LEONI

Financial results
Q3 2019

Aldo Kamper
Ingrid Jägering

LEONI

Q3 at a glance

Free cash flow significantly improved, sales and EBIT impacted by challenging market environment

- Sales and EBIT characterised by weak market environment, lower volumes, operational performance issues in WSD and increased personnel expenses
- VALUE21 on track to deliver sustained gross savings of EUR500m from 2022 onwards; measures with an effect of more than EUR150m already implemented*
- Q3 EBIT prior to exceptional items as well as VALUE21 costs** of EUR-15m; VALUE21 costs of EUR53m booked in Q3, mainly related to headcount reduction
- Continued significant free cash flow improvement year-over-year and sequentially at EUR-12m in Q3 (Q3/18: EUR-141m)

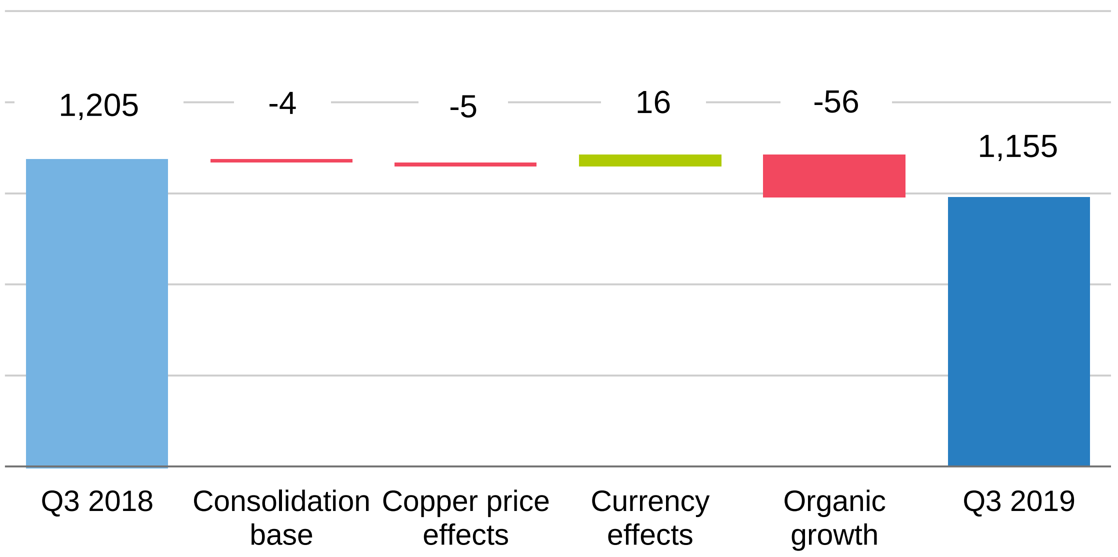
* Gross savings excluding structural headwinds; full run-rate from FY 2022 onwards

** Also referred to as “EBIT before exceptional items as well as before V21 costs” or “EBIT prior to special items as well as V21 costs”

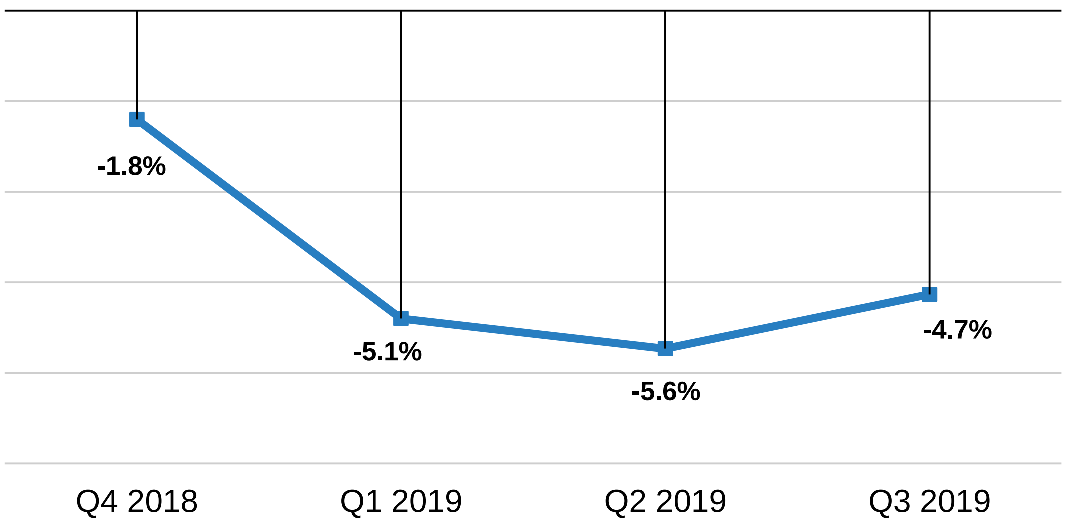
Q3 characterised by weak market environment

