

Leoni AG sells Business Group Automotive Cable Solutions – next major step on the path to sustainable financial stabilisation

- Another milestone reached for the upcoming refinancing of Leoni
- Sale of Business Group Automotive Cable Solutions to strategic investor STARK Corporation Public Company Limited will strengthen balance sheet

Nuremberg, 23 May 2022 – Another major step on the path towards sustainable financial stabilisation: Leoni sells its Automotive standard and special cables business, bundled in the Business Group Automotive Cable Solutions (BG AM), to STARK Corporation Public Company Limited ("STARK Corporation").

“With this decision, we strengthen our balance sheet, support the ongoing talks regarding our refinancing and drive forward our well-known strategic focussing on the wiring systems business,” said Aldo Kamper, CEO of Leoni.

BG AM is very well and profitably positioned globally. It has a broad and innovative product portfolio and is one of the market leaders in automotive standard, special and charging cables. As a long-standing supplier to the international automotive industry, the Business Group has a worldwide production network with 10 locations in 7 countries and around 3,300 employees.

STARK Corporation is one of Southeast Asia's leading wire and cable suppliers across industries, with roots dating back to 1968. Chanin Yensudchai, Chairman of STARK Corporation: “BG AM’s portfolio, markets and technological know-how ideally complement our strengths. Together with our new colleagues, we are optimally positioned to play a strong role in the international automotive cable business and to further develop our business worldwide.”

“We know STARK Corporation as a very reputable supplier of cable products - and this was confirmed in very constructive discussions with STARK Corporation's leadership, which were characterised by mutual respect and appreciation,” said Leoni-CEO Aldo Kamper. BG AM has a long-standing history within Leoni AG. A high priority in the selection of the investor was therefore that the new owner is willing and able to

strategically develop the products and services and makes a clear commitment to the employees.

“I am confident that with STARK Corporation, BG AM will begin the next chapter of success in its history,” Kamper continued. „And I am convinced that we will continue to work together intensively in the future – because of course we only use top-quality cables for our wiring systems.”

The sold activities generated a sales volume of approximately € 1.3 billion in the 2021 fiscal year and are valued with an enterprise value of € 560 million. The expected cash inflow after deduction of, among other things, financial liabilities and pension costs is significantly above € 400 million and will also have a correspondingly positive effect on the reported free cash flow.

The completion of the sale is still subject to various closing conditions, including required merger control and investment control clearances, which are expected to be granted within six months. The closing of the transaction is also subject to the approval of LEONI Group’s financing partners. The transaction is related to the refinancing concept, which is currently not yet finally defined. The Board of Directors and the Supervisory Board of LEONI AG as well as the Board of the buyer have already approved the planned sale.

☞ Related illustration material can be downloaded next to this release at <https://www.leoni.com/en/press/releases/details/solutions-cable/>

About the Leoni Group

Leoni is a global provider of products, solutions and services for energy and data management in the automotive industry. The value chain ranges from standardized cables and special cables to highly complex wiring systems and related components. Leoni supports its customers as an innovation partner and solution provider with distinctive development and system expertise on the way to increasingly sustainable and connected mobility concepts by developing the next generation of wiring systems. The market-listed group of companies employs about 100,000 people in 28 countries and generated consolidated sales of EUR 5.1 billion in 2021.



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