

LEONI



Analyst & Investor Conference

2018

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LEONI

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2017 at a glance

A successful year

Targets exceeded

- › Record sales of Euro 4.9 billion generated
- › EBIT almost tripled to Euro 225 million
- › Free cash flow turned positive to Euro 11 million

Increased confidence on the capital market

- › Share price up 84 percent
- › Outperformance of market and peer group
- › Significantly increased dividend proposal

Group strategy aligned to future trends

- › Positioning as solutions and systems provider
- › Focus on product and process innovations
- › Progress of the ONE LEONI transformation programme

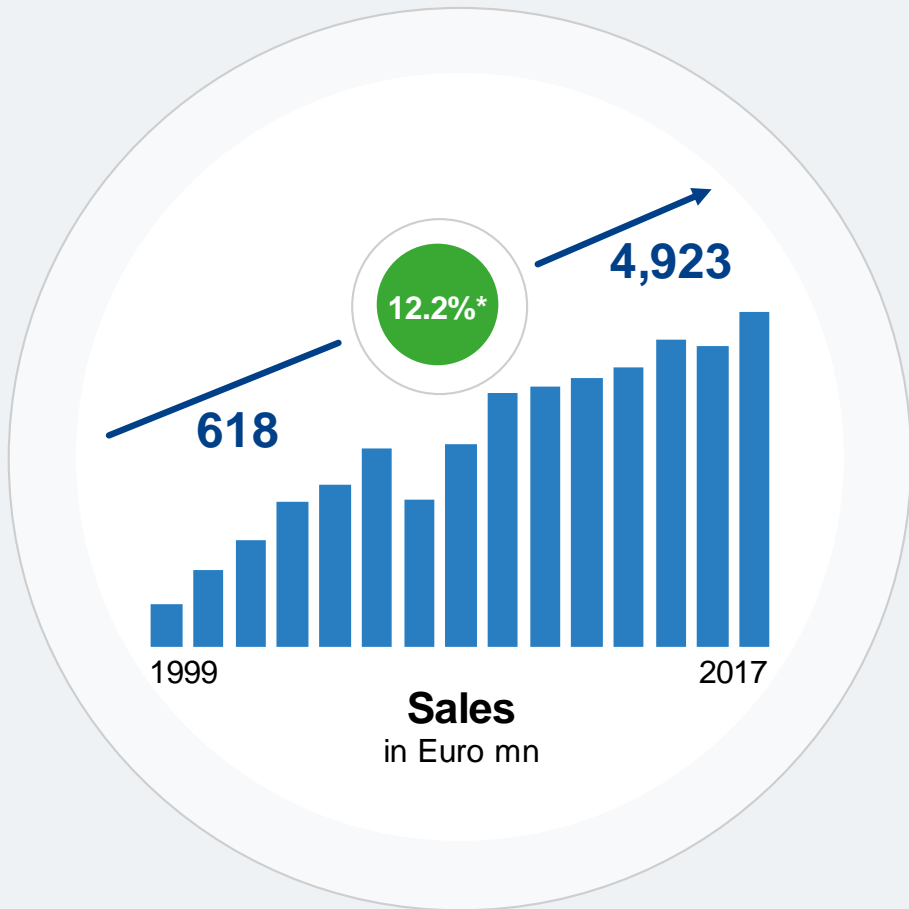


**EBIT
margin**
increases
from 1.8%
to 4.6%



2017 at a glance

Ready for the future in energy and data management



* CAGR: compound annual growth rate

Leading position in key target markets

- › No. 1 in Europe for wiring systems (No. 4 globally)
- › No. 1 worldwide for special automotive cables
- › No. 3 in Europe among cable manufacturers

Worldwide provider of system solutions

- › Intelligent cable solutions from a single source
- › Pacemaker for future standards
- › Focus on growth markets
- › Global production network

Beneficiary of the energy & data megatrends

- › Electrification
- › Connectivity
- › Autonomous driving
- › Digitalization

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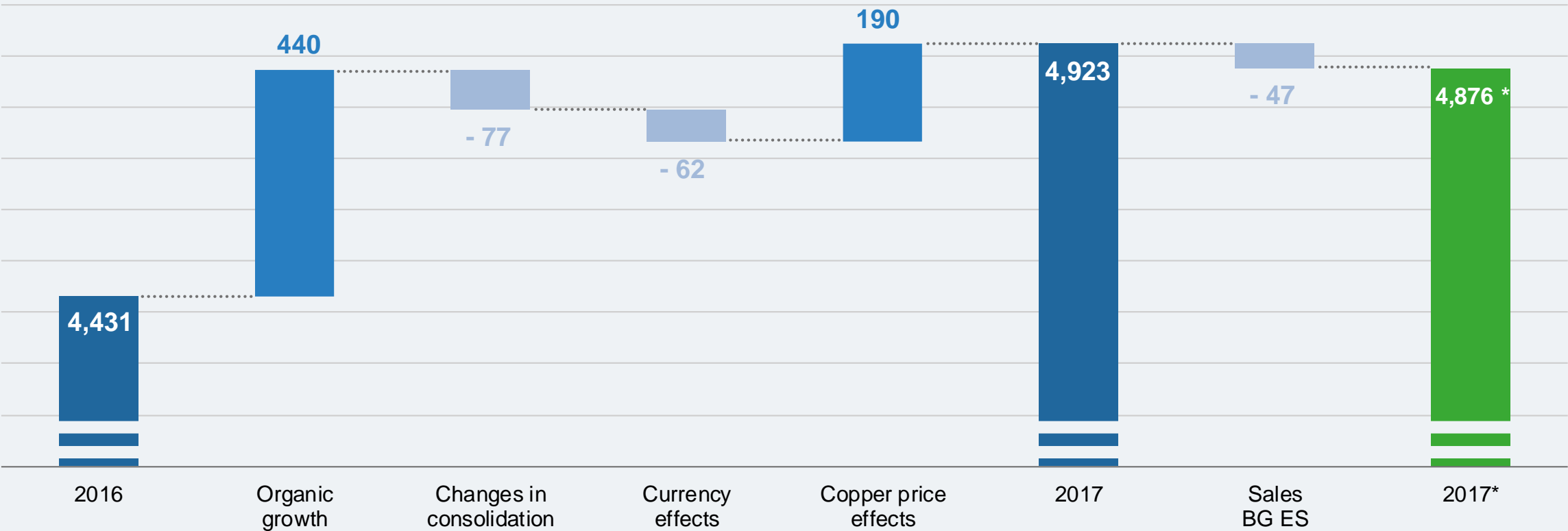
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› Questions & Answers

