LEONI

Financial results
Q1 2019

Aldo Kamper
Bruno Fankhauser
Martin Stüttem

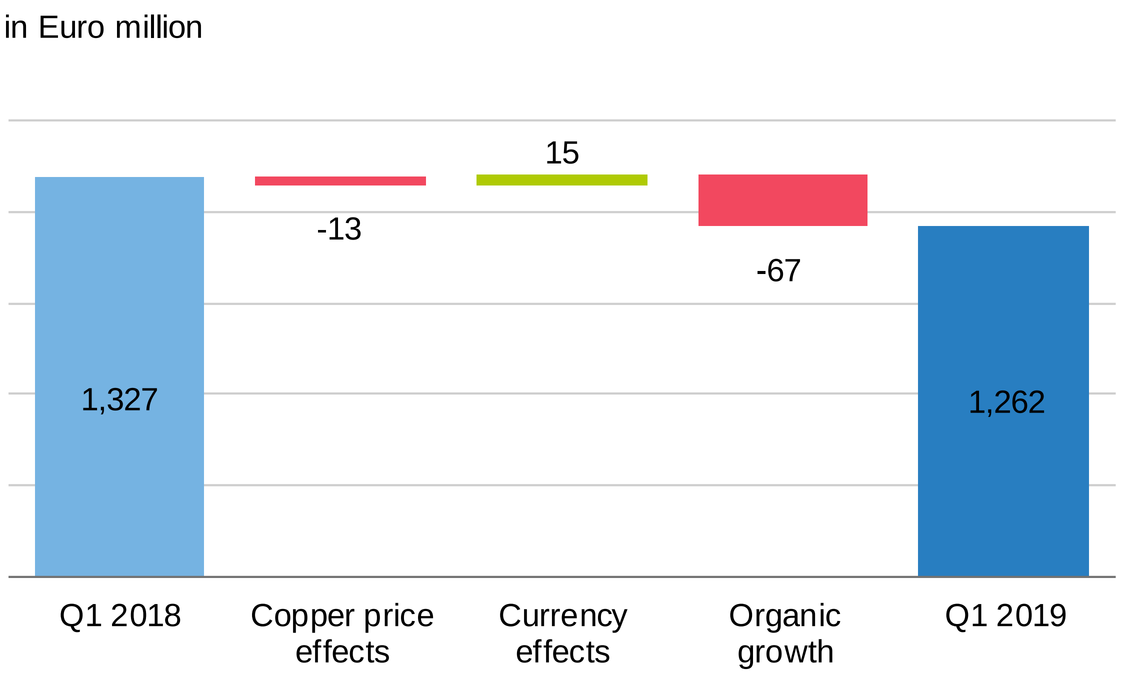
Q1 at a glance

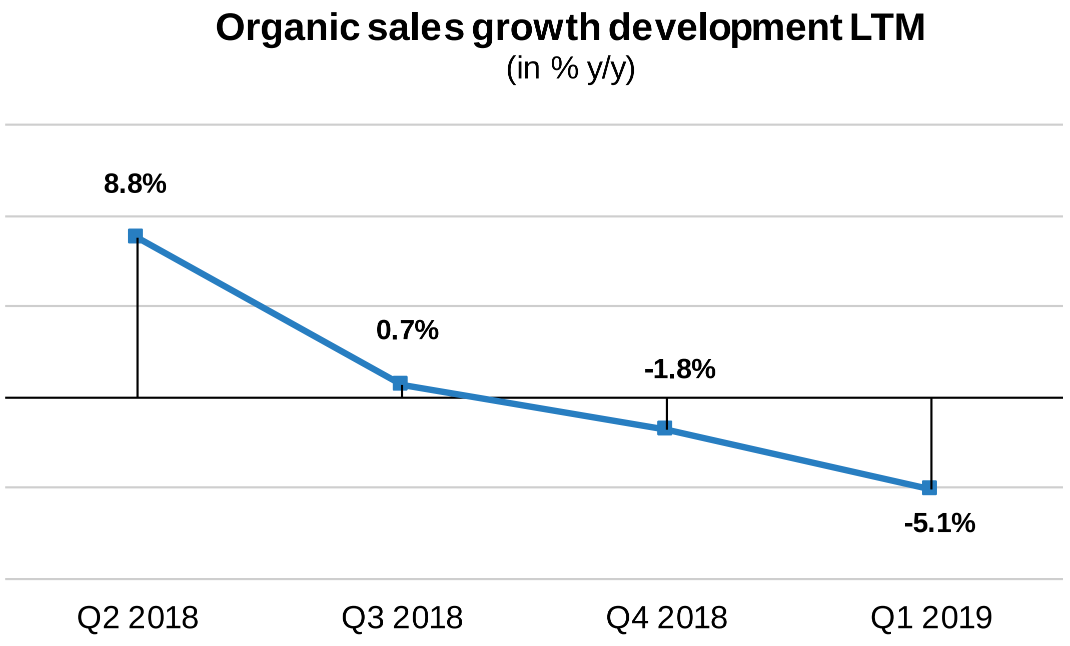
Tangible improvement in EBIT and free cash flow in the course of the year expected

