LEONI

Financial results

Q3 2020

Aldo Kamper, CEO

Ingrid Jägering, CFO

11 November 2020

LEONI

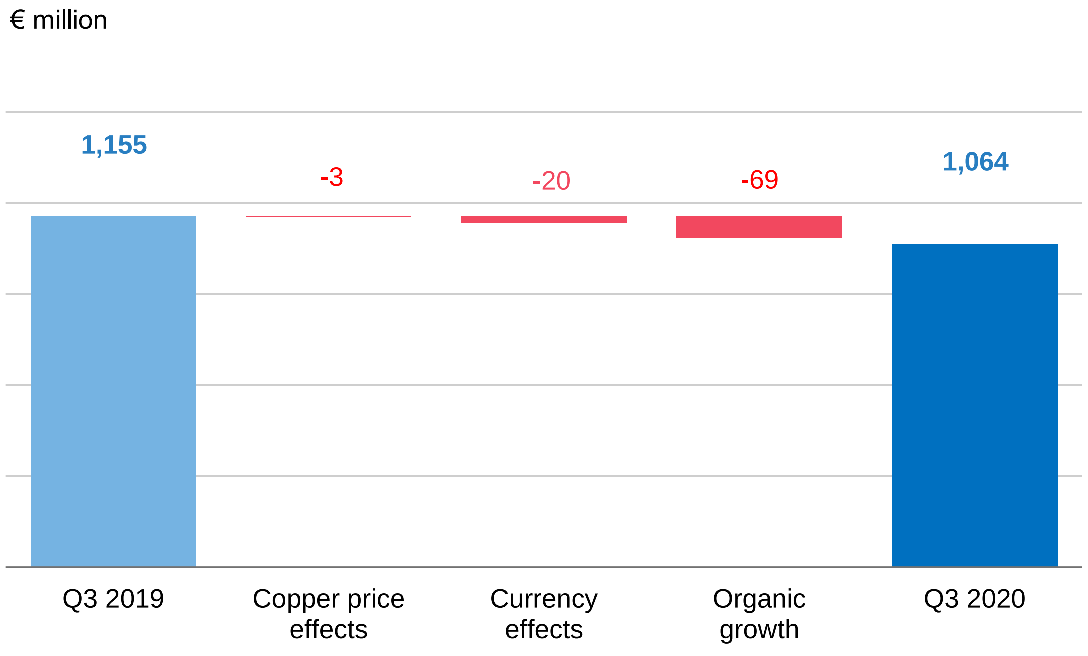
Summary

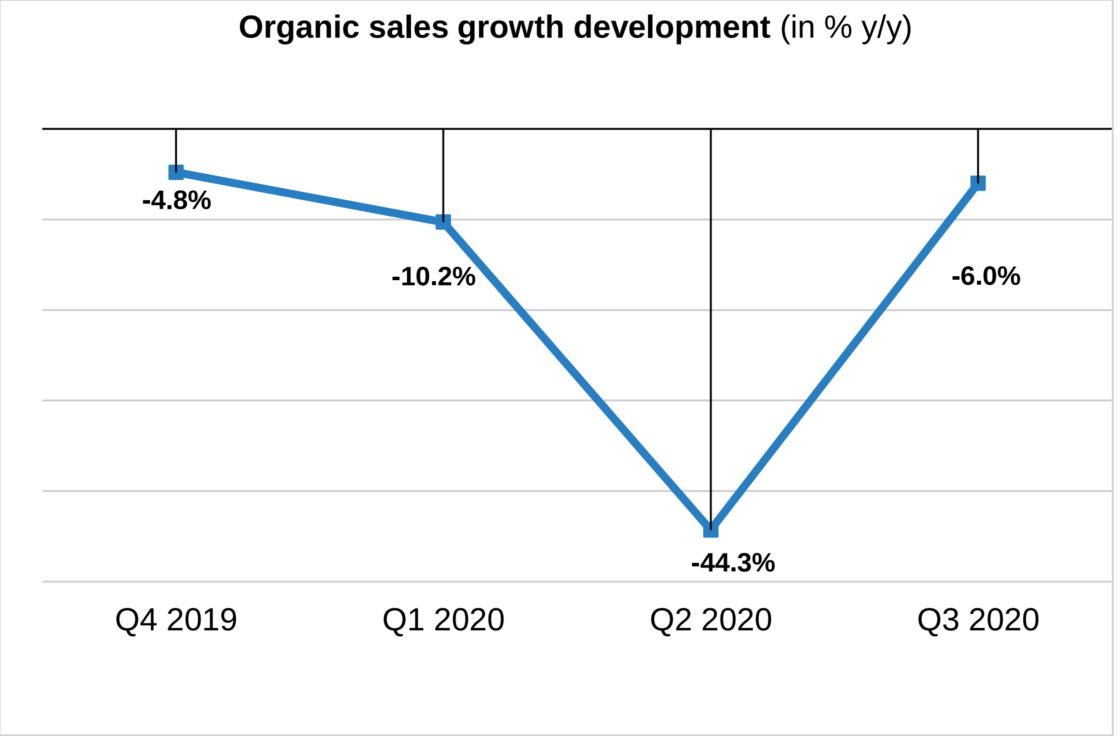
Stabilization of business performance – VALUE 21 gross cost savings target achieved ahead of plan

