

FINANCIAL RESULTS

Q1-2021

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12 MAY 2021

LEONI



Highlights

Strong recovery continued – increased outlook 2021

- Group sales of €1,353m up almost 20% (18.4% organic growth)
- EBIT before exceptional items as well as before VALUE 21 costs of €39m significantly up y/y
- FCF (Q1-2021: negative €100m) as expected significantly down y/y due to increased NWC due to business recovery and sale and leaseback effect in Q1-2020 (€66m)
- Successful closing of the sale of LEONI Schweiz and agreement on sale of business units of LEONI Kerpen are first milestones to improve portfolio
- VALUE 21: Continued thorough implementation of performance and strategy programme; ~ €600m gross savings potential achieved
- Successful start of production of wiring systems for the Mercedes C-Class and Mercedes EQS
- Stability of supply chains remains a key focus; bottlenecks in chip supply and materials continue to pose a major challenge
- FY outlook* raised (compared to previous guidance):
 - Sales: “significantly up” (“significantly up only in the low double-digit percentage range”)
 - EBIT bef. exc. items & V21 costs: “significantly up – at least break even” (“significantly up”)
 - FCF: “significant decrease” (unchanged compared to previous guidance)

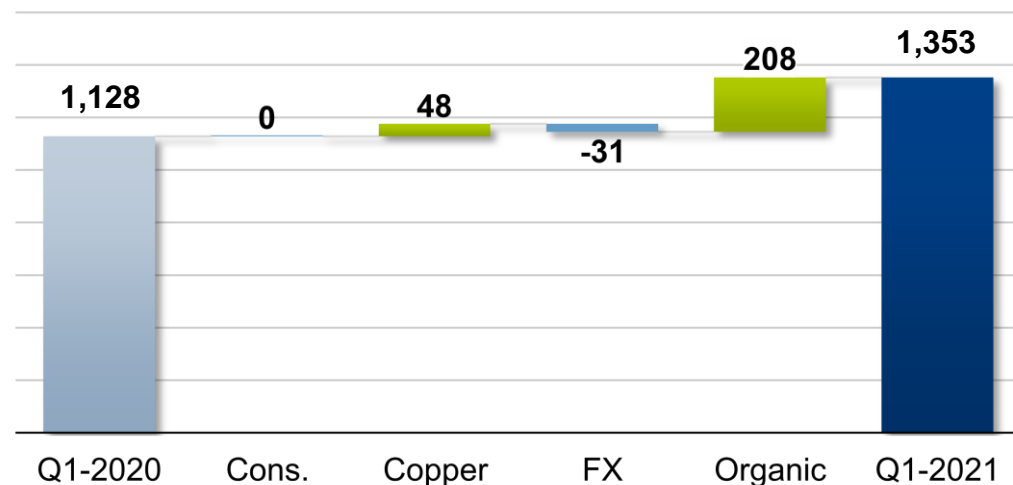


Significant increase in Group sales

Sales recovery across all regions

Sales year-on-year

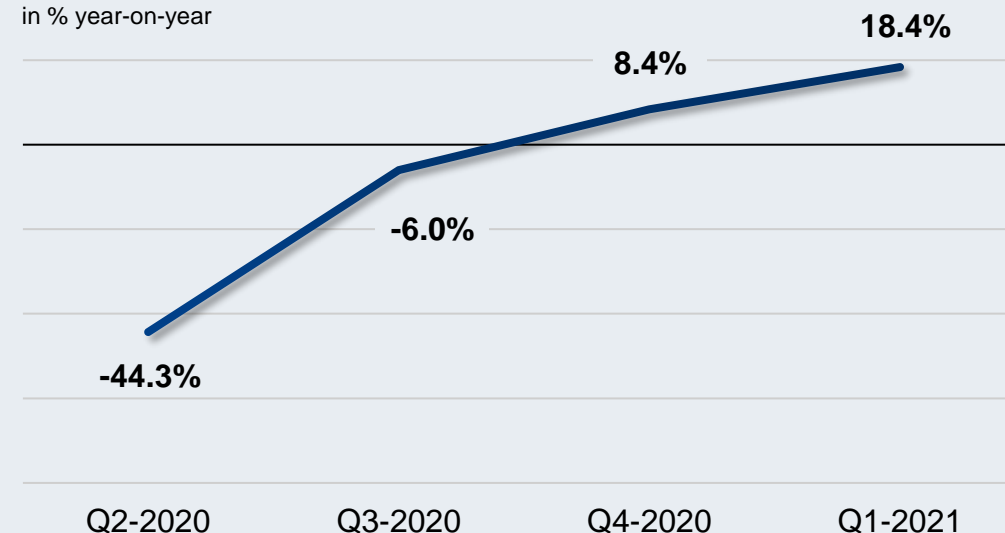
€ million



- 18.4% organic sales growth pushed top-line recovery compared to Q1-2020, when we already noticed an effect from Covid-19 in late February and March (mainly China)
- Increased copper price higher than negative FX effects
- Sales growth in both divisions: WSD (+21% y/y), WCS (+19% y/y)

Organic sales growth development

in % year-on-year

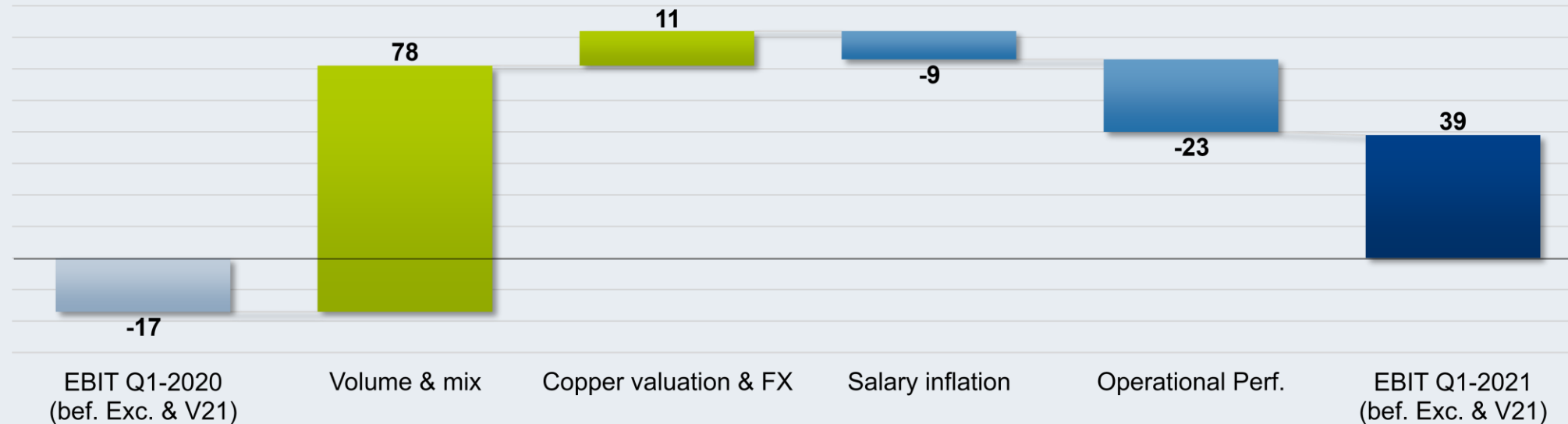


- Sales recovery across all regions, most significant increase in Asia (+56% y/y), followed by EMEA (+17%) and the Americas (+9%)