Sales year-on-year

in Euro million



Organic sales growth development
(in % y/y)



- Both divisions affected by challenging market environment
- Weaker demand in almost all end customer industries

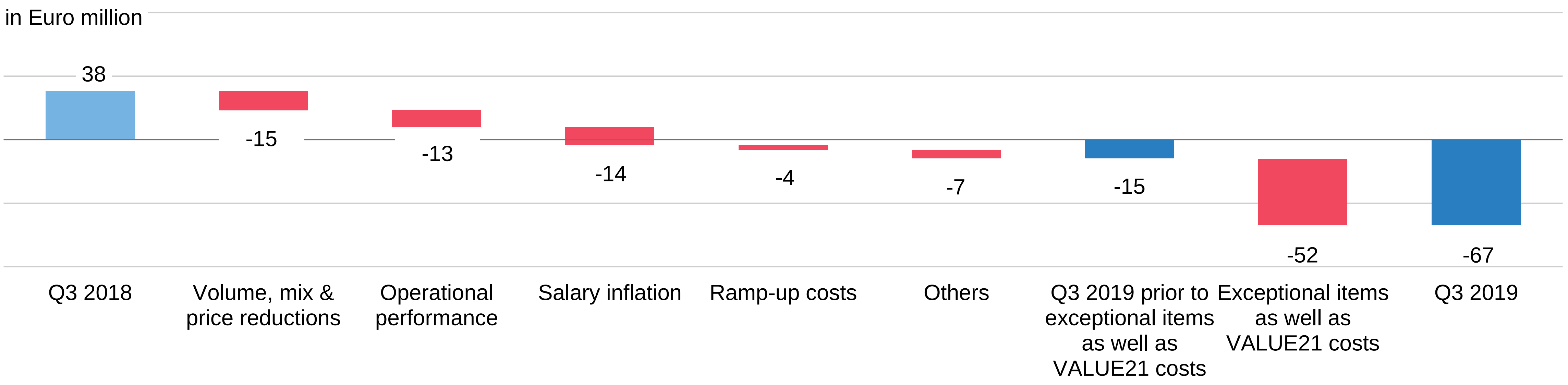
- Top-line continues to decrease year-on-year, even though previous year's Q3 was already weak

Rounding differences may for arithmetical reasons occur versus the mathematically precise figures

