



HEALTH & BEAUTY

INVESTOR CONFERENCE

Q3 2022

LR HEALTH & BEAUTY GROUP
NOVEMBER 30, 2022



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CONTENT

01_BUSINESS HIGHLIGHTS

02_FACTS & FIGURES

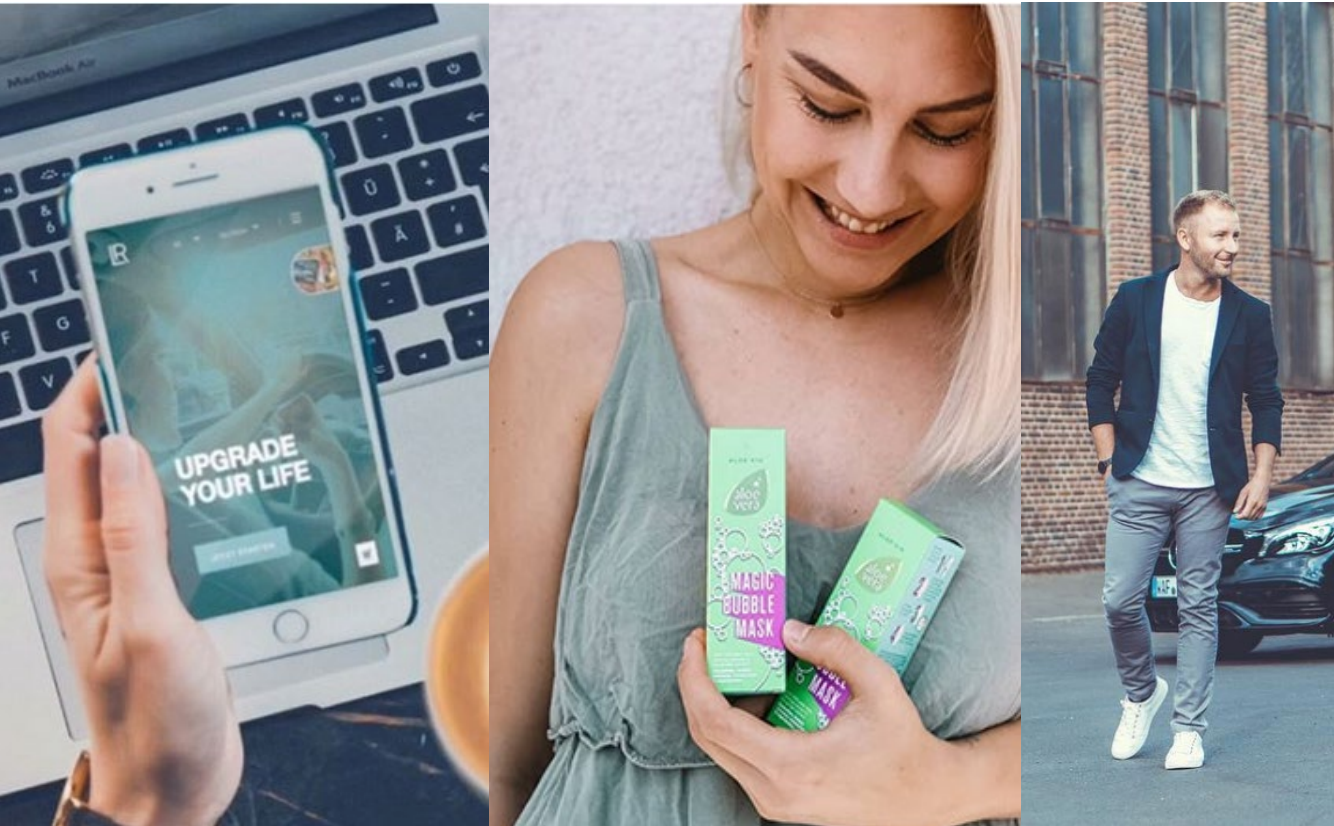
03_CORPORATE BOND

04_OUTLOOK



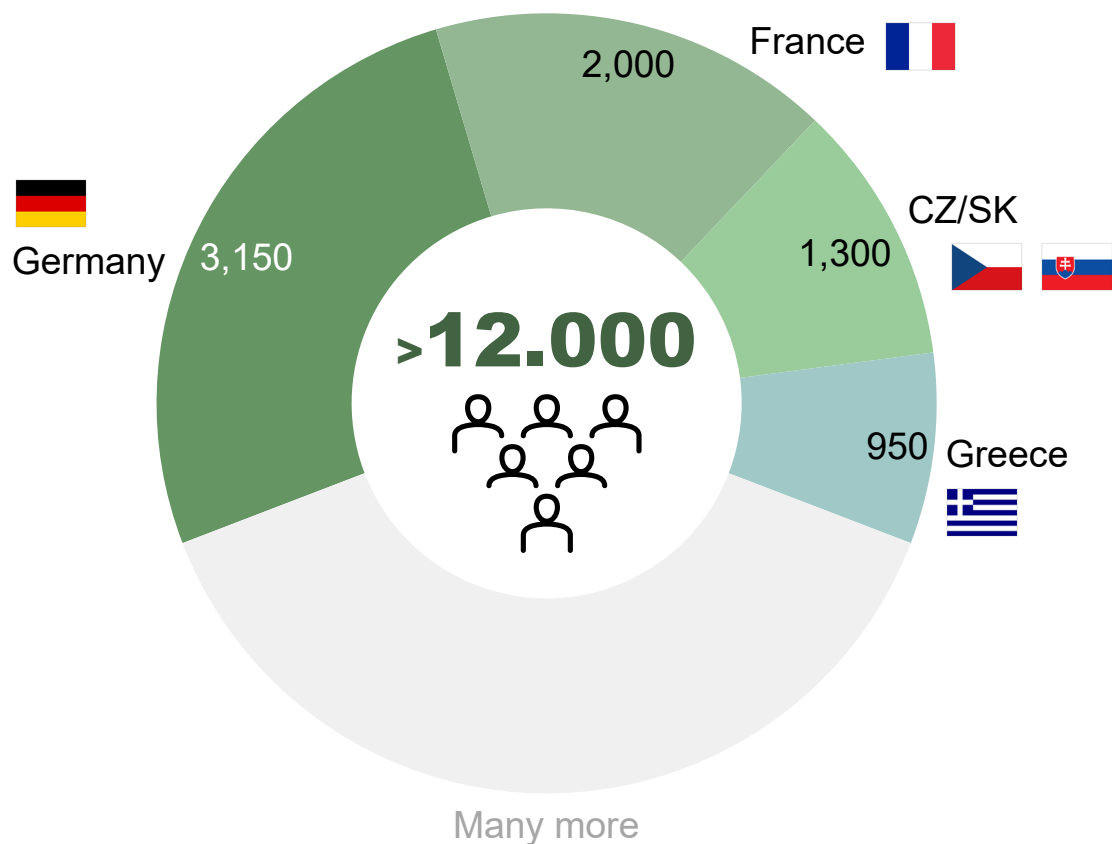


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01__ BUSINESS HIGHLIGHTS

SEPTEMBER BUSINESS DAYS WITH MORE THAN 12,000 PARTICIPANTS



GREAT EMOTIONS AND FULL FOCUS ON BUSINESS OPPORTUNITIES



ZEITGARD PRO



(1) Cosmetic device for home use with interchangeable attachments, patent pending in Germany: Patent no.: 10 2022 200 747.6



