

ANNUAL GENERAL MEETING 2021

Board of Directors Report

Aldo Kamper, CEO

LEONI



AGENDA

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2 A look back at 2020

3 A look ahead at 2021

4 People,
nature – and us

5 In conclusion



Moving in the right direction

Overview

- Not everything is good, but much has already improved
- Alternative drives: We are helping shape the transformation in the automotive sector
- You and us, in a spirit of partnership: THANK YOU!
- We have shown that we follow through on our promises

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Covid-19's impact on the automotive industry

LEONI's ability to restructure confirmed

- Global new vehicle registrations fell significantly at the end of Q1
- Production lines shut down for weeks in Q2
- Independent appraisers confirm LEONI's ability to restructure, even when taking the consequences of the pandemic into consideration
- Government guarantee and new working capital facility secure full financing through the end of 2022



VALUE 21 lays the foundation for better competitiveness

Integrated performance and strategy program launched in 2019



VALUE 21 lays the foundation for better competitiveness

Integrated performance and strategy program makes great strides



Full year 2020

Results better than expected in early 2020

- Lower customer uptake figures impact sales negatively
- But consistent implementation of VALUE 21 bears fruit
- EBIT before exceptional items and VALUE 21 costs improved despite the significant negative impact associated with the coronavirus pandemic
- Free cash flow much better year on year in 2020

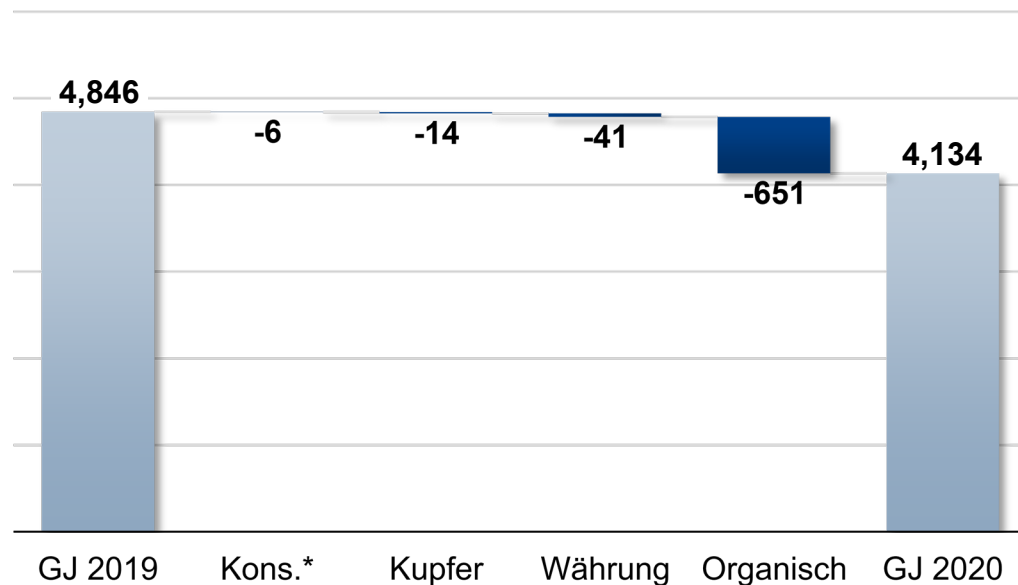
Financial KPIs	FY 2019e	Guidance FY 2020	FY 2020e	Result
Sales	€4.8bn	significantly below FY 2019	€4.1bn	⊖
EBIT before exceptional items and VALUE 21 costs	€-66m	significantly below FY 2019	€-59m	⊕
Free cash flow (FCF)	€-308m	significantly below FY 2019	€-69m	⊕