- Market remained soft in Q1, mainly due to weak automotive demand from China and increasingly Europe
- Q1 EBIT negatively impacted by one-off, non-cash items amounting to EUR102m
- Operating income in Q1 includes exceptional costs related to Mexican plant in Merida of EUR37m; negative impact expected to largely cease by the end of Q2 2019
- For fiscal year 2020 before costs related to VALUE 21, LEONI aims at a neutral free cash flow at group level and a return to profitability in its Wiring Systems Division
- Execution of VALUE 21 on track to realise EUR500m in gross savings by 2022

Organic sales development reflects challenging market environment

Sales year-on-year

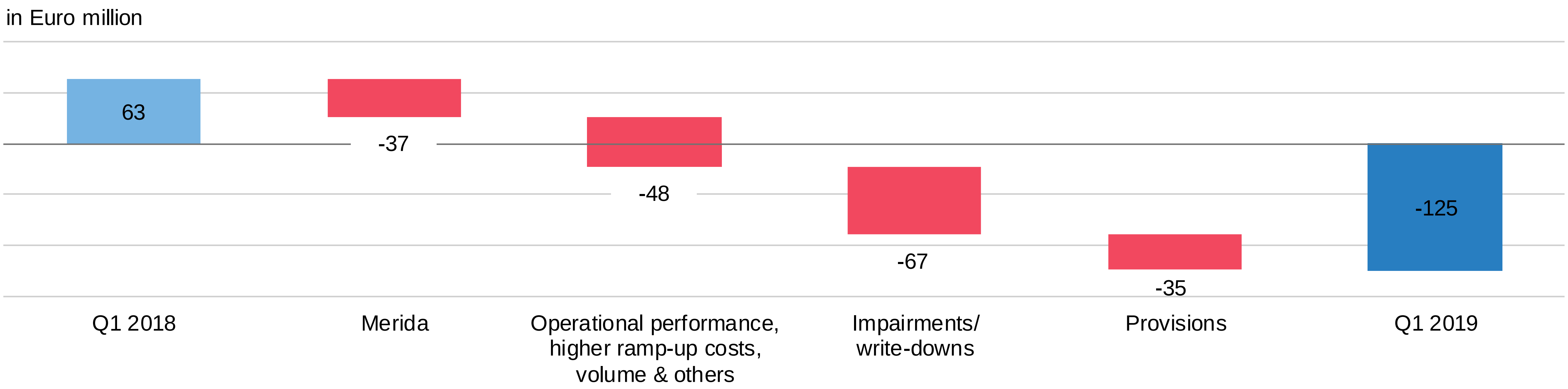




- Lower volumes and copper price cause decline in divisional sales (WCS: -3.5% y/y; WSD: -5.8% y/y)
- Slowdown due to weaker demand in automotive and industrials markets; anticipated stabilisation during the year. For WSD, revenue also burdened by continued ramp down of a high volume program

