Intelligent energy and data solutions for tomorrow's world

Investor Presentation Q1 2018
A global leader in wiring systems and cable technology

LEONI at a glance

**Business mix (in % of sales)**

- **Industrial Solutions**: 18%
- **Automotive**: 82%

**Regional mix (in % of sales)**

- **America**: 16%
- **Asia**: 15%
- **EMEA**: 69%

**Revenues in € mn**

- **1999**: 618
- **2017**: 4,923
- **CAGR +12.2% p.a.*

**Leading market positions**

- #1 in automotive special cables globally
- #1 in automotive wiring systems in Europe
- #3 cable manufacturer in Europe
- Innovation leader

**System solutions provider**

- Intelligent cable solutions from a single provider
- Setting future standards
- Focus on growth markets
- Global production network

**Megatrends support growth strategy**

- Electrification
- Connectivity
- Autonomous driving
- Digitalisation

*CAGR
LEONI returned to a successful course in 2017

KPIs 2017

<table>
<thead>
<tr>
<th>Outlook 2017</th>
<th>Financial results 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approx. € 4.8 billion sales</td>
<td>€ 4.9 billion</td>
</tr>
<tr>
<td>Approx. € 220 million EBIT</td>
<td>€ 225 million</td>
</tr>
<tr>
<td>Positive free cash flow (before dividend distribution)</td>
<td>€ 11 million</td>
</tr>
<tr>
<td>€ 250 million investments</td>
<td>€ 281 million*</td>
</tr>
</tbody>
</table>

*Incl. € 33 million for „Factory of the Future“
We provide the central nervous system for today’s and tomorrow’s vehicles

Automotive solutions

From a wiring system supplier to a passionate provider of energy and data solutions

Our reliable high performance products are essential for:

› E-mobility
› Autonomous driving
› Connectivity
LEONI continuously demonstrates its leading position in automotive solutions

Market leading innovations

Intelligent energy solutions

High voltage wiring systems

Intelligent data solutions
Leveraging our know-how for innovative industrial solutions

Industrial Solutions

From a cable producer to a passionate provider of energy and data solutions

Products and services:
- Cables
- Cable assemblies/harnesses
- Complete systems
- Engineering solutions
- Training/programming services
- Software solutions

Industries:
- Data communications and networks
- Robotics
- Healthcare
- Factory automation
- Transportation
- Energy and Infrastructure etc.
Long-standing relationships with international clients
Exemplary customers

<table>
<thead>
<tr>
<th>ABB</th>
<th>Audi</th>
<th>BMW</th>
<th>Bombardier</th>
<th>Bosch</th>
<th>Caterpillar</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continental</td>
<td>DAF</td>
<td>Mercedes</td>
<td>Fanuc</td>
<td>Land Rover</td>
<td>Jaguar</td>
</tr>
<tr>
<td>MD Elektronik</td>
<td>Paccar</td>
<td>Philips</td>
<td>Peugeot</td>
<td>Citroen</td>
<td>Scania</td>
</tr>
<tr>
<td>SEW Eurodrive</td>
<td>Siemens</td>
<td>Volkswagen</td>
<td>Renault</td>
<td>Nissan</td>
<td>Wabco</td>
</tr>
</tbody>
</table>

... and many more
LEONI will benefit from current megatrends

Megatrends

MEGATRENDS AUTOMOTIVE

- **Electro-Mobility**
  - CAGR: > 37%
- **Autonomous Driving**
  - CAGR: > 30%
- **Shared Mobility**
  - CAGR: > 34%
- **Connectivity**
  - CAGR: > 24%

MAIN GROWTH DRIVERS FOR LEONI

- Higher requirements regarding reliability and performance of power and data networks
- EV penetration expected to reach about 35% by 2030
- Electrification boosts wire content
- Increasing demand for sensors and intelligent wiring systems
- Need for highly efficient solutions for mass transportation
- Implementation of a global charging infrastructure (huge number of charging cables/systems)