- Q3 sales remain down y/y but negative momentum fading; operating income in both divisions increased y/y due to improved operational performance
- FCF up y/y on the back of favourable working capital development including positive effects from factoring and disciplined CapEx
- Robust restart after the summer break and call-offs by customers are in plan
- VALUE 21 progressing clearly ahead of plan: already implemented measures expected to yield targeted gross cost savings of €500m by 2022. However, phasing of scheduled savings is dependent on volume recovery
- Covid-19 will continue to burden LEONI's top- and bottom-line as well as cash flow development during the remainder of the year. Future performance will materially depend on development of the pandemic as well the macroeconomic trajectory

Q3 sales down 8% on the back of Covid-19

Negative sales momentum has started to fade



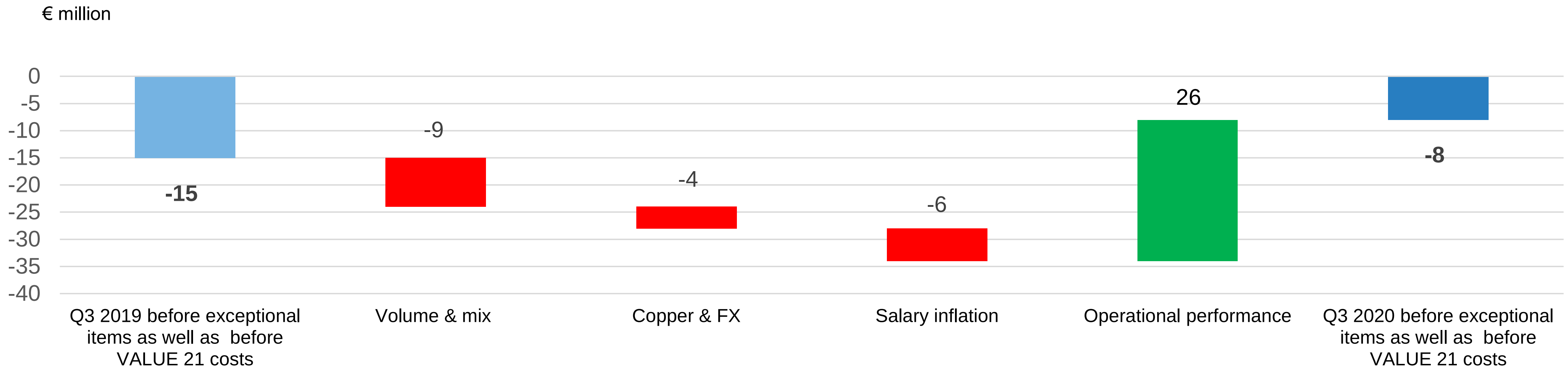


- Q3 sales down (-8% y/y) due to Covid-19 impact but negative momentum fading (9M 2020: -22% y/y)
- Robust restart after the summer break, call-offs by customers in plan; plant utilisation currently approx. 95%
- Following the pandemic wave, Q3 sales in Asia are slightly up by 1.6%, but Americas (-14% y/y) and EMEA (-8%) are still down but negative momentum has clearly faded across all regions

Rounding differences may for arithmetical reasons occur versus the mathematically precise figures

