



HEALTH & BEAUTY

# INVESTOR CONFERENCE

## Q4 2022

LR HEALTH & BEAUTY GROUP  
FEBRUARY 28, 2023





## **CONTENT**

**01\_BUSINESS HIGHLIGHTS**

**02\_FACTS & FIGURES**

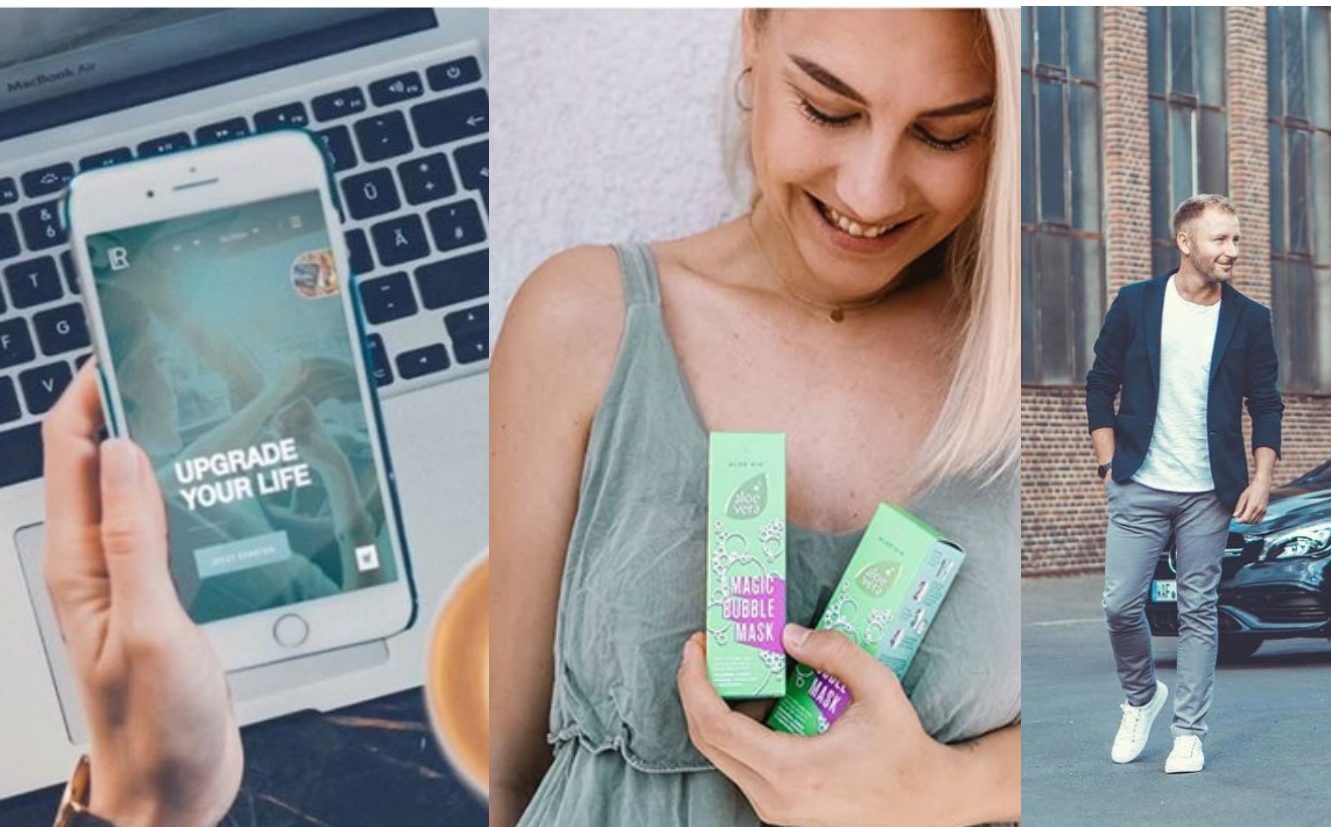
**03\_CORPORATE BOND**

**04\_OUTLOOK**





HEALTH & BEAUTY



# 01\_\_ BUSINESS HIGHLIGHTS



**CHRISTMAS BUSINESS  
SATISFACTORY IN 2022  
DESPITE SIGNIFICANTLY  
WEAKER OVERALL  
CONSUMER SENTIMENT**



**More than kEUR 200 for  
Charity LR Global Kids Fund  
from Christmas Business**

Believe  
in the  
*Magic*  
of  
Christmas



# ZEITGARD PRO



## SUCCESS STORY CONTINUES

- ]] *Ongoing excitement accompanied by further strong sales numbers*
- ]] *Boosting career development of partners, leaders, and top leaders*
- ]] *German Design Award 2023 in the category “Bath and Wellness”*



