LEONI

Financial results

Q1 2020

Aldo Kamper, CEO

Ingrid Jägering, CFO

13 May 2020

LEONI

Highlights

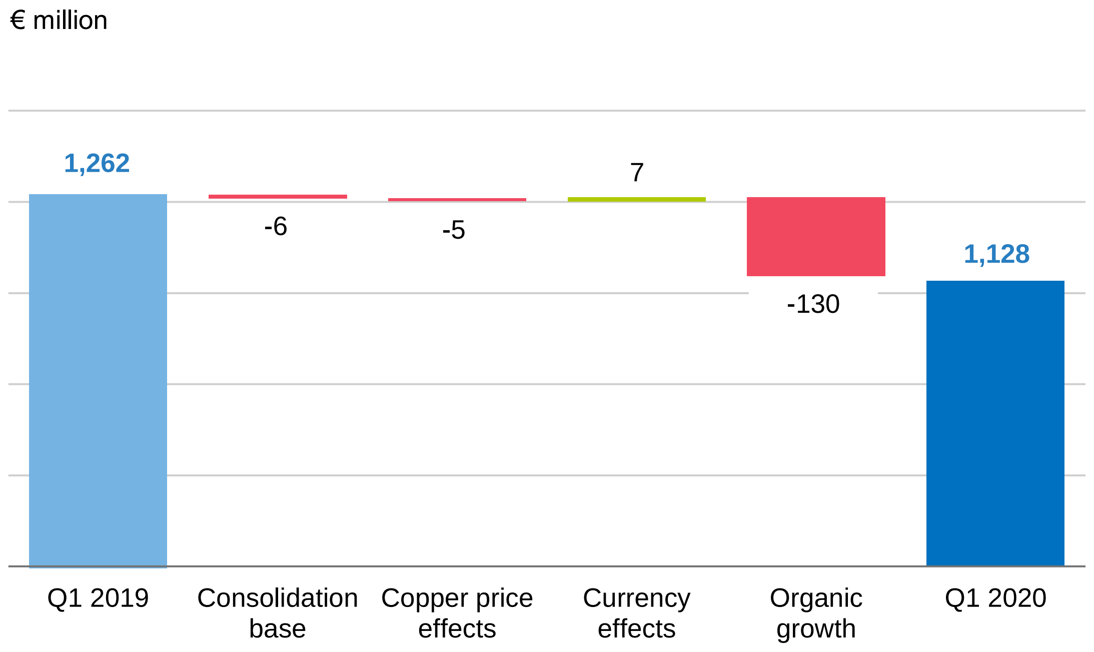
Satisfactory start in 2020, main Covid-19 impact still to come

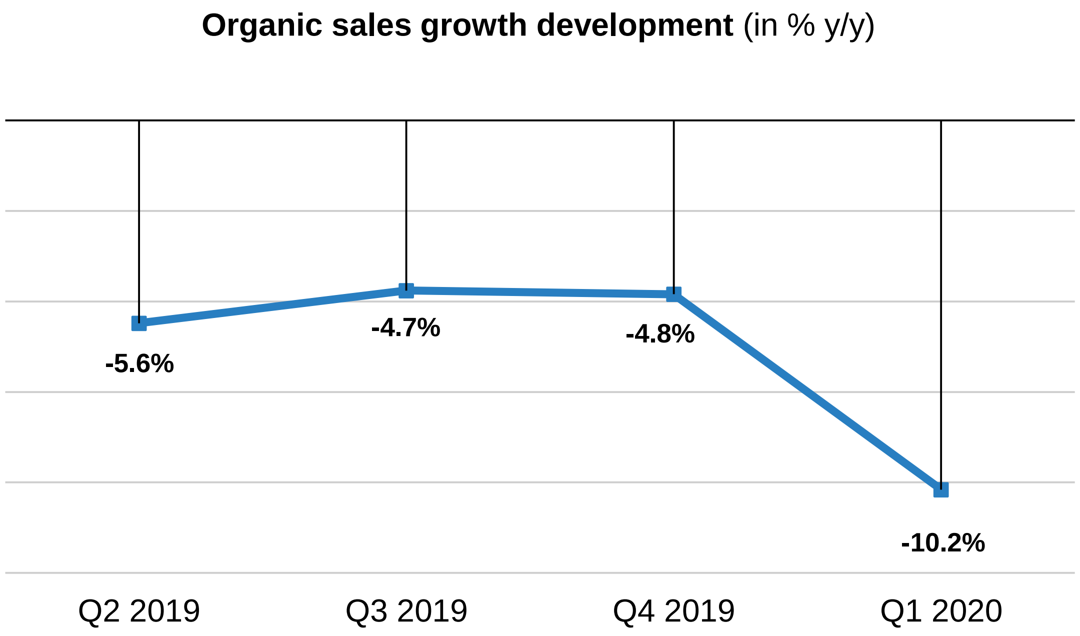
- Positive operational improvements drove slight y/y improvement in EBIT before exceptional items as well as before VALUE 21 costs of EUR-17m despite the significant sales decrease.
- Balanced free cash flow despite VALUE 21 related severance payments, due to sound working capital management and proceeds from sale-and-leaseback transactions.
- VALUE 21 execution consistently on track; approximately 70% of gross savings potential from VALUE 21 implemented as of the end of Q1.
- Additional EUR330m credit line guaranteed by German Federal Government and States ensures proper financing of the Group.
- Updated IDW S6 expert opinion confirmed ability to restructure and that the Group is fully financed until the end of 2022.
- Top- and bottom-line development already burdened by Covid-19 (Sales Q1/20: -11% y/y); significant negative full-year impact expected.