Even at lower volumes, Q3 profits increased y/y

Operating income supported by operational performance

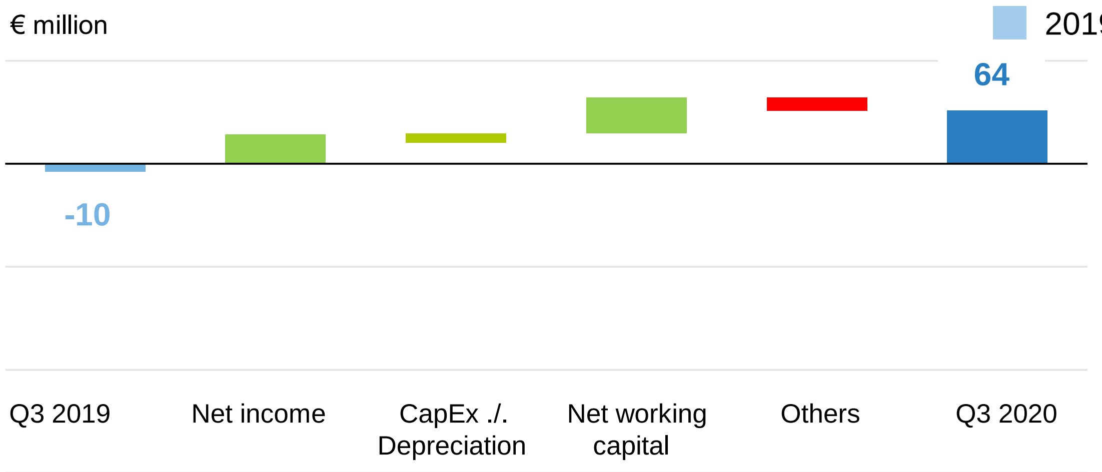


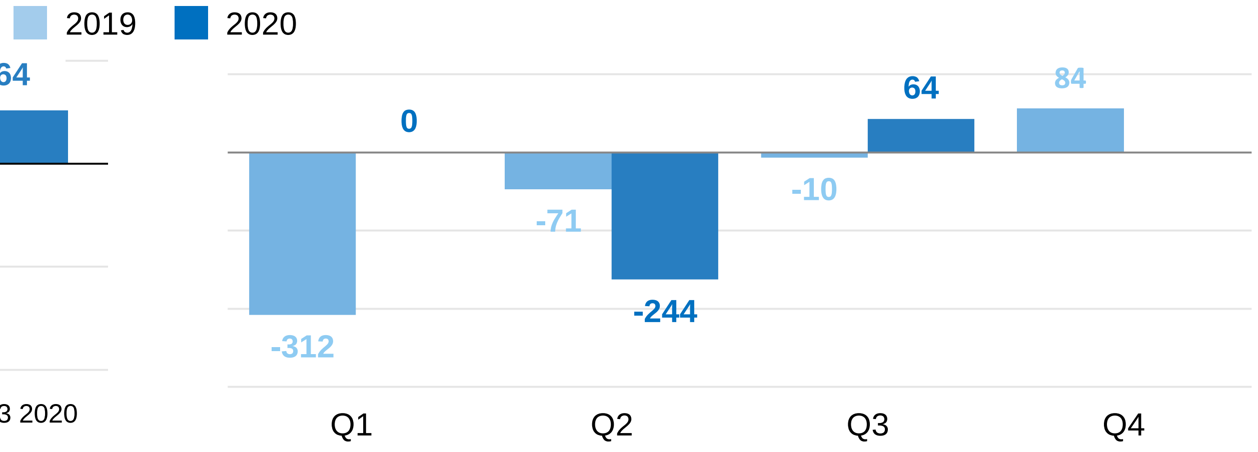
- Q3 EBIT before exceptional items as well as before VALUE 21 costs up mainly due to increased operational performance. However, year to date remains lower due to Covid-19 hit in Q2
- Volumes, FX and salary inflation are still weighing on quarterly profitability, but negative volume effects were fading towards the end of the quarter
- Main exceptional items in Q3 2020 (€20m): Covid-19 related exceptional costs for protecting our staff (€8m) e.g. for additional bus transport, protective clothing, masks and disinfectants; WCS related provisions for restructuring measures (€7m)
- VALUE 21 costs in Q3 2020: €3m (€14m after 9M, in total €100m to date)

Rounding differences may for arithmetical reasons occur versus the mathematically precise figures

Free cash flow up on a quarterly base and YTD

FCF up due to increased operating performance and favourable working capital development





- CapEx spend remains very restrictive
- CapEx: €45m in Q3 2020, €107m after 9M 2020 (excluding the effect of IFRS 16)