Note: CAGRs 2017-2030: EMO: >37%; Autonomous Driving: >30%; Shared Mobility: >34%; Connectivity: >24%
Source: WSD Business Development & Pricewaterhouse Coopers – “From CO2 neutral fuels to emission-free driving”, as of November 2017
Growing overall LV market supports LEONI’s core business

Outlook vehicle production

**VEHICLE PRODUCTION (IN MN)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Electric Vehicles</th>
<th>Full Hybrids</th>
<th>48 Volt / Mild Hybrids</th>
<th>ICE/ Vehicles without electrification</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>1</td>
<td>90</td>
<td>2</td>
<td>11</td>
</tr>
<tr>
<td>2020</td>
<td>5</td>
<td>88</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>2025</td>
<td>5</td>
<td>73</td>
<td>22</td>
<td>11</td>
</tr>
</tbody>
</table>

**MARKET TRENDS**

› Significantly higher electrification penetration driven by governmental CO2 regulations/incentive programs

› EV production expected to increase by more than 30% CAGR by 2025

› 48V/Mild Hybrids with strongest growth

› Internal combustion engines continue to grow with higher efficiency standards and increasing hybridization

Source: IHS August 2017  *Incl. hybrid vehicles
LEONI provides key components for e-mobility

Overview components HV

Our product offering
- Cables and harnesses
- Modules and shielding
- Power distribution boxes
- Charging inlets and cables

Our competitive edge
- Solution provider for complex requirements
- Early stage involvement with OEM during design phase allows for strengthening of market position
- Powerful technical customer support
- Competitive pricing through scale effects
- Digital functional system simulation to optimize the energy and data architecture in early design-in phase
- Development of digital twins of critical harness elements to allow for continuous optimization and monitoring

Source: WSD
From cables & components to intelligent interconnect solutions

Strategic roadmap

Building on LEONI’s expertise and core competencies TODAY...

- Cable & Components
- Assembly & Harnesses
- Cable Systems
- Smart Products & Services
- Intelligent System Solutions

... for entirely new offerings and value propositions TOMORROW.

- more active components
- more software
- more sensors
- more electronics
Value added through intelligent cable technology and digitalisation

Customer advantages

Faster product development
Condition monitoring of energy and data systems
Active energy management
Less downtimes
Forward-looking maintenance
Lower life-cycle costs
Performance optimisation on basis of real data
…and many more

Intelligent Products and Services
…with integrated sensors and electronics for system monitoring or management

Software Solutions
…for digital functional simulation & data analytics, software licensing and embedded controls

Cloud Integration
…to become a valuable ecosystem player with our intelligent products and solutions

Digital Twins
…for enhanced product-design (DTC), production (DFM) and in-field-performance (TCO)
LEONI is set for further growth

Growth strategy

KEY STRATEGIC PRIORITIES

› Focus on system solutions with an understanding of the entire car system incl. intelligent products, services, and software

› Leverage competencies in simulation, electronics, and sensors in industrial growth markets like energy distribution grids, transportation, and robotic solutions

› Stronger focus on selected customers and growth markets with stringent portfolio management

› Expand leading position in wiring harnesses for electric vehicles

› Strengthen innovation leadership for automotive special cables, esp. data and sensor cables

› Exploit the megatrends energy and data through intelligent solutions like web-based technologies, services, and software

Mid term sales growth: > 5% p.a. (CAGR 2018 - 2020)

Organic growth, M&A, Partnerships
Focus on investments that support LEONI’s growth strategy

R&D and Investments

### R&D SPENDINGS (€ MN)

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2020e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Values</td>
<td>120</td>
<td>134</td>
<td>129</td>
<td></td>
</tr>
<tr>
<td>% of Sales</td>
<td>2.7%</td>
<td>3.0%</td>
<td>2.6%</td>
<td></td>
</tr>
</tbody>
</table>

