6	-27.5%
Total equity and liabilities	235.7	235.5	+0.1%

- Inventories increased as expected
- Cash declined from the exceptionally high level at year-end
- Equity increased by total comprehensive income
- Liabilities from loans showing the SLB agreement for the HQ building
- The book value of the bond corresponds to the issue amount of EUR 125.0m less discounted issue fees
- Part of the tax liabilities was settled in Q1, another substantial part will be paid in Q2



## 03\_\_\_\_ CORPORATE BOND



# SUCCESSFUL MAINTENANCE TEST FOR Q1 2023

Referring to terms and conditions for LR Global Holding GmbH senior secured floating rate bonds 2021/2025

- Ratio of net interest bearing debt to Group EBITDA (the “Leverage Ratio”) for the relevant period is **3.28** (3.11 as per December 31, 2022)
- Accordingly, the maintenance test is met for the relevant period (**4.50** covenant)

reference date	Mar. 31, 2023
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relevant period	Apr. 1, 2022 – Mar. 31, 2023
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*in EUR m*

net interest bearing debt <sup>1</sup>	115.547
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Group EBITDA <sup>1</sup>	35.208
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(1) Calculation as defined in clause 13.1 of the terms and conditions may differ from IFRS values



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## 04\_\_ OUTLOOK



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# CRAZY SUMMER IS CALLING

**BOOST YOUR  
VACATION BUDGET!**



Become  
*Junior Manager*  
in July and confirm  
in August and September 2022



**750€**  
guaranteed cash



FOR MORE DETAILS PLEASE CONSULT THE FAQ ON MY-LRWORLD.COM



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## UPGRADE OF THE SUCCESSFUL ACTIVATION CONCEPT

### Crazy Summer Bonus



PARTNER



**Increase revenue through  
partner ACTIVATION to  
increase recruits**

### Crazy Summer Deals



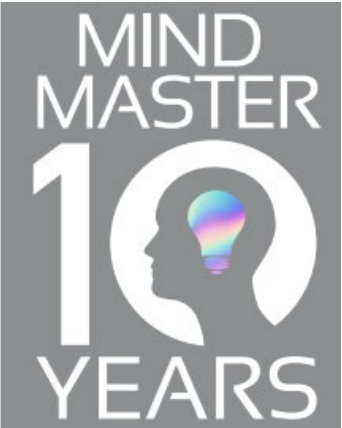
End Customer



**Increase sales by driving  
ACTIVITY through "crazy"  
product offers**



# 10TH ANNIVERSARY CAMPAIGN OF MIND MASTER – NEW PRODUCT LAUNCH



IMMUNE SYSTEM

ENERGY

Anniversary offers and sets for Mind Master and immune products

Anniversary offers in LR World for Mind Master Red and Mind Master Extreme

NEW  
PRODUCT  
LAUNCH



# Expansion to United Kingdom – Update

- **Project on track**
- **Pre-registration phase off to a good start**
- **August 1, 2023 has been announced as the official launch date**
- **Local sales managers have been recruited and are already involved in further preparations**



Scotland



Northern Ireland



Wales



England

# CAUTIOUS EXPECTATIONS FOR 2023 DUE TO DIFFICULT-TO-ASSESS POLITICAL DEVELOPMENTS – **UNCHANGED**

- Due to the **ongoing development**, which is **difficult to assess**, especially regarding the war in Ukraine and the mutual sanctions between Russia and the European Union, but also with regard to inflation and the consumer climate, the management assumes that sales (revenue from sold goods) **in 2023 will be at the previous year's level.**
- The management assumes that further cost increases will be largely compensated by price increases, and therefore a **slightly lower or stable EBITDA compared to the previous year** can be achieved.
- Provided that the previously mentioned external factors do not develop negatively and the **positive momentum** of the sales development from the last two quarters of 2022 continues, a **performance above the expected one is possible.**



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*for your life.*