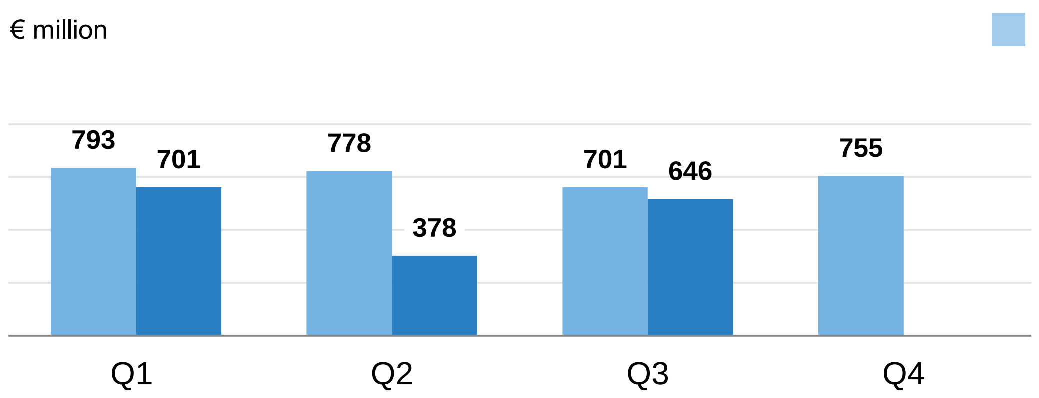
- Q3 FCF improved driven by higher earnings and more favourable working capital development including a positive impact from factoring
- 9M: Free cash flow YTD still negative at - €179m but significantly up over last year (- €392m)

Rounding differences may for arithmetical reasons occur versus the mathematically precise figures

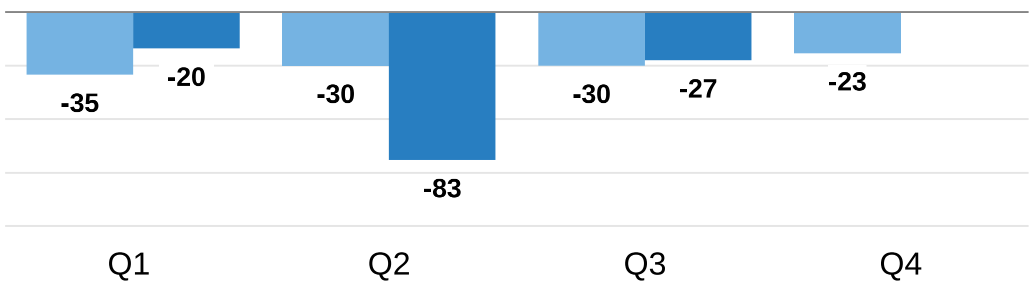
LEONI

WSD: rebound in demand supported revenue and profitability q/q

EBIT before exceptional items as well as before VALUE 21 costs slightly up y/y



Sales



EBIT before exceptional items as well as before VALUE21 costs

- Organic sales: -5.5% y/y in Q3 2020 (9M 2020: -23% y/y)
- Restart after the sharp Covid-19 related decline in Q2 2020; In Q3, Asia recovered, Americas and EMEA still down (y/y)
- 9M sales of €1.724bn are still down 24% (y/y)
- New project acquisitions in Q3 2020: €0.1bn (Q3/19: €0.1bn)

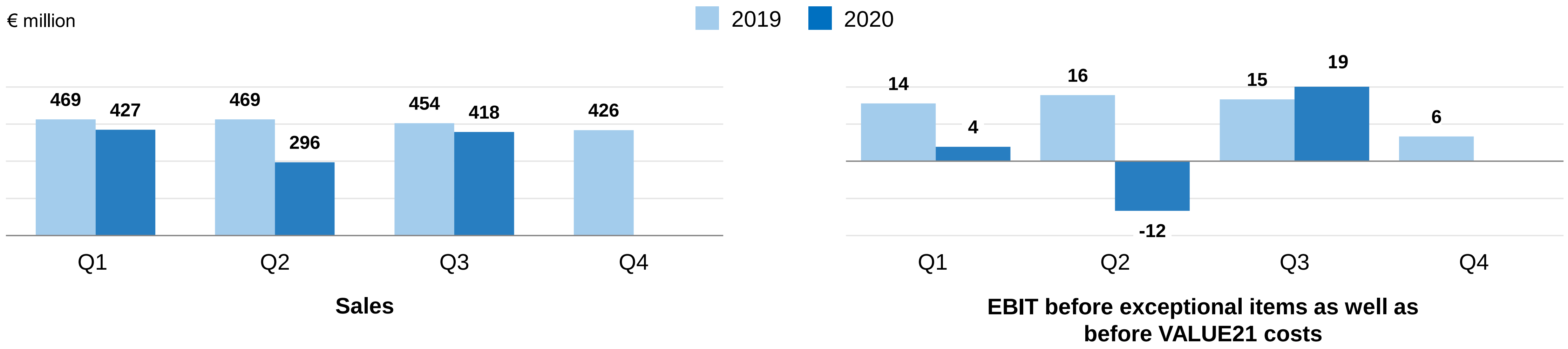
- EBIT before exceptional items as well as before VALUE 21 costs slightly improved over Q3 2019 but still negative
- Negative impact from volume/mix and salary inflation slightly overcompensated by improved operating performance
- Reported EBIT burdened by €12m in Q3, mainly related to Covid-19 exceptional items (Q3: €8m, 9M: €14m)

