



HEALTH & BEAUTY

INVESTOR CONFERENCE

Q2 2023

LR HEALTH & BEAUTY GROUP
AUGUST 31, 2023



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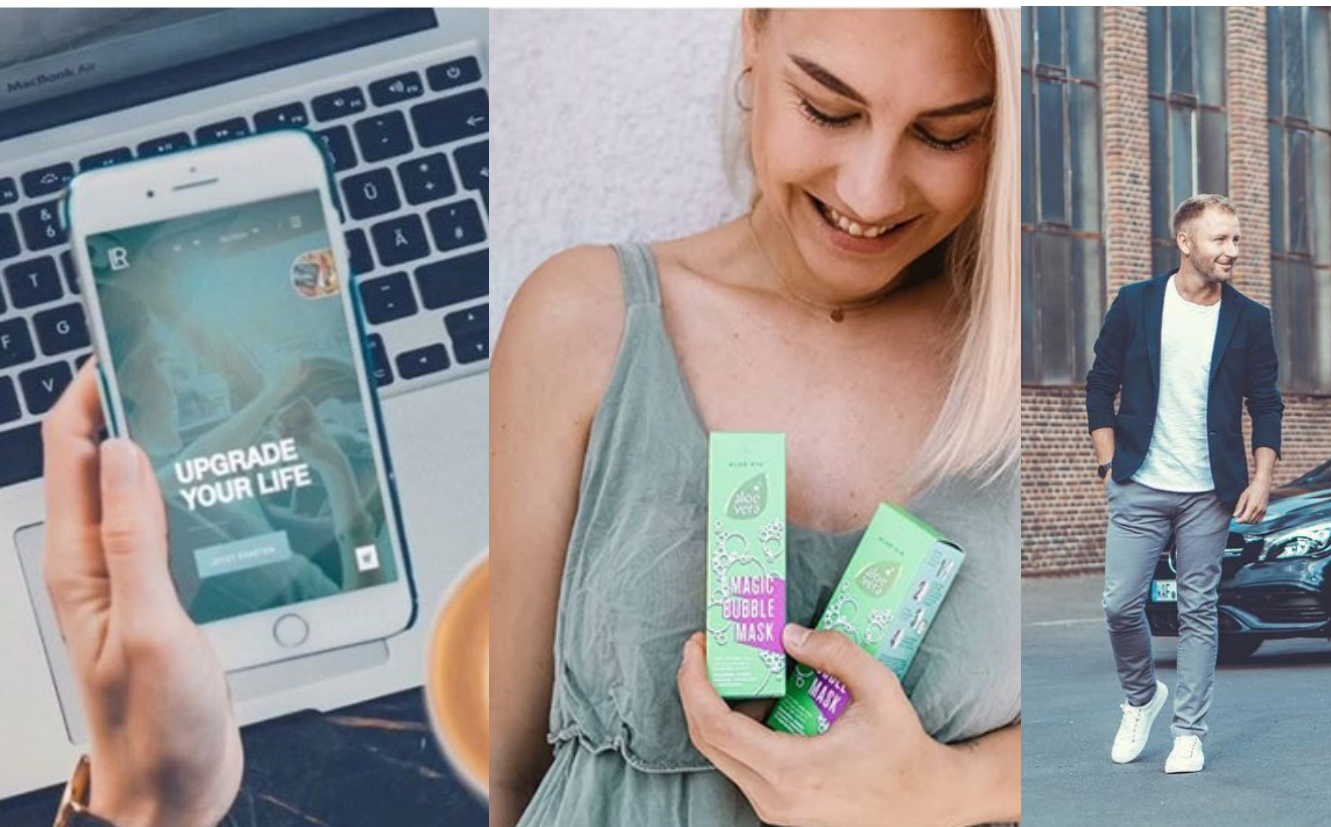
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HEALTH & BEAUTY



