



HEALTH & BEAUTY

INVESTOR CONFERENCE Q1 2024

LR HEALTH & BEAUTY GROUP
MAY 28, 2024

CONTENT

01_BUSINESS HIGHLIGHTS

02_FACTS & FIGURES

03_CORPORATE BOND

04_OUTLOOK





HEALTH & BEAUTY

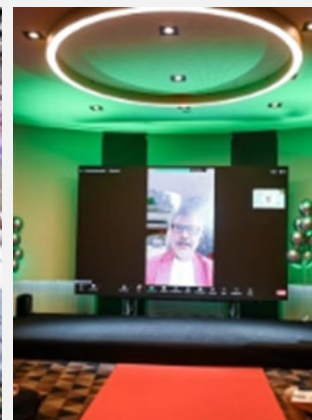


01__ BUSINESS HIGHLIGHTS



HEALTH & BEAUTY

>20,000
PEOPLE
ATTENDED
OUR
BUSINESS
DAYS IN
APRIL 2024



LR HEALTH MISSION

SECOND-BEST LAUNCH IN LR HISTORY



Booster for cell metabolism

Ideal pH value for the cells

Natural support of intestine

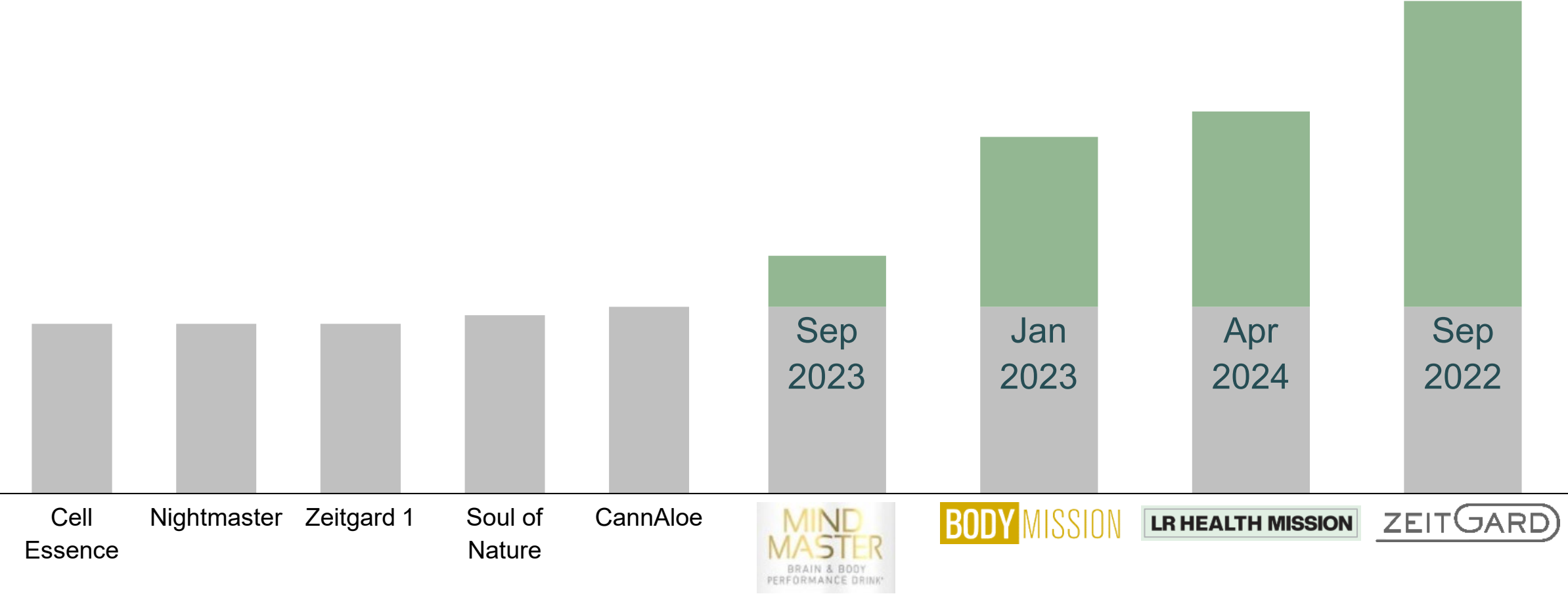
Supporting the liver

Strengthening the intestinal flora

LAST FOUR PRODUCT LAUNCHES WERE THE MOST SUCCESSFUL IN LR HISTORY



SELL-IN OF LAUNCHES DURING FIRST 30 DAYS



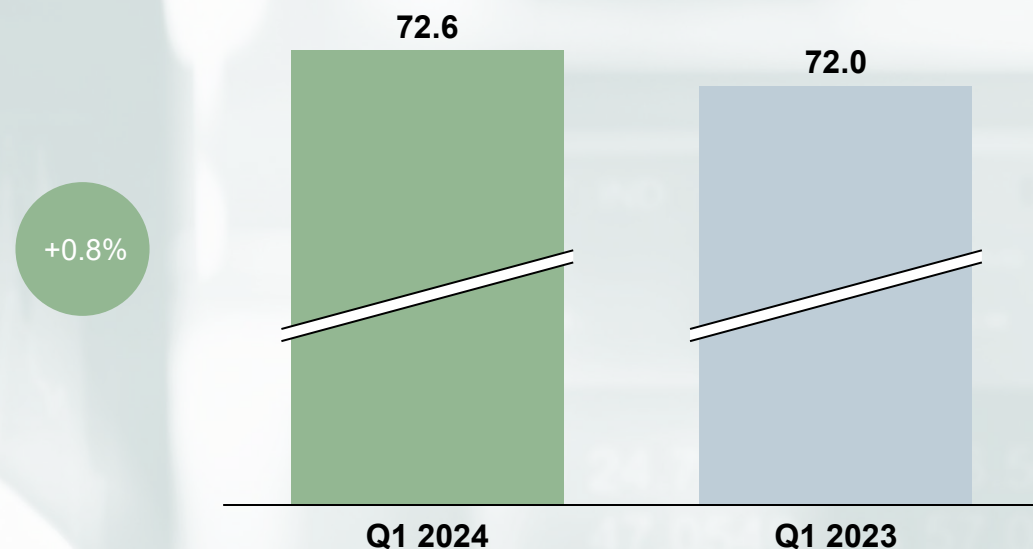


02_ FACTS & FIGURES