Q1 EBIT impacted by exceptional items

Operating income development year-on-year

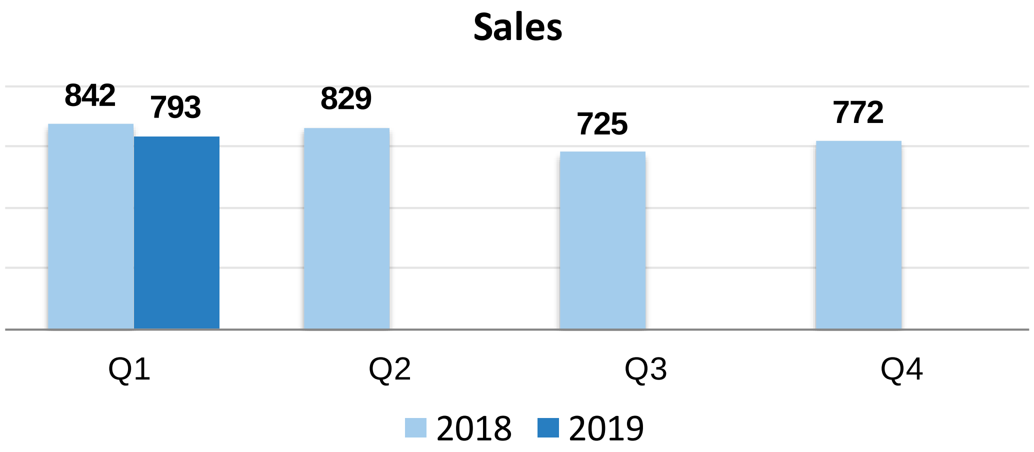


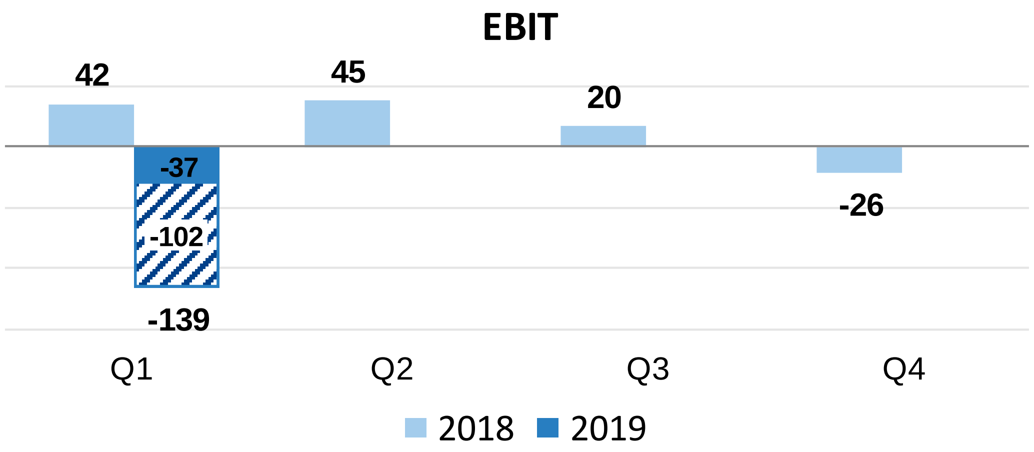
- Largest quarterly impact on operating result related to Merida plant in Q1
- Higher ramp-up costs than in Q1 2018, cost pressure above productivity and volume reduction burden EBIT margin
- "Others" includes items such as volume and product mix
- Given the continued challenging environment in the automotive industry, reassessment of future business prospects with single OEMs led to exceptional write-downs on tangible/intangible assets and provisions