LEONI

Q1 2020 sales impacted by pandemic-related production shutdown

Sales year-on-year





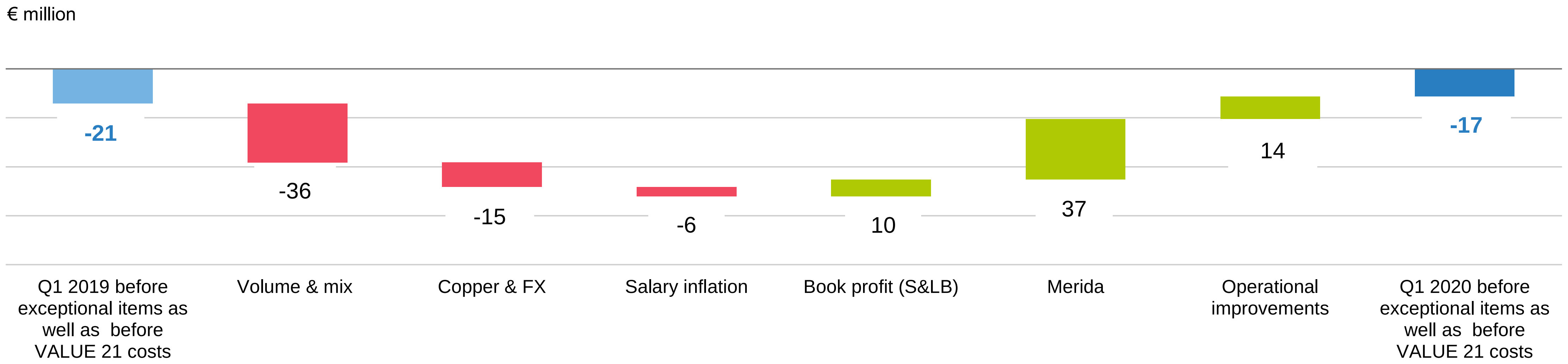
- Top-line development suffered from collapse in global demand across almost all end customer industries, especially at the end of Q1.
- Both divisions affected by Covid-19-related plant shutdowns and other production restrictions.
- Sharpest sales decline in Asia (-29% y/y), followed by EMEA (-9%) and the Americas (-1%).

