

Annual General Meeting 2021

Key aspects of the speech Aldo Kamper, CEO

- **Even in a challenging environment, LEONI sets course for sustainable recovery:** In the first half of 2020, the Covid-19 pandemic significantly impacted the automotive industry and particularly LEONI. LEONI nevertheless withstood the pandemic and made solid progress in stabilising its operating performance, even under extremely challenging conditions. We have not yet achieved all our objectives, but we have made important progress. In the past two and a half years, we have demonstrated that at LEONI, we not only identify problems, but that we work hard to remedy them.
- **Successful implementation of VALUE 21 helped to partially mitigate the pandemic:** We achieved the gross cost savings target of 500 million euros from our performance and strategy programme VALUE 21 by the end of September 2020, well ahead of plan. As of today, we have already implemented measures to achieve gross cost savings of over 600 million euros. The consistent implementation of the VALUE 21 programme initiated in early 2019 has helped to mitigate the unexpected burdens caused by the Covid-19 pandemic. We are confident that the VALUE 21 measures will be the basis for a strong and healthy future LEONI with competitive EBIT and free cash flow margins.
- **Stabilisation of operating performance is reflected in performance indicators:** The progress made in 2020 and the encouraging start to 2021 are increasingly reflected in our results. In 2020, EBIT before exceptional items as well as before VALUE 21 costs was slightly above the previous year's level, and free cash flow was significantly higher. The recovery continued in the first quarter of 2021 and we recently raised our outlook for the current financial year.

- **Uncertainty persists, stability of supply chains currently a daily challenge:** The stability of supply chains is currently a major challenge for efficient production and logistics and can potentially have an impact on volumes. That relates not only to semiconductors, but also to important materials such as plastics and connectors. We are monitoring the dynamic developments very closely and are doing everything we can to minimise the impact on supply chains and on our ability to deliver for our customers. However, these developments are a reminder that despite encouraging signs, the overall level of uncertainty remains high and that we need to continue to be alert to any unexpected developments.
- **Key milestones achieved in WCS separation, further progress expected in 2021:** On the way to sustainably stabilising LEONI, we also pushed ahead with the announced carve-out of the WCS units. With LEONI Schweiz, we completed the first sale of a WCS unit in the first quarter of 2021. With the agreement on the sale of two business units of LEONI Kerpen, we have reached yet another important milestone. Investors have meanwhile also expressed interest in further units, and we have set up a structured and professional process to sell individual units. We are confident that we will make further progress in the current year and that these sales will help to increase LEONI's financial flexibility in the medium term.
- **Successful launch of new projects and close cooperation with our customers:** Technological change in the industry is accelerating. This does not frighten us at LEONI, on the contrary: we are fully on board! Recently launched projects include the VW ID.3, the Audi Q4 e-tron, the Mercedes C-Class sedan or the Mercedes EQS. These projects underscore our technological leadership. LEONI has now also arrived in the age of e-mobility with substantial production volumes and we are closely cooperating with many of our customers as early as the concept development stage.

- **LEONI lives up to its social and ecological responsibility:** Throughout all the challenges, at LEONI, we have never lost sight of the major trends of our time, such as the protection of our environment. Our wiring systems, for instance, help to make e-mobility more affordable. With their more efficient structures, they also contribute to reducing both the CO₂ emissions of modern vehicles and the use of resources in production. With our commitment, we are also improving the circumstances of many of our employees and their communities globally. In Egypt or Morocco, for example, we are one of the most important industrial employers, and in Tunisia and Serbia we are actually the largest industrial employer.
- **Together against Covid-19:** Even as optimism is rising, the health of our employees remains our key priority. We gladly and voluntarily put ourselves on the front line in the fight against the Covid-19 pandemic. We have already been vaccinating our employees in Ukraine and Serbia for several weeks in close coordination with local authorities and are now also starting in Romania, Russia, and Egypt. In similar fashion, we are also keen to make our infrastructure available for this purpose in Germany and are working with relevant stakeholders to hopefully make this a reality.