Sales year on year

Marked recovery in Q4

Sales year on year

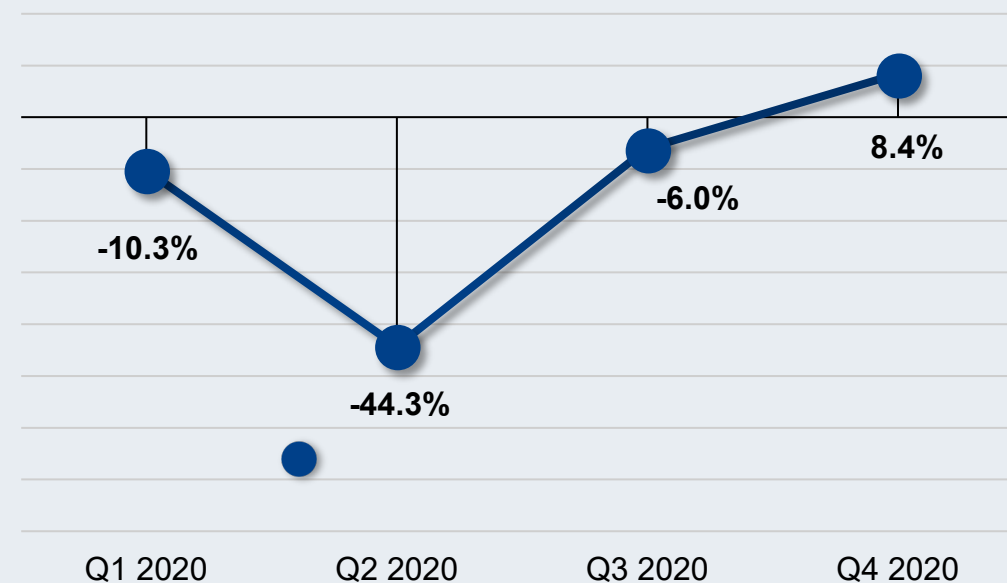
€ million



- Consolidated sales down 14.7% in 2020, organic sales -13.5% (y/y)
- Q4 only quarter with positive organic sales grown (+8.4% y/y)