LEONI

Reported Q3 EBIT impacted by VALUE21 progress

Operating income development year-on-year



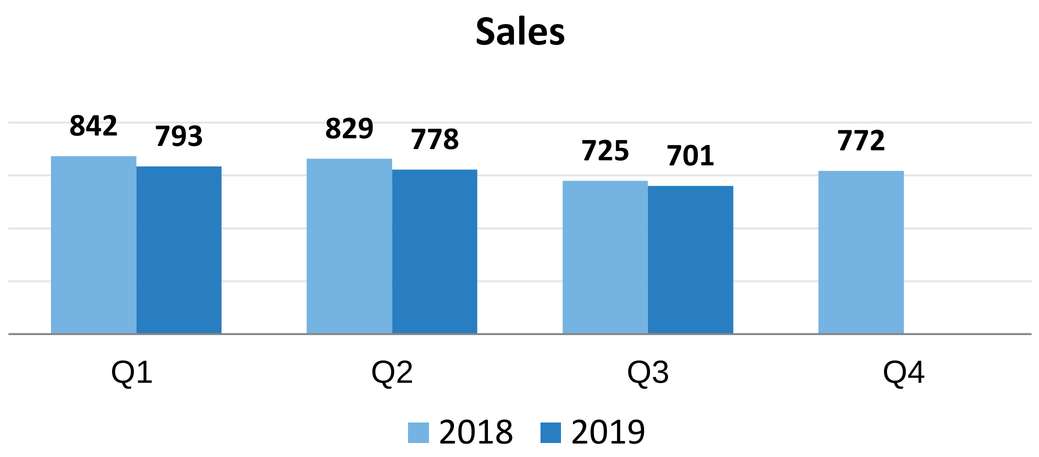
- Volume reduction reflects weaker market environment, price reductions mainly out of existing long-term contracts
- In year-on-year comparison, operational performance in WSD is burdened by comparably high share of less profitable early-stage projects, amongst others
- As anticipated, ramp-up costs increase year-on-year
- Progress of VALUE21 implementation reflected in significant increase in programme related costs (H1/19 VALUE21 costs: EUR18m)

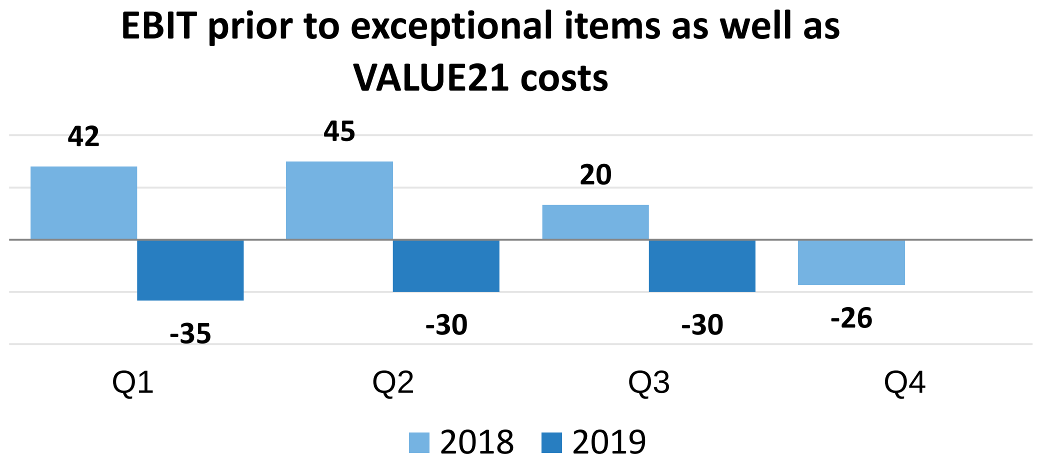
Rounding differences may for arithmetical reasons occur versus the mathematically precise figures

WSD suffers from declining demand in seasonally weakest quarter

Sales and EBIT by division

in Euro million





- Organic sales -3.6% y/y in Q3 2019

- Sequential improvements in operational efficiency more than offset by declining volumes
- Reported EBIT came in at EUR-59m (Q2/19: EUR-41m; Q1/19: EUR-139m)
- Division’s reported Q3 EBIT included costs totalling EUR34m related to the VALUE21 programme

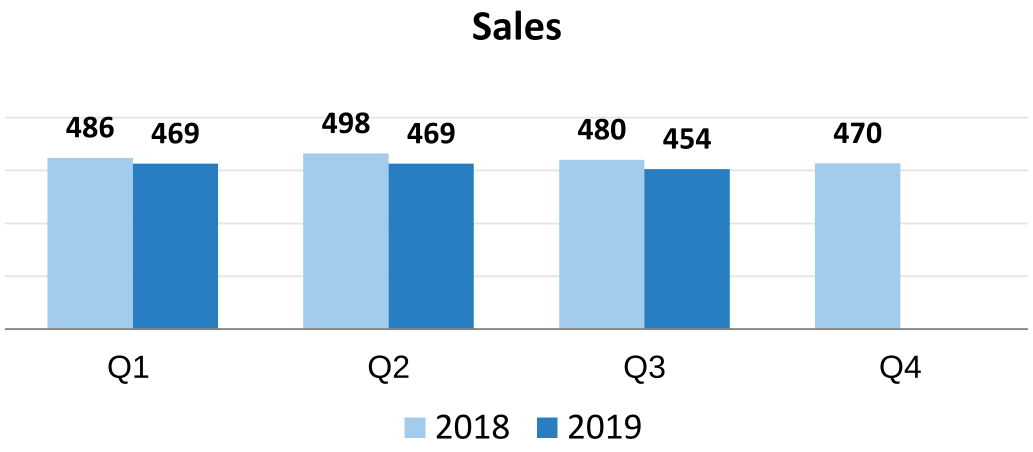
Rounding differences may for arithmetical reasons occur versus the mathematically precise figures

