Leoni with an improved organisation in its Wiring Systems Division

Lean and more efficient structure introduced – 1100 jobs to be shed

Nuremberg, 30 June 2016 – Leoni, the leading European provider of cables and cable systems to the automotive sector and other industries, continues to apply the announced measures aimed at improving the efficiency of its Wiring Systems Division. The substantially streamlined organisational structure is already in force.

Leoni’s Wiring Systems Division has introduced a new structure, trimming its organisation from five down to three levels: there are now just 12 Business Units, which operate globally with profit-centre responsibility, that look after their customers and coordinate the orders with the plants, which in turn are responsible for the quality and cost efficiency of production based on adhering to defined standards.

Sustained EBIT increase from 2017 thanks to reorganisation

The pooling of Central Functions has made positions and interfaces redundant, thereby enhancing the efficiency of coordination between the departments. In addition to having clear lines of responsibility and shorter decision-making channels, Leoni will benefit from lower costs. The Wiring Systems Division plans to cut about 1100 jobs worldwide in 2016, of which around 70 in Germany. The savings will yield only minor earnings improvement in the 2016 financial year and restructuring will incur exceptional charges. From 2017, this year’s reorganisation measures will lead to a sustained increase in profitability. This will in the future entail an annual boost of approx. EUR 30 million to earnings before interest and taxes.

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About the Leoni Group

Leoni is a global supplier of wires, optical fibers, cables and cable systems as well as related services for the automotive sector and further industries. Leoni develops and produces technically sophisticated products from single-core automotive cables through to complete wiring systems. Leoni’s product range also comprises wires and strands, standardised cables, special cables and cable system assemblies for various industrial markets. The group of companies, which is listed on the German MDAX, employs about 75,000 people in 32 countries and generated consolidated sales of EUR 4.5 billion in 2015.

 

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