Organic sales growth development

in % year on year

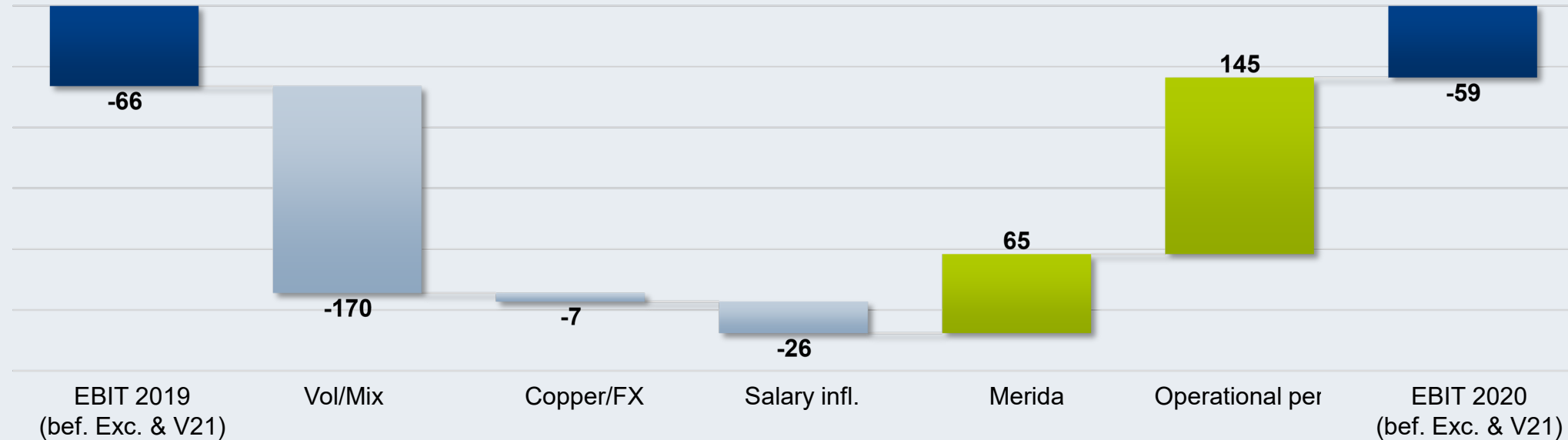


- Sound volume recovery and sequential improvement in the second half of 2020

Operating profit slightly improved

Operational performance up significantly year on year

€ million

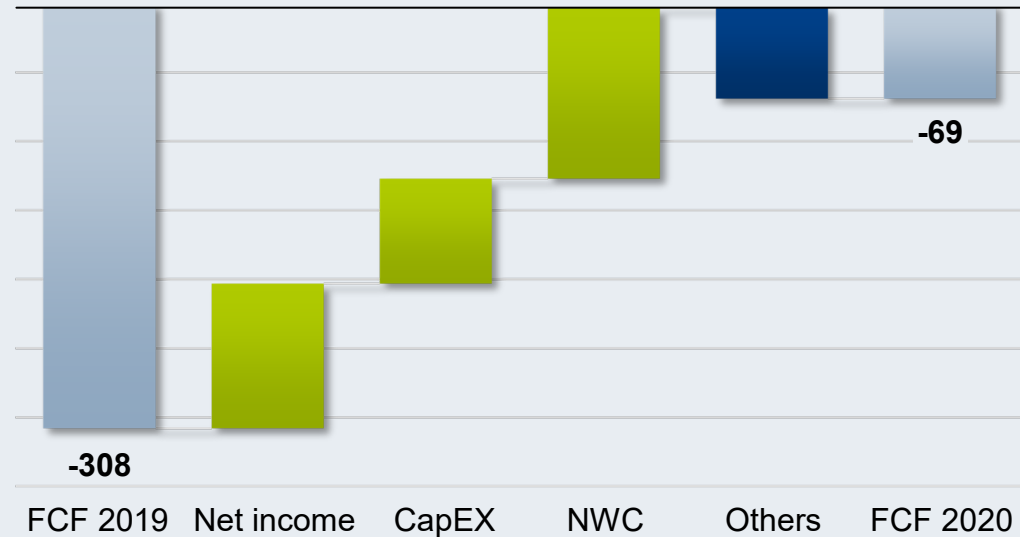


- Strong operational performance and the discontinuation of one-off items from Merida compensate for impact of lower volume and slightly lower prices
- Successful implementation of VALUE 21 program and restructuring concept support operational performance
- Exceptional items and VALUE 21-related costs of roughly €220m in total weigh on reported EBIT, albeit to a lesser extent than in the previous year (2019: €-319m)

Free cash flow significantly improved

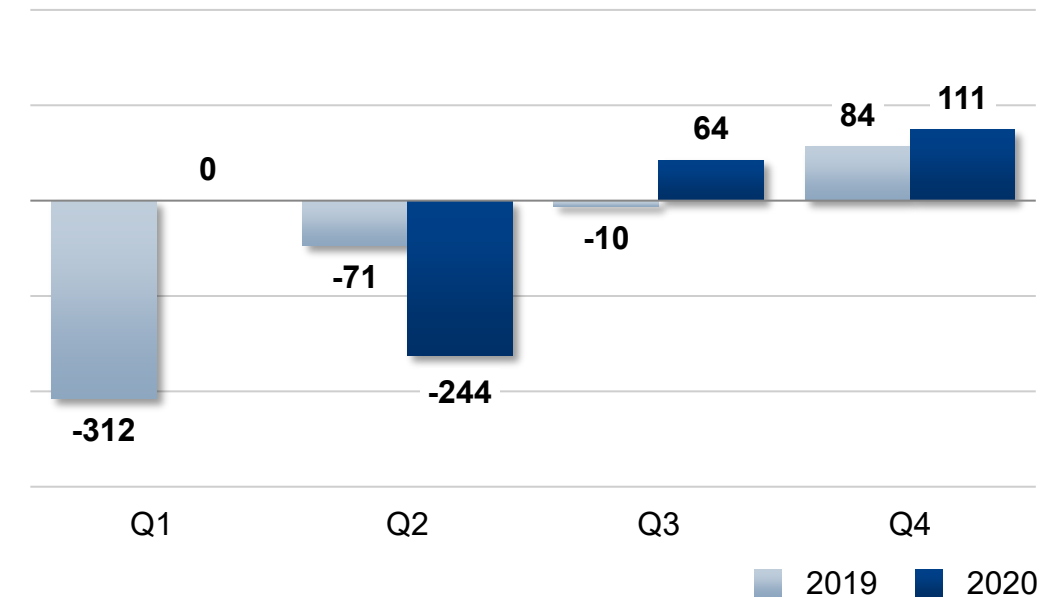
Disciplined approach stabilizes liquidity

€ million



- Net working capital and capital expenditure lower, net loss reduced
- Capital expenditure remains very restrictive