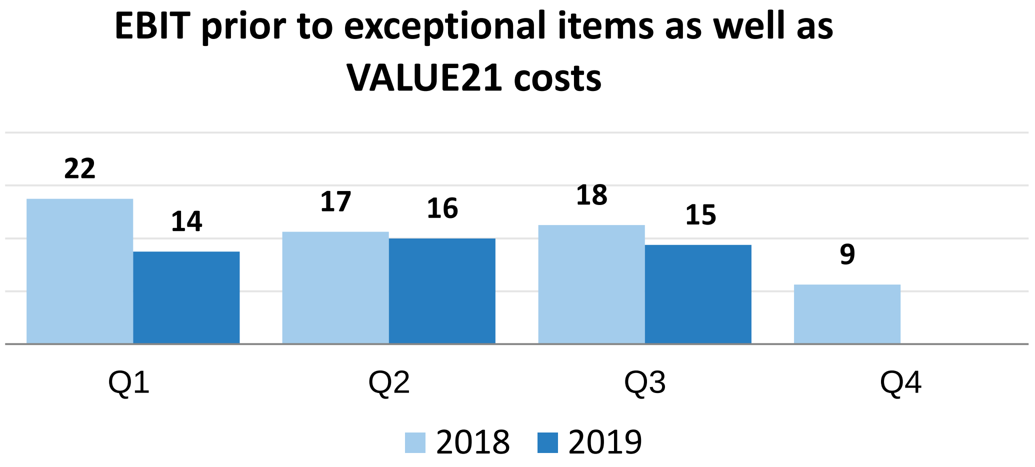
LEONI

WCS with weaker demand in almost all end customer industries

Sales and EBIT by division

in Euro million





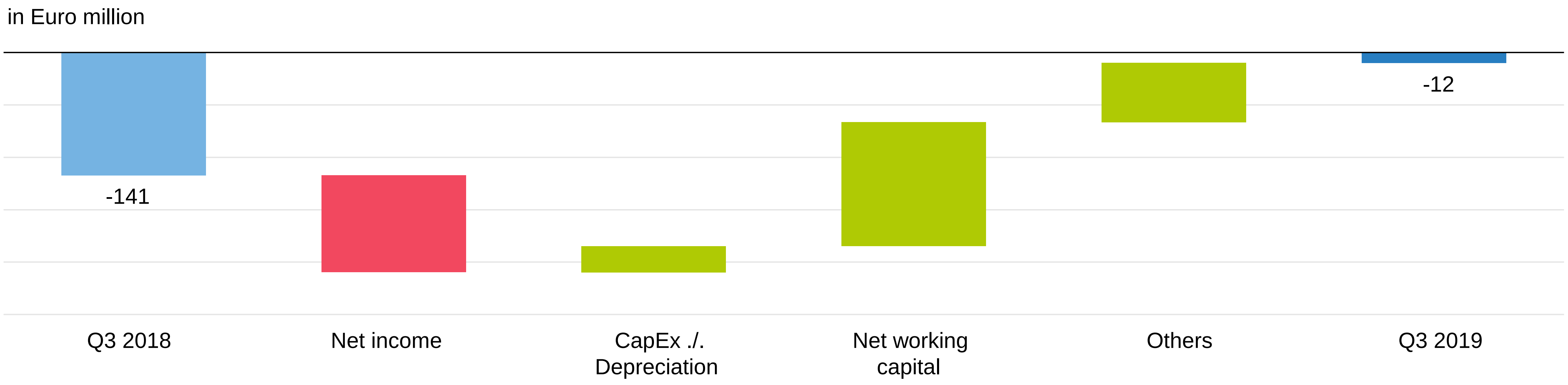
- Organic sales -6.4% y/y in Q3 2019

- Reported Q3 EBIT of EUR-8m
- Reported Q3 EBIT development was in particular burdened by provisions related to the beginning of the division's oil and gas business restructuring

