

## **Leoni plans stock market listing or sale of its Wire & Cable Solutions division**

Nuremberg, 10 July 2019 – Leoni AG of Nuremberg (ISIN DE 0005408884 / WKN 540888) is preparing a separation of its Wire & Cable Solutions (WCS) division through a a stock market listing or sale, including the option of a partial sale. To date, no final decision has been taken in this regard. Following a potential separation, Leoni's primary focus would be on the development of its Wiring Systems Division (WSD). To this end, Leoni has begun to mandate respective advisors. Leoni will inform shareholders and the public as soon as relevant developments arise.

The decision to prepare a separation of its WCS division followed a further review of the existing group structure and strategy for each division in the context of the previously announced VALUE 21 programme. This also included a review of the optimal future ownership structure of WCS and WSD to determine how both divisions can achieve their full potential.

As communicated, Leoni's Board of Directors sees only very limited synergies between both divisions and intends to increase their operational independence. In this context, corporate support functions will transfer from the holding company to the divisions. WCS increasingly focuses on advanced and intelligent cable solutions and services and WSD further enhances its energy and data solutions and services related capabilities.

The implementation of the VALUE 21 programme is progressing according to plan to achieve sustainable gross cost savings targets of EUR 500 million per year by 2022 for the existing group (with a targeted EBIT margin impact of +2-3%-pts and a targeted FCF yield impact of +4-5%-pts). Around 75% of the savings are expected to be realized in WSD.

Furthermore, Leoni is working on its refinancing requirements for which all options are being considered.

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This announcement contains certain forward-looking statements that are based on the current assumptions and forecasts of Leoni AG's management. Various known and unknown risks, uncertainties and other factors could cause Leoni's actual results, its financial position, growth or performance to differ materially from the estimates presented herein. Leoni assumes no responsibility whatsoever to update such forward-looking statements or to conform them to future events or developments. Explanations of and reconciliations with key financial figures used can be found in the Annual Report 2018 of Leoni AG (accessible at [https://d1619fmrxc9c43.cloudfront.net/fileadmin/corporate/publications/reports/2018/annual\\_report\\_2018.pdf?1552974803](https://d1619fmrxc9c43.cloudfront.net/fileadmin/corporate/publications/reports/2018/annual_report_2018.pdf?1552974803)), particularly on pages 137, 159, 170 et seq. and 240.

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