WSD burdened by one-off items

Sales and EBIT by division

in Euro million





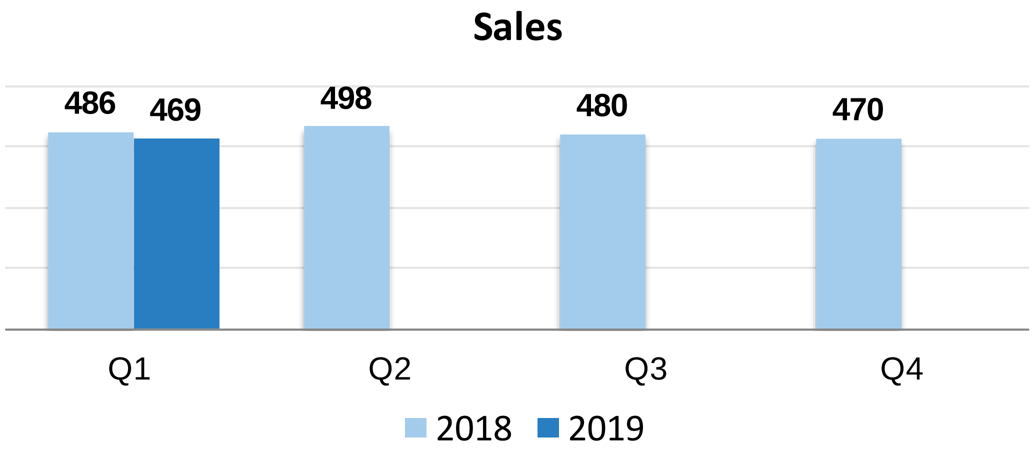
- Organic sales -6.4% y/y in Q1 2019

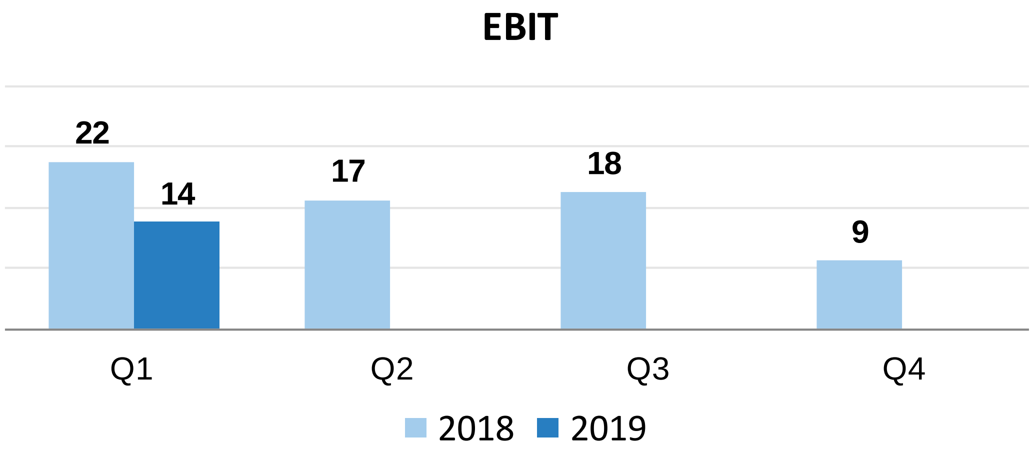
- EBIT burden of EUR37m related to Mexico
- Additional negative exceptional items of EUR102m (asset write-downs: EUR67m; provisions: EUR35m)
- Q1 order intake of EUR1.4bn; full-year target of EUR2.5-3.0bn

WCS with stable sales development q/q

Sales and EBIT by division

in Euro million





› Organic sales -2.8% y/y in Q1 2019

› Operating income impacted by reduced volumes y/y, unfavourable product mix and costs related to the expansion of the division’s digitalization portfolio

LEONI

Gaining traction with critical ramp-up in Mexico

Majority of impact booked in Q1, expected continuous improvement

Initially taken actions to stabilize situation

- Direct workers from other LEONI plants to fill capacity & experience gaps
- Transfer of business to other sites
- Volumes covered temporarily by other facilities
- Highly experienced management task force on-site

Progress of stabilizing actions

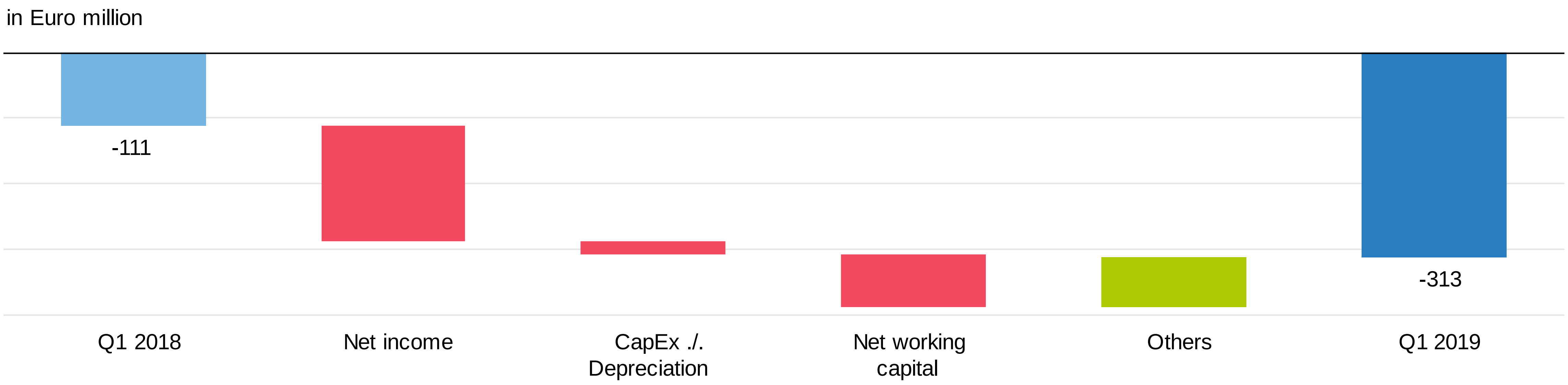
- Headcount of task force (peak: >1,000 employees) more than halved
- Significant reduction of special freight costs
- Increase in production output more than quadrupled when compared to the beginning of the year – now ahead of contracted run-rate