Earnings improvement driven by sales recovery

Operating income development year-on-year

€ million

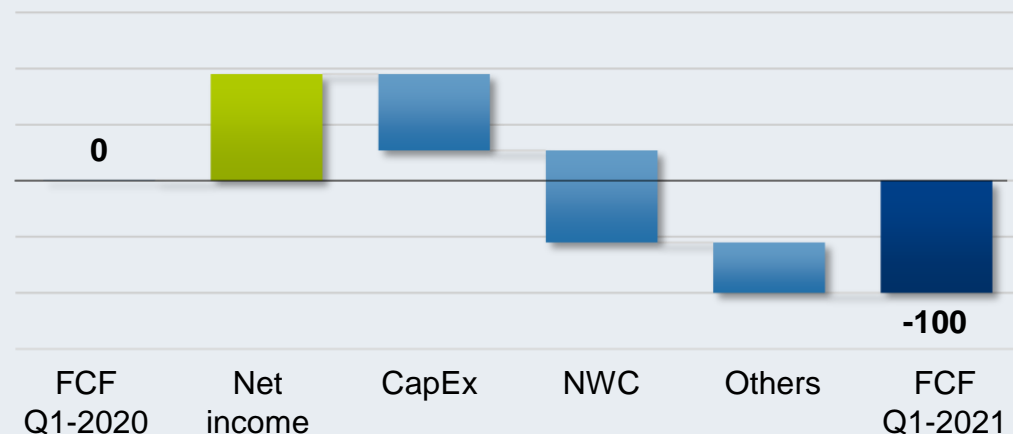


- EBIT before exceptional items as well as before VALUE 21 costs significantly higher at €39m due to positive volume/mix effects
- Earnings supported by valuation effects from higher copper price and by FX despite increased salaries
- Positive operating effects in WSD in the low double-digit million Euro range were more than offset by higher costs due to supply bottlenecks for materials and the base effect of a positive contribution from S&LB of about €10m in Q1-2020

Free cashflow below previous year's balanced level

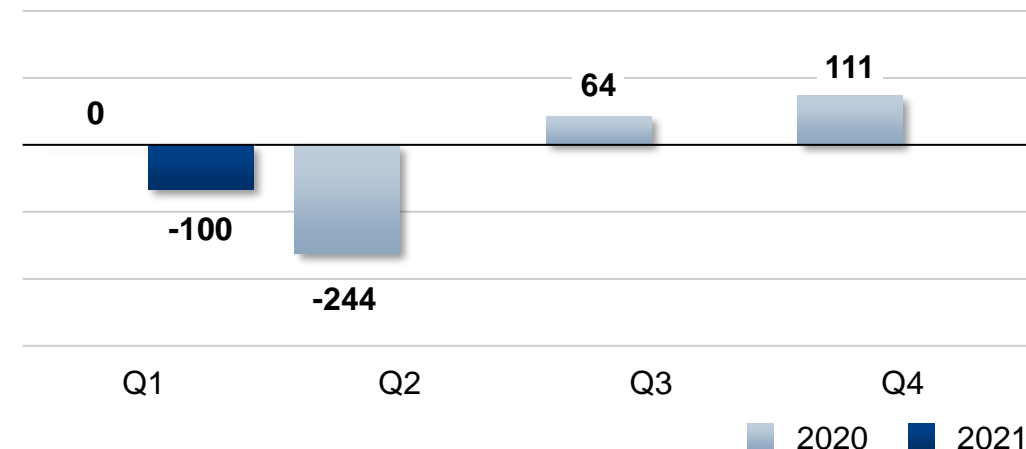
As expected after positive one-time effects in Q1-2020 and due to volume recovery in Q1-2021

€ million



- FCF supported by positive net income but burdened by increased NWC on the back of business recovery, high copper prices and respective restricted "breathing ability" of the reverse factoring lines
- CAPEX excluding effects from IFRS16 of €37m was on similar level to Q1-2020 (€34m)
- Q1-2020 supported by a sale and leaseback programme in the magnitude of €66m

