Leoni grows organically by 14 percent in the first quarter 2018

* Quarterly sales above EUR 1.3 billion for the first time
* EBIT up 13 percent to EUR 63 million
* Full-year forecast reaffirmed

Nuremberg, 16 May 2018 – Leoni, a global provider of energy and data management solutions in the automotive sector and other industries, started very successfully into 2018: Based on the unabatedly heavy demand from the global motor vehicle industry, consolidated sales rose by 9 percent to EUR 1.33 billion in the first three months (previous year: EUR 1.22 billion) and thus to a quarterly record high. Organically, the Company grew by 14 percent. Currency translation and changes in group consolidation exerted an opposing effect.

First-quarter earnings before interest and taxes (EBIT) increased from EUR 56 million in the previous year to now EUR 63 million. That equates to a gain of 13 percent and an EBIT margin of 4.7 percent (previous year: 4.6 percent). Adjusted EBIT rose by around 18 percent to EUR 64 million, and the corresponding margin widened from 4.5 percent to 4.9 percent. Reported EBIT included EUR 4 million (previous year: EUR 3 million) due to earlier revenue recognition as a result of applying the IFRS 15 accounting standard. Consolidated net income improved by 19 percent to EUR 44 million (previous year: EUR 37 million).

”Leoni started very successfully into 2018. We are in particular pleased by our strong dynamic growth and the improvements in profitability,“ said Karl Gadesmann, CFO and Spokesperson for the Board of Directors of Leoni AG.

Investment in property, plant and equipment as well as intangible assets amounted to EUR 57 million in the first quarter of 2018, which is up from
EUR 47 million in the previous year and equates to a 22 percent increase.
Free cash flow in the period from January to March 2018 amounted to negative EUR 111 million (previous year: negative EUR 71 million).

Based on the consistently dynamic demand, the Wiring Systems Division increased its sales by about 13 percent to EUR 842 million in the first quarter (previous year: EUR 747 million). The division’s EBIT grew substantially from EUR 26 million in the previous year to EUR 42 million – thanks primarily to additional profit contributions from increased sales to European manufacturers as well as in the commercial vehicle segment. January to March order intake amounted to EUR 1.1 billion. The division’s order backlog at the end of March 2018 therefore totalled EUR 22 billion, of which electrically powered vehicles accounted for EUR 4.5 billion. At the beginning of the year, the Wiring Systems Division invested heavily in future growth. Investments were focused on expanding facilities and setting up new plants, especially in Mexico, Serbia and Morocco.

In the first quarter of 2018, the Wire & Cable Solutions Division generated organic growth of nearly 11 percent, which more than offset the absence of sales related to Business Group Electrical Appliance Assemblies, which was disposed in May 2017. At the balance sheet date, valuation effects resulting from the lower copper price as well as changes in foreign exchange rates exerted an adverse effect on earnings, decreasing the division’s EBIT to EUR 22 million (previous year: EUR 25 million). Order intake in the period from January to March was up slightly to EUR 498 million (previous year: EUR 490 million). In the first quarter, the division launched its intelligent LEONiQ cable technology. By recording and evaluating parameters such as temperature and mechanical stress it facilitates drawing conclusions concerning the condition of the overall cable system, which enables predictive maintenance or pay-per-use models.

Leoni established a solid foundation in the first quarter for meeting its forecast for 2018. At group-level, the Company still expects to generate sales of at least EUR 5 billion as well as EBIT of between EUR 215 and 235 million.

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☞ *Related illustration material can be downloaded next to this release at [www.leoni.com/en/press/releases/details/leoni-grows-organically-by-14-percent-in-the-first-quarter-2018/](http://www.leoni.com/en/press/releases/details/leoni-grows-organically-by-14-percent-in-the-first-quarter-2018/)*☞ *The related quarterly statement can be found at [www.leoni.com/en/financial-publications](http://www.leoni.com/en/financial-publications)*

Leoni performance overview

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| --- | --- | --- | --- |
| **Group key figures** | **Q1 2018** | **Q1 2017 (2)**  | **Change** |
| Sales [€ million] | 1,327.4 | 1,221.8 | 8.6 % |
| EBITDA [€ million] | 100.5 | 93.1 | 7.9 % |
| EBIT [€ million] | 63.0 | 55.9 | 12.7 % |
| Adjusted EBIT (1) [€ million] | 64.5 | 54.7 | 17.9 % |
| Consolidated net income [€ million] | 43.6 | 36.6 | 19.1 % |
| Earnings per share [€] | 1.34 | 1.11 | 20.7 % |
| Free cash flow [€ million] | (111.0) | (71.0) | (56.3) % |
| Capex [€ million] | 56.9 | 46.5 | 22.4 |
| Equity ratio [in %] | 32.8 | 31.3 | -- |
| Employees [as at 31 March] | 87,128 | 82,010 | 6.2 % |

1. *Earnings adjusted for the impact of revaluation as part of allocating the prices of the major acquisitions, restructuring, capital gains on the disposal of business and income from business combinations including related derivatives as well as insurance compensation*
2. *Previous year’s figures adjusted (excepting investments and the number of employees)*

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 87,000 people in 31 countries and generated consolidated sales of EUR 4.9 billion in 2017.

  

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