

Financial restructuring concept in place: Leoni's future is secured

Agreed measures to substantially reduce the company's debt and provide it with fresh liquidity

Nuremberg, 3 April 2023 – The way is paved: Leoni AG, the majority of financing parties and Stefan Pierer as strategic investor agreed on a financial restructuring concept to substantially reduce Leoni's debt, provide it with fresh liquidity and secure its financing for the coming years.

"The wiring system is the nervous system of the automobile. As a manufacturer with a strong market position, we are systemically relevant to the industry, particularly in Europe, and are valued by our customers. However, it is also a fact that we needed to improve our capital structure in order to create sufficient scope to continue Leoni's operational recovery," says Hans-Joachim Ziems, Chief Restructuring Officer (CRO). "To this end, we have now defined a path, which will lead Leoni back to a more solid financial footing."

As announced, the agreed concept provides for substantial contributions from debt and equity holders. It will only affect the parent company of Leoni Group, Leoni AG, and not its subsidiaries, their suppliers, customers and employees.

Substantial financial relief for Leoni AG

Through the contributions of its financing parties, Leoni AG will be relieved of about half of its financial liabilities. In return, the financing parties have agreed with Stefan Pierer on a recovery instrument, which is linked to the development of the company.

Further, the concept foresees a capital cut, consisting of a capital reduction to zero euros (with resulting delisting) and a subsequent cash capital increase of € 150 million through the issuance of new shares. Only a company to be established by Stefan Pierer is to be admitted to the capital increase, making it the sole shareholder of Leoni AG.


As a result, Leoni AG will have significantly strengthened liquidity for its operating business and will be relieved of about half of its financial liabilities. Liabilities to banks and borrower's note holders of Leoni AG will be reduced by €708 million.

Measures to be implemented in the coming months

Leoni AG has already started to implement the restructuring concept in accordance with the German Corporate Stabilization and Restructuring Act ("Unternehmensstabilisierungs- und -restrukturierungsgesetz"). The involved financing parties and shareholders will be invited to a meeting in due course.

Due to the support from all syndicate banks, the declared support of a substantial number of borrower's note holders, and the recently secured approval of the guarantors, the necessary majorities for the implementation of the restructuring concept have already been secured, ensuring a swift process and reliable implementation of the planned measures in the coming months. The implementation is subject to merger control clearance and other customary approvals. Leoni expects the financial restructuring to be completed in summer 2023.

Ziems: "The agreed concept secures Leoni's financing for the next years and enables the future refinancing of the company. Once formally adopted by the majority of those involved, this concept will provide the required breakthrough to put Leoni back on stable footing. We are and will remain a reliable innovation partner for the automotive industry on its journey to ever more sustainable mobility concepts."

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

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 and data cables to highly complex wiring systems and related components, from development to production. As an innovation partner with distinctive development and systems expertise, Leoni supports its customers on the path to increasingly sustainable and connected mobility concepts, from autonomous driving to alternative drives as well as charging systems. To this end, Leoni is developing next-generation cable solutions and wiring systems that reduce complexity and enable higher levels of automation, for example through zonal architecture. 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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