

Leoni stabilises business performance in the third quarter – gross cost savings target under VALUE 21 met early

Nuremberg, 11 November 2020 – “Our free cash flow performance in the third quarter underscores that disciplined implementation of measures under our VALUE 21 programme is effective. At the end of the third quarter, we had already, significantly sooner than originally planned, implemented ample measures to meet our VALUE 21 gross cost savings target of EUR 500 million from 2022. The present infection circumstances highlight, however, that the situation remains extremely fragile and that the Covid-19 pandemic will confront us with major challenges in the months ahead, too. Given the great uncertainty, our principal focus continues to be on lastingly stabilising our business. We are working flat out on resolutely implementing all the measures this requires.” Aldo Kamper, CEO of Leoni AG

- Palpable recovery of Group sales in the third quarter; an 8-percent year-on-year decline; down 22 percent from the previous year in the first nine months of 2020 due to the Covid-19 pandemic
- EBIT-level result before exceptional items as well as before VALUE 21 costs in the third quarter improved year on year to a loss of EUR 8 million despite sales decline (previous year: loss of EUR 15 million); performance underpinned by both divisions
- Free cash flow in the third quarter improved versus last year to EUR 64 million (previous year: negative EUR 10 million); free cash flow after nine months at negative EUR 179 million (previous year: negative EUR 392 million)
- Production at about 95 percent of our plants largely normalised by the end of September; future business performance depends on the imponderables related to the Covid-19 pandemic

- Measures to yield the targeted VALUE 21 cost savings of EUR 500 million from 2022 already applied by the end of the third quarter, significantly sooner than originally planned; due to offsetting effects, volume dependencies and uncertainties from the Covid-19 pandemic, further measures are continuously being launched to safeguard the effects of the programme and to improve performance and efficiency

☞ *Related illustration material can be downloaded next to this release at <https://www.leoni.com/en/press/releases/details/leoni-stabilises-business-performance-in-the-third-quarter/>*

☞ *Further information can be found in the corresponding quarterly statement at <https://www.leoni.com/en/financial-publications>*

Leoni performance overview

	Q3/2020	Q3/2019	Change	9M/2020	9M/2019	Change
Consolidated sales [€ million]	1,064	1,155	(7.9)%	2,865	3,664	(21.8)%
EBITDA [€ million]	22	(17)	> 100.0%	(58)	(72)	20.0%
EBIT [€ million]	(31)	(67)	54.3%	(217)	(222)	2.4%
EBIT before exceptional items as well as before VALUE 21 costs ⁽¹⁾ [€ million]	(8)	(15)	47.2%	(120)	(50)	>(100.0)%
Consolidated net result [€ million]	(52)	(88)	40.3%	(242)	(264)	8.3%
Earnings per share [€]	(1.60)	(2.69)	40.5%	(7.40)	(8.07)	8.3%
Free cash flow ⁽²⁾ [€ million]	64	(10)	> 100.0%	(179)	(392)	54.3%
Capital expenditure [€ million]	45	79	(43.5)%	212	259	(18.1)%
Equity ratio [%]	10.2	21.2	--	10.2	21.2	--
Employees (as at 30 September)	95,222	92,868	2.5%	95,222	92,868	2.5%

(1) *This key figure is EBIT adjusted for exceptional non-recurring effects to allow a better comparison between periods and interpretation of the operating profitability. Exceptional items comprise material impairment of goodwill, intangible assets, property, plant and equipment as well as other assets, material expenses for contingent losses on customer contracts, costs in preparation for carving out the Wire & Cable Solutions Division (excl. internal costs), refinancing costs (incl. consultant, bank and solicitor fees; apart from the costs that are attributed to interest expenses), other non-recurring expenses incurred by strategic decisions as well as external additional expenses in connection with the Covid-19 pandemic (for example additional coach transfers, protective clothing, masks and disinfectants). Costs for the VALUE 21 programme comprise all the related restructuring and severance costs as well as external consultant fees.*

(2) *Prior-year figure adjusted (presentation change: interest paid and received is classified in full as a financing)*

About the Leoni Group

Leoni is a global provider of products, solutions and services for energy and data management in the automotive sector and other industries. The value chain encompasses wires, optical fibers, standardised cables, special cables and assembled systems as well as intelligent products and smart services. As an innovation partner and solutions provider, Leoni supports its customers with pronounced development and systems expertise. The market-listed group of companies employs around 95,000 people in 32 countries and generated consolidated sales of EUR 4.8 billion in 2019.



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