Rounding differences may for arithmetical reasons occur versus the mathematically precise figures

LEONI

WCS: sales have bottomed out in Q3 and profits increased y/y

Activities improving throughout the quarter



- Organic sales: -7% y/y in Q3 2020 (9M 2020: -16% y/y)
- Reported Q3 sales down across all regions (y/y)
- Q3 order intake of €448m (Q3 2019: €442m); book-to-bill ratio around 1

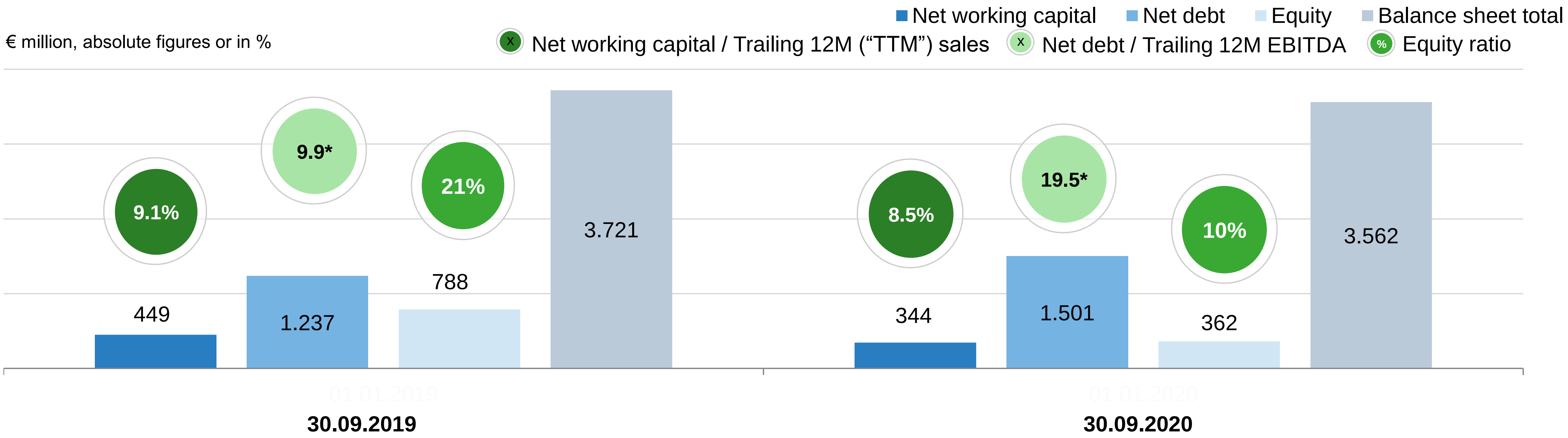
- Q3 EBIT before exceptional items as well as before VALUE 21 up y/y
- Negative Covid-19 related effects (mainly volumes) overcompensated by V21 benefits and short-time working
- Q3 exceptional items of €10m include provisions for restructuring measures of €7m in connection with Covid-19 and strategic decisions

Rounding differences may for arithmetical reasons occur versus the mathematically precise figures