€ million



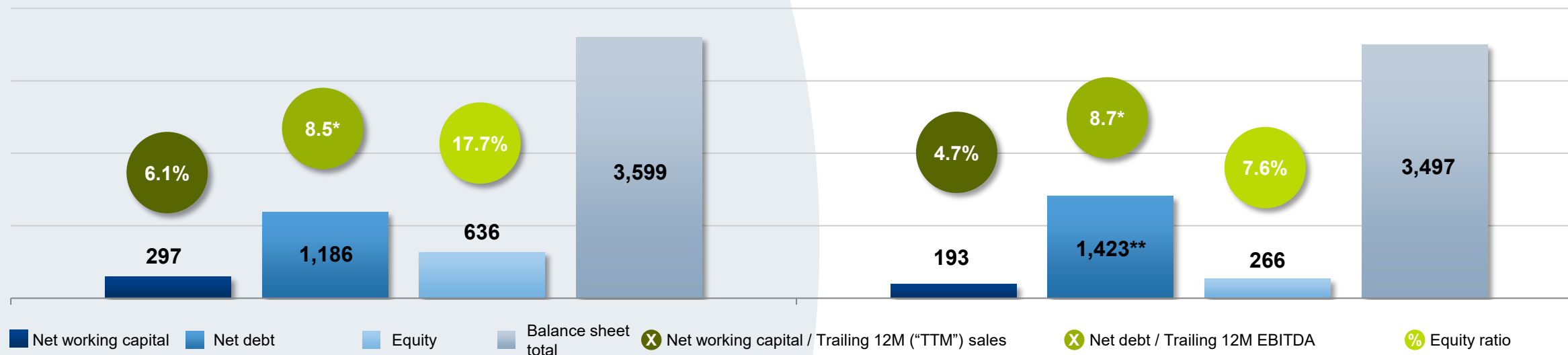
- Q4 free cash flow improved through disciplined working capital management, including positive factoring effects
- At €-69m, free cash flow still negative for the year as a whole, but up significantly (2019: €-308m)

Balance sheet impacted by Covid-19 effects

Capital structure confirms necessity of VALUE 21

12/31/2019

€ million, absolute figures or in %



- Equity ratio down to 7.6%
- Ratio of net debt to equity (gearing) of roughly 535% at the end of 2020**

- Ratio of net financial debt to EBITDA virtually stable despite pandemic-related impact
- Balance sheet structure confirms necessity of consistently implementing VALUE 21

Key projects launched successfully in 2020

From compact to powerful, automakers trust LEONI wiring systems



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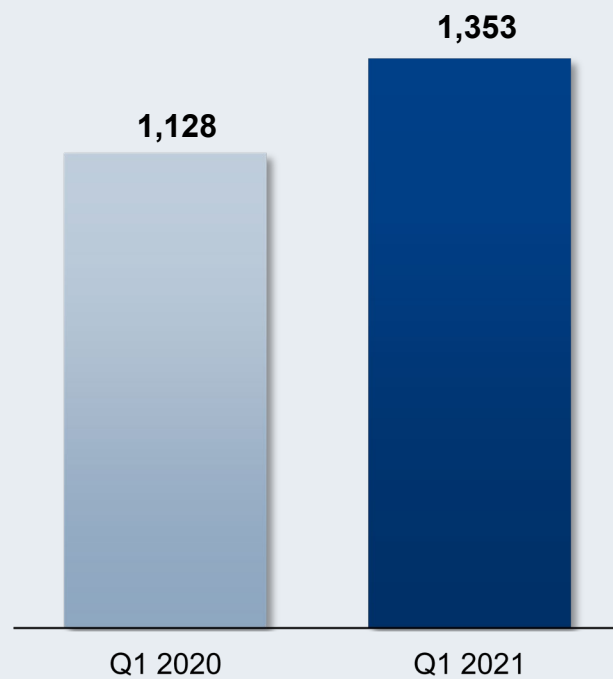
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Strong start to new year