# NEW FAST TRACK BONUS LAUNCHED IN Q4 WITH FULL FOCUS ON BUSINESS OPPORTUNITY



HEALTH & BEAUTY

## FAST TRACK

## FACE YOUR FUTURE

*New ways start with a new you!*

More than  
**2,500** partners  
already improved  
their career level  
supported by new  
Fast Track

up to €30,000 bonus<sup>1</sup>

plus car bonus

plus trade margin

1) Depending on career level:  
Junior Manager up to €3,000  
Junior Team leader up to €12,000  
Orga leader Level 1 up to €24,000  
Orga leader Level 2 up to €30,000





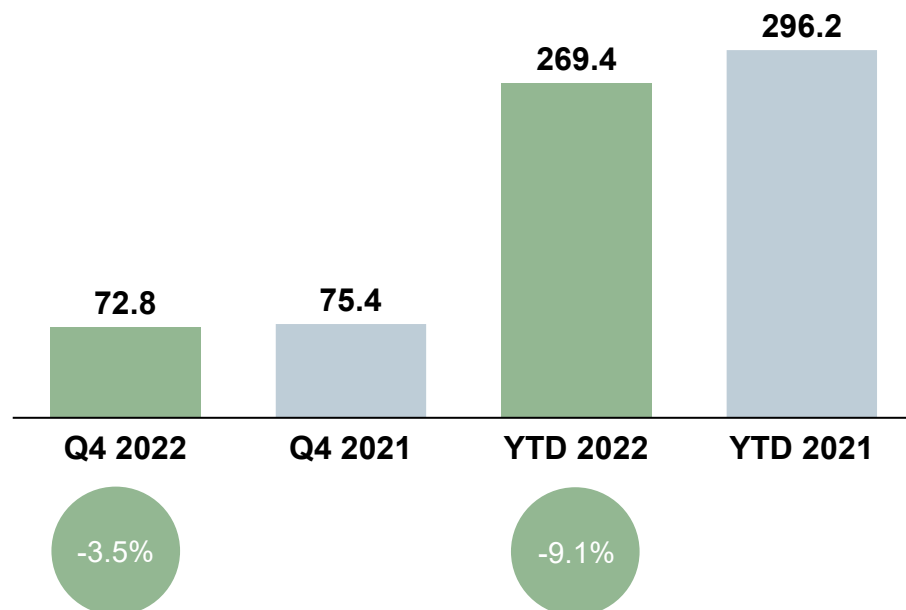
## 02\_\_\_\_ FACTS & FIGURES



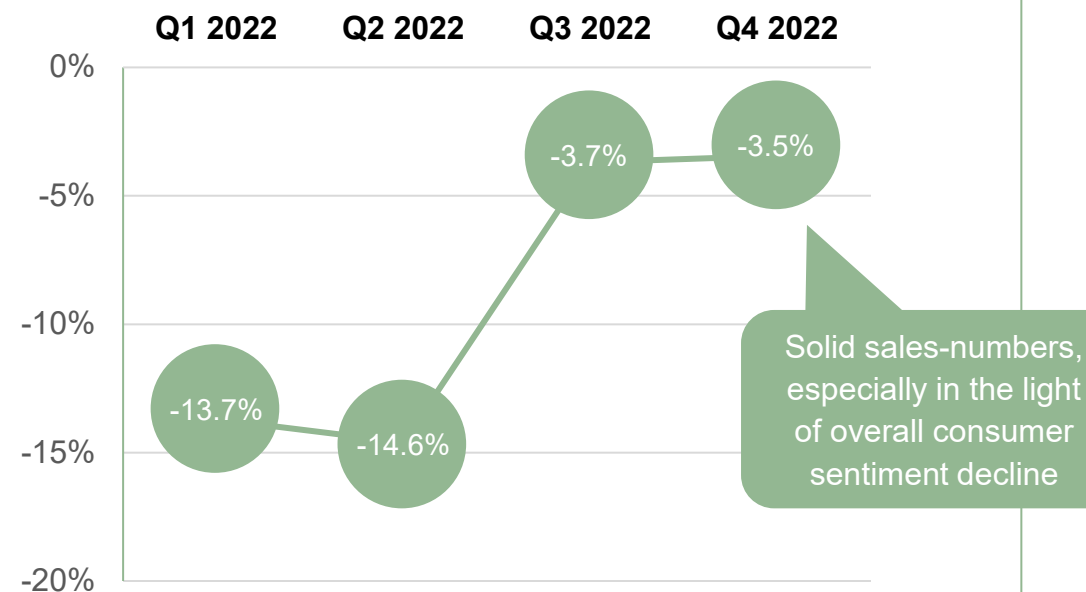
# Q4 2022 SALES NEAR TO THE LEVEL OF THE RECORD YEAR 2021

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

Sales development Q4 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 GROWING AGAIN IN Q4 2022