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

LEONI

Operational improvements offset by declining volumes

Operating income development year-on-year



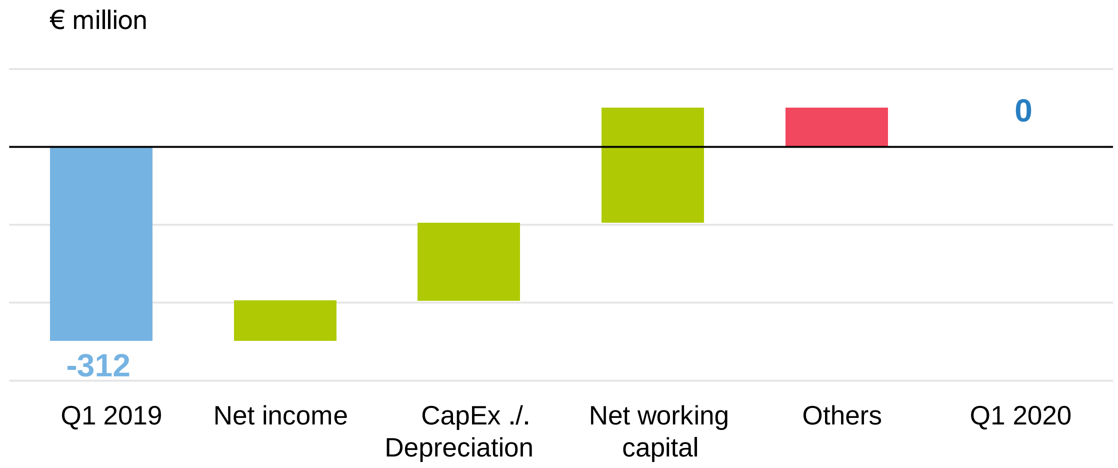
- Significant operational improvements (including Merida) y/y.
- Operating development burdened by decline in sales and a negative copper price valuation effect.
- Q1 2020 includes book profit of EUR10m related to sale-and-leaseback transactions.
- Previous year's operational performance impacted by now resolved ramp up issues at Merida, Mexico plant.

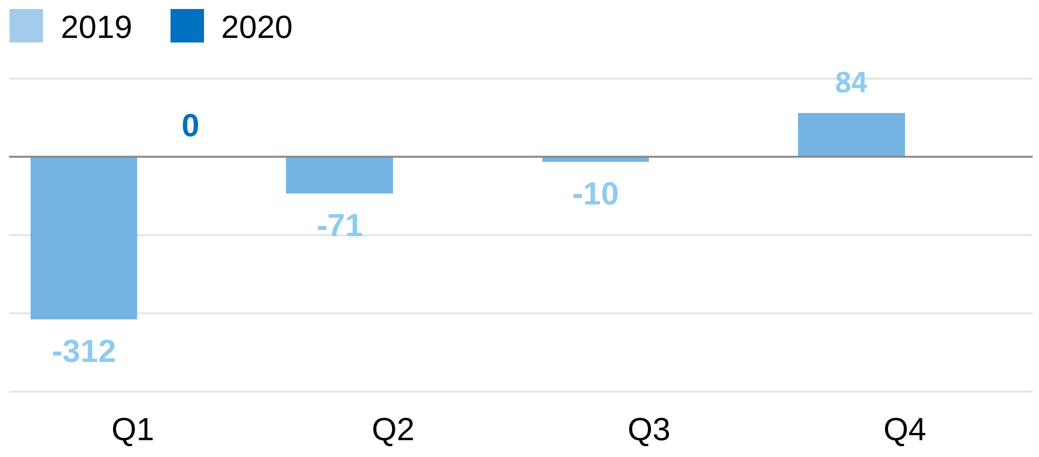
- Exceptional items in Q1 2020 include impairments of EUR19m and refinancing costs of EUR9m.
- Total burden related to exceptional items and VALUE 21 costs totalling EUR40m (Q1/19: EUR104m).
- Reported EBIT improved to EUR-57m (Q1/19: EUR-125m).

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

Balanced free cash flow achieved in a challenging environment

Structurally improved working capital management supported by positive temporary effects