Sales and earnings up significantly year on year in Q1 2021

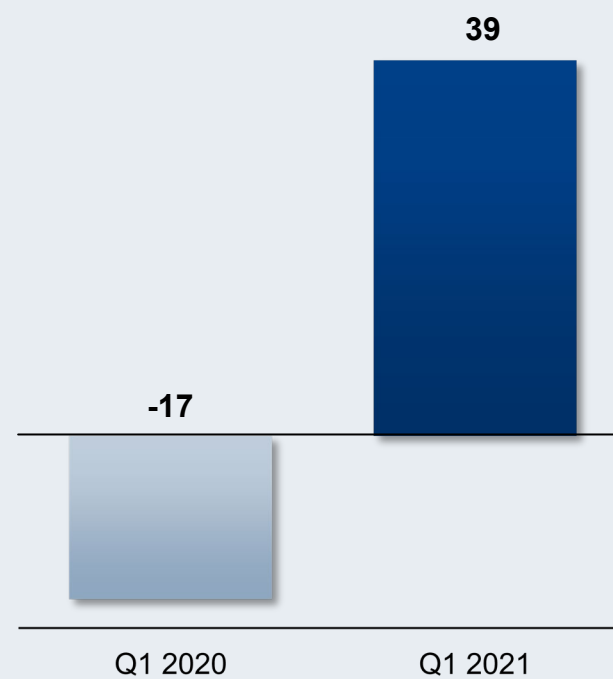
Sales y/y

in € million



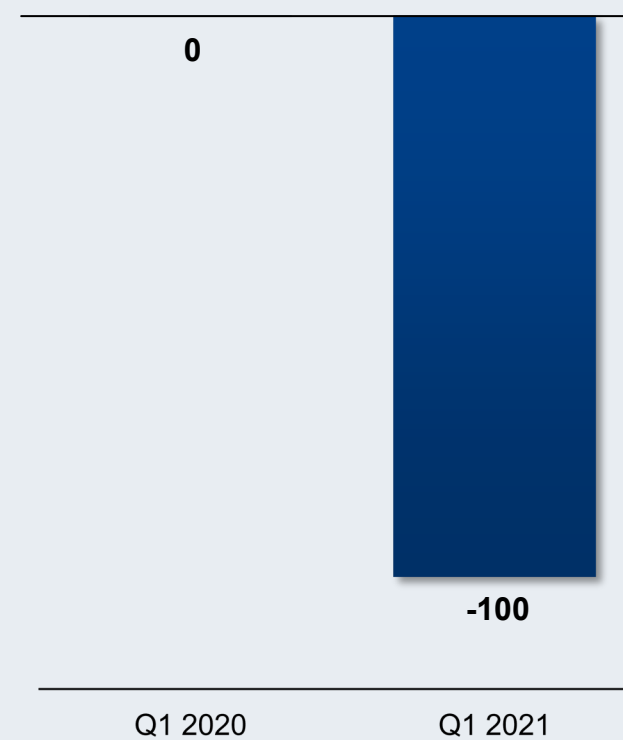
EBIT before exceptional items and V21 costs y/y