Financial implications

- EBIT burden in Q1: EUR 37m
- Additional EBIT burden: roughly EUR 20m largely in Q2

FCF impacted by Merida and working capital

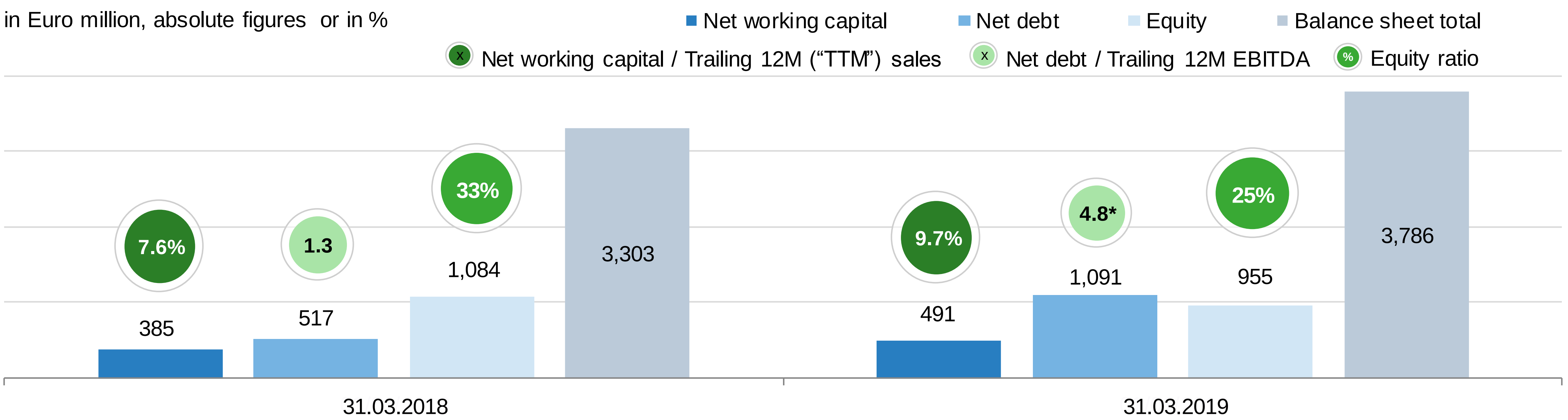
FCF development year-on-year



- Bottom-line development suffers from Merida issues & operational performance
- Free cash flow development impacted by reversals in net working capital
- “Others” includes Q1’s non-cash items burdening LEO’s bottom-line
- Necessary capital expenditures remain at a high level and increased further y/y to EUR78m (Q1/18: EUR57m)

Equity ratio declines due to operating development and impairments

Key balance sheet items



› Equity ratio decreases to 25% due to negative Q1 result and an increase in total assets related to IFRS 16 of EUR153m

