

Stable second quarter: LEONI secures compensation for impacts of volatility and raw material cost increase in the wiring systems business

Nuremberg, 10 August 2022 – “Leoni made good progress on its way towards sustained recovery in the second quarter – and did so in what is still a challenging market environment. Not least, and as announced, we successfully continued the discussions with our customers on compensation for the increases in raw material costs as well as impacts due to volatile call-offs. Furthermore, with our syndicate banks, we have made substantial progress in the past few weeks towards securing Leoni’s financing for the years ahead.”

Aldo Kamper, CEO of Leoni AG

- Consolidated sales from continuing operations¹, i.e. excluding Business Group Automotive Cable Solutions (BG AM), dropped by 9 percent in the second quarter and by 10 percent in the first half versus the respective pre-year period due to consolidation effects following further partial disposals, especially of Business Group Industrial Solutions (BG IN); the core business involving wiring systems (WSD) grew by 8 percent in the second quarter and 4 percent in first half 2022, to € 879 million and € 1.734 million respectively, despite continued tough conditions due to the war in Ukraine and supply bottlenecks in the automotive industry
- EBIT before exceptional items from continuing operations came to € 14 million in the second quarter (pre-year period: earnings of € 13 million) and to negative € 30 million in the first half (pre-year period: earnings of € 13 million); the Wiring Systems Division raised its EBIT before

¹ After the sale of the business encompassing automotive standard and special cables pooled in Business Group Automotive Cable Solutions (BG AM) agreed in May 2022, this unit is carried as of this interim report as a discontinued operation in the Group's reporting; the continuing business comprises principally that of the Wiring Systems Division; the previous year's figures were adjusted accordingly.

exceptional items to € 11 in the second quarter (pre-year period: € 4 million), due among other factors to agreements reached with customers in the second quarter on cost reimbursements, which increasingly compensated for additional costs incurred in the first and second quarters because of volatile customer call-offs.

- Free cash flow (FCF) from continuing operations at negative € 92 million in the second quarter, primarily weighed down by build-up in working capital; FCF in the first half at € 62 million, driven by closing of the sale of BG IN in the first quarter
- At the beginning of July Leoni AG has fundamentally agreed with its syndicate banks on a refinancing plan that will secure the further financing beyond 2022
- WCS carve-out: As announced on 23 Mai 2022, agreement on sale of the WCS unit BG AM signed with Stark Corporation Public Company Limited
- Forecasting ability remains significantly impaired; outlook unchanged from the combined management report on the 2021 financial year

 *Related illustration material can be downloaded next to this release at <https://www.leoni.com/en/press/releases/details/leoni-2022-q2/>*

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

Leoni performance overview (€million)

	Q2/2022	Q2/2021	Change	H1/2022	H1/2021	Change
Sales from continuing operations	933	1,020	(8.5)%	1,886	2,096	(10.0)%
EBITDA from continuing operations	30	42	(28.6)%	121	113	7.1%
EBIT from continuing operations	(6)	(1)	>(100)%	44	23	91.3%
EBIT from discontinued operations	4	26	(84.6)%	29	54	(46.3)%
EBIT from continuing operations before exceptional items ⁽¹⁾	14	13	7.7%	(30)	13	>(100)%
Consolidated net result	(47)	(9)	>(100)%	0	19	>(100)%
Earnings per share continuing operations (€)	(1.55)	(0.82)	(89.0)%	(0.56)	(0.72)	22.2%
Free cash flow from continuing operations ⁽²⁾	(92)	(21)	>(100)%	62	(97)	>100%
Capital expenditure of continuing operations	34	32	6.3%	61	78	(21.8)%
Equity ratio [%]	7.9	7.9	--	7.9	7.9	--
Employees as of 30 June [number]	94,761	101,734	(6.9)%	94,761	101,734	(6.9)%

(1) This key figure represents adjustment of EBIT for exceptional, non-recurring factors to facilitate better comparability between the periods and interpretation of operating profitability. Starting from the 2022 financial year, effects stemming from the Group's refinancing, restructuring measures, M&A transactions as well as extraordinary costs related to the Ukraine war will be classified as exceptional items.

(2) Prior-year figure appropriately adjusted due to reclassification of bank accounts pledged to factoring partners in the amount of € 363 k (Q2) and € 773 k (H1).

About the Leoni Group

Leoni is a global provider of products, solutions and services for energy and data management in the automotive industry. The value chain ranges from standardized cables and special cables to highly complex wiring systems and related components. Leoni supports its customers as an innovation partner and solution provider with distinctive development and system expertise on the way to increasingly sustainable and connected mobility concepts by developing the next generation of wiring systems. The market-listed group of companies employs about 100,000 people in 28 countries and generated consolidated sales of EUR 5.1 billion in 2021.



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