### INVESTMENTS (€ MN)

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2020e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Values</td>
<td>248</td>
<td>211</td>
<td>281</td>
<td></td>
</tr>
<tr>
<td>% of Sales</td>
<td>5.5%</td>
<td>4.8%</td>
<td>5.7%</td>
<td></td>
</tr>
</tbody>
</table>

- Future automotive architectures with focus on energy and data transmission
- Digital functional system simulation
- Sensor, electronics and embedded software
- Data analytics skills and cloud infrastructure solutions
- Intelligent cable technologies
- Ramp-up of several new plants in all three key regions to support high backlog and order intake
- Investments for factory of the future, automation as well as Industry 4.0
- Overhaul of global IT-landscape to support future technological changes (“2-speed IT”)
Record sales driven by organic growth
Group revenues

**REVENUES (€ MN)**

- 2013: 3,918
- 2014: 4,103
- 2015: 4,503
- 2016: 4,431
- 2017: 4,923

**REVENUE BRIDGE 2016 – 2017 (€ MN)**

- 2016: 4,431
- FX effects: -62
- M&A: -77
- Copper price: 190
- Organic growth: 440
- 2017: 4,923
- Revenues BG ES: -47
- 2017*: 4,876

*CAGR **Group revenues adjusted for BG ES revenues (sold in May 2017)
Significant margin improvement

EBIT / Adjusted EBIT

**EBIT (€ MN) / MARGIN (%)**

<table>
<thead>
<tr>
<th>Year</th>
<th>EBIT (€ MN)</th>
<th>Margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>163</td>
<td>4.2%</td>
</tr>
<tr>
<td>2014</td>
<td>183</td>
<td>4.4%</td>
</tr>
<tr>
<td>2015</td>
<td>151</td>
<td>3.4%</td>
</tr>
<tr>
<td>2016</td>
<td>79</td>
<td>1.8%</td>
</tr>
<tr>
<td>2017</td>
<td>225</td>
<td>4.6%</td>
</tr>
</tbody>
</table>