Sales

Strong organic growth of 10 percent

in Euro million

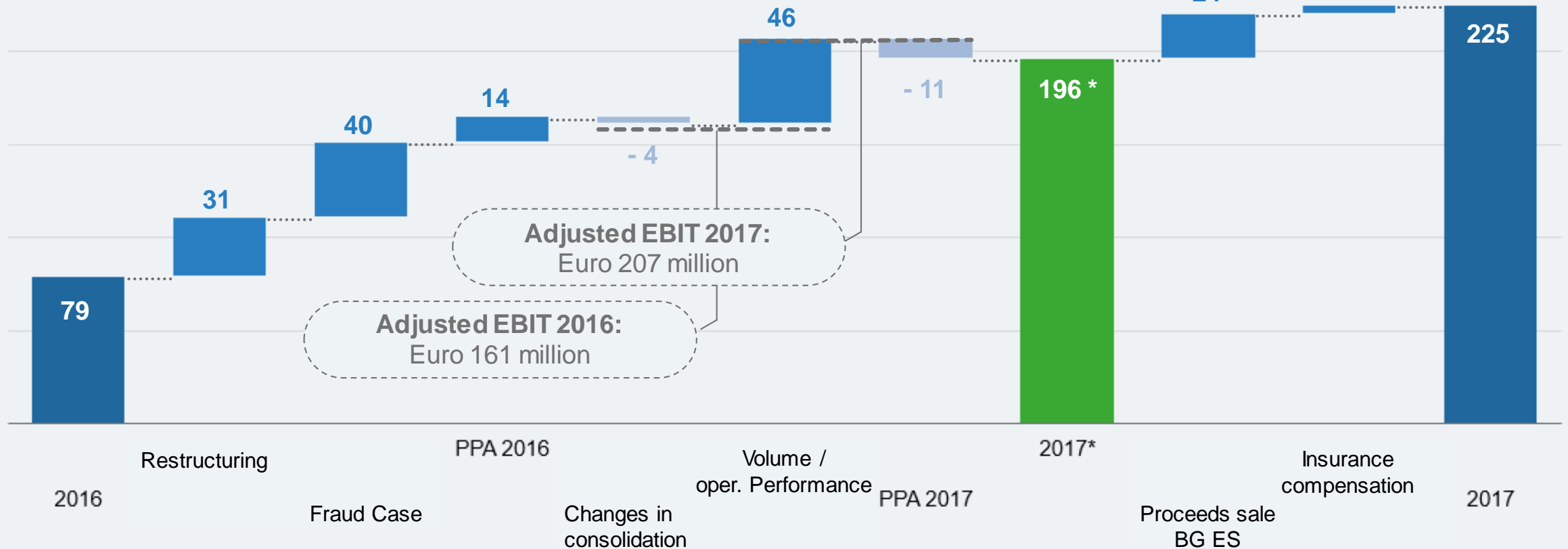


* 2017 sales adjusted for proceeds from sale in May 2017 of BG ES

EBIT

Adjusted earnings improve by more than one quarter

in Euro million



Rounding differences may occur for arithmetical reasons.

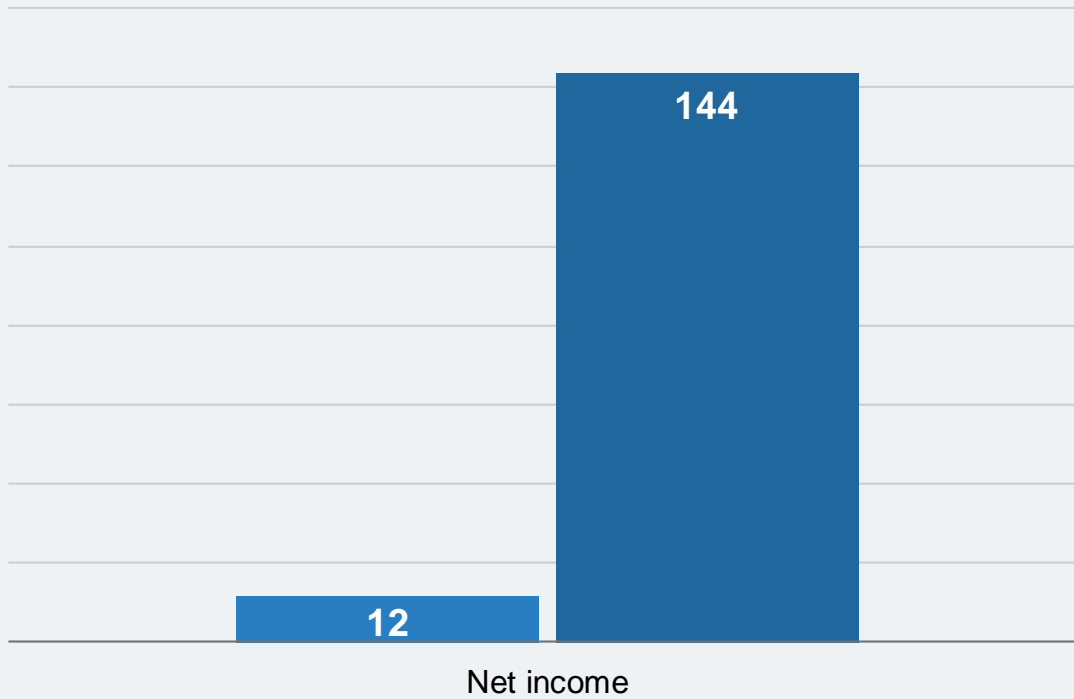
* 2017 EBIT adjusted for the two exceptional items insurance compensation and proceeds associated with sale of BG ES

