

Leoni AG releases preliminary, unaudited figures for the 2022 financial year and forecast for the 2023 financial year

Nuremberg, 10 February 2023 – Leoni AG, Nuremberg (ISIN: DE0005408884 / WKN: 540888) has released preliminary, unaudited figures for fiscal year 2022. The Leoni Group generated sales of approx. €5.1 billion (2021: €5,119 million), EBIT before exceptional items¹ of approx. € 11 million (2021 EBIT before exceptional items²: € 130 million) and free cash flow (FCF) of approx. € 126 million (2021: negative € 12 million). Free cash flow includes the FCF-effect of € 278 million resulting from the sale of Business Group Industrial Solutions (BG IN).

It is likely that the Company's refinancing will trigger the need for significant impairments. The exact amount cannot be quantified at present; it cannot be ruled out that the impairments will amount to a low to mid three-digit million euro figure. The impairments weigh on reported EBIT for the 2022 financial year. As this is an exceptional item, it does not affect EBIT before exceptional items¹.

The preliminary figures cover the Leoni Group including Business Group Automotive Cable Solutions (BG AM). As announced on 13 December 2022, the buyer surprisingly refused to close the SPA on the sale of BG AM concluded in May 2022. According to accounting principles, BG AM will therefore, until further notice, again be presented as a continuing operation for the 2022 financial year. The updated forecast for 2022 issued on 2 November 2022, which had no longer included BG AM as a discontinued operation, was (on a comparable basis) significantly exceeded in terms of EBIT before exceptional items¹ and FCF according to findings to date. The call-off pattern of our customers and thus our operating business stabilised in the fourth quarter of 2022 compared with previous quarters. At the same time, the Company successfully completed numerous negotiations on compensation for increased raw material costs and volatile customer call-offs including costs incurred during the preceding quarters.

In addition to the compensations, this also led to contingent losses to be reversed because of improved projections through to project end.

Based on a decision of the Executive Board today, Leoni AG is also announcing the key figures of the forecast for the 2023 financial year. It states that Leoni anticipates sales of approx. €5.5 billion, EBIT before exceptional items¹ reaching a high double-digit million euro amount and neutral free cash flow. The sales forecast is based on a slight growth in global vehicle output and a continuing ramp-up of new model ranges as well as strong demands for special cables. With respect to EBIT before exceptional items¹, the Company expects inflation-driven cost increases to be largely offset, less volatile demands as well as progress in cost efficiency in both direct and indirect areas. The FCF forecast assumes operational improvement compared with the previous year due to working capital optimisation among other factors, whereby a clearly pronounced seasonality is expected to continue.

Cash flow after financing costs (which are not included in FCF) will again be strongly negative in 2023, especially given that interest charges and possible exceptional factors stemming from the pending refinancing plan are not yet foreseeable. The operating performance shown in 2022 will, despite the progress already made, not be enough to bear the interest and leasing costs.

The 2023 forecast encompasses the Leoni Group with its Wiring Systems Division and Automotive Cable Solutions (ACS) division, which is identical to the previously existing BG AM. Business Group Wire Products & Solutions (BG PS), which is in the process of being sold, is included in the forecast for the full year of 2023.

The forecast and the preliminary figures depend on the Leoni Group being successfully refinanced. Given the ongoing, constructive but also very challenging negotiations on refinancing and the need for a capital reduction in this connection, it is to be expected that preparation of the 2022 financial

statements and consolidated financial statements and thus also the date for the Annual General Meeting will be delayed beyond the present schedule.

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. Effects stemming from the Group's refinancing (incl. impairments), restructuring measures, M&A transactions as well as extraordinary costs related to the Ukraine war are classified as exceptional items. Explanations of key financial figures used can be found in Leoni AG's Annual Report 2021, particularly on pages 55, 56, 60 and 63.*

²*EBIT before exceptional items for 2021 is computed based on the definition applicable from 2022. The original figure for EBIT before exceptional items as well as before VALUE 21 costs stood at € 172 million for fiscal 2021.*

Contact for journalists

LEONI AG
Gregor le Claire
Corporate Press Officer
Phone +49 911 2023-226
E-Mail gregor.leclaire@leoni.com

Contact for investors

LEONI AG
Rolf Becker
Senior Manager Investor Relations
Phone +49 911 2023-134
E-mail rolf.becker@leoni.com