in € million



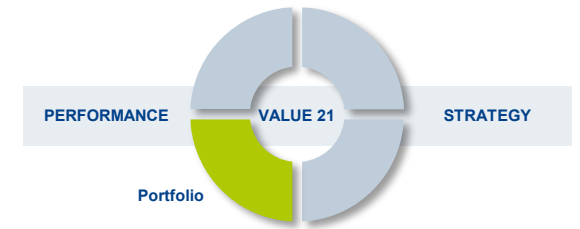
Free cash flow y/y

in € million



WCS carve-out

First subunits successfully sold



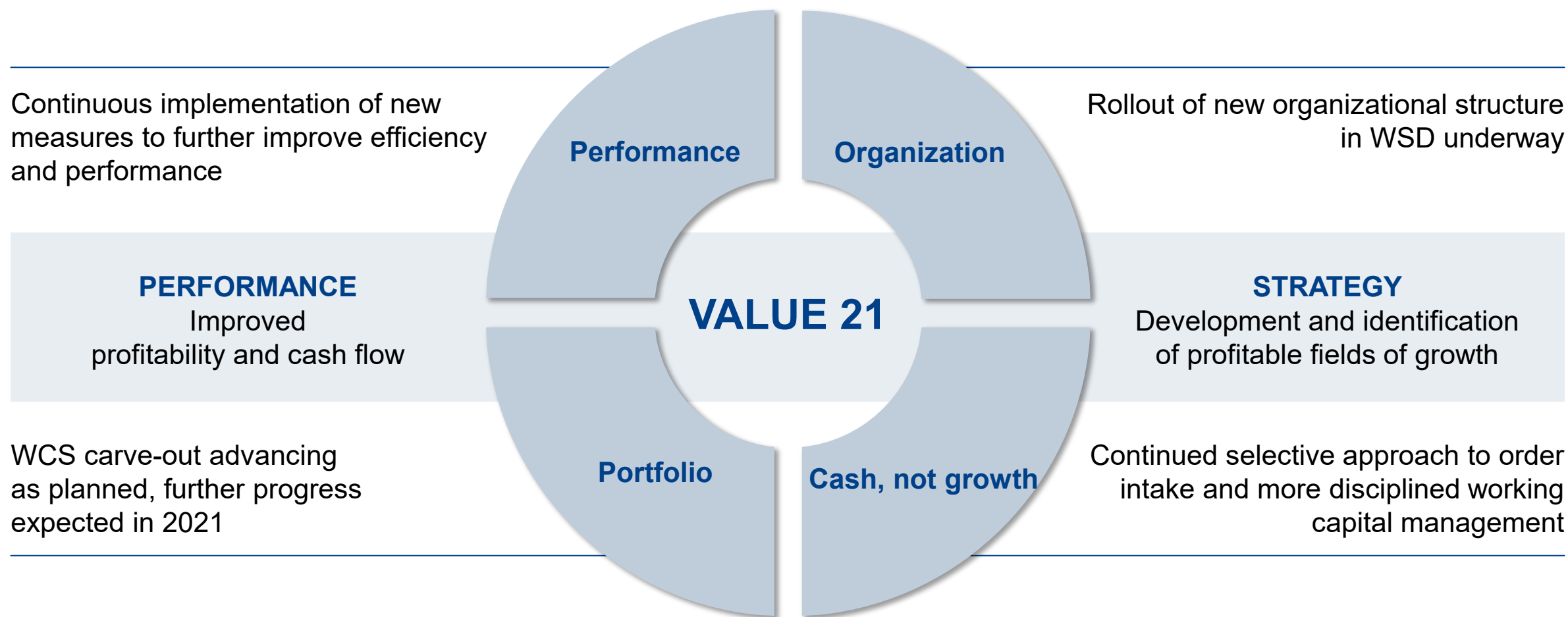
LEONI Schweiz AG



LEONI Kerpen GmbH

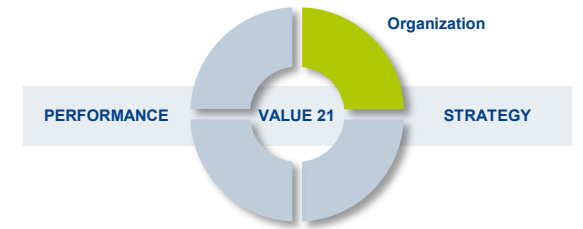
VALUE 21 lays the foundation for better competitiveness