Net income and dividend

Total payout nearly tripled

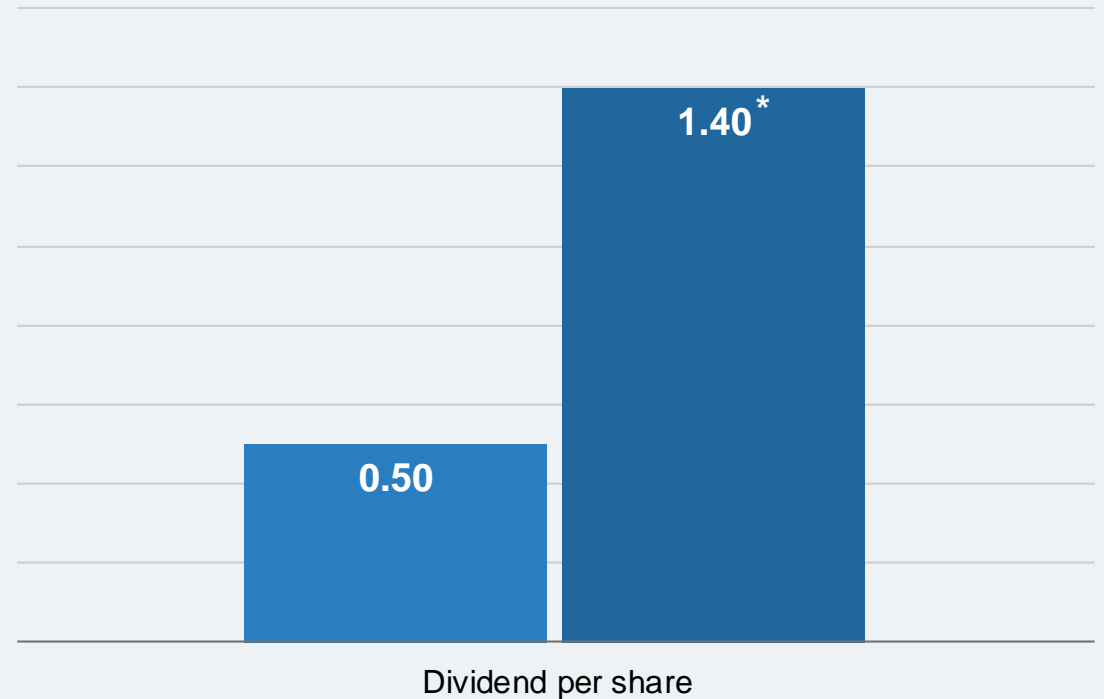
in Euro million

■ 2016 ■ 2017



in Euro

■ 2016 ■ 2017



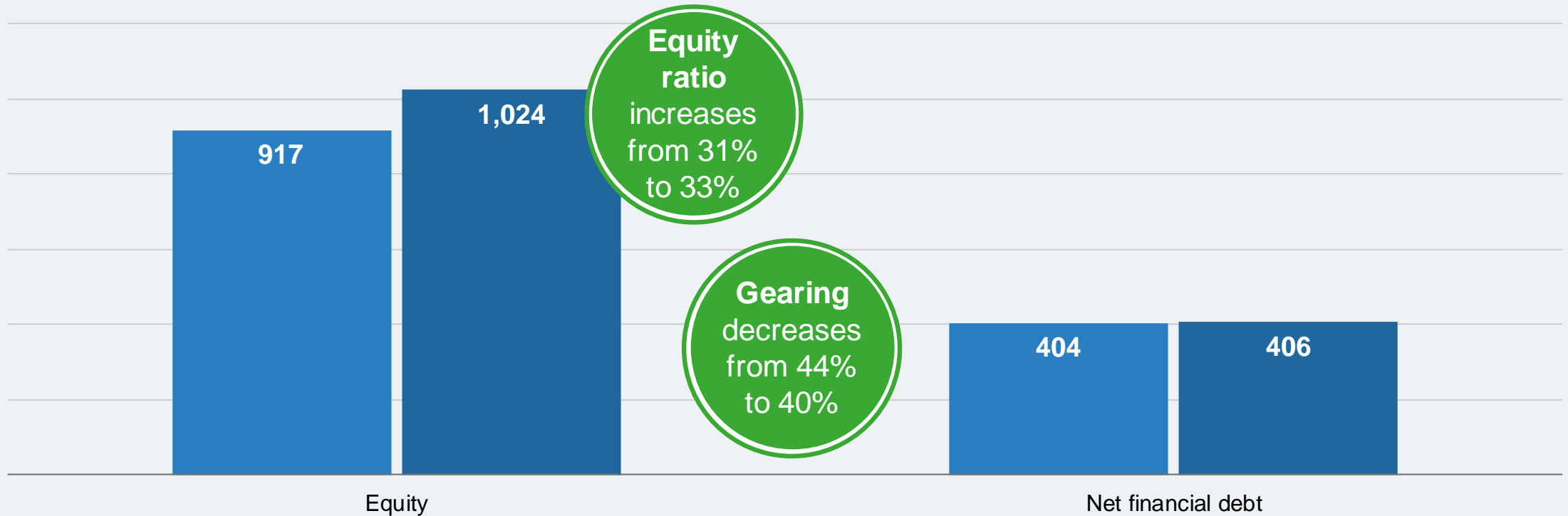
* subject to the approval of shareholders at the AGM

