Leoni beats sales and earnings forecasts in fiscal 2017

Sales reach best-ever EUR 4.9 billion – EBIT margin improved significantly to 4.6 percent (previous year: 1.8 percent)

Nuremberg, 8 February 2018 – Leoni, the leading European provider of cables and cable systems to the automotive sector and other industries, exceeded both its sales and profit targets in the 2017 financial year. Based on provisional calculations, sales were up by 11 percent to a new record figure of EUR 4.9 billion (previous year: EUR 4.4 billion). Earnings before interest and taxes (EBIT) rose substantially to EUR 225 million, up from EUR 78 million in the previous year.

“Leoni returned to a successful course in 2017,” Karl Gadesmann, spokesperson for Leoni AG’s Board of Directors, emphasized. “We managed to improve substantially in operating terms and simultaneously to drive the Group’s strategic repositioning forward.”

The demand for Leoni’s products, systems and services was generally on an encouraging and rising trajectory during the year. With sales of nearly EUR 1.3 billion in the 4th quarter of 2017 (previous year: EUR 1.1 billion), the Company succeeded in boosting full-year income beyond its most recent forecast of EUR 4.8 billion. The bulk of this growth was generated organically.

Operating profit substantially improved

Provisional calculations put Leoni’s EBIT at EUR 225 million, meaning the Company likewise topped its projected figure of EUR 220 million and thus generated an EBIT margin of 4.6 percent (previous year: 1.8 percent). It should be noted with respect to the substantial year-on-year increase in EBIT of about 190 percent that the Company benefited in fiscal 2017 from two exceptional factors involving its disposal of a Business Group and an insurance compensation payout, which together boosted profit by about EUR 30 million. By contrast, restructuring expenses and a loss due to fraud totalling around EUR 70 million weighed on the 2016 financial year. Adjusted for the aforementioned effects, operating profit improved by nearly one third from EUR 148 million in the previous year to EUR 195 million now.

In the fourth quarter of 2017, the additional profit contributions from the increased sales were offset by greater spending – especially involving advance and start-up costs relating to wiring system projects at new facilities as well as investment in digitalization.

A comprehensive report will be provided upon presentation of the final figures for the year at the balance sheet press conference as well as the analyst and investor conference on 20 March 2018. Leoni will then also issue a forecast for the current financial year.

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☞ *Related illustration material can be downloaded next to this release at* [*www.leoni.com/en/press/releases/details/leoni-beats-sales-and-earnings-forecasts-in-fiscal-2017/*](http://www.leoni.com/en/press/releases/details/leoni-beats-sales-and-earnings-forecasts-in-fiscal-2017/)

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 more than 86,000 people in 31 countries and generated consolidated sales of EUR 4.9 billion in 2017 according to provisional calculations.

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