€ million



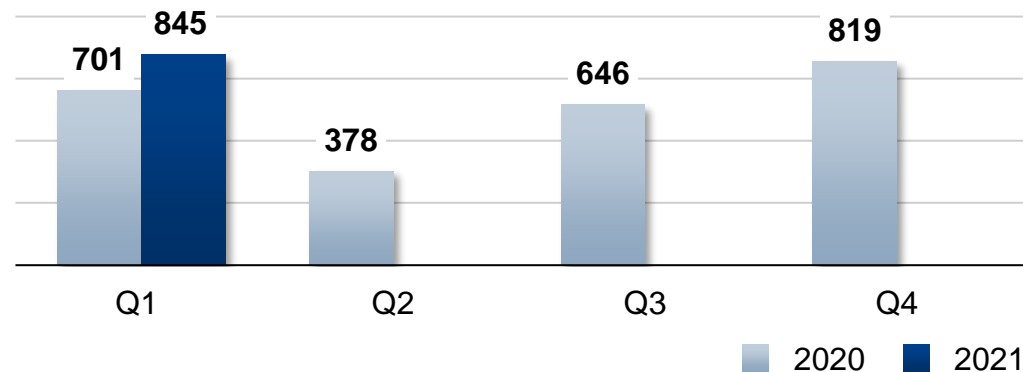
- Divestment of LEONI Schweiz had a low-single-digit million Euro positive one-off cash impact in Q1-2021
- Kerpen related exceptional items already recognized in last year's P&L. No impact on cashflow in Q1-2021

WSD with strong organic volume growth

Operating income almost reached break-even despite supply bottlenecks

Sales

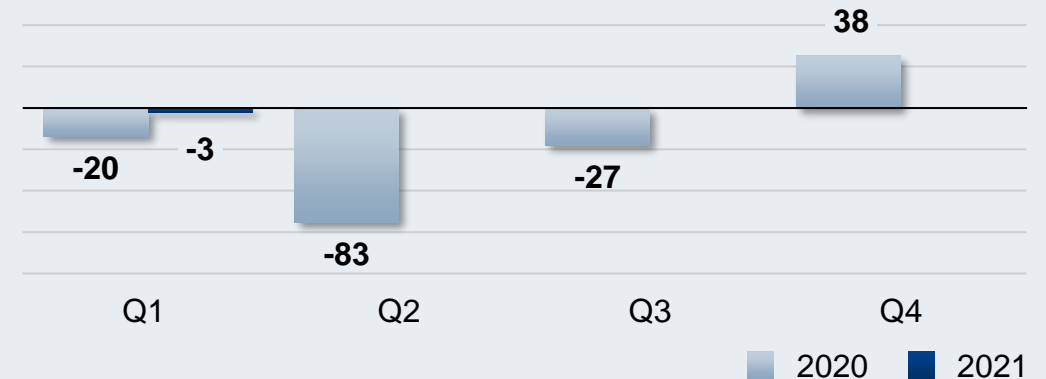
€ million



- Significant sales recovery (+21% y/y) driven by organic volume growth (+22%), due to recovery from Covid-19 impact and successful ramp-ups of projects started in 2020 and 2021, offsetting negative FX effects
- Increased volumes across all regions: Asia (+58% y/y), EMEA (+19% y/y), and the Americas (+7% y/y)
- New orders with expected project volume of €0.2bn (Q1-2020: €0.4bn) in Q1-2021

EBIT before exceptional items as well as before VALUE21 costs

€ million



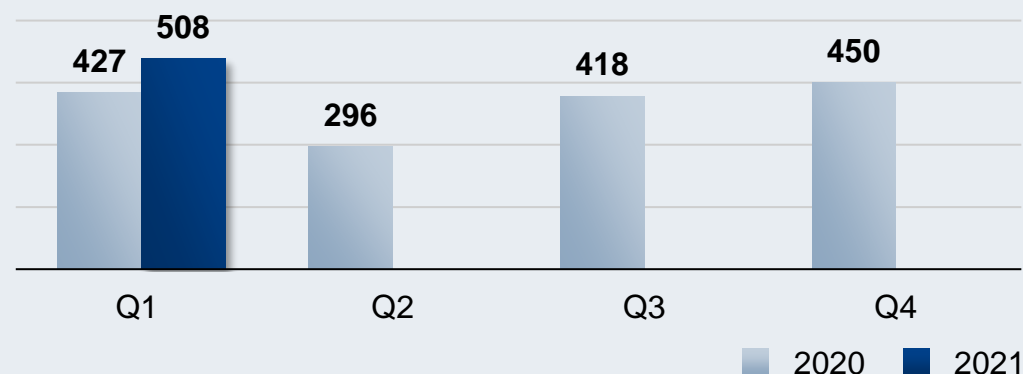
- Positive effects from volume increase and increased operational performance partially offset by additional costs in connection with supply bottlenecks in the low double-digit million Euro range
- Reported EBIT of negative €18m burdened by exceptional items like the Covid-19 health and safety measures as well as VALUE 21 costs which were in line with last year's level