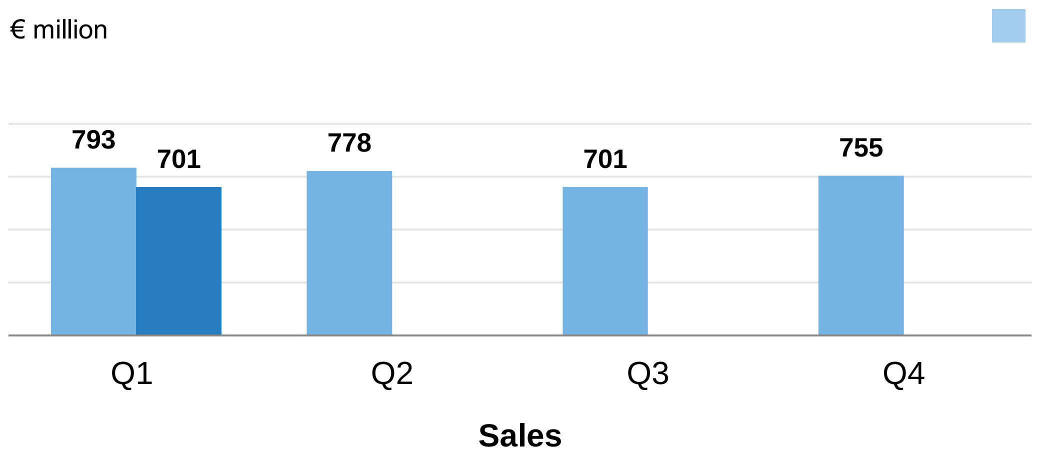
- Positive development of net working capital due to structural improvements in working capital management and a dampened increase in receivables.
- FCF development benefitting from significantly lower CAPEX and from cash inflow of EUR67m related to sale-and-lease-back transactions.
- Others including non-cash items such as impairments (Q1/20: EUR19m; Q1/19: EUR44m) and VALUE 21-related severance payments of roughly EUR18m.

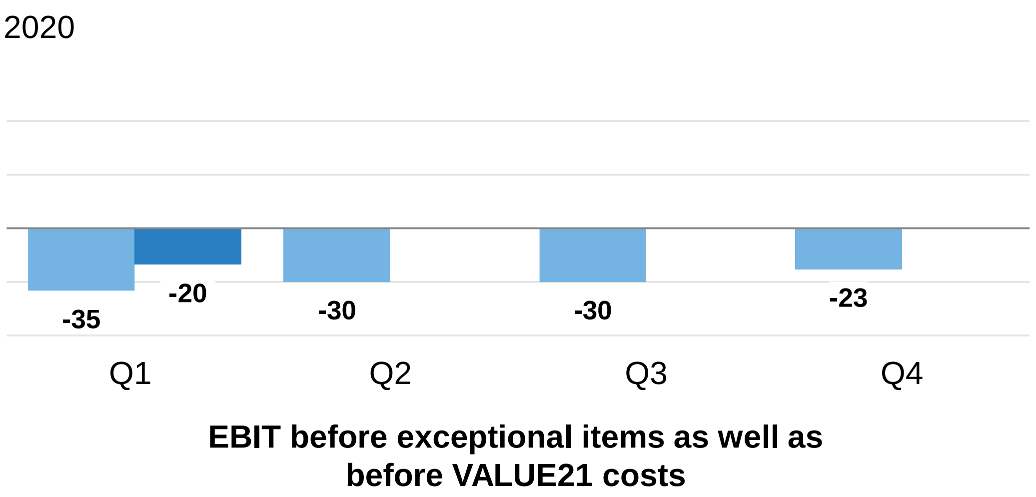
- FCF in Q1 2019 negatively impacted by seasonal quarter-on-quarter reversals in net working capital.
- Implemented measures to sustainably improve liquidity management are bearing fruit.

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

WSD faces significant decline in global demand

Operating income improves despite sharp decrease in sales





- Organic sales: -11% y/y in Q1 2020.
- Sharpe decrease in demand especially towards the end of Q1 2020 due to the Covid-19 pandemic.
- Order intake in Q1 2020: EUR0.4bn (Q1/19: EUR1.4bn).
- Order backlog at the end of Q1 2020: EUR22.0bn (end FY19: EUR22.9bn); thereof e-mobility: EUR5.8bn (end FY19: EUR6.0bn).

- EBIT before exceptional items as well as before VALUE 21 costs improves slightly y/y despite the significant decline in volumes and negative FX effects.
- Previous year's income development including costs of EUR37m related to the ramp up issues in Merida, Mexico.