Equity and net financial liabilities

Equity ratio and gearing* improved

in Euro million

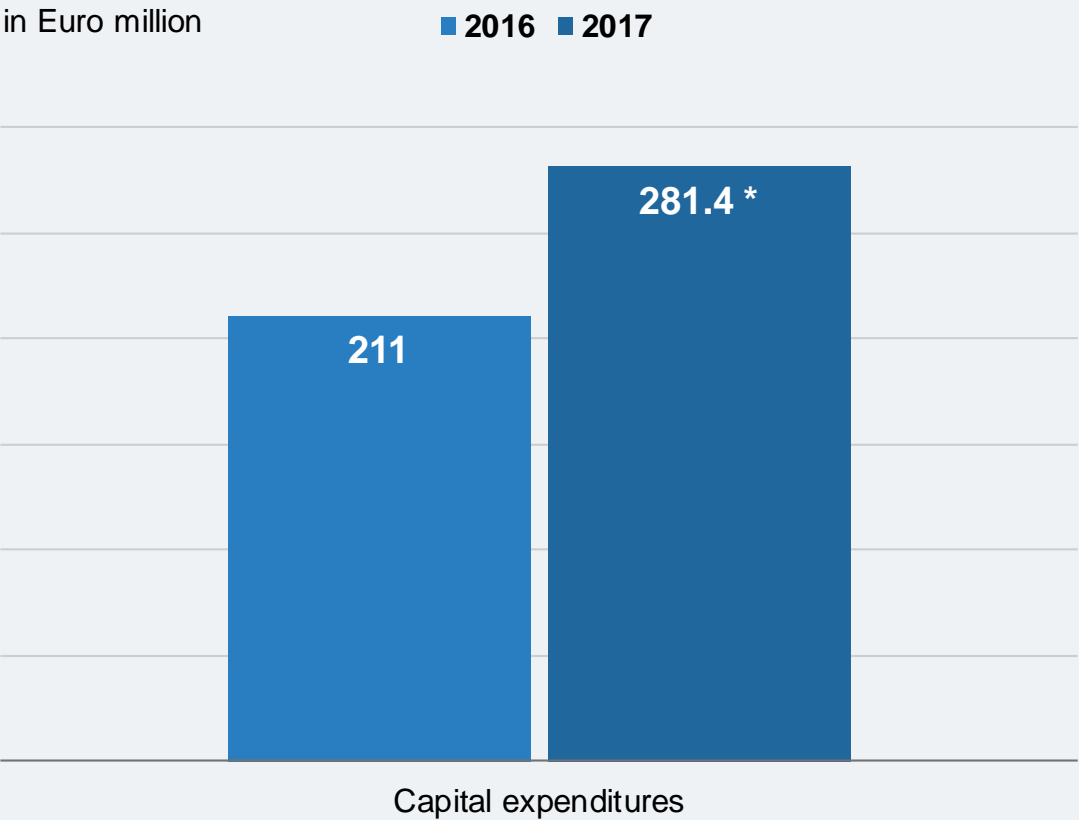
■ 2016 ■ 2017



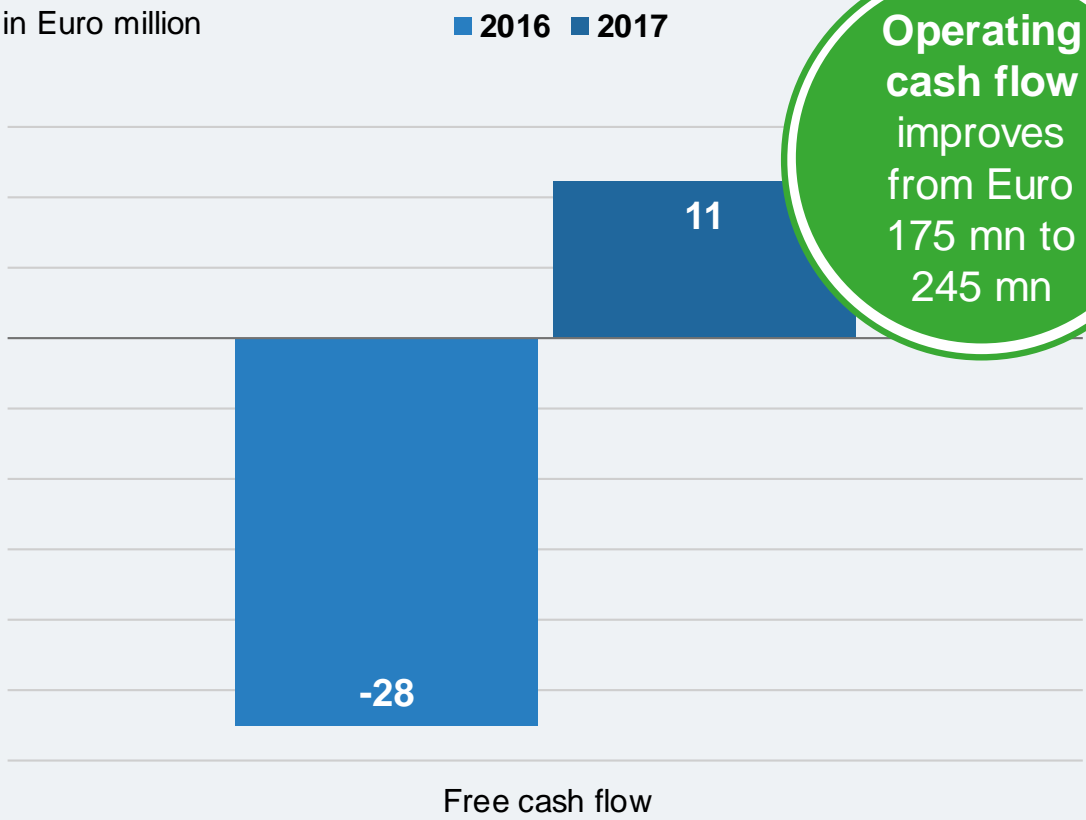
* Net financial debt to equity

Capital expenditures and free cash flow

Positive free cash flow despite record CapEx



* including Euro 33 million for the “Factory of the Future”



Operating cash flow improves from Euro 175 mn to 245 mn

Market capitalisation

LEONI outperforms DAX, MDAX and Automobile indices in 2017

Market capitalisation almost doubled to Euro 2 billion

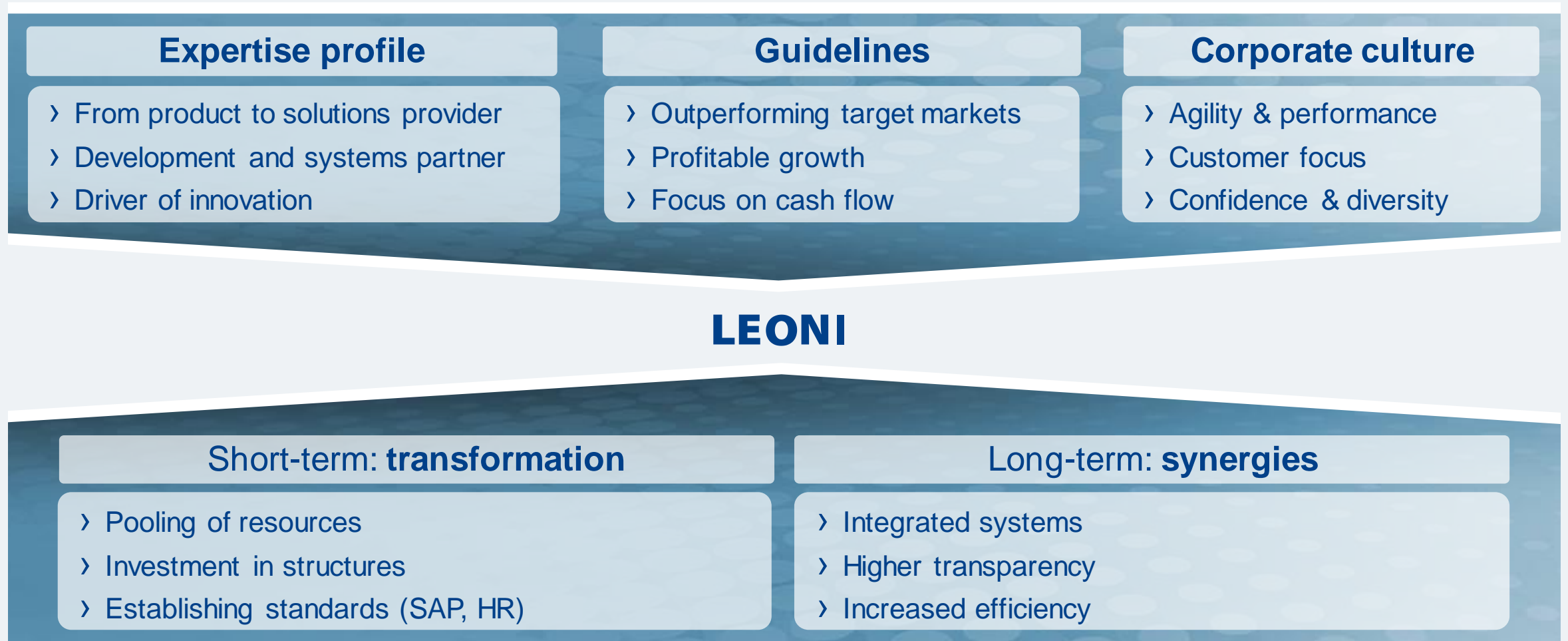
LEONI
DAX
MDAX
DAX-Automobiles
sector index