01__ BUSINESS HIGHLIGHTS

SUCCESSFUL AND INSPIRING START IN THE UK

- **Pre-launch starter seminars** with pre-registered sales partners in London, Manchester, Edinburgh and at the headquarters in Ahlen, Germany; and more starter seminars after launch
- Online **kick-off** with more than **4,000 participants**
- **Excellent social media response**
- First **Business Day UK** scheduled for **November**
- **Stable operations** from day one



England



Scotland



Wales



Northern
Ireland

15-YEAR BUSINESS ANNIVERSARY OF LR BULGARIA CELEBRATED IN JUNE

- 600 partners celebrated the 15th business anniversary of LR Bulgaria at the John Atanasov Innovation Forum in Sofia
- LR Bulgaria has achieved a **CAGR** of more than **13%** between 2018 and 2022
- The sales structures of Bulgaria currently show a very high level of activity in **cross-sponsoring** to the **United Kingdom**



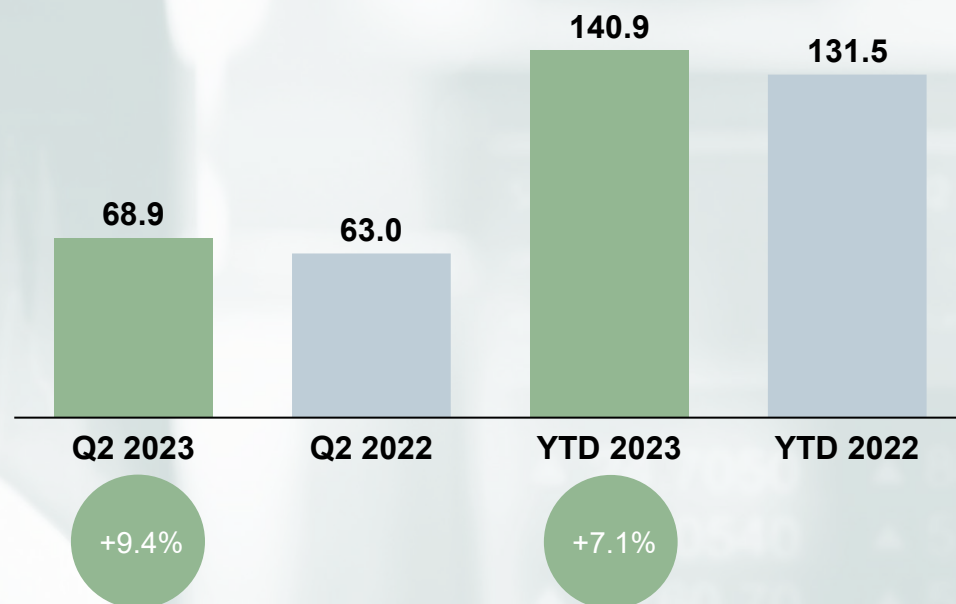


02____ FACTS & FIGURES

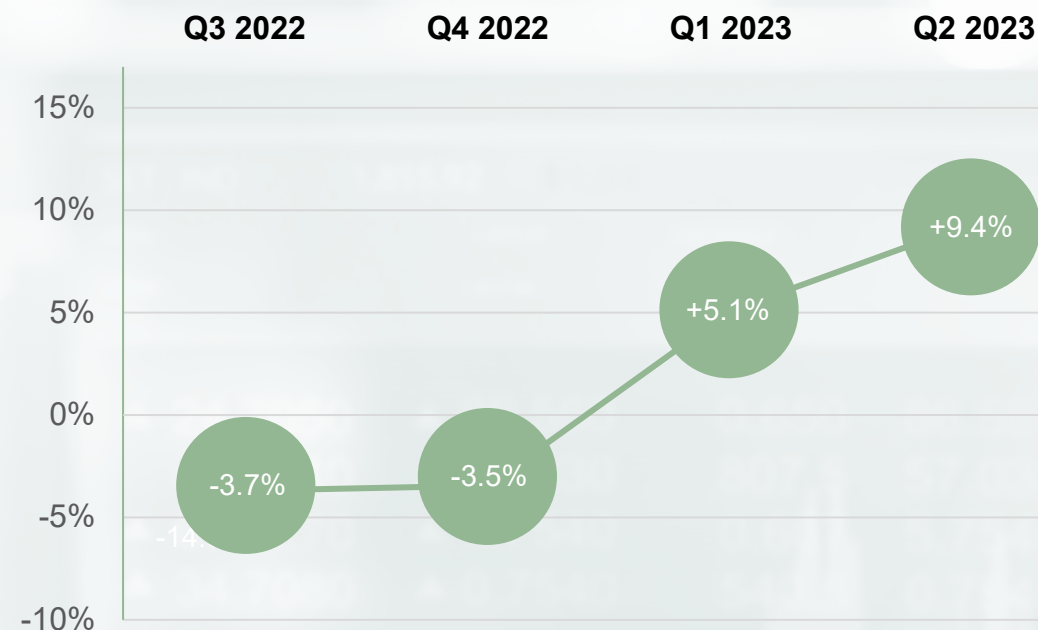
POSITIVE SALES TREND CONTINUES – GROWTH OF 9.4% COMPARED TO PY

Sales¹ development LR Group

Sales development Q2 2023 and YTD 2023 vs. PY, in EUR m



Quarterly sales vs. PY



(1) Sales as revenue from goods sold.