LEONI

Balance sheet still impacted by Covid-19 effects

Key balance sheet items

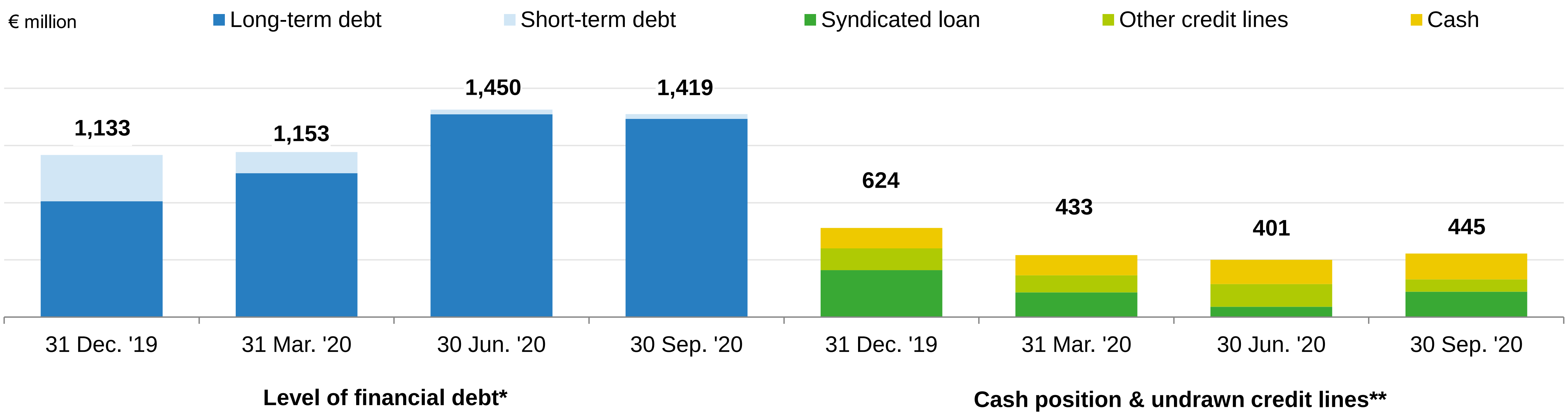


- Gearing (net debt/equity) at the end of September 2020 of 415%
- Equity ratio down (y/y and q/q) to 10% due to the negative quarterly result
- Net working capital lower y/y, driven by demand-related increase in trade payables with continued strict inventory management
- Financial gearing increased on the back of a higher net debt and a lower EBITDA*

* TTM EBITDA excluding TTM exceptional items (Q4/19-Q3/20: EUR214m; Q4/18-Q3/19: EUR101m) as well as VALUE 21 costs (Q4/19-Q3/20: EUR28m; Q4/18-Q3/19: EUR72m)

Financial debt after 9M slightly reduced versus H1

Cash position stabilised



- All undrawn credit lines are firmly committed until at least the end of 2022

- Decrease in YTD liquidity** mainly due to repayment of “Schuldschein” loan of €166m in March 2020
- Total liquidity including cash position of €445m** at the end of Q3

* Excluding leasing liabilities related to IFRS16: Q4/19: EUR196m; Q1/20: EUR244m; Q2/20: EUR274m; Q3/20: EUR263m

** Bank guarantees amounting to EUR63m (end FY 2019: EUR74m) must be deducted from freely available liquidity at the end of Q3 2020

Continued focus on implementation of VALUE 21 measures

Total gross savings of €500m effective from 2022 onwards achieved ahead of schedule

Q3 2020 Update

Target picture	Status	
Gross savings *	100%	€500m
Costs	~84%	€120m

- VALUE 21 implementation progressing clearly ahead of plan: already implemented measures expected to yield the targeted gross cost savings of €500m by 2022
- However, phasing of scheduled savings is depending on volume recovery; impact of counteracting effects and uncertainties from the Covid-19 pandemic; to ensure full effectiveness of the programme and further improve performance and efficiency, new measures are continuously being launched
- Costs of €86m booked in 2019 and €14m YTD 2020