WCS significantly increases operating income

Growing volumes driven by organic sales and higher copper prices

Sales

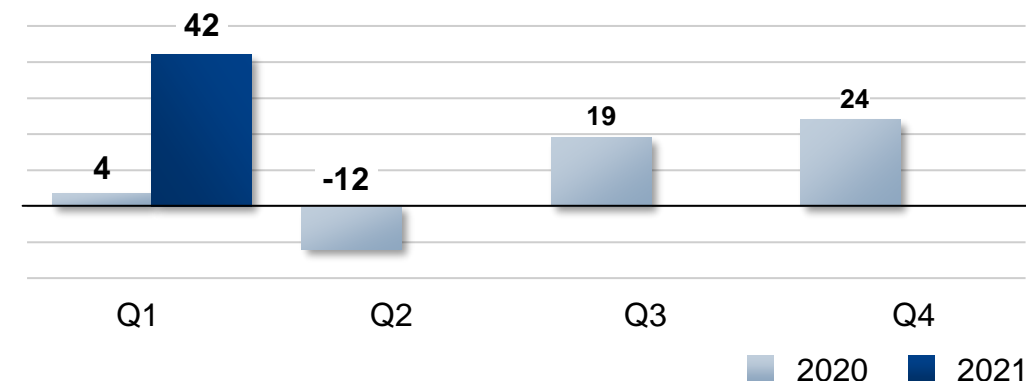
€ million



- 19% higher sales (y/y) driven by 12% organic sales growth mainly from the automotive business
- Strong positive topline effects from copper price pass through only partially offset by negative FX impact
- Sales increase across all regions: Asia (+54% y/y) and EMEA (+13% y/y) as well as in the Americas (+11% y/y)
- Order intake of €569m (Q1-2020: €449m) book-to-bill ratio >1

EBIT before exceptional items as well as before VALUE21 costs

€ million



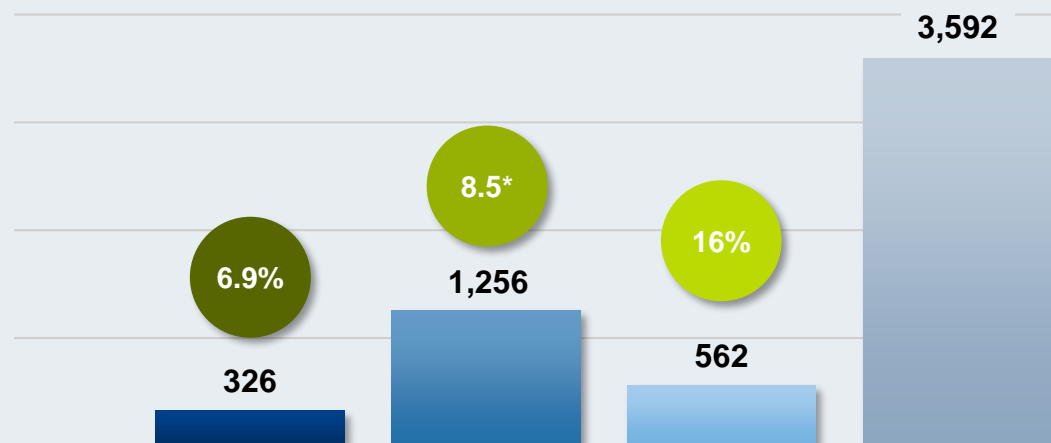
- EBIT before exceptional items as well as VALUE 21 costs significantly improved mainly due to volume/mix effects
- Reported EBIT of €69m, as expected supported by the reversal of last year's one-time effects (€32m; closing of LEONI Schweiz divestment)
- Q1-2020 was negatively impacted by €22m exceptional items, which were mostly impairments