Indexed
30 December 2016



New group strategy

Seize opportunities





”

Our vision:

**Passion for
intelligent
energy and
data solutions.**

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WSD highlights

Record order intake and new strategic direction

Successful business development

- › Sales: Euro 3.1 billion
- › EBIT: Euro 117 million

Dynamic order development

- › Order intake approx. Euro 7 billion
- › Order backlog approx. Euro 22 billion (lifetime)

New strategic direction

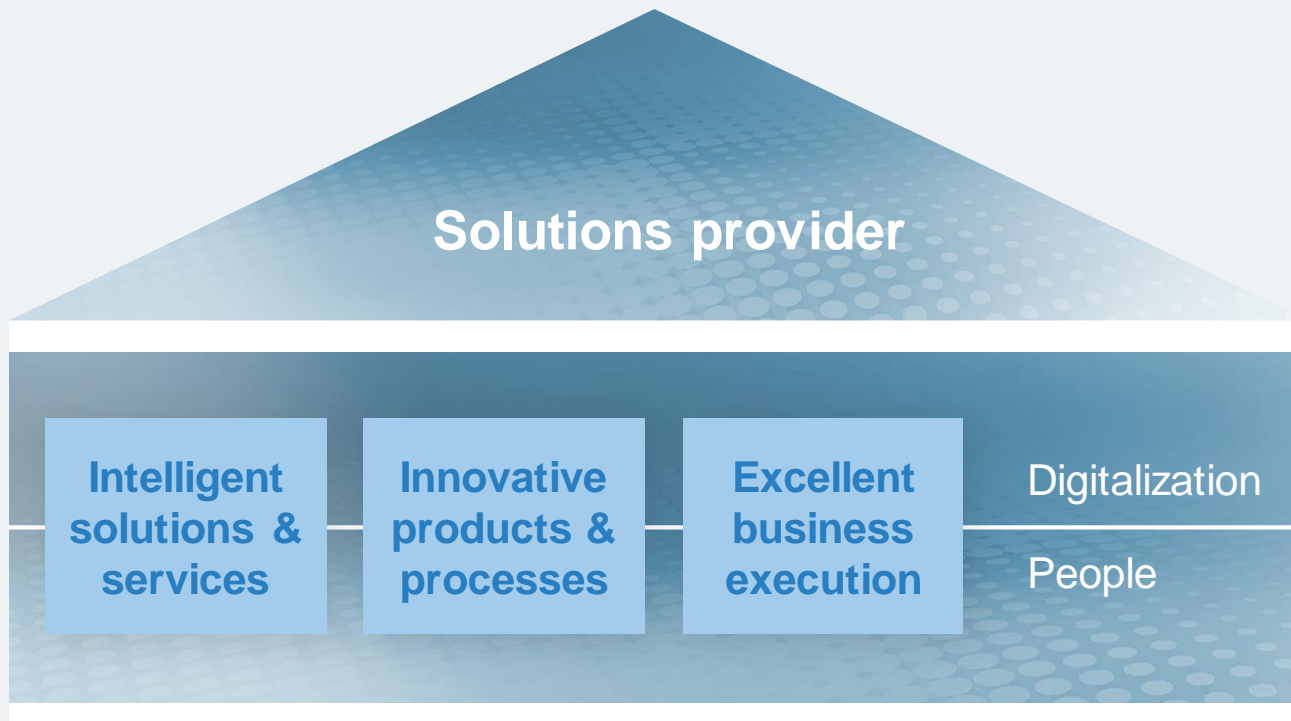
- › Provider of intelligent energy and data management solutions
- › Expertise enhancement in simulation, electronics and software

**E-Mobility
order intake**
Euro 1.5
billion



Transformation into a solutions provider

Added value for LEONI and customers based on innovative products, processes and services



Realignment towards being a systems partner and a provider of intelligent energy and data management solutions

Core elements of strategy

- › Optimising the overall system
- › Further enhancing of skills in electronics, software and simulation
- › Developing new products, especially for autonomous driving and electromobility
- › Digitalizing own processes including automation and networking of factories
- › Creating agile organisational structures for more dynamic development processes

Transformation into a solutions provider

Innovative architecture design based on understanding the overall E/E system in the vehicle

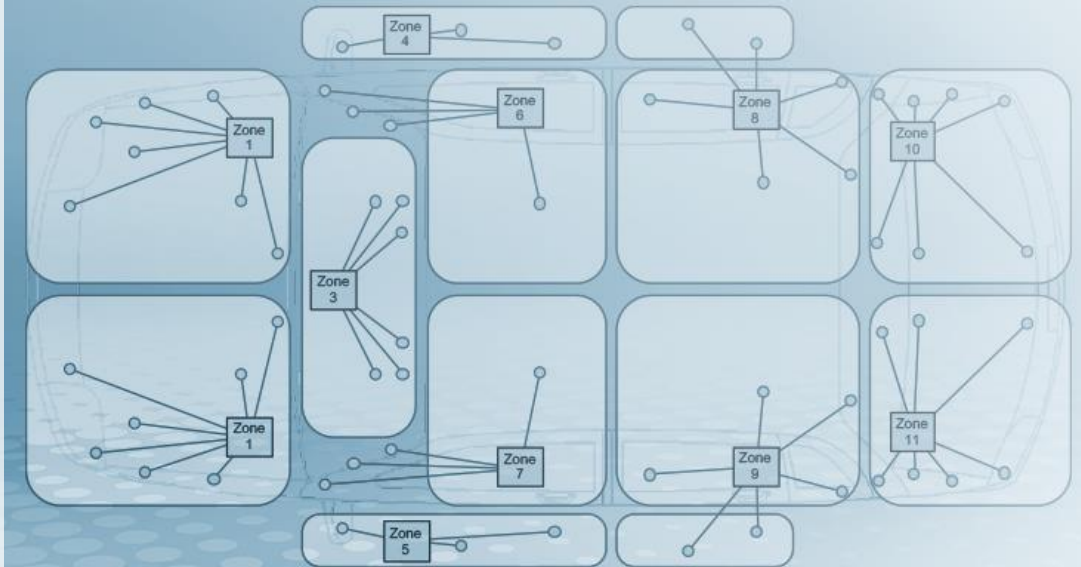
Key skill of architecture development

- › New E/E architecture concepts needed, especially for connectivity and autonomous driving
- › Increasing complexity of the wiring system due to additional functionalities
- › Greater need for system development expertise