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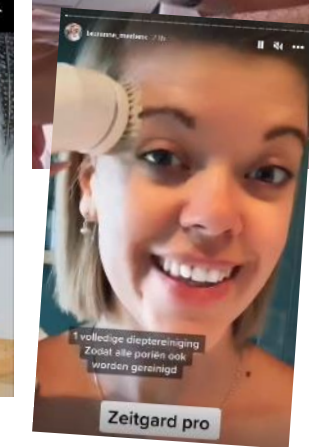
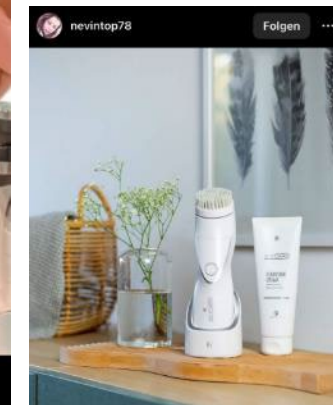
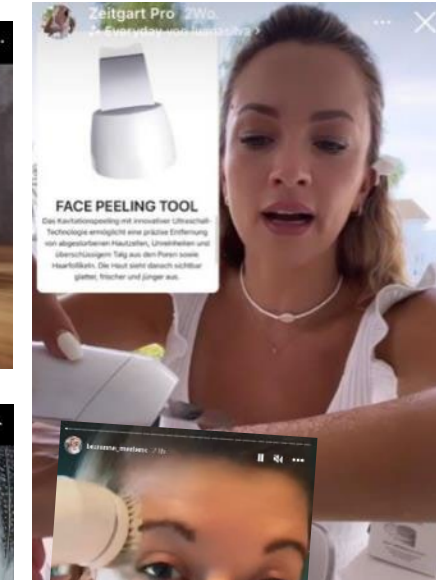
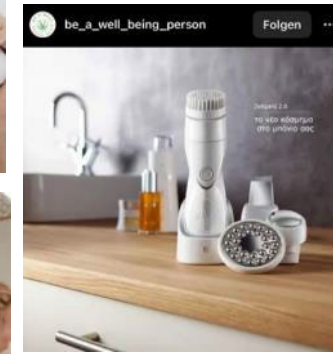
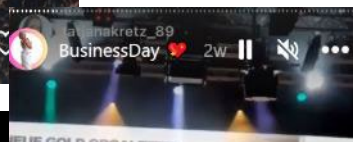
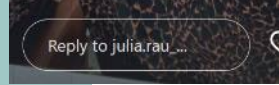
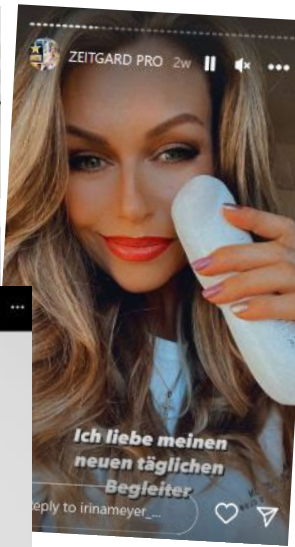
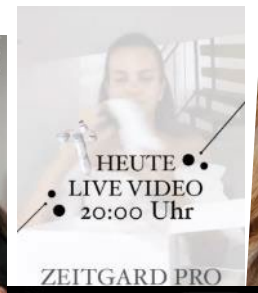
MOST SUCCESSFUL LAUNCH IN LR'S HISTORY!

- ☞ **4in1 technology**
*Innovative, patent-pending¹
high-tech device*
- ☞ **Professional institute
cosmetics** for home use
- ☞ **over 20,000 devices**
already in use!