Balance sheet remains stretched

Key balance sheet items

31.03.2020

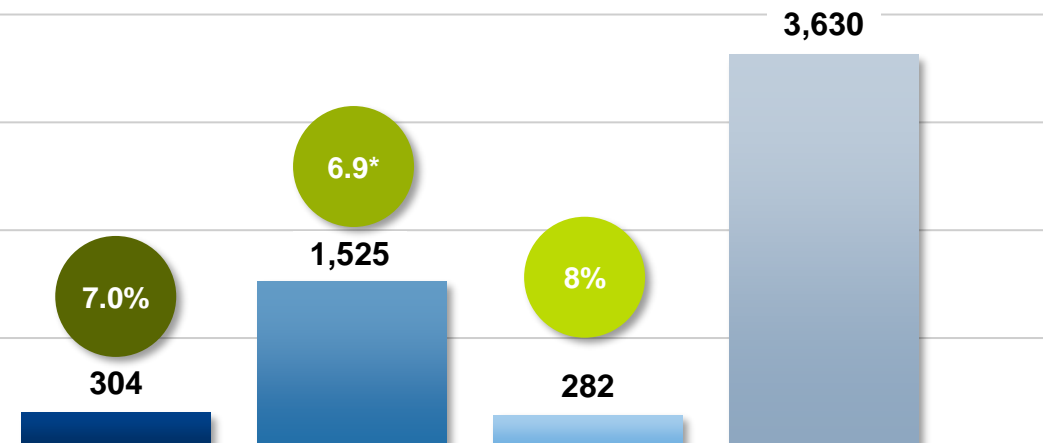
€ million, absolute figures or in %



■ Net working capital ■ Net debt ■ Equity ■ Balance sheet total x Net working capital / Trailing 12M ("TTM") sales x Net debt / Trailing 12M EBITDA % Equity ratio

- Gearing (net debt/equity) at the end of March 2021 of 540%, more than doubled compared to Q1-2020 (223%), mainly driven by lower equity, but also impacted by higher net debt
- Equity ratio at 8% at the end of March 2021 (Q1-2020: 16%)

31.03.2021



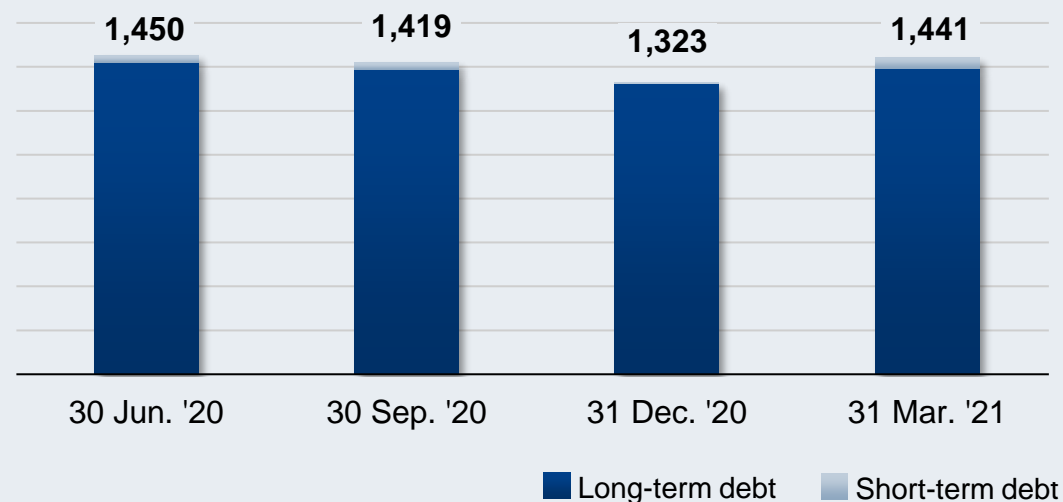
- Financial gearing (net debt/TTM EBITDA) decreased to 6.9 times due to a higher EBITDA (TTM) despite increased net debt
- Net financial debt of €1,525m increased mainly due to further utilisation of Revolving Credit Facility I (RCF I) as a result of negative FCF