Objectives

- › Early involvement of LEONI in the design future E/E architectures with the aim of optimising the overall system
- › Leading position in the development of new solutions and technologies to efficiently manage energy and data flows

Intelligent
solutions &
services



Transformation into a solutions provider

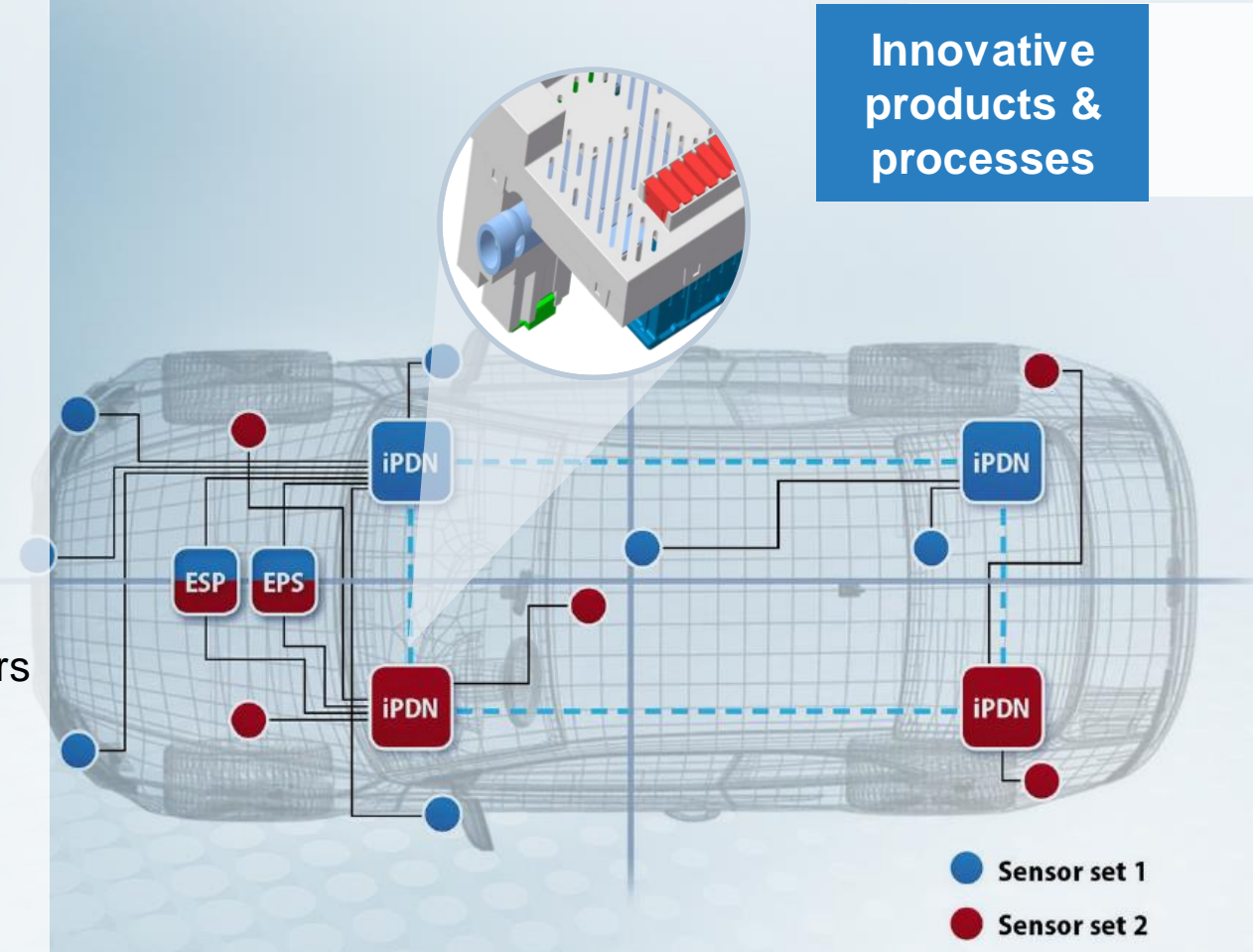
Intelligent power distribution for autonomous driving

Redundant architecture

- › Redundant power supply for autonomous driving because of increased safety requirements
- › Intelligent power distributors to reduce complexity and minimise additional costs

Objectives

- › Efficient supply
 - › Efficiency-optimised supply architecture
 - › Simulation-supported architecture design that considers the dynamic behaviour of energy consumers and sources
- › Functional power management
 - › Function to control the intelligent power distribution node (iPDN)