BREAKDOWN BY REGIONS RESTRUCTURED STRONG GROWTH IN WESTERN EUROPE INCLUDING LR'S HOME MARKET GERMANY

Sales¹ Q2 2023 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

+21.0%

in EUR m	
Q2 2023	Q2 2022
43.0	35.6

Region Central Eastern Europe²

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

-5.3%

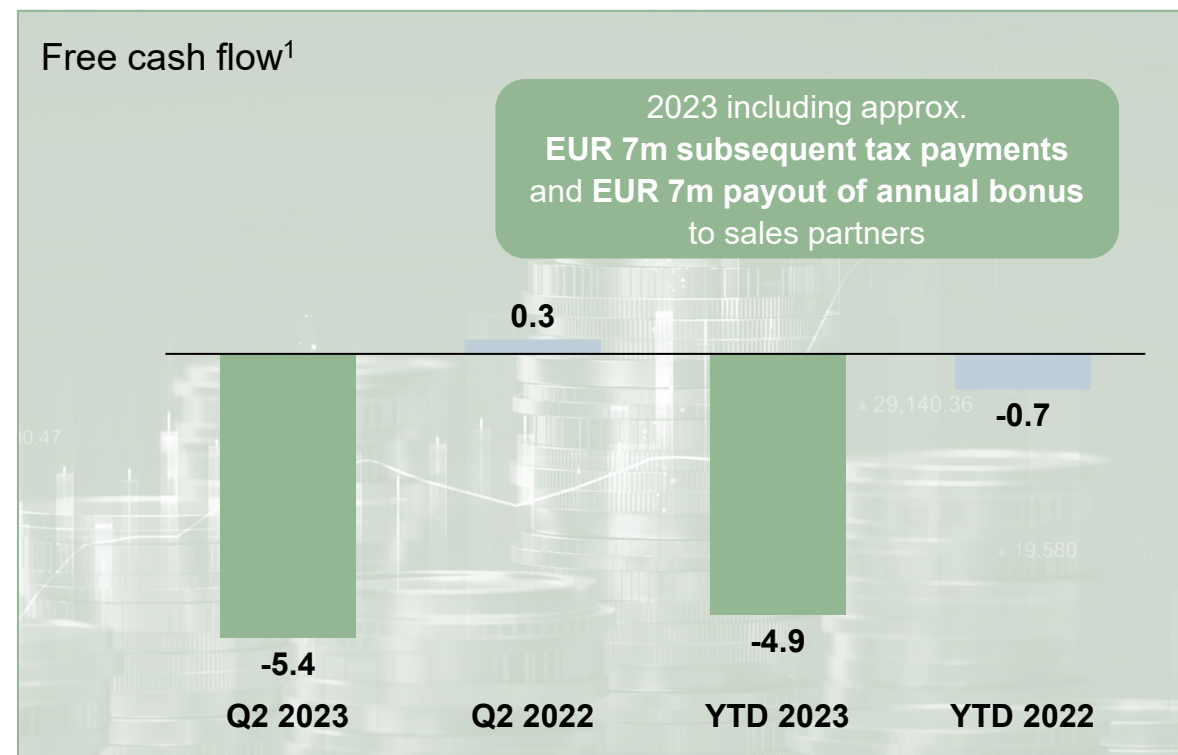
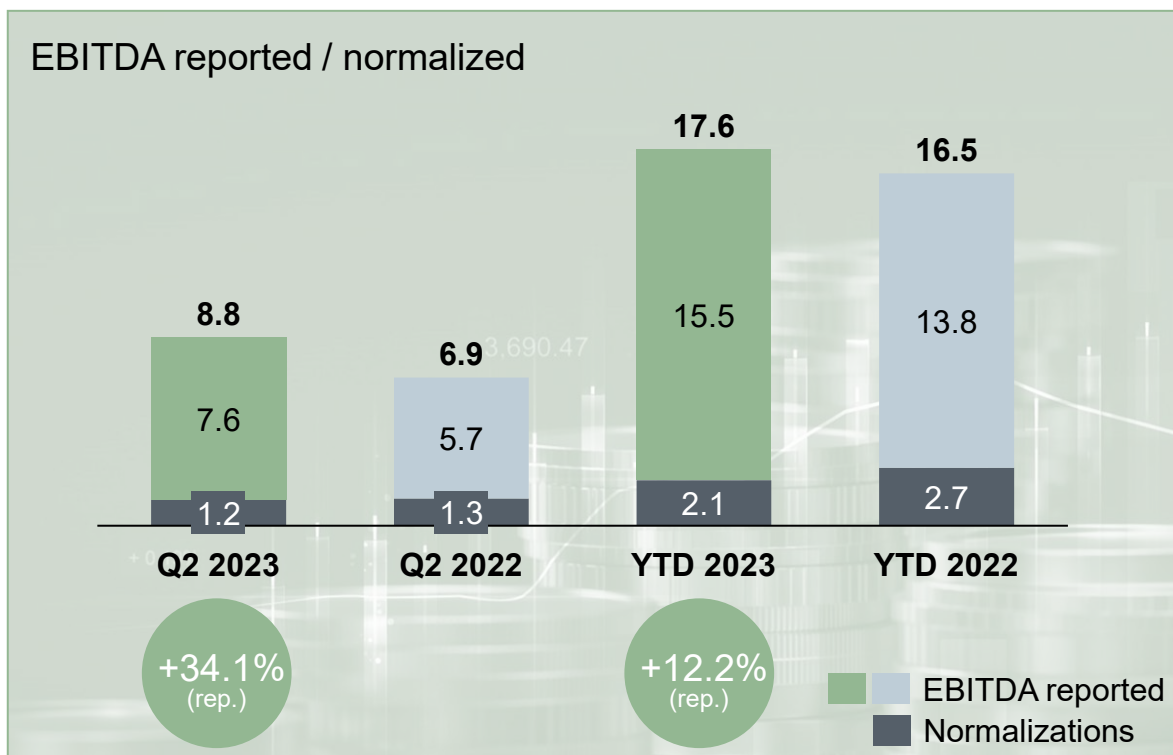
in EUR m	
Q2 2023	Q2 2022
25.3	26.8

(1) Sales as revenue from goods sold.

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

STRONG EBITDA FCF BURDENED BY SUBSEQUENT TAX PAYMENTS AND PAYOUT OF ANNUAL BONUS

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



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

INCREASED SALES LEAD TO POSITIVE DEVELOPMENT IN EBITDA

Unaudited consolidated interim statement of profit and loss (shortened)