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

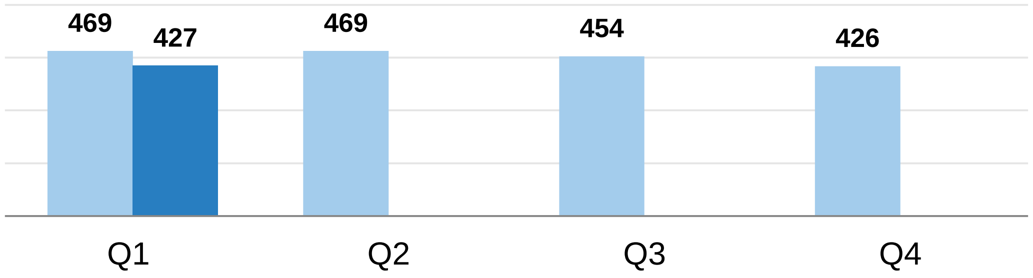
LEONI

WCS with weak demand in almost all end customer industries

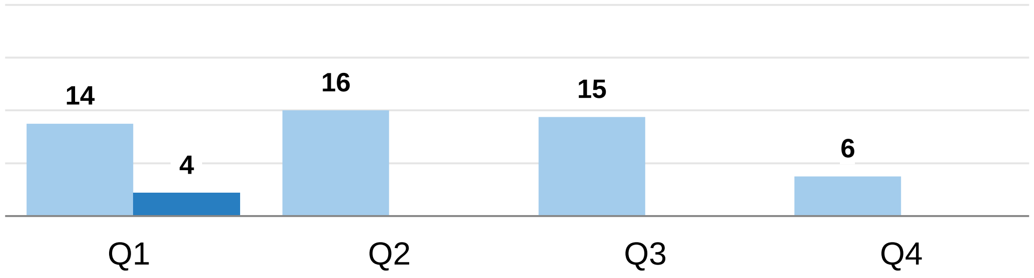
Negative organic growth and copper-related valuation losses impacting profitability

€ million

2019 2020



Sales



EBIT before exceptional items as well as before VALUE21 costs

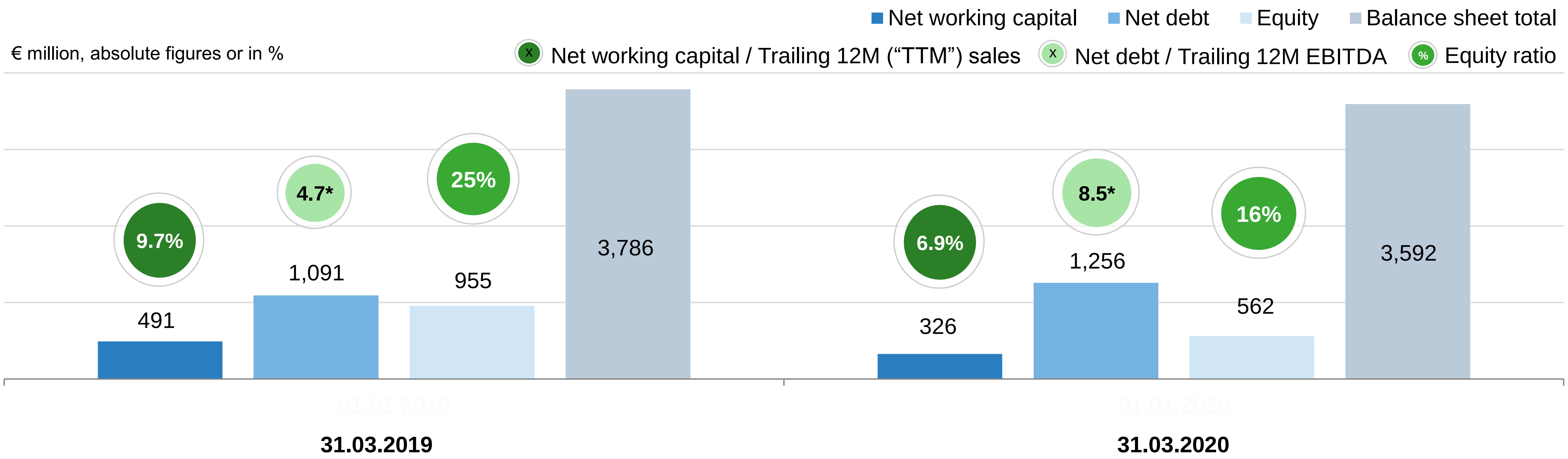
- Organic sales: -9% y/y in Q1 2020.
- Healthcare as well as energy and infrastructure showing a positive development but “Automotive” and “Industrials” businesses with declining volumes.
- Order intake of EUR449m (Q1/19: EUR471m); book-to-bill ratio >1.