Consistent further implementation remains in focus



Key projects launched successfully in 2021

German premium carmakers set course for the future with LEONI



Audi Q4 e-tron

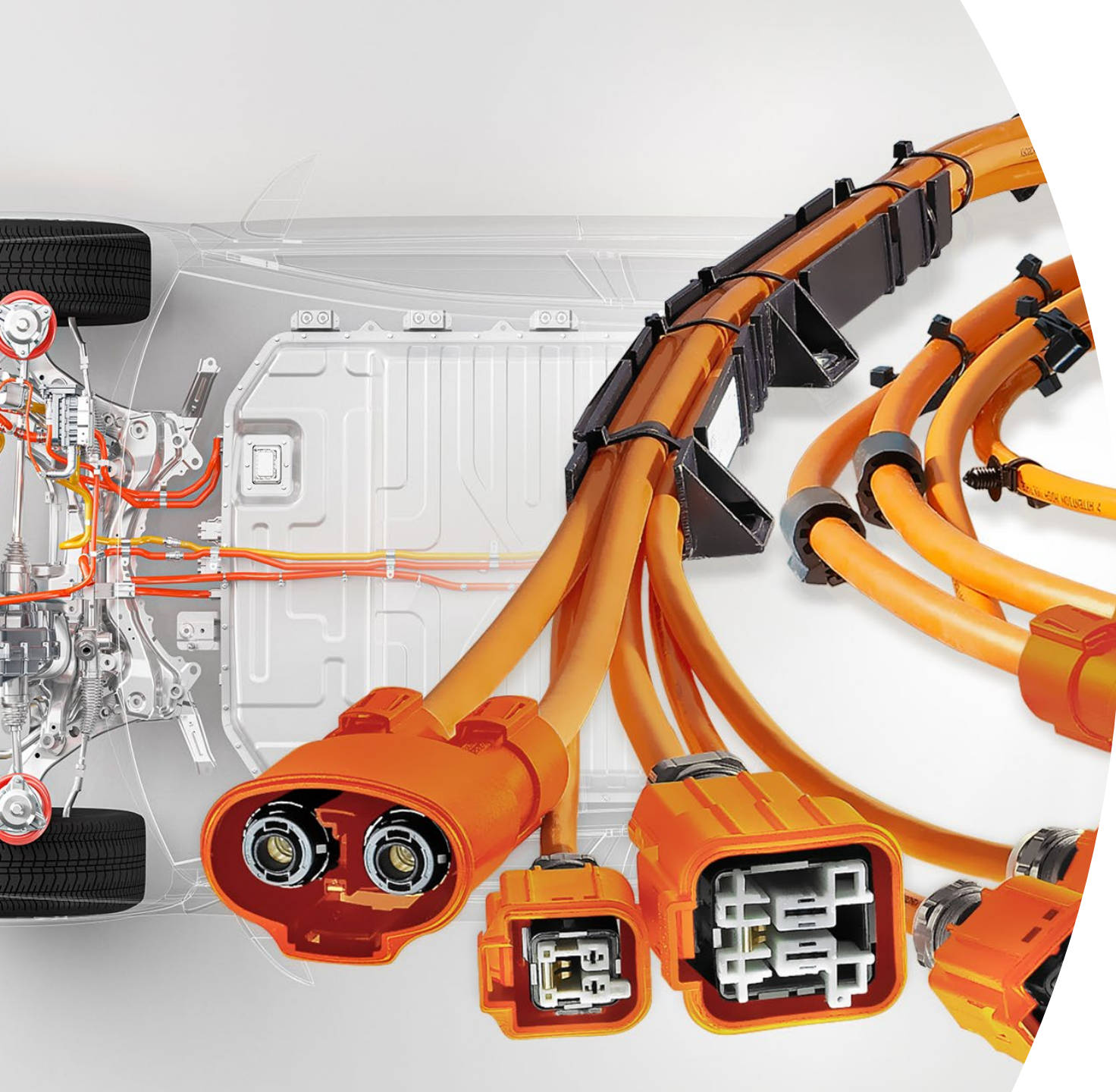


Mercedes-Benz C-Klasse



Mercedes-Benz EQS





Stable supply chains

A daily challenge

- Bottlenecks in global supply chains are a major challenge for production and logistics
- Suppliers of raw materials are reporting new problems meeting global demand almost every day
- Input products particularly affected: plastics, plug and socket connectors and semiconductors
- We are making every effort to meet our responsibility in the supply chain

Outlook for 2021

Rising sales, better EBIT

- Strong start to the year
- Sales and earnings expectations raised for the year as a whole
- But further deterioration in free cash flow expected
- Development confirms that the chosen path of restructuring and turnaround is challenging but right



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LEONI supports the fight against Covid-19

Healthy employees – healthy company

- The safety and health of our staff are our top priority
- Millions of face masks handed out worldwide
- Successful employee vaccination campaigns in Serbia, Brazil, Russia, Mexico, Romania, Ukraine and Egypt
- Offer to German policy makers to make LEONI's infrastructure available for the national vaccination campaign



Good for people – good for LEONI

Environmental and social responsibility

- Regardless of Covid-19, climate action will remain the most pressing matter in the years ahead
- We are making electromobility affordable by engineering increasingly cost-efficient LEONI wiring system architectures
- LEONI's commitment improves quality of life for locals
- Good jobs: LEONI is a leading industrial employer in countries such as Morocco, Tunisia, Serbia and Romania
- Extensive CSR activities in the communities in which our sites are located, often spearheaded and supported by our employees



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Moving in the right direction LEONI – we create value(s)

- Not everything is good, but much has already improved
- We are a reliable partner – for customers, employees and shareholders
- We remain on track on the road back to stability for our company