Financial position remains tight

Reduced liquidity reflects negative FCF in Q1

Level of financial debt *

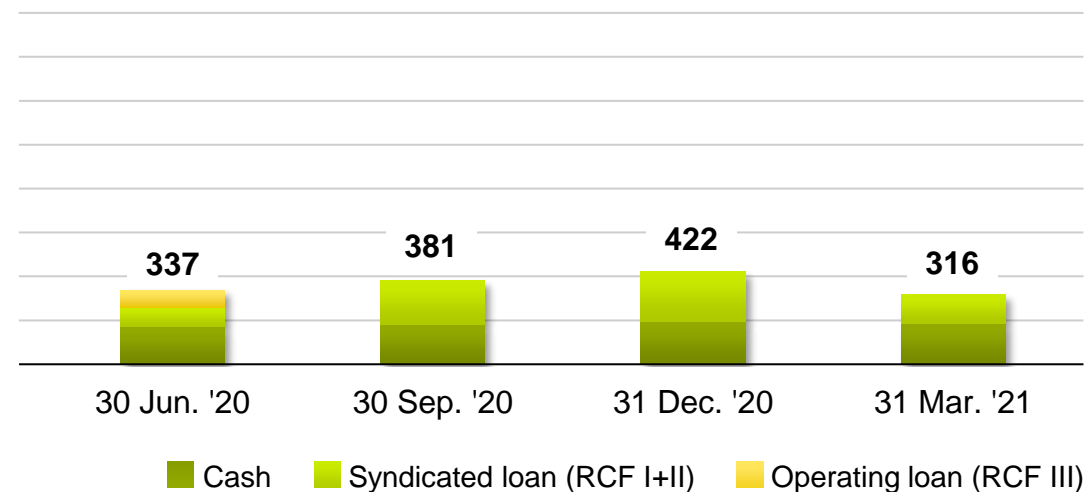
€ million



- All undrawn credit lines are firmly committed until at least the end of 2022
- Second and final tranche of operating loan became available as of April 1, 2021

Cash position & undrawn credit lines **

€ million



- Decrease in available liquidity mainly due to further drawdown of credit lines financing the negative FCF
- Cash and undrawn credit lines of €316m (YE-2020: €422m), of which €186m in cash
- Guarantees of €62m (YE-2020: €80m) already deducted (historic figures adjusted accordingly)

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

Successful production launches Q1-2021

Examples of new projects

- Important milestones underpinning our leading market position as a development partner and supplier for electric and hybrid vehicles.
- Successful production starts in Q1-2021
- LEONI supplies the low-voltage harnesses for the Mercedes C-Class and low- as well as high-voltage harnesses for the Mercedes EQS



Mercedes-Benz EQS

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Mercedes-Benz C-Klasse

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Summary

Strong start into 2021 – Outlook raised

- Robust start into the year with sales and EBIT before exceptional items as well as before VALUE 21 costs significantly above last year's achievements and market expectations
- Progress with implementing measures to improve portfolio: Successful closing of the sale of LEONI Schweiz and agreement on the sale of units of LEONI Kerpen are first milestones
- VALUE 21: Continued thorough implementation of performance and strategy programme; about €600m gross savings achieved by March 31, 2021
- Successful start of production for important Q1-2021 project ramp-ups
- Stability of supply chains remains critical; bottlenecks continue to pose major challenges; visibility remains low and volatility high
- Management raising FY outlook* for sales and EBIT before exceptional items as well as before VALUE 21 costs on the back of robust Q1
- LEONI actively supports the fight against the pandemic. Having already started vaccination of our employees in e.g. Ukraine and Serbia; we are also keen to make our infrastructure available for this purpose in Germany



Q & A SESSION





Contact & upcoming events

Investor relations

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Upcoming Events:

Annual General Meeting 2021 - 19 May 2021, 12:00 pm

Interim report 1st half 2021 - 11 August 2021

Quarterly statement 1st-3rd quarter 2021 - 10 November 2021

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