Sales<sup>1</sup> Q4 2022 per region<sup>2</sup> compared to previous year

### Region 1

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

+4.1%

in EUR m

Q4 2022

Q4 2021

32.5

31.2

### Region 2

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

-21.6%

in EUR m

Q4 2022

Q4 2021

15.9

20.3

### Region 3

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

-1.3%

in EUR m

Q4 2022

Q4 2021

23.2

23.5

(1) Sales as revenue from goods sold

(2) The breakdown by regions has changed in 2022

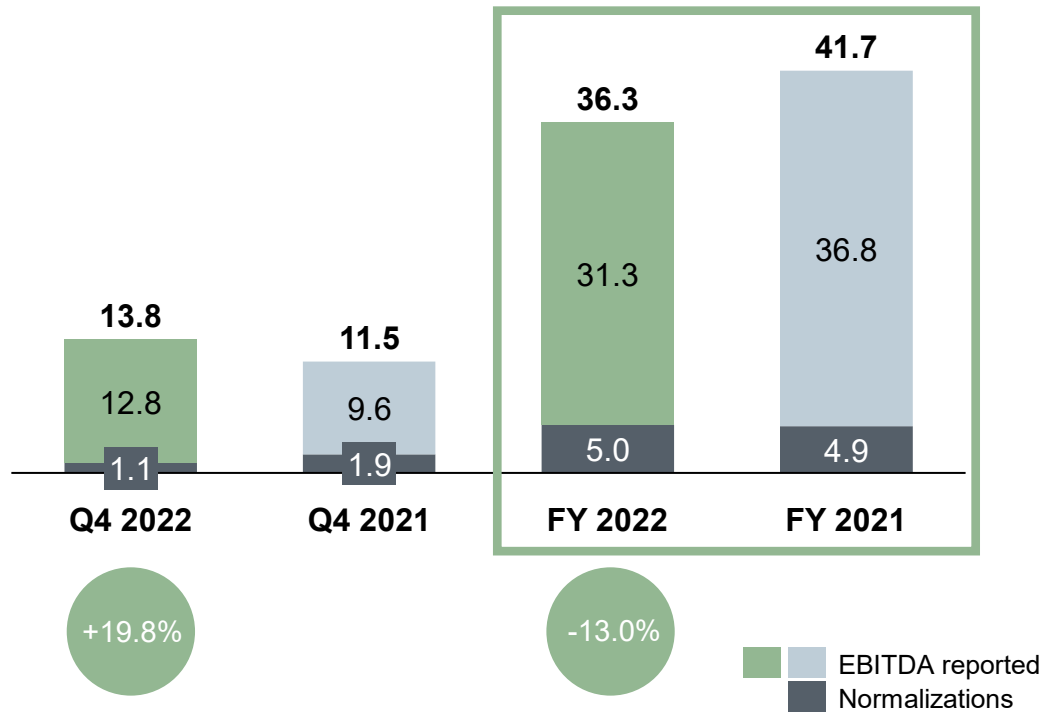
For comparison purposes, the sales of the previous year's quarter are calculated with the current breakdown