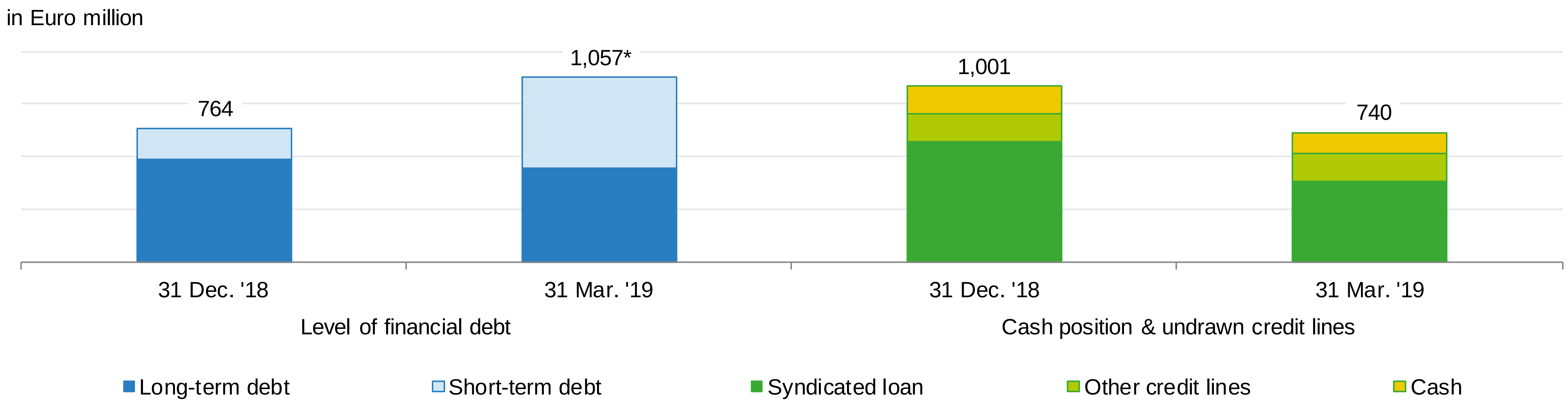
› Gearing (net debt/equity) at the end of March of 114%

* TTM EBITDA adjusted for impairments and provisions totaling EUR102m

LEONI

Financial debt and liquidity position

Group financial position



- Given Q1's negative free cash flow, financial debt further increased q/q to >Euro 1 billion
- Total liquidity including cash position at EUR740m at the end of Q1
- At >75%, a high portion of the EUR620m undrawn credit lines are firmly committed and all our financing is without covenants

*excluding Euro 153 million leasing liabilities related to IFRS16

LEONI

Q1 2019 update on VALUE 21

VALUE 21 on track to deliver EUR500m in savings

① Performance	Target picture	Status
	Measures ready for implementation	100%
	EBIT impact	500 m€
	Costs	120 m€

Bars will be filled subsequently, starting in Q2 2019

- More than 1,000 initiatives now being prepared for approval, implementation to start in June
- Specialized program tracking tool deployed globally and used by more than 500 initiative owners
- Leading global transformation advisers engaged, supporting program launch by embedding best practice and facilitating global roll-out of tools and solutions

LEONI

Q1 2019 update on VALUE 21

Pillars 2 to 4 also progressing well

	Target picture	Status
2 **Portfolio profitability**	Fix, sell or close of underperforming / non-strategic businesses	Deciding on measures for businesses in WCS and preparing potential divestments WSD project acquisition stop for non-strategic customers
3 **Organization**	Implementation of new organizational structure	Preparation of concept for negotiation with workers' council progressing well, start expected for June
4 **Cash, not growth**	Order intake	Instituted structured and centralized selection process for WSD project acquisitions Re-aligned organization on new project criteria

Regaining stability after turbulent quarters

- Balance sheet de-risked to reflect market conditions
- Measures to address Merida, Mexico ramp-up issues delivering improved performance, other launches well prepared
- Value21 implementation well on track, initiatives identified with responsible leads driving across the organisation
- Tangible improvement in EBIT and free cash flow in the course of the year expected
- New Group CFO appointed, start latest 1 October 2019

Q & A session

Contact

Investor Relations

Your Contact

Frank Steinhart

Phone	+49 911 2023-203
Fax	+49 911 2023-10203
E-Mail	invest@leoni.com

Jens von Seckendorff

Phone	+49 911 2023-134
Fax	+49 911 2023-10134
E-Mail	invest@leoni.com

Disclaimer

This presentation includes forward-looking statements that are subject to risks and uncertainties, including those pertaining to the anticipated benefits to be realised from the proposals described herein. This presentation contains a number of forward-looking statements including, in particular, statements about future events, future financial performance, plans, strategies, expectations, prospects, competitive environment, regulation and supply and demand. LEONI has based these forward-looking statements on its views with respect to future events and financial performance. Actual financial performance of the entities described herein could differ materially from that projected in the forward-looking statements due to the inherent uncertainty of estimates, forecasts and projections, and financial performance may be better or worse than anticipated. Given these uncertainties, readers should not put undue reliance on any forward-looking statements.

Forward-looking statements represent estimates and assumptions only as of the date that they were made. The information contained in this presentation is subject to change without notice and LEONI does not undertake any duty to update the forward-looking statements, and the estimates and assumptions associated with them, except to the extent required by applicable laws and regulations.