**ADJUSTED EBIT BRIDGE 2016 – 2017 (€ MN)**

```
<table>
<thead>
<tr>
<th>Year</th>
<th>EBIT (€ MN)</th>
<th>Adjusted EBIT (€ MN)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>79</td>
<td>161 (€ 196*)</td>
</tr>
<tr>
<td>2017</td>
<td>225</td>
<td>207</td>
</tr>
</tbody>
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*EBIT adjusted for divestment income out of BG ES and insurance payment*
Dividend for 2017: € 1.40

Net Profit and Dividend

**NET PROFIT (€ MN)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>106</td>
<td>115</td>
<td>77</td>
<td>12</td>
<td>144</td>
</tr>
</tbody>
</table>

**DIVIDEND (€ PER SHARE)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.00</td>
<td>1.20</td>
<td>1.00</td>
<td>0.50</td>
<td>1.40</td>
</tr>
</tbody>
</table>
Positive free cash flow in 2017 despite significant investments
Change in liquid funds in 2017

CASH FLOW ITEMS 2017 (€ MN)

- Liquid funds end FY 2016: 209
- Operating CF: 245
- CF investment activities: -234
- Dividend payment: -16
- Other CF from financing activities: -20
- Liquid funds end FY 2017: 185
Strong double-digit organic growth

Group revenues Q1

REVENUES (€ MN)*

Q1 2017 | 1,222
Q1 2018 | 1,327

+8.6%

REVENUE BRIDGE Q1 2017 – Q1 2018 (€ MN)

Q1 2017* | 1,222
M&A | -35
FX effects | -48
Copper price | +23
Organic growth* | +165
Q1 2018 | 1,327

+8.6%

+2.8%  -3.9%  +1.9%  +13.5%

* Include IFRS 15 effects: Q1 2017: + € 16.3 mn; Q1 2018: + € 20.6 mn
Operating performance improved significantly

EBIT / Adjusted EBIT Q1

EBIT (€ MN)* / MARGIN (%)

Q1 2017: 56, 4.6%  
Q1 2018: 63, 4.7%

RECONCILIATION TO ADJUSTED EBIT Q1 2017 – Q1 2018 (€ MN)

- EBIT Q1 2017: 55.9
- PPA Q1 2017: 55.9
- Restructuring Q1 2017: +3.7
- Insurance compensation Q1 2017: -0.1
- Adj. EBIT Q1 2017*: 54.7
- Adj. EBIT Q1 2018*: 64.5
- PPA Q1 2018: 64.5
- EBIT Q1 2018*: 63.0

* Include IFRS 15 effects: Q1 2017: + € 3.0 mn, Q1 2018: + € 4.1 mn
Dynamic order intake development with significant EV share

**Order book**

**ORDER INTAKE (€ BN)**

Q1 2017: 0.9
- Wiring Systems (WSD): 0.4
- Wire & Cable Solutions (WCS): 0.5

Q1 2018: 1.6
- Wiring Systems (WSD): 0.5
- Wire & Cable Solutions (WCS): 1.1

+78% increase from Q1 2017 to Q1 2018.

EV: € 0.13 bn

**ORDER BACKLOG (€ BN)**

- Wiring Systems (WSD): 21.6
- Wire & Cable Solutions (WCS): 0.32

EV: € 4.4 bn

31.03.2018: 22.3
- Wiring Systems (WSD): 22.0
- Wire & Cable Solutions (WCS): 0.31

+2% increase from December 31, 2017 to March 31, 2018.

EV: € 4.5 bn
Excellent visibility of expected revenue growth
Order book for 2020 already accounts for 80% of planned sales (WSD)
LEONI takes necessary steps to improve profitability
Parallel activities started to achieve target profitability of > 5% on mid-term view

### 4-STEP PROGRAM TO IMPROVE MARGINS

1. **Sales Excellence**
   - Increase of **EBIT from non-product** sales activities
   - Standardization of „best-practice“ pricing approaches across all Business Units
   - Professional **claim management**

2. **Cost management**
   - Increasing share of employees within **best cost countries** for indirect functions
   - **Consequent cost** monitoring & **optimizing** along all P&L items

3. **Operational Excellence**
   - Launch programs to increase **efficiency level** within existing plants
   - Efficient **ramp up** of new projects
   - Review of **global plant footprint**

4. **New innovative solutions**
   - Development of new solutions for E-mobility and Autonomous Driving
   - Introduce higher value-add products to the market

*EBIT-margin > 5% in the mid-term*
LEONI will continue to invest in profitable growth
Guidance 2018 and in the mid-term

2018
Sales: > € 5 billion*
EBIT: € 215 – 235 million
CAPEX: 5% of sales**
Positive free cash flow (before dividend distribution)

2020
Sales: > 5% CAGR 2018-2020
EBIT margin: > 5%
CAPEX: 5% of sales
Positive free cash flow (after dividend distribution)

*Copper price assumption: € 4.90 per kg
**Excl. investments in the “Factory for the Future”
Leading provider of innovative data and energy solutions

Investment case

1. One of the world’s leading providers of data and energy solutions for the automotive industry

2. Leveraging expertise in cable systems and optical technologies in highly attractive industrial markets such as infrastructure, robotics and medical technology

3. Unique product offering: From cables, optical fibers and hybrid cables to complex integrated wiring systems

4. Strongly benefitting from the megatrends electrification, autonomous driving and digitalisation

5. Compelling growth potential through upgrading and expanding product/service portfolio (incl. M&A and partnerships) as well as increasing CPV

6. Improving margins by higher share of innovative value add products and stringent cost management
Our Vision:

Passion for intelligent energy and data solutions.
Investor Relations

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