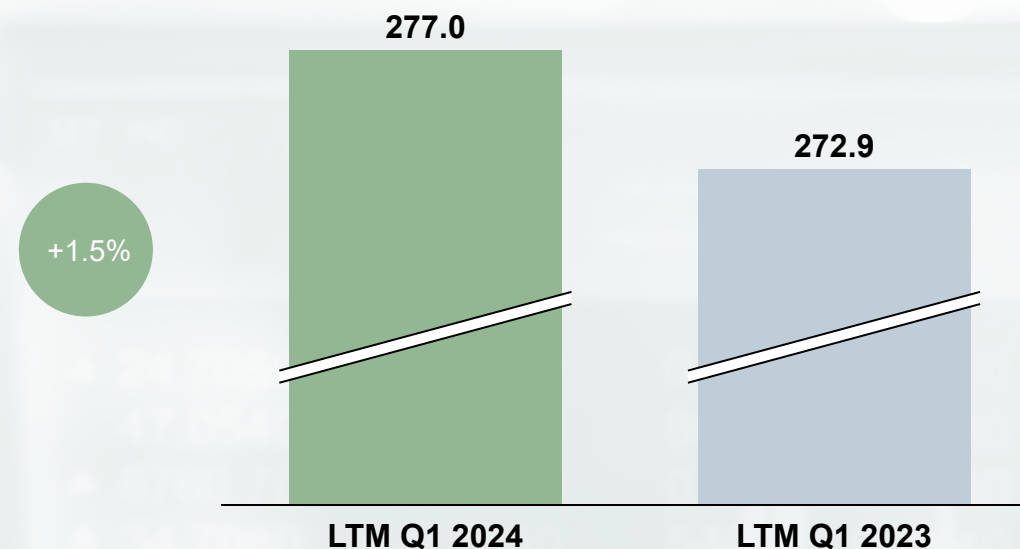
SALES INCREASED IN THE FIRST QUARTER OF THE YEAR

Sales¹ development LR Group

Sales development Q1 2024 vs. PY, in EUR m



Sales development LTM Q1 2024 vs. PY, in EUR m



(1) Sales as revenue from goods sold.

STRONG GROWTH IN WESTERN EUROPE STILL CHALLENGING ENVIRONMENT IN CEE

Sales¹ Q1 2024 per region compared to previous year

Region Western Europe²

Austria, Belgium, Denmark, Finland, France, Germany, Italy, Luxembourg, Norway, Portugal, Spain, Sweden, Switzerland, the Netherlands, Turkey and the United Kingdom

+4.5%

	<i>in EUR m</i>	
	Q1 2024	Q1 2023
	45.1	43.2

Region Central Eastern Europe²

Albania, Bulgaria, Cyprus, Czech Republic, Greece, Hungary, Kazakhstan, Poland, Romania, Russia, Slovakia and Ukraine