Rounding differences may for arithmetical reasons occur versus the mathematically precise figures

Another significant improvement quarter-on-quarter in FCF

FCF development year-on-year

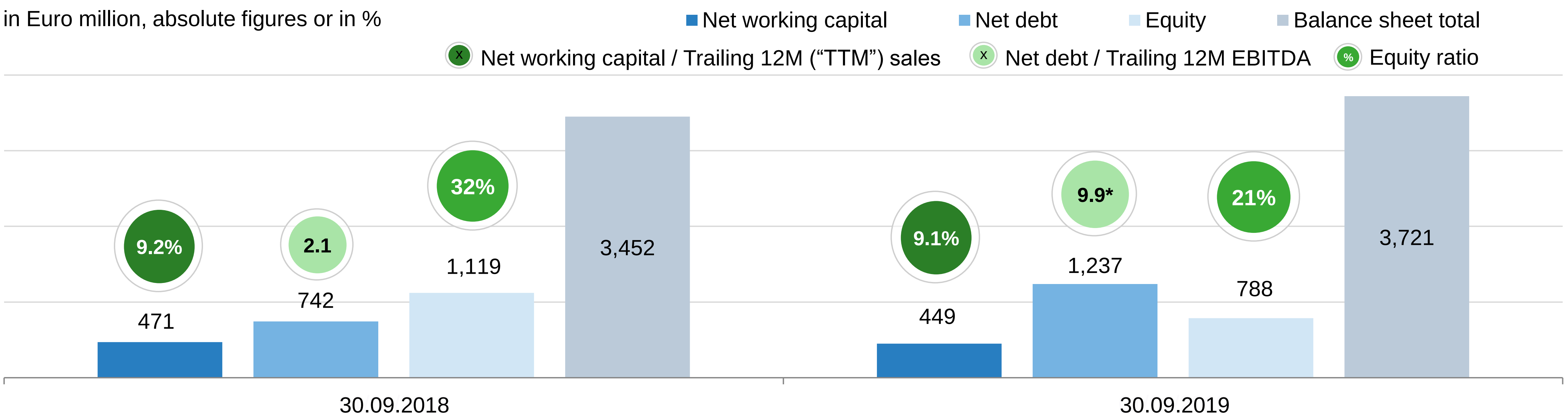


- Bottom-line development suffers from operational performance as well as VALUE21 costs
- To ensure proper execution of future ramp-ups, necessary capital expenditures remain at a high level
- Others includes adjustments for non-cash items related to VALUE21 (i.e. personnel-related provisions)

Rounding differences may for arithmetical reasons occur versus the mathematically precise figures