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ZEITGARD PRO WITH STRONG SOCIAL MEDIA ECHO

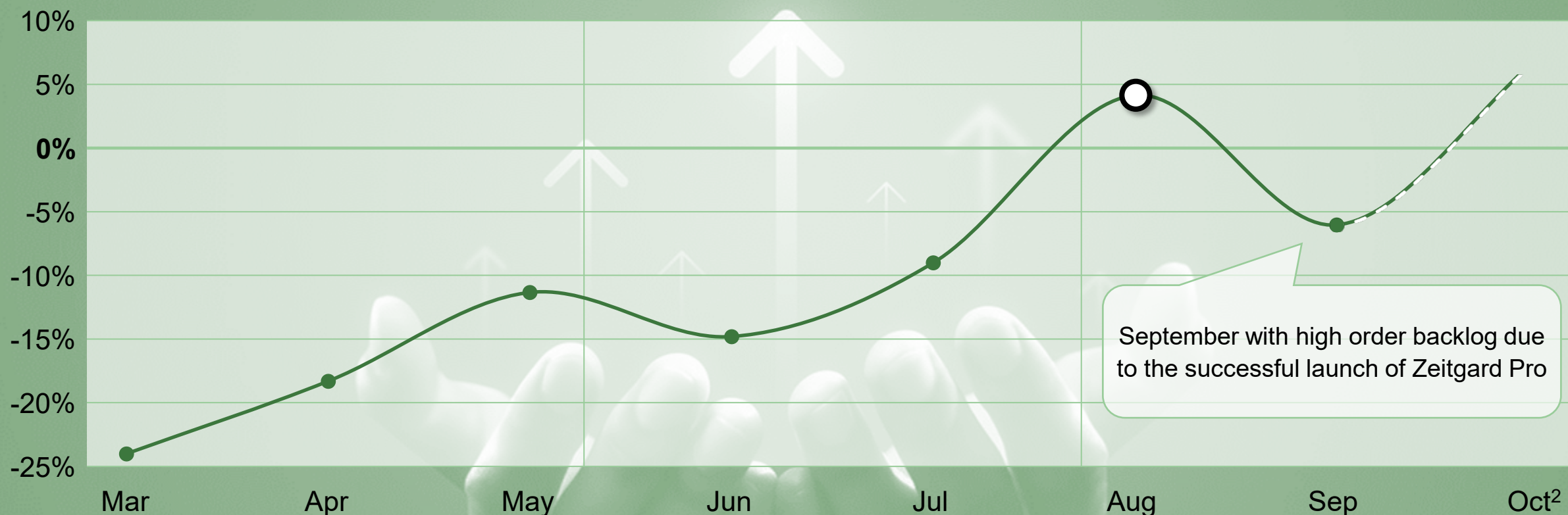




02_ **FACTS & FIGURES**

IMPROVING SALES TREND AFTER DRASTIC CHANGE WITH OUTBREAK OF THE WAR

Sales¹ development LR Group, Delta month 2022 vs. 2021 in %



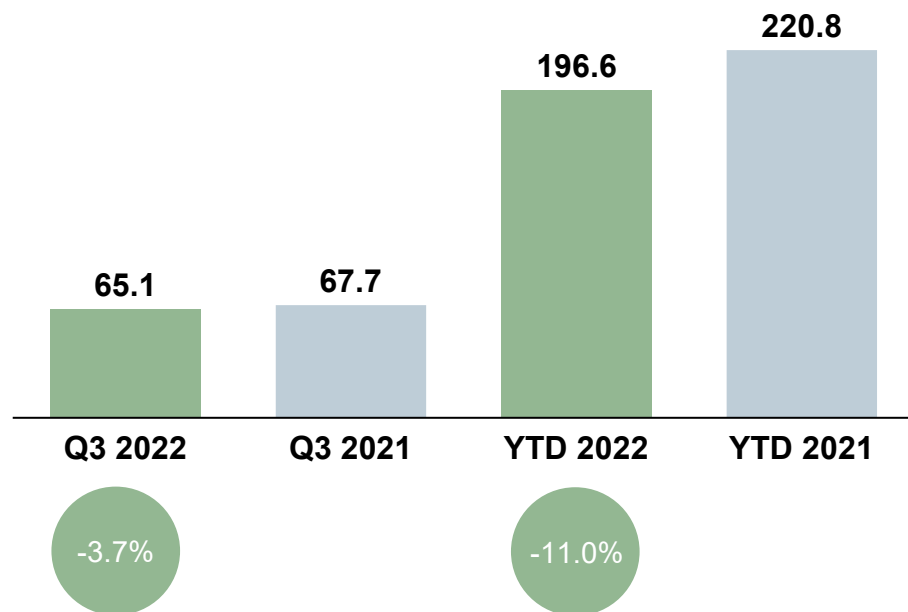