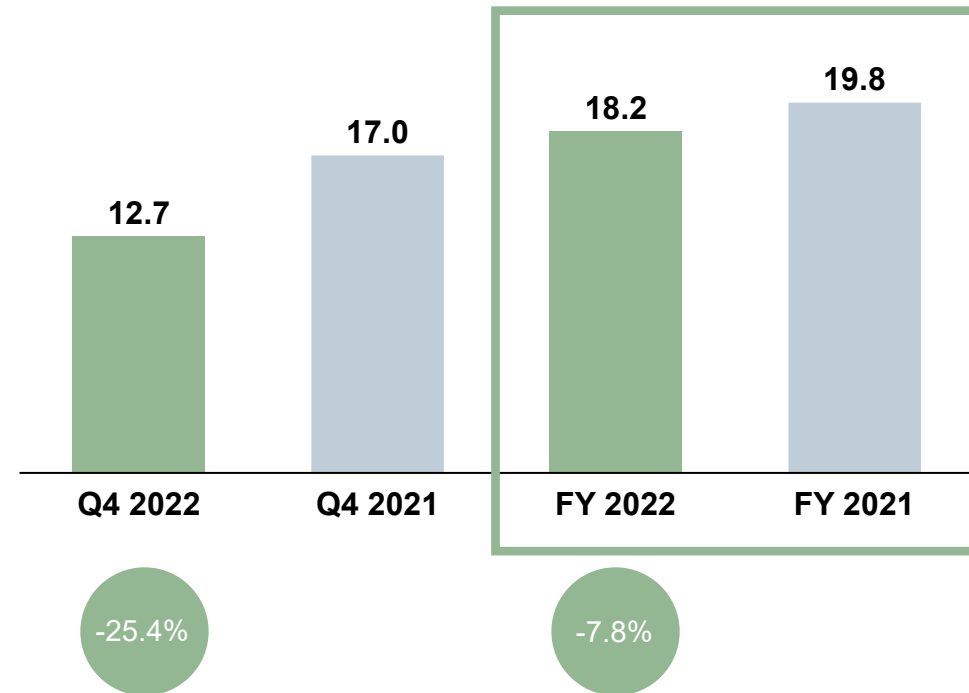
# HIGH LEVEL OF EBITDA AND FREE CASH FLOW IN 2022

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

### EBITDA reported / normalized



### Free cash flow<sup>1</sup>



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



# P&L SHOWING STRONG PERFORMANCE IN THE LAST QUARTER 2022

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

<i>in EUR m</i>	<b>Q4 2022</b>	<b>Q4 2021</b>	<b>Δ in %</b>	<b>FY 2022</b>	<b>FY 2021</b>	<b>Δ in %</b>
Revenue	73.5	75.4	-2.5%	268.3	292.9	-8.4%
Changes in finished goods and work in progress	+0.4	-1.7		-2.4	+3.7	
Other operating income	+5.6	+3.9		+21.6	+8.6	
Cost of material	-15.0	-13.6	+11.0%	-49.0	-56.9	-14.0%
Personnel expenses	-12.8	-13.6	-5.6%	-52.7	-54.2	-2.7%
Other operating expenses	-38.9	-40.8	-4.7%	-154.6	-157.5	-1.8%
<b>EBITDA</b>	<b>12.8</b>	<b>9.6</b>	<b>+32.9%</b>	<b>31.3</b>	<b>36.8</b>	<b>-15.0%</b>
Exceptional items	1.1	1.9		5.0	4.9	
<b>EBITDA normalized</b>	<b>13.8</b>	<b>11.5</b>	<b>+19.8%</b>	<b>36.3</b>	<b>41.7</b>	<b>-13.0%</b>
<i>in % of revenue</i>	<i>18.8%</i>	<i>15.3%</i>		<i>13.5%</i>	<i>14.2%</i>	

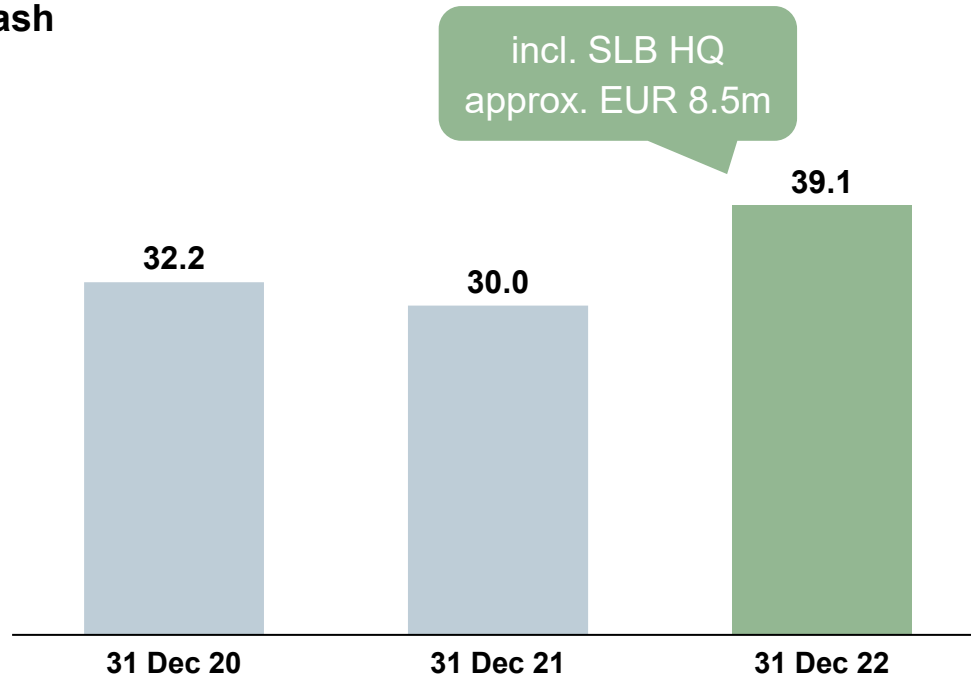
- The gap in revenue compared to previous year was reduced to -2.5% in Q4
- Ratio of sum of material costs and changes in finished goods and work in progress to the revenue in Q4 of 19.9% slightly decreased compared to PY (20.2%)
- Other operating income impacted by gains from currency exchange, thereof EUR 2.4 million first application of IAS29
- Personnel and other operating expenses on track / tight cost management continuing
- Strong EBITDA in Q4, nevertheless decreased in full year compared to prior year mainly due to lower sales