-4.2%

	<i>in EUR m</i>	
	Q1 2024	Q1 2023
	27.2	28.4

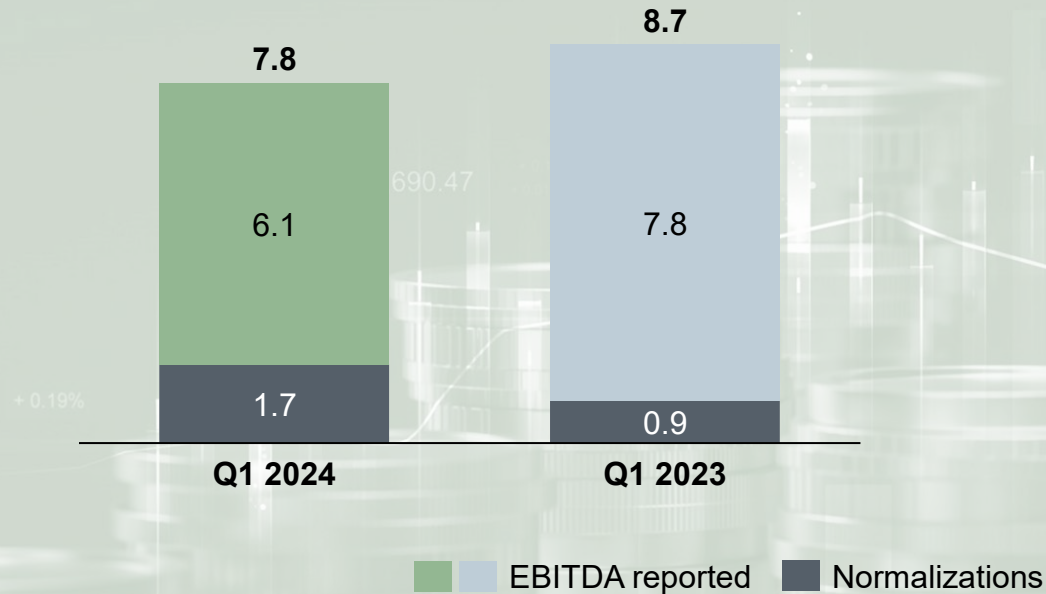
(1) Sales as revenue from goods sold.

(2) The breakdown by regions changed in 2023. For comparison purposes, the sales of the previous year's quarter are calculated with the current breakdown.

EBITDA IMPACTED BY REFINANCING FREE CASH FLOW ON PY LEVEL

Development of EBITDA and free cash flow¹ at LR Group, in EUR m

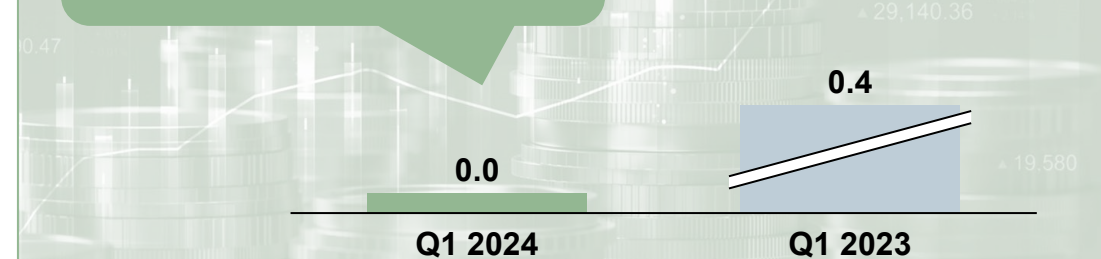
EBITDA reported / normalized



Free cash flow¹

LR generally has comparably low FCF in the first quarter due to seasonal TWC movements

Build-up of trade receivables even higher this year due to Easter holidays at the end of March



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

EBITDA BURDENED BY COSTS OF BOND REFINANCING – FOCUS ON EFFICIENCY IN ROY

Unaudited consolidated interim statement of profit and loss (shortened)

<i>in EUR m</i>	Q1 2024	Q1 2023	Δ in %
Sales¹	72.6	72.0	+0.8%
Revenue	70.8	70.8	-0.1%
Changes in finished goods and work in progress	+0.1	+0.4	
Other operating income	+2.3	+1.0	
Cost of material	-13.4	-13.7	-2.5%
Personnel expenses	-15.1	-13.7	+10.1%
Other operating expenses	-38.7	-37.1	+4.2%
EBITDA	6.1	7.8	-20.9%
Exceptional items	1.7	0.9	
EBITDA normalized	7.8	8.7	-9.5%
<i>in % of sales</i>	10.8%	12.0%	