(1) Sales as revenue from goods sold

(2) October sales preliminary

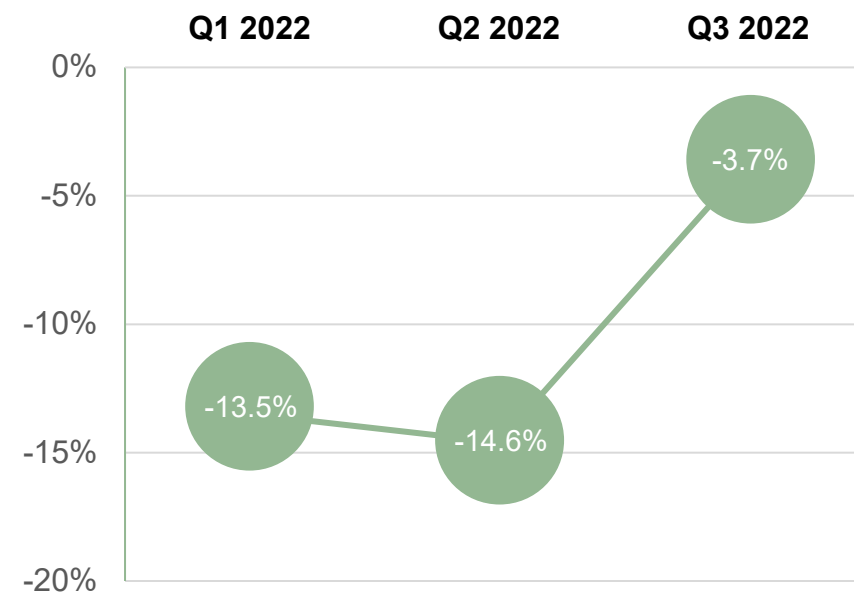
SALES GAP VS. PRIOR YEAR COULD BE FURTHER REDUCED IN THE THIRD QUARTER

Sales¹ development LR Group

Sales development Q3 and YTD 2022 vs. PY, in EUR m



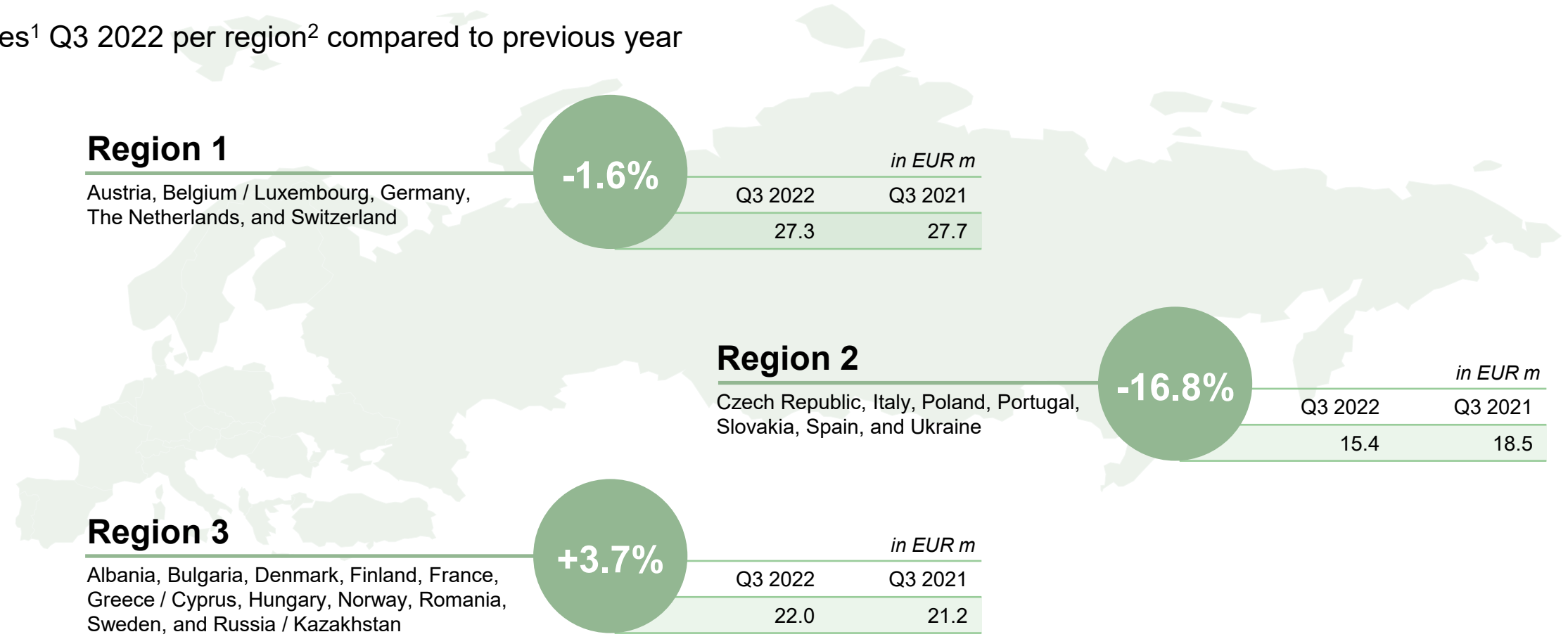