- Decrease in EBIT before exceptional items as well as VALUE 21 costs mainly due to lower volumes and to copper valuation losses of EUR10m.
- Exceptional items including impairments totalling EUR22m.

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

Balance sheet remains stretched

Key balance sheet items



› Gearing (net debt/equity) at the end of March 2020 of 223%.

› Equity ratio at 16% at the end of March due to negative quarterly result.

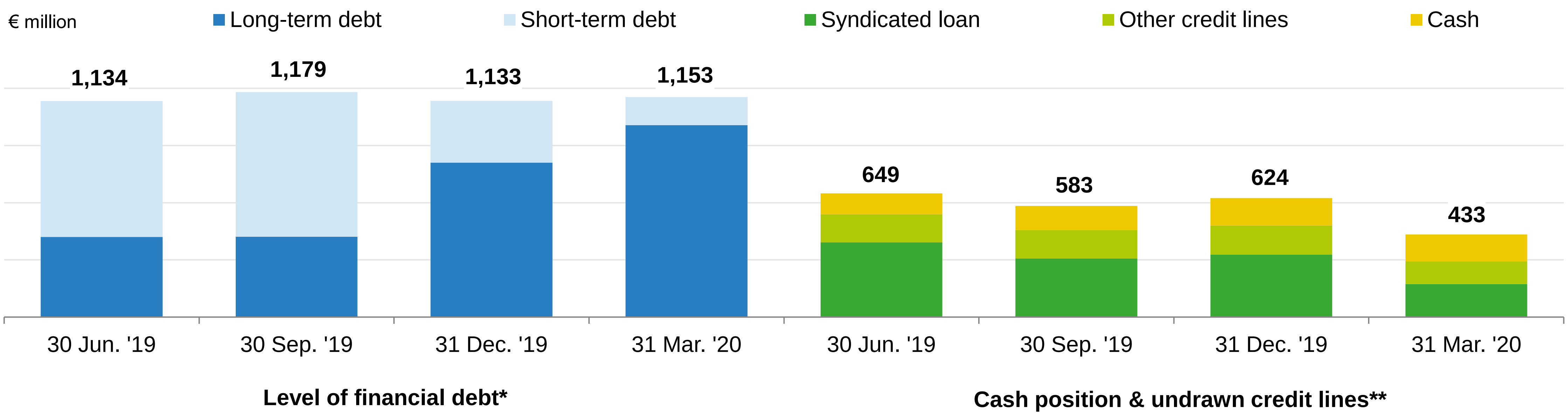
› Net working capital significantly lower than at the end of Q1 2019, driven by structurally improved working capital management, but also temporary effects such as a less significant increase in receivables related to the declining volumes in Q1 2020.

* TTM EBITDA excluding TTM exceptional items (Q2/19-Q1/20: EUR164m; Q2/18-Q1/19: EUR102m) as well as VALUE 21 costs (Q2/19-Q1/20: EUR90m; Q2/18-Q1/19: EUR2m)

LEONI

Improved maturity profile and additional financing secured

Additional EUR330m credit line ensures proper financing



- All undrawn credit lines are firmly committed until at least the end of 2022 - reclassification of funds related to the RCF at the end of FY 2019.
- Additional EUR330m credit line guaranteed by German Federal Government and States in April ensures proper financing of the Group.

- Decrease in Q1 liquidity** mainly due to repayment of "Schuldschein" loan of EUR166m in March 2020.
- Total liquidity including cash position of EUR433m** at the end of Q1.

