Leoni continues successful business performance in the 3rd quarter

New order for e-mobility – 2017 guidance raised again

Nuremberg, 15 November 2017 – Leoni, the leading European provider of cables and cable systems to the automotive sector and other industries, continued its successful business performance in the 3rd quarter with consolidated sales of EUR 1.19 billion (previous year: EUR 1.07 billion) and consolidated EBIT of EUR 46.4 million (previous year incl. the charge due to the fraud case: a loss of EUR 12.7 million). This prompted an adjustment to the full-year forecast: From today’s perspective, consolidated sales will have risen to about EUR 4.8 billion (previous forecast: EUR 4.6 billion; previous year: EUR 4.4 billion) and consolidated earnings before interest and taxes (EBIT) will be up to approximately EUR 220 million (previous forecast: EUR 190 to 210 million; previous year: EUR 78.1 million).

Leoni’s consolidated sales were at the upper end of expectations in the first nine months of 2017 with an increase of approximately 10 percent year on year to EUR 3.63 billion (previous year: EUR 3.31 billion). The higher copper price than in the previous year contributed to the sales growth. Nine-month EBIT was up from EUR 49.2 million to EUR 183.1 million. This was due to additional profit contributions from more sales, operational improvements in the Wiring Systems Division as well as non-recurring factors: in particular, the disposal of the domestic and electrical appliance cables business as well as insurance compensation exerted a beneficial effect. By contrast, substantial restructuring expenses and a fraud case affected the same period in 2016.

Adjusted for these factors, EBIT for the period from January through September 2017 was likewise at the upper end of expectations and increased by nearly one third to EUR 163.2 million (previous year: EUR 123.6 million). The net income for the period of the Leoni Group, which employed 83,951 people worldwide at the end of September (previous year: 77,013), rose accordingly to EUR 120.5 million in the first nine months (previous year: EUR 11.6 million).

WSD wins important contract in the electromobility business

The Wiring Systems Division (WSD) increased its sales by nearly 15 percent to EUR 732.2 million in the third quarter of 2017 (previous year: EUR 638.4 million) and by about 12 percent to EUR 2.24 billion in the first nine months (previous year: EUR 2.01 billion). Its business in Asia as well as with the international commercial vehicle industry performed especially well. The segment’s EBIT was up from EUR 4.5 million in the same quarter of the previous year to EUR 23.1 million and from EUR 26.6 million to EUR 87.2 million over the entire reporting period. Order receipts were also dynamic: new orders worth about EUR 4.5 billion were booked in the first nine months. The third quarter accounted for approximately EUR 1.6 billion, of which nearly EUR 600 million involved high-voltage cable harnesses for electric vehicles. A contract covering all the wiring for the new e-mobility platform of a European carmaker that operates worldwide was of particular importance to the division’s electromobility business.

WCS generates sales and earnings increases

In the Wire & Cable Solutions (WCS) Division, sales were up by more than 5 percent to EUR 455.9 million from July through September 2017 (previous year: EUR 433.1 million) and by approximately 7 percent to EUR 1.39 billion in the first three quarters (previous year: EUR 1.30 billion). There was growth in both the automotive and industrial businesses, while the increased price of copper also exerted a positive effect. The WCS Division's EBIT was up from EUR 22.8 million to EUR 23.0 million in the third quarter. This therefore more than compensated in terms of both sales and EBIT for the absence of the domestic and electrical appliance cables business. Including the positive effect on income from the sale of said domestic and electrical appliance cables business, the division recorded a strong EBIT increase to EUR 90.9 million in the nine-month period of 2017 (previous year: EUR 62.5 million).

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Leoni performance overview

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| **Group key figures** | **3rd quarter** | **1st to 3rd quarter** |
| **2017** | **2016** | **Change** | **2017** | **2016** | **Change** |
| Sales [€ million] | 1,188.1 | 1,071.5 | 10.9 % | 3,629.6 | 3,309.0 | 9.7 % |
| EBITDA [€ million] | 82.9 | 23.6 | >100 % | 294.8 | 159.1 | 85.3 %  |
| EBIT [€ million] | 46.4 | (12.7) | >100 % | 183.1 | 49.2 | >100 %  |
| Adjusted EBIT (1) [€ million] | 49.2 | 33.3 | 47.8 % | 163.2 | 123.6 | 32.0 % |
| EBT [€ million] | 40.1 | (18.6) | >100 % | 164.0 | 32.2 | >100 % |
| Consolidated net income [€ million] | 28.3 | (24.4) | >100 % | 120.5 | 11.6 | >100 % |
| Capex incl. acquisitions [€ million] | 71.0 | 47.8 | 48.5 % | 186.8 | 138.7 | 34.7 |
| Equity ratio [%] | 33.1 % | 31.8 % | - | 33.1 % | 31.8 % | - |
| Earnings per share [€] | 0.89 | (0.75) | >100 % | 3.71 | 0.35 | >100 % |
| Employees [as at 30 September] | 83,951 | 77,013 | 9.0 % | 83,951 | 77,013 | 9.0 % |

1. *Earnings adjusted for the impact of revaluation as part of allocating the prices of major acquisitions, restructuring, capital gains on business disposals, income from business combinations including related derivatives and insurance compensation / charges due to the fraud case.*

☞ *Related illustration material can be downloaded next to this release at* [*www.leoni.com/en/press/releases/details/leoni-continues-successful-business-performance-in-the-3rd-quarter/*](http://www.leoni.com/en/press/releases/details/leoni-continues-successful-business-performance-in-the-3rd-quarter/)☞ *The complete quarterly report can be found at*[*www.leoni.com/en/financial-publications/*](http://www.leoni.com/en/financial-publications/)

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 84,000 people in 31 countries and generated consolidated sales of EUR 4.4 billion in 2016. In 2017, Leoni celebrates its 100 years anniversary.

  

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