Quarterly sales 2022 vs. previous year



(1) Sales as revenue from goods sold

REGION 1 INCLUDING LR'S HOME MARKET GERMANY ON THE LEVEL OF PRIOR YEAR

Sales¹ Q3 2022 per region² compared to previous year



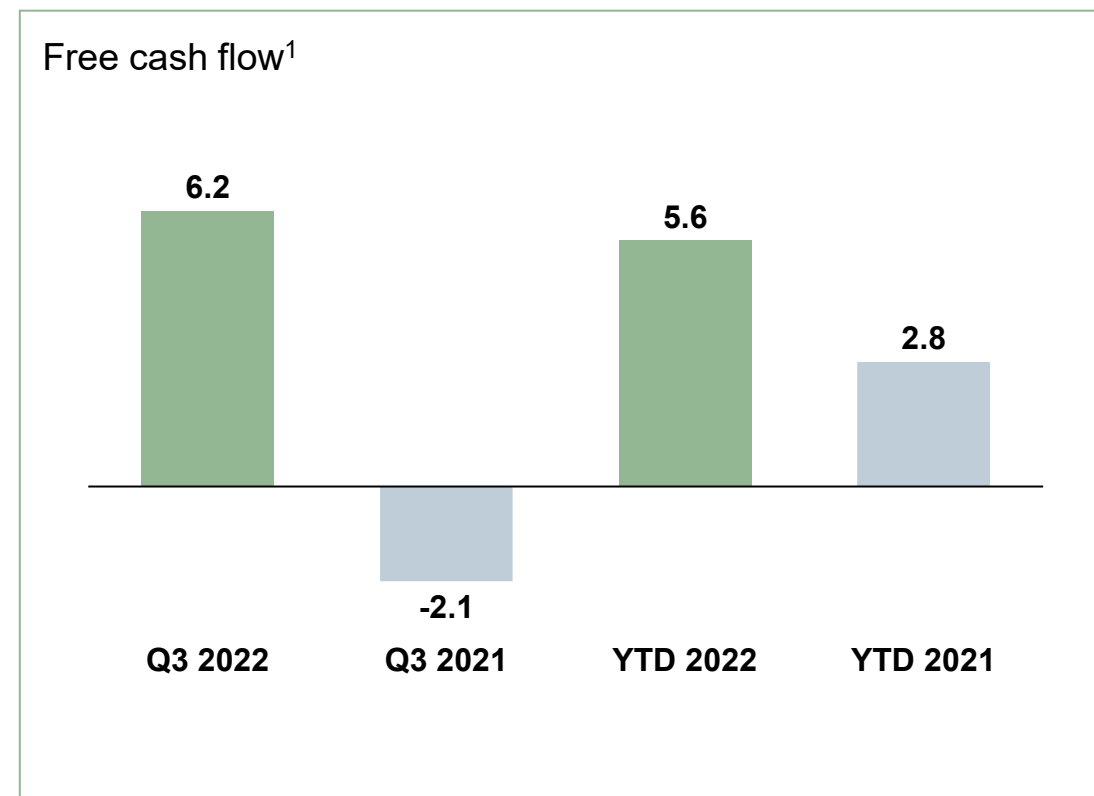
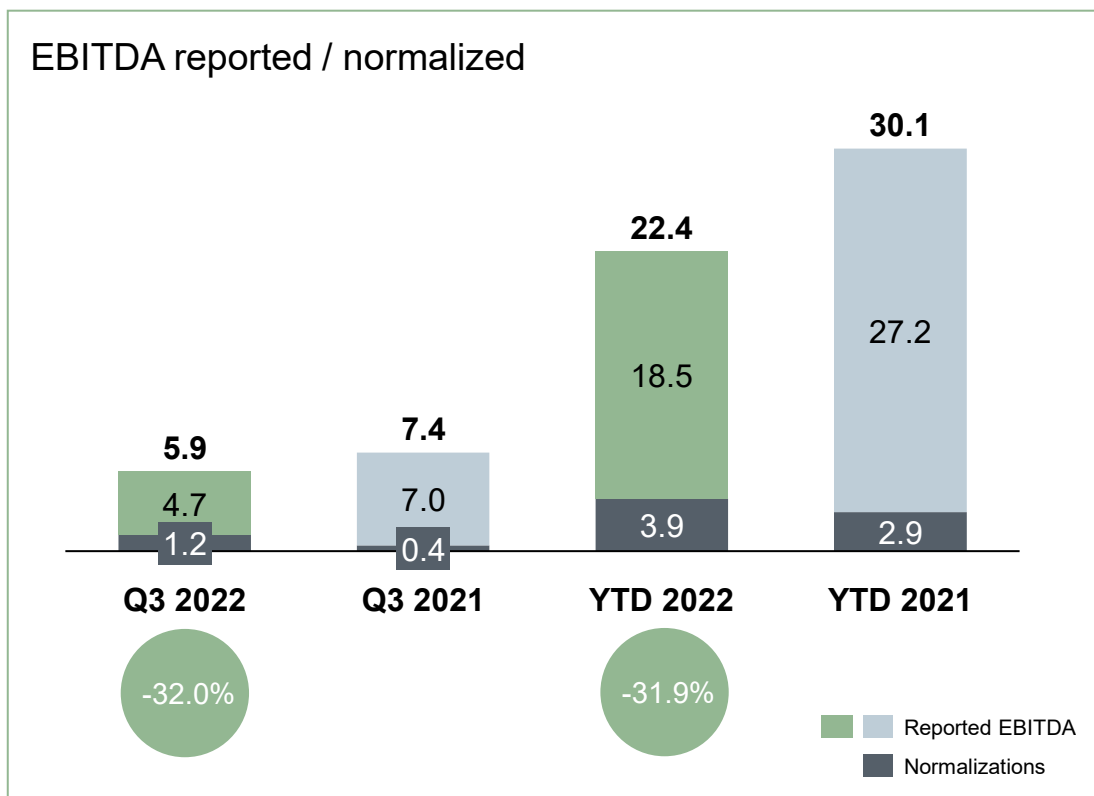
(1) Sales as revenue from goods sold