- Q1 sales above previous year's level
- Ratio of sum of material costs and changes in finished goods and work in progress to the sales in Q1 2024 of 18.2% slightly decreased compared to PY (18.4%)
- Personnel costs increased due to higher headcount compared to Q1 2023 and the payout of an inflation compensation premium (no tariff increase in HQ/Germany in 2023)
- Other operating expenses increased, which was mainly driven by costs in conjunction with the issue of the corporate bond

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

COMPARATIVELY HIGH TRADE RECEIVABLES DUE TO ONE-OFF EFFECT

Unaudited consolidated interim statement of financial positions (shortened)

<i>in EUR m</i>	Mar 31, 2024	Dec 31, 2023	Δ in %
Non-current assets	150.9	151.2	-0.2%
Current assets	79.7	83.5	-4.6%
<i>thereof inventories</i>	31.8	34.6	-8.3%
<i>thereof trade receivables</i>	19.1	13.8	+38.2%
<i>thereof cash</i>	19.1	24.0	-20.5%
Total assets	230.6	234.7	-1.8%
Equity	21.2	27.2	-22.2%
Non-current liabilities	153.3	151.0	+1.6%
<i>thereof liabilities from bonds</i>	123.5	125.5	-1.6%
<i>thereof liabilities shareholder loans</i>	4.0	0	
Current liabilities	56.1	56.5	-0.8%
Total equity and liabilities	230.6	234.7	-1.8%

- Reduction of inventories is progressing as planned
- Usual build-up of trade receivables in Q1, this year particularly strong at the end of the quarter due to Easter holidays
- Equity reduced by total comprehensive income
- The book value of the new bond 2024/2028 corresponds to the issue amount of EUR 130.0m less discounted issue fees and OID plus accrued interest
- New shareholder loan of EUR 4.0m



03__ CORPORATE BOND

SUCCESSFUL MAINTENANCE TEST IN Q1 2024

Calculation referring to Clause 13.1 of terms and conditions for LR Health & Beauty SE senior secured floating rate bonds 2024/2028

Leverage Ratio

Net Interest Bearing Debt

/

Group EBITDA

3,99x per LTM Q1 2024

Status: compliant (covenant 5.0x)

Pre-IFRS 16 Leverage Ratio

Net Interest Bearing Debt excluding

any Financial Indebtedness under any lease (...)

/

Group EBITDA minus the interest expenses in respect of any lease (...)

3,64x per LTM Q1 2024

Status: compliant (covenant 6.0x)



HEALTH & BEAUTY



04_ **OUTLOOK**



HEALTH & BEAUTY

SUMMER SALE 2024



**End Customer
Activation**

Increase sales by driving
ACTIVITY through "crazy"
product promotions

REGION 1



REGION 2



SUMMERTIME – LAUNCH OF LIMITED-EDITION PRODUCTS



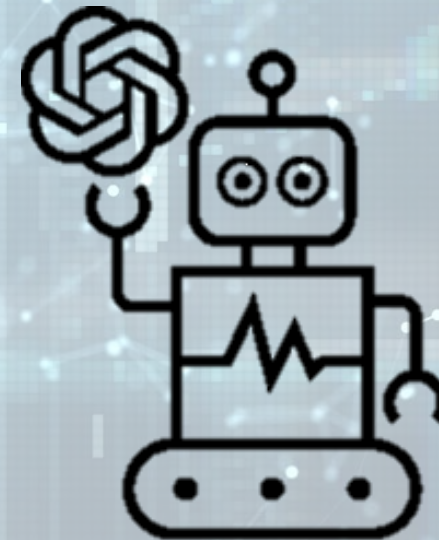
GREAT PROGRESS IN DIGITIZATION OF INTERNAL PROCESSES



HEALTH & BEAUTY

Own chatbot for faster customer service

- Enabling the Customer Service Center to access a **central knowledge pool** for quick and comprehensive response and support in providing forms and files in **response to specific requests**
- Based on OpenAI's GPT technology
- Successful test project for the **use of artificial intelligence in the social selling business**



LR-VERA

Using in day-to-day business from June

OUTLOOK FULL YEAR 2024

UNCHANGED



HEALTH & BEAUTY

- The further course of the war in Ukraine, the mutual sanctions between Russia and the European Union and the persistence of the current decline in inflation rates and their impact on the general interest rate level and general consumer sentiment are factors that are difficult to calculate.
- Against this background, the management still expects the 2024 financial year **sales¹ to remain at the previous year's level**. The management also assumes that further cost increases will be largely offset by price increases and that **EBITDA will therefore be slightly lower or stable compared to the previous year**.



(1) Sales as revenue from goods sold.

MORE QUALITY
for your life.