


Leoni AG: Sales up in the third quarter but earnings significantly burdened by turbulent market environment


Nuremberg, 15 November 2022 – “Leoni has had a difficult 3rd quarter. Not without reason, experts are talking about a perfect storm that is confronting the automotive supply sector. Widespread inflation affecting everything from materials to logistics and energy through to wages, stressed supply chains and volatile product call-offs: all of that is leaving its mark. We are continuing on the path mapped out towards Leoni’s recovery with all the more determination. We are rigorously keeping control of costs, conducting in-depth discussions with our customers and investing in our future.”

Aldo Kamper, CEO of Leoni AG

- Consolidated sales of continuing operations¹ up significantly to € 955 million in the 3rd quarter (previous year: € 893 million); Wiring Systems Division with a 30% sales increase to € 915 million in the 3rd quarter, thereof organic growth of 17.5% thanks, among other factors, to continued ramp-up of key product series and receipt of reimbursements; nine-month sales in continuing operations of € 2,841 million (previous year: € 2,990 million)
- EBIT before exceptional items of the continuing operations down significantly in the 3rd quarter to a loss of € 56 million (previous year: a loss of € 3 million) due particularly to increased raw material and logistics costs not yet fully passed on and persistently high volatility of call-offs as well as to forming contingent losses for expected, inflation-driven cost increases in a net amount of € 31 million; result after nine months likewise significantly lower with a loss of € 86 million (previous year: profit of € 10 million)

- Free cash flow (FCF) of the continuing operations of negative €63 million (previous year: negative € 85 million) affected mainly by negative EBIT; nine-month FCF of the continuing operations at negative € 2 million (previous year: negative € 182 million), including the FCF of about €278 million provided by the sale of the BG IN business group.
- Tackling the current unprecedented headwinds: Establishing, among others, methods to pass on increased costs based on the material cost index approach.
- Outlook for 2022 financial year revised based on the continuing operations: from today's perspective, consolidated sales expected to amount to about € 3.8 billion; EBIT before exceptional items to show a loss in the high eight-digit euro range; FCF from today's perspective in a high positive eight-digit euro range, including the aforementioned FCF boost from the sale of BG IN. The expected effect on FCF of the sale of the BG AM business group is not yet considered here. This transaction is expected to be closed in the fourth quarter.
- On the way to the wiring system of the future – with high levels of automation: Newly opened Innovation Industrialization Center (IIC) in Kitzingen synchronises product and process development, strengthening Leoni's position as an innovation partner to the automotive industry.

 *Related illustration material can be downloaded next to this release at <https://www.leoni.com/en/press/releases/details/leoni-2022-q3/>*

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

Leoni performance overview (€million, unless stated otherwise)

	Q3/2022	Q3/2021	Change	9M/2022	9M/2021	Change
Sales from continuing operations	955	893	6.9%	2,841	2,990	(5.0)%
EBITDA from continuing operations	(27)	21	>(100)%	93	134	(30.6)%
EBIT from continuing operations	(71)	(20)	>(100)%	(27)	2	>(100)%
EBIT from discontinued operations	19	21	(9.5)%	48	74	(35.1)%
EBIT from continuing operations before exceptional items ⁽²⁾	(56)	(3)	>(100)%	(86)	10	>(100)%
Consolidated net result	(88)	(27)	>(