* Excluding leasing liabilities related to IFRS16: Q2/19: EUR182m; Q3/19: EUR184m; Q4/19: EUR196m; Q1/20: EUR244m

** Bank guarantees amounting to EUR64m (end FY 2019: EUR74m) must be deducted from freely available liquidity at the end of Q1 2020

LEONI

VALUE 21 progressing according to plan

Roughly 65% of measures implemented by the end of Q1 2020

	Target picture	Status	
	Implemented initiatives	~65%	100%
	Gross savings *	~70%	EUR 500m
	Costs	~75%	EUR 120m

Q1 2020 Update

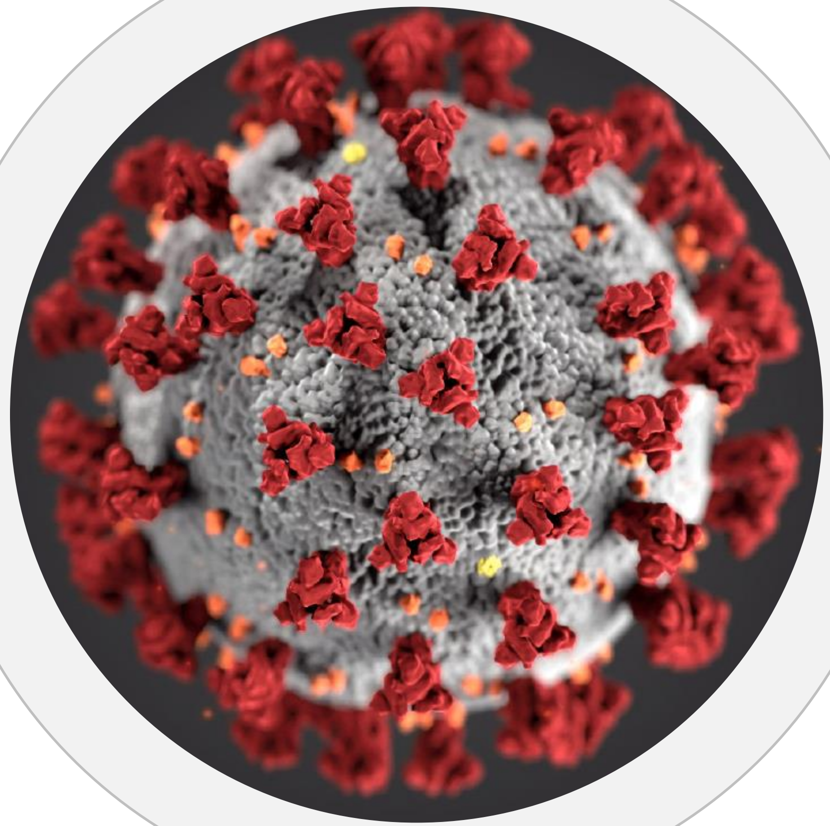
- VALUE 21 continues to be on track to deliver gross cost savings of EUR500m by 2022.
- Roughly 65% of measures already in execution by the end of March 2020 accounting for approximately 70% of gross savings target.
- Costs of EUR86m booked in 2019 and EUR7m in Q1 2020.
- Continued stringent order intake management resulted in EUR0.4bn of new program acquisitions.
- Implementation of VALUE 21 ensured by high acceptance in the organization and continued personal involvement of top management.

* Gross full run-rate as of FY 2022

Outlook 2020

Covid-19 pandemic significantly impacting FY 2020 development

- At the end of Q1, almost two-thirds of LEONI's global production sites were completely or partially shut down or had to reduce output significantly due to the pandemic. Roughly 80,000 employees were at home or in short-time work. Meanwhile, situation improves gradually.
- Extensive health safety measures have been implemented across all locations.
- Continuous dialogue with customers regarding the gradual ramp up of global production. In China, our production sites are currently back at a capacity level of around 75%.
- Covid-19 will continue to burden LEONI's top- and bottom-line as well as cash flow development during the remainder of the year. The impact remains unclear but we continue to anticipate full year results will be clearly negative compared to our previous planning and versus last year.
- Especially in Q2 2020, a significant burden to LEONI's operational and financial performance due to Covid-19 is anticipated.



LEONI

Q & A session

Contact & upcoming events

Investor Relations

Your Contact

Jens von Seckendorff

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

Upcoming Events

AGM	23 July 2020
H1 2020 results	12 August 2020
9M 2020 results	11 November 2020

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.