Equity ratio

Key balance sheet items

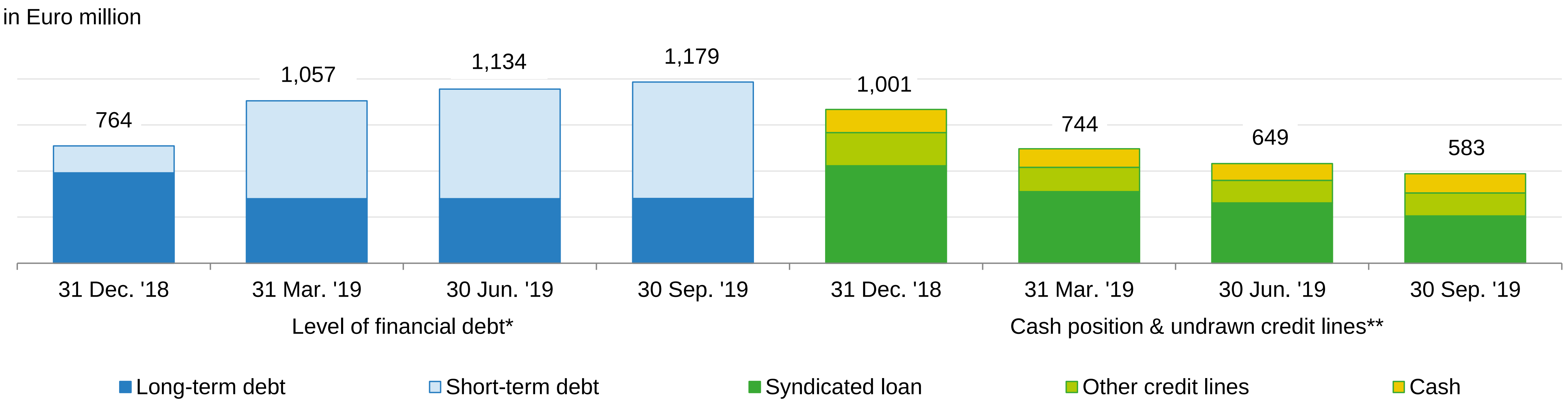


- Equity ratio at 21 percent at the end of September due to negative Q3 result and an increase in total assets related to IFRS16 of EUR184m
- Gearing (net debt/equity) at the end of September of 157%

* TTM EBITDA excluding exceptional items as well as VALUE21 costs of EUR104m in Q1/19; of EUR17m in Q2/19 and of EUR52m in Q3/19

Financial debt and liquidity position

Group financial position



- Increase in financial debt slows down year-to-date due to significantly lower quarterly cash burn
- High portion of short-term debt due to drawn funds related to the RCF
- Around 75% of the undrawn credit lines are firmly committed and all financing is without covenants
- Decrease in Q3 liquidity** mainly due to repayment of borrowers note loan of EUR49m in September
- Total liquidity including cash position of EUR583m** at the end of Q3

* Excluding leasing liabilities related to IFRS16: Q1/19: EUR153m; Q2/19: EUR182m; Q3/19: EUR184m

** Including bank guarantees

Q3 2019 update on VALUE21

Roughly 35 percent of initiatives already implemented by the end of Q3

	Target picture	Status	
Q3 Update	Implemented initiatives	~35%	100%
	Gross savings*	~30%	500 EURm
	Costs	~60%	120 EURm

Q3 Update

Large number of initiatives already implemented (more than 500)

Target for 2019: implementation of more than half of planned initiatives

Organizational transformation started at the end of Q3

WCS carve-out progressing

Wiring System Division's order intake during 9M 2019 at EUR1.6bn

* Full run-rate as of FY 2022

LEONI

Outlook for 2019

Confirmation of full year goals

- Sales at group-level are forecast to be moderately below previous-year's level
- Given expectations for better EBIT development in H2, Group EBIT in 2019 prior to exceptional items as well as VALUE21 costs will be up to a negative mid double-digit million-euro figure
- Given our expectation of balanced free cash flow development in H2 2019, LEONI's full-year FCF will be in the range of plus or minus a low double-digit million-euro compared to the level reported in H1 2019

LEONI

Q & A session

Contact

Investor Relations

Your Contact

Jens von Seckendorff

Phone +49 911 2023-134
Fax +49 911 2023-10134
E-Mail invest@leoni.com

Disclaimer

This presentation includes forward-looking statements that are subject to risks and uncertainties, including those pertaining to the anticipated benefits to be realised from the proposals described herein. This presentation contains a number of forward-looking statements including, in particular, statements about future events, future financial performance, plans, strategies, expectations, prospects, competitive environment, regulation and supply and demand. LEONI has based these forward-looking statements on its views with respect to future events and financial performance. Actual financial performance of the entities described herein could differ materially from that projected in the forward-looking statements due to the inherent uncertainty of estimates, forecasts and projections, and financial performance may be better or worse than anticipated. Given these uncertainties, readers should not put undue reliance on any forward-looking statements.

Forward-looking statements represent estimates and assumptions only as of the date that they were made. The information contained in this presentation is subject to change without notice and LEONI does not undertake any duty to update the forward-looking statements, and the estimates and assumptions associated with them, except to the extent required by applicable laws and regulations.