

Leoni expects substantial burdens from the coronavirus pandemic and decides on measures to ensure the continuation of business operations

Nuremberg, 23 March 2020 – In view of the economic uncertainties associated with the spread of the coronavirus and the resulting challenges especially for the automotive industry, Leoni AG, Nuremberg (ISIN DE 0005408884 / WKN 540888) expects considerable burdens on sales, earnings and liquidity. The level of this impact is not foreseeable at this stage. Against the backdrop of the expected burdens, the Board of Directors today has decided on a number of measures to ensure the continuation of business operations. These include plant closures in Europe, North Africa and the Americas, the introduction of short-time work in Germany as well as comparable measures at further European locations. The implementation of these measures will significantly reduce material and personnel costs. In addition, Leoni plans to apply for financial aid to increase its financial flexibility.

Over the last few days, the spread of the coronavirus has increasingly led to the termination of production at major automobile manufacturers. In view of the associated expected decline in sales to many customers and products, Leoni has decided to temporarily significantly limit production at European, North African and American Wiring Systems locations. The measures are to be upheld for the duration of the production restrictions of the car manufacturers, which are currently indicated to last up to four weeks and possibly longer. The situation at Wiring Systems facilities in China, however, has largely normalized. All plants were able to stabilize production at almost the previous level.

Leoni also expects the automotive business of the Wire & Cable Solutions Division to suffer subsequent declines and production limitations. For the time being, production for the industrial business of the Wire & Cables Division will be maintained, although some losses are to be expected.

Leoni is responding to its customers' interruptions in production by introducing short-time work at its plants and administrative locations in Germany and with

similar measures at further European locations. The Board of Directors and the employee representatives reached an agreement that will allow production in Germany to be scaled down in a controlled manner while partially safeguarding the income of employees. The short-time work will increase the company's financial flexibility. Details of the arrangements, such as the timing and duration of the restrictions in operations, are agreed locally due to site-specific differences. At production sites outside Germany, further comparable measures are being examined and will be implemented at short notice. Necessary, business-critical operations are to be maintained.

Leoni will also take up the offer of the German Government and plans to apply for financial aid. These funds will increase the financial flexibility of the company and are to be used at group level to ensure the continuation of business operations.

Leoni is closely monitoring the developments in this difficult situation. The Board of Directors will take further measures if necessary. The company is in close contact with its customers and suppliers in order to overcome this extraordinary situation.

This announcement contains certain forward-looking statements that are based on the current assumptions and forecasts of Leoni AG's management. Various known and unknown risks, uncertainties and other factors could cause Leoni's actual results, its financial position, growth or performance to differ materially from the estimates presented herein. Leoni assumes no responsibility whatsoever to update such forward-looking statements or to conform them to future events or developments. Explanations of and reconciliations with key financial figures used can be found in the Annual Report 2018 of Leoni AG (accessible at https://www.leoni.com/fileadmin/corporate/publications/reports/2018/annual_report_2018.pdf), particularly on pages 133, 159, 169f., 244.

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