


Leoni maintained its free cash flow uptrend in the first quarter of 2020

Nuremberg, 13 May 2020 – “Leoni was prompt and successful taking measures to lower costs and safeguard its financial resources to counteract the fallout from the Covid-19 pandemic. We have applied extensive precautionary measures throughout the Group to protect our workforce and have prepared well for restarting production.” Aldo Kamper, CEO of Leoni AG

- First-quarter sales and earnings affected by Covid-19 pandemic
- EBIT-level result before exceptional items as well as before VALUE 21 costs improved slightly to a loss of EUR 17 million despite the significant sales decrease
- Asset impairment amounting to EUR 19 million due to economic conditions changed by the Covid-19 pandemic; reported EBIT nevertheless considerably improved
- Neutral free cash flow despite severance payments related to VALUE 21; significantly better than in the same quarter of the previous year thanks to systematic improvement of working capital management; less capital spending as well as once-off sale-and-leaseback transactions
- As a consequence of the Covid-19 pandemic, we have applied extensive measures to safeguard continuation of our business operations as well as to protect our workforce
- As an additional response to the pandemic, we agreed a new EUR 330 million operating loan with core banks, 90% of which is backed by a large-scale German federal and state government guarantee (Bund-Länder-Großbürgschaft)

- The recent expert opinion on restructuring that considered potential Covid-19 fallout confirmed the Company's ability to restructure and that it is fully financed through to the end of 2022
- Resolute implementation of our VALUE 21 performance and strategy programme; about 70 percent of the gross cost reduction potential realised as of 31 March 2020
- Ready for safe and gradual restart of production

 Further information can be found in the corresponding quarterly statement at <https://www.leoni.com/en/financial-publications>

Leoni performance overview

Group key figures	Q1 2020	Q1 2019
Consolidated sales [€ million]	1,128	1,262
EBITDA [€ million]	(4)	(76)
EBIT [€ million]	(57)	(125)
EBIT before exceptional items as well as before VALUE 21 costs ⁽¹⁾ [€ million]	(17)	(21)
Consolidated net result [€ million]	(67)	(132)
Earnings per share [€]	(2.05)	(4.03)
Free cash flow ⁽²⁾ [€ million]	0	(312)
Capital expenditure [€ million]	98	78
Equity ratio [%]	15.7	25.2
Employees (as at 31 March)	91,872	95,704

- (1) This key figure represents adjustment of EBIT for exceptional, non-recurring factors to facilitate better comparability between the periods and interpretation of operating profitability. Exceptional items comprise significant impairment of goodwill, intangible assets, property plant and equipment as well as other assets, major expenses for contingent losses on customer contracts, costs in preparation for carving out the Wire & Cable Solutions Division (excl. internal costs), refinancing costs (incl. consultant, bank and solicitor fees; apart from the costs that are attributed to interest expenses) as well as other expenses incurred by strategic decisions. Costs for the VALUE 21 programme comprise all the related restructuring and severance costs as well as third-party consultant fees.
- (2) Prior-year figures adjusted (presentation change: interest paid and received is classified in full as a financing)

About the Leoni Group

Leoni is a global provider of products, solutions and services for energy and data management in the automotive sector and other industries. The value chain encompasses wires, optical fibers, standardised cables, special cables and assembled systems as well as intelligent products and smart services. As an innovation partner and solutions provider, Leoni supports its customers with pronounced development and systems expertise. The market-listed group of companies employs around 92,000 people in 32 countries and generated consolidated sales of EUR 4.8 billion in 2019.



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