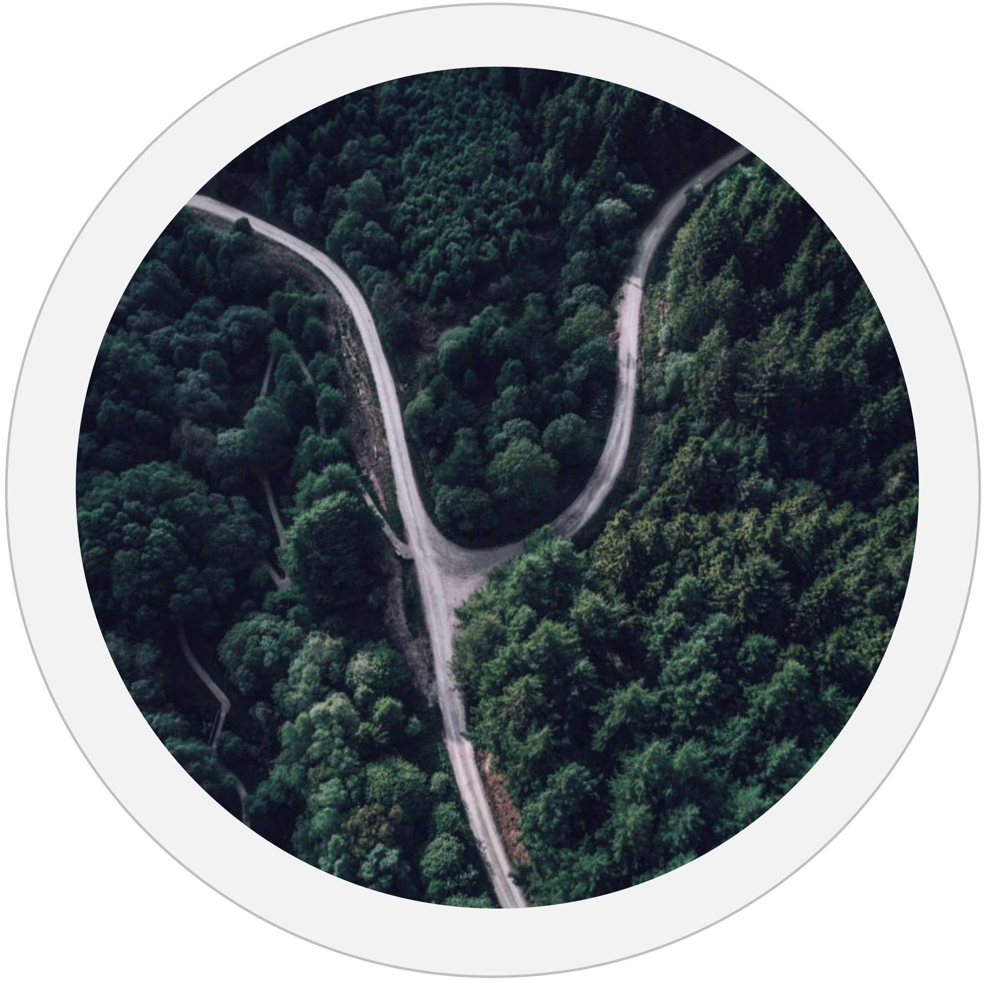
* Gross full run-rate as of FY 2022

LEONI

Update on separation from WCS

Investors interested in specific business lines

- Overall attractiveness of WCS businesses still positive; varying degree of market interest for individual businesses of the division
- Based on market feedback, the organizational and legal separation into individual WCS units is currently being implemented
- We have received first signals of interest in acquiring some businesses. However, M&A environment remains challenging
- Separations will only be completed if a fair value can be achieved and if potential buyers can present a forward-looking concept
- Closure of the oil and gas activities LEONI Kerpen (Stolberg) announced mid October; opportunity to continue a part of the business under new ownership currently being reviewed
- Announced portfolio streamlining in WCS will continue; specific solutions for parts of portfolio accounting for around €500 million in revenue being considered



LEONI

Outlook 2020

Covid-19 pandemic significantly impacting FY 2020 development

- As anticipated, 9M 2020 significantly impacted by the Covid-19 pandemic
- April marked the low-point YTD; gradual improvement has started in May as expected and volumes after the summer break were already close to last year's level
- Asia has shown sharp recovery but still remains slightly below 9M 2019. The pandemic has hit Europe and the Americas for the second time in autumn and visibility in these regions remains low
- Covid-19 will continue to burden LEONI's top- and bottom-line as well as cash flow development during the remainder of the year
- More detailed forecast currently not possible, as infection rates are rising again, and the continuation of the market recovery remains uncertain
- The visibility remains low and given the overall uncertainties for the upcoming quarters further asset write-downs and provisions for onerous contracts losses cannot be excluded

Q & A session

Contact & upcoming events

Investor Relations

Your Contact

Dr. Anna Hinrichsen

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

Upcoming Events

FY 2020 Results	17 March 2021

LEONI

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.