<i>in EUR m</i>	Q2 2023	Q2 2022	Δ in %	YTD 2023	YTD 2022	Δ in %
Sales¹	68.9	63.0	+9.4%	140.9	131.5	+7.1%
Revenue	68.5	62.4	+9.8%	139.3	130.2	+7.0%
Changes in finished goods and work in progress	+1.2	-2.4		+1.7	-1.9	
Other operating income	+1.1	+10.7		+2.1	+14.1	
Cost of material	-13.4	-10.2	+32.3%	-27.2	-22.7	+19.9%
Personnel expenses	-13.1	-13.6	-3.6%	-26.6	-26.9	-1.4%
Other operating expenses	-36.6	-41.3	-11.4%	-73.8	-79.1	-6.6%
EBITDA	7.6	5.7	+34.1%	15.5	13.8	+12.2%
Exceptional items	1.2	1.3		2.1	2.7	
EBITDA normalized	8.8	6.9	+27.0%	17.6	16.5	+6.7%
<i>in % of sales</i>	<i>12.8%</i>	<i>11.0%</i>		<i>12.5%</i>	<i>12.5%</i>	

- Sales / revenue above previous year's level
- Other operating income lower than in previous year; H1 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 YTD 2023 of 18.1% decreased compared to PY (18.7%)
- Personnel and other operating expenses on track / continued tight cost management
- Strong EBITDA in H1 2023 compared to PY

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

EQUITY IMPROVED BY TOTAL COMPREHENSIVE INCOME

Unaudited consolidated interim statement of financial positions (shortened)

<i>in EUR m</i>	Jun. 30, 2023	Dec. 31, 2022	Δ in %
Non-current assets	147.0	148.8	-0.1%
Current assets	78.7	86.7	-9.2%
<i>thereof inventories</i>	30.3	25.8	+17.6%
<i>thereof cash</i>	23.5	39.1	-39.9%
Total assets	225.7	235.5	-4.2%
Equity	29.8	29.1	+2.5%
Non-current liabilities	146.8	148.4	-1.0%
<i>thereof liabilities from bonds</i>	125.1	124.6	+0.4%
<i>thereof liabilities from loans</i>	8.1	8.5	-4.7%
Current liabilities	49.1	58.0	-15.4%
<i>thereof liabilities from loans</i>	0.6	0.4	+61.0%
<i>thereof income tax liabilities</i>	1.9	7.6	-75.2%
Total equity and liabilities	225.7	235.5	+0.1%

- Inventories increased due to ongoing uncertainties in global supply chains
- Decrease in Cash compared to the exceptionally high level at the end of the year due to subsequent tax payments and payout of annual bonus to the sales partners
- Equity increased by total comprehensive income
- The book value of the bond corresponds to the issue amount of EUR 125.0m less discounted issue fees and plus accrued interest
- Tax liabilities significantly decreased due to subsequent tax payments for 2020 and 2021



03____ CORPORATE BOND

SUCCESSFUL MAINTENANCE TEST FOR Q2 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 **3.36** (3.28 as of March 31, 2023).
- Accordingly, the maintenance test is met for the relevant period (**4.50** covenant).
- **LR plans to start exploring corporate refinancing options in the second half of the year, including the Nordic bond maturing in February 2025.**

reference date	Jun. 30, 2023
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relevant period	Jul. 1, 2022 – Jun. 30, 2023
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in EUR m

net interest bearing debt ¹	125.349
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Group EBITDA ¹	37.282
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(1) Calculation as defined in clause 13.1 of the terms and conditions may differ from IFRS values.



04__ OUTLOOK

GREAT RESPONSE TO UPCOMING ON-SITE AND DIGITAL EVENTS IN FALL

- In September and October, LR will present **ON-SITE LIVE EVENTS**, Business Days and Power Days **IN 15 COUNTRIES**, and **DIGITAL EVENTS IN 8 MORE COUNTRIES**.
- Extremely high demand in advance ticket sales - **RECORD ATTENDANCE EXPECTED IN VARIOUS COUNTRIES**.
- **SEVERAL HIGHLIGHTS FOR SALES PARTNERS** will be announced, including a **NEW PRODUCT LAUNCH WITH BLOCKBUSTER POTENTIAL**.



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 still 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.
- Next update will be provided with the publication of the reporting for the third quarter of 2023.



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