(2) The breakdown by regions has changed in 2022

For comparison purposes, the sales of the previous year's quarter are calculated with the current breakdown

LOWER EBITDA DUE TO DECREASED SALES AND IT PROJECT COST - FCF DESPITE SALES REDUCTION ABOVE PY

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



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

EBITDA IMPACTED BY SALES DECREASE AND PROJECT COSTS FOR NEW IT INFRASTRUCTURE

Unaudited consolidated interim statement of profit and loss (shortened)

<i>in EUR m</i>	Q3 2022	Q3 2021	Δ in %	YTD 2022	YTD 2021	Δ in %
Revenue	64.6	67.3	-4.0%	194.8	217.6	-10.5%
Changes in finished goods and work in progress	-0.9	+1.7		-2.9	5.5	
Other operating income	1.9	1.1		16.0	4.7	
Cost of material	-11.3	-13.9	-19.0%	-33.9	-43.4	-21.8%
Personnel expenses	-12.9	-13.4	-3.6%	-39.8	-40.6	-1.8%
Other operating expenses	-36.6	-35.8	2.3%	-115.7	-116.6	-0.8%
EBITDA	4.7	7.0	-32.0%	18.5	27.2	-31.9%
Exceptional items	1.2	0.4		3.9	2.9	
EBITDA normalized	5.9	7.4	-19.4%	22.4	30.1	-25.5%
<i>in % of revenue</i>	9.2%	11.0%		11.5%	13.8%	

- The gap in revenue compared to previous year could be reduced to -4.0% in Q3
- Ratio of sum of material costs and changes in finished goods and work in progress to the revenue increased in Q3 to 18.9% (PY: 18.1%)
- Other operating expenses burdened by costs for Greenfield project (new ERP and eShop) in Q3
- EBITDA (rep.) decreased compared to prior year mainly due to lower sales and costs for implementation of new IT infrastructure in Q3

NO MATERIAL CHANGES ON BALANCE SHEET WHILE CASH LEVEL STAYS COMFORTABLE

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

<i>in EUR m</i>	Sep. 30, 2022	Dec. 31, 2021	Δ in %
Non-current assets	145.0	149.3	-2.9%
Current assets	85.5	81.7	+4.6%
<i>thereof inventories</i>	30.3	29.6	+2.4%
<i>thereof cash</i>	30.4	30.0	+1.2%
Total assets	230.4	231.0	-0.3%
Equity	27.6	29.5	-6.4%
Non-current liabilities	146.6	139.1	+5.4%
<i>thereof liabilities from bonds</i>	124.2	123.7	
<i>thereof borrowings</i>	8.6	0	
Current liabilities	56.2	62.4	-9.9%
<i>thereof borrowings</i>	0.4	0	
<i>thereof trade payables</i>	28.1	33.4	-16.0%
Total equity and liabilities	230.4	231.0	-0.3%

- Continuing high inventory level due to disruptions of global supply chains and in order to prevent stock-outs
- Cash level slightly increased
- Equity slightly decreased due to the YTD negative total comprehensive income
- Liabilities from the SLB agreement for the HQ building are shown in the position borrowings (EUR 8.6m non-current + EUR 0.4m current)
- The book value of the bond corresponds to the issue amount of EUR 125.0m less discounted issue fees
- Trade payables decreased by EUR -5.3m, mainly due to payout of the annual bonus in April



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03__

CORPORATE BOND

SUCCESSFUL MAINTENANCE TEST FOR Q3 2022

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 **3.82** (3.61 as per June 30, 2021)
- Accordingly, the maintenance test is met for the relevant period (**4.50** covenant)

reference date	September 30, 2022
relevant period	Oct 1, 2021 – Sep 30, 2022
	<i>in EUR m</i>
net interest bearing debt ¹	120.792
Group EBITDA ¹	31.591

(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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CHRISTMAS BUSINESS 2022

DISCOVER LR'S MAGICAL WORLD OF CHRISTMAS NOW!



Believe
in the
Magic
of
Christmas



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**NEW &
LIMITED**

**ATTRACTIVE
SETS**

**AND MUCH
MORE
FOR
CHRISTMAS**



OUTLOOK FULL YEAR 2022



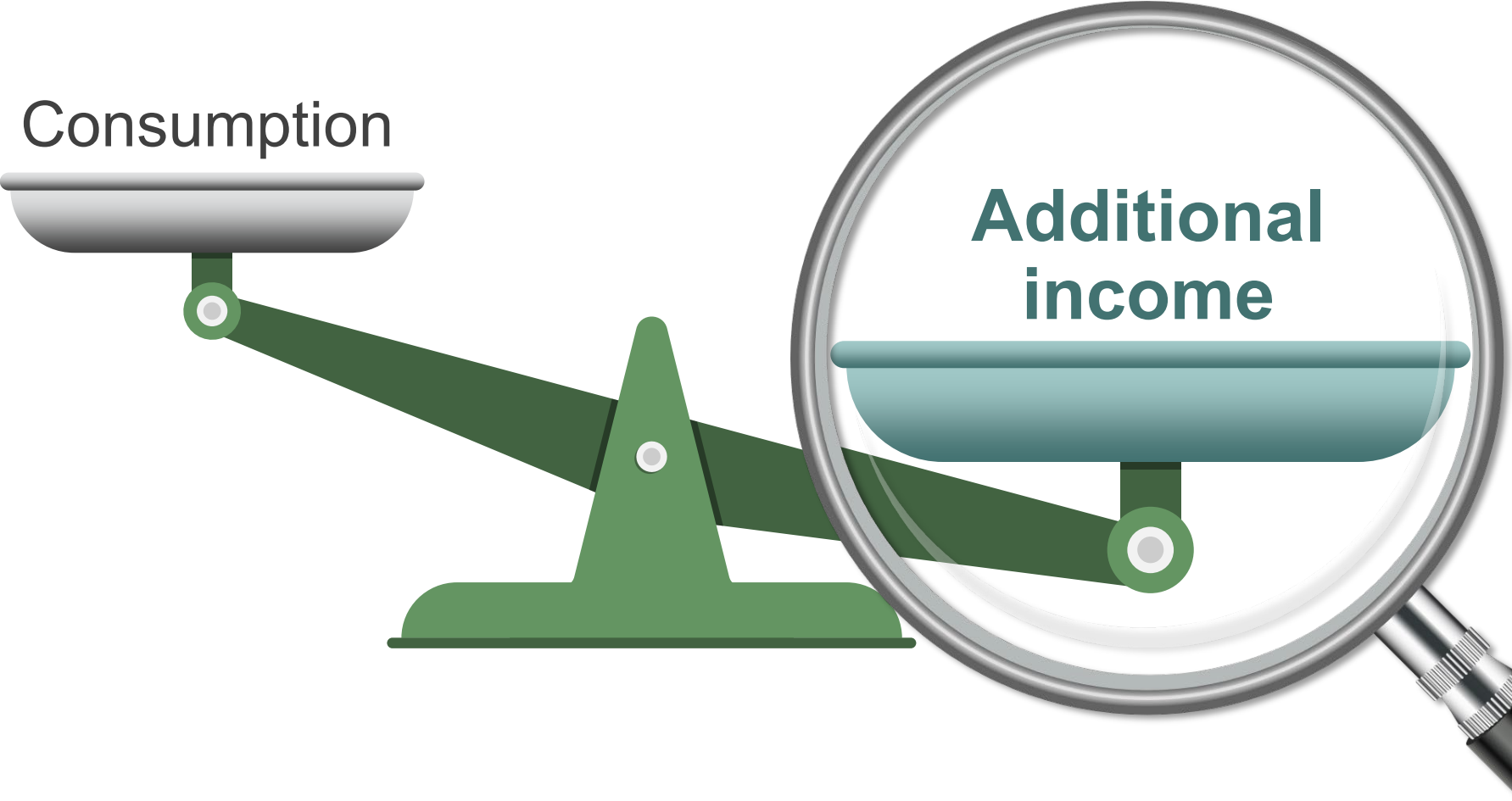
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- For the full year 2022, the LR Group specified **sales** forecast to the range of **EUR 265 million to EUR 270 million**
- Furthermore, forecast for **EBITDA reported** can be specified to the range of **EUR 24 million to EUR 30 million**
- This forecast is based on the assumption that the effects of the war in Ukraine and inflation or other unforeseeable disruptions in the final months of the year will not lead to any significant unexpected impacts on LR Group's business

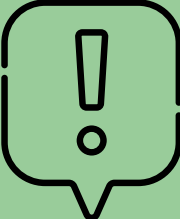


OUTLOOK 2023

LR's income opportunity boosted by dilution of people's income



In 2023 LR will focus on promotion of income opportunity while keeping the consumption high



MORE QUALITY
for your life.