Transformation into a solutions provider

Automated production for high-voltage cable harness and autonomous driving

Increasing safety requirements

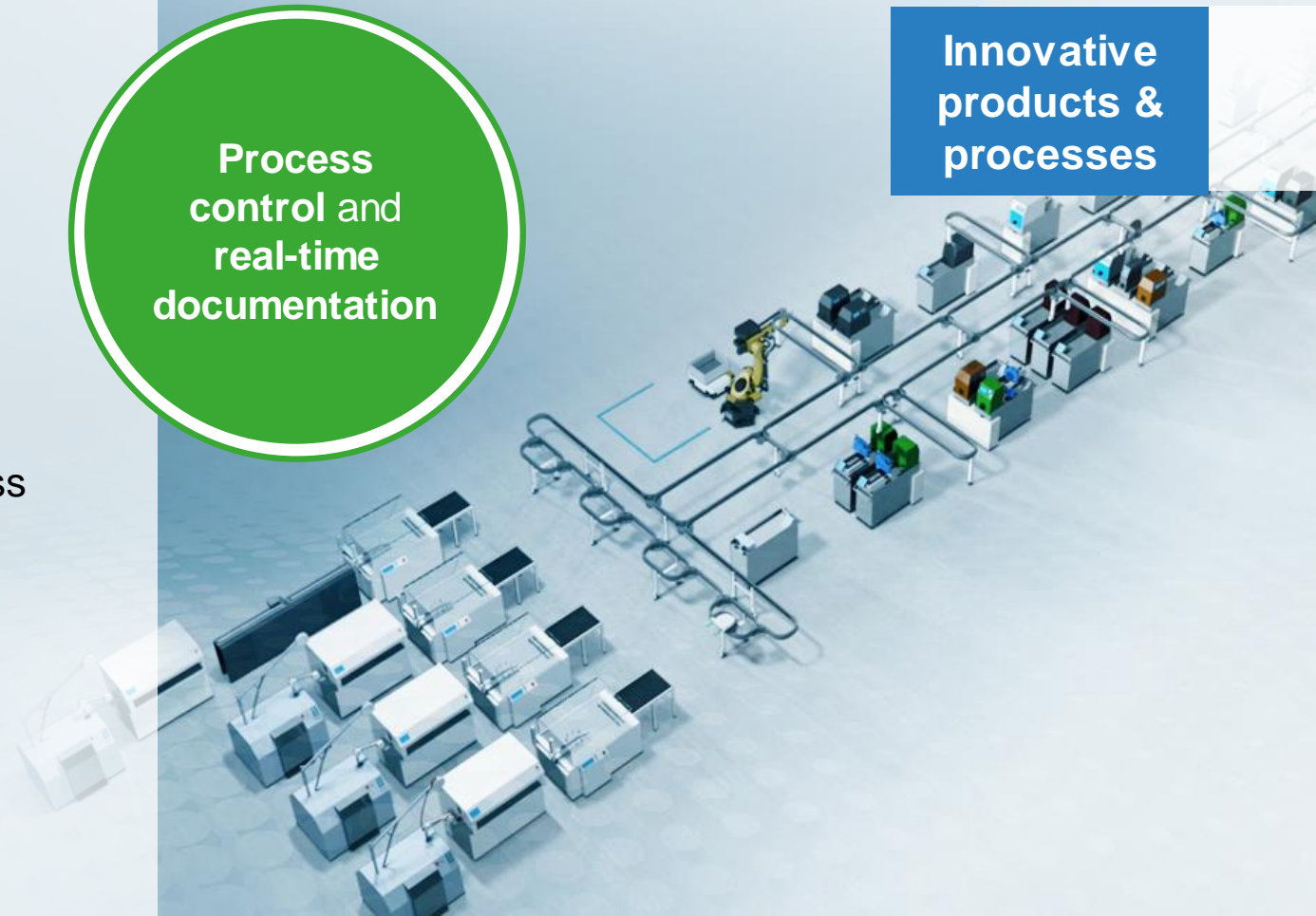
- › High precision without manual intervention
- › Cable harnesses for autonomous driving and high-voltage applications

Objectives

- › Modular structure of production
- › Universal usability for differing types of cable harness
- › Full incorporation in the digital Factory of the Future (Industry 4.0)

**Process
control and
real-time
documentation**

**Innovative
products &
processes**



WSD outlook

Positioning as a global innovation and systems partner



Broadening range of skills and products

- › Expanding concept development (autonomous driving, e-mobility)
- › Developing intelligent products (data, energy and battery management)

Further global growth

- › 6 additional plants (Eastern Europe, North Africa, China, the Americas)
- › Focus on China: expansion particularly of activity related to e-mobility

Forecast for 2018

- › Sales of approx. Euro 3.2 billion
- › EBIT of Euro 135 – 145 million

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WCS highlights

Increased sales and improved earnings

Sales and earnings increase

- › Sales: Euro 1.9 billion
- › EBIT: Euro 105 million

Successful core business

- › Good business involving special solutions for, e.g., automotive, robotics, healthcare and mechanical engineering
- › Petrochemical industry business not recovered yet

Repositioning gaining pace

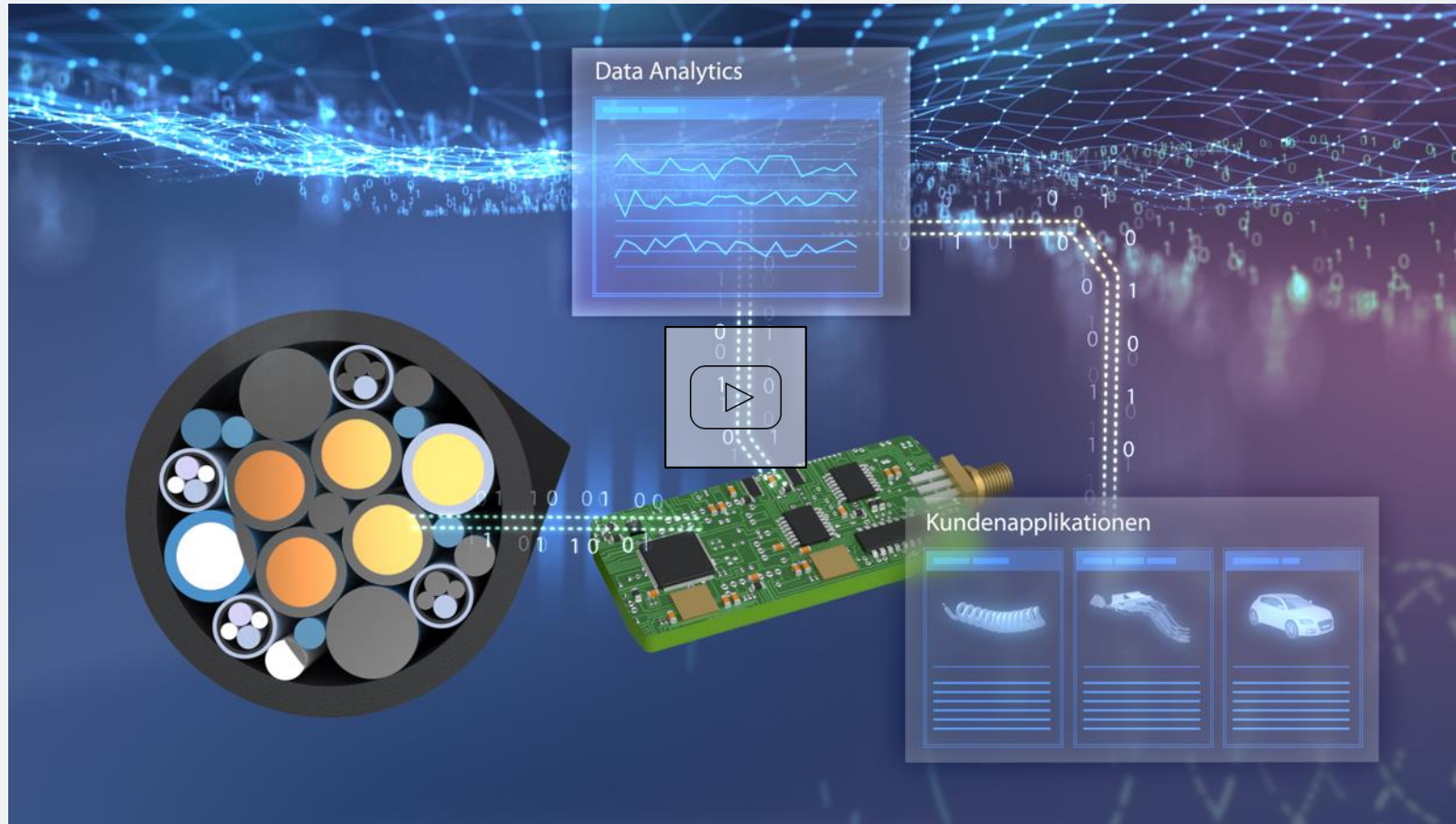
- › Sale of BG ES* and integration of Adaptricity completed
- › Development of key technology in intelligent cables