# STRONG CASH LEVEL IN DEC 2022 – SUPPORTED BY NEW SALE AND LEASE BACK AGREEMENT

## Cash development LR Group, EUR m

### Cash



High cash outflows in Q1 and Q2 2023 expected



- Tax payments approx. EUR 8m
- Annual bonus sales partner approx. EUR 7m
- Expected increased inventory level



# REDUCED INVENTORIES DUE TO SELL-OFFS AND TIGHT MANAGEMENT

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

<i>in EUR m</i>	<b>Dec. 31, 2022</b>	<b>Dec. 31, 2021</b>	<b>Δ in %</b>
Non-current assets	148.8	149.3	-0.3%
Current assets	86.7	81.7	+6.1%
<i>thereof inventories</i>	25.8	29.6	-12.9%
<i>thereof cash</i>	39.1	30.0	+30.3%
Total assets	235.5	231.0	+1.9%
Equity	29.1	29.5	-1.5%
Non-current liabilities	147.3	139.1	+6.0%
<i>thereof liabilities from bonds</i>	124.6	123.7	
<i>thereof borrowings</i>	8.5	0	
Current liabilities	59.1	62.4	-5.4%
<i>thereof borrowings</i>	0.4	0	
<i>thereof income tax liabilities</i>	7.6	6.7	+14.1%
Total equity and liabilities	235.5	231.0	+1.9%

- Inventories reduced significantly due to sell-offs and tight management
- Strong cash level
- Equity stable compared to prior year
- Borrowings showing the liabilities of the new 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
- Increased tax liabilities, majority payable in H1 2023





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



# SUCCESSFUL MAINTENANCE TEST FOR Q4 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 **3.11** (3.82 as per September 30, 2022)
- Accordingly, the maintenance test is met for the relevant period (**4.50** covenant)

reference date	December 31, 2022	
relevant period	Jan 1, 2022 – Dec 31, 2022	
		<i>in EUR m</i>
net interest bearing debt <sup>1</sup>		111.677
Group EBITDA <sup>1</sup>		35.869

(1) Calculation as defined in clause 13.1 of the terms and conditions may differ from IFRS values





HEALTH & BEAUTY



## 04\_\_ OUTLOOK



# GUIDANCE FULL YEAR 2022 CONFIRMED

- For the full year 2022, the LR Group specified **sales** forecast to the range of **EUR 265 million to EUR 270 million**



**Guidance confirmed at the upper end at EUR 269.4 million**

- Furthermore, forecast for **EBITDA reported** specified to the range of **EUR 24 million to EUR 30 million**



**Guidance exceeded at EUR 31.3 million**





# KICK-OFF MEETINGS 2023

## PRESENTATION OF NEW FIGU*ACTIVE*





# THE NEW FIGU*ACTIVE* PRODUCTS

## SUCCESSFUL LAUNCH IN JANUARY 2023



(1) Except bars. Bars are vegetarian / (2) Except tomato soup / (3) Except bars / (4) Except flakes



# EXPECTING SALES IN Q1 2023 AT PRIOR YEAR'S LEVEL

- LR and its sales partners started 2023 with great spirit and momentum – a promising beginning of the new year. Nevertheless, in January and February 2023, LR has to compare itself with strong prior year sales – recorded before the outbreak of the war in Ukraine.
- The outlook for the full year 2023 will be subject to comment with the publication of the Annual Report 2022.





**MORE QUALITY**  
*for your life.*