* BG ES: Business Group Electrical Appliance Assemblies



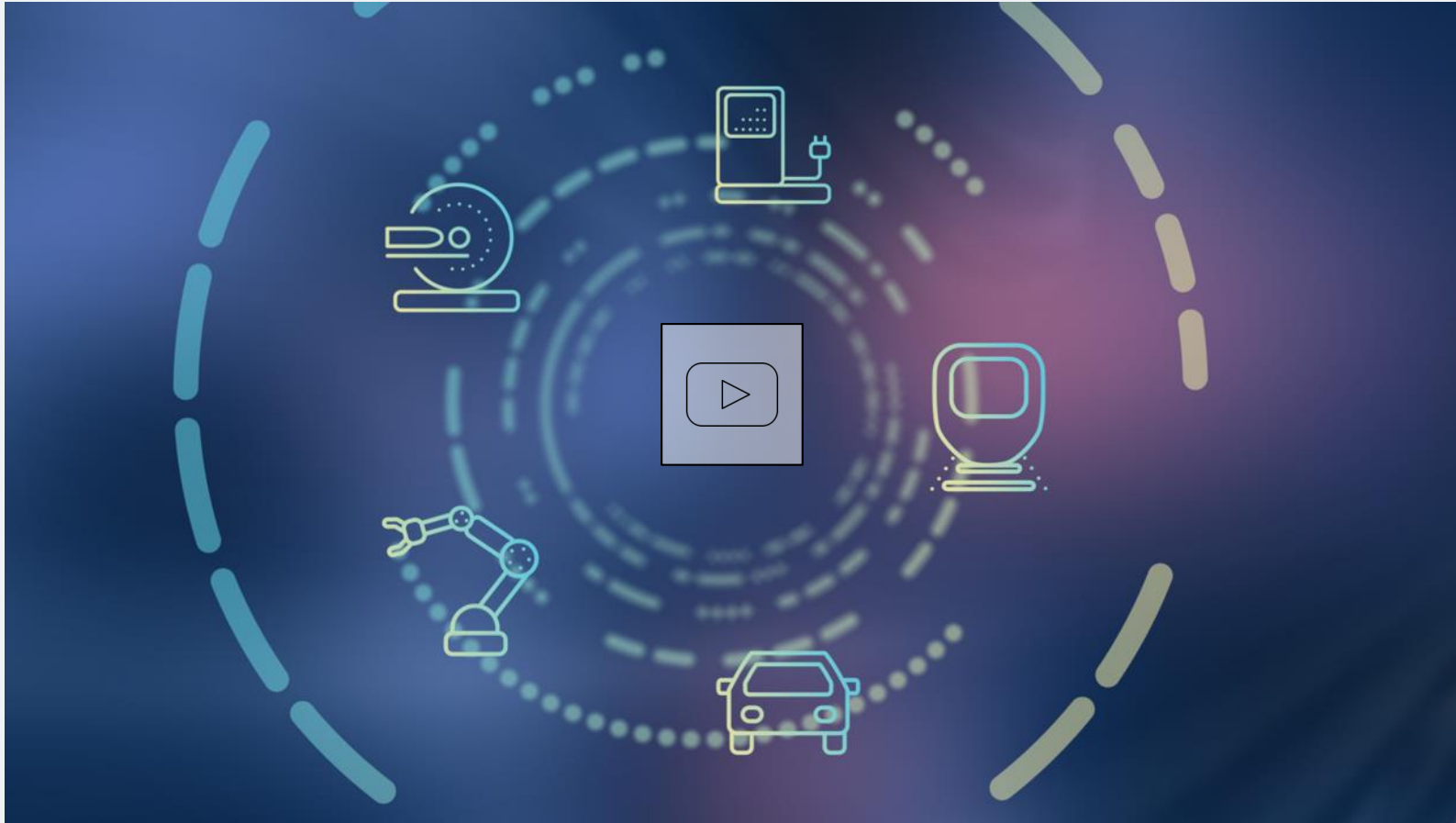
Our road to the future

The new LEONI key technology



Our road to the future

The new LEONI key technology



WCS outlook

Further expansion of digitalization-related activities

Digitalization

- › Commercialising LEONiQ
- › Building a digital ecosystem with key customers and technology partners

Portfolio

- › Active portfolio management
- › Strategic fit is most important criteria

Forecast for 2018

- › Sales: approx. Euro 1.8 billion
- › EBIT: Euro 80 – 90 million



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Outlook

Sustainable profitable growth

Highlights

- › New group strategy and solid financial structure
- › Solutions for the megatrends energy and data management
- › Focus on higher value, intelligent products and services
- › Innovation culture, development and system partnerships

Forecast for 2018

- › Sales of at least Euro 5 billion
- › EBIT: Euro 215 to 235 million
- › Free cash flow: positive before dividends
- › CapEx: 5% of sales (excl. "Factory of the Future")

Mid-term forecast for 2020

- › Sales: at least 5% CAGR* by 2020
- › EBIT margin: at least 5%
- › Free cash flow: positive after dividends
- › CapEx: 5% of sales

* compound annual growth rate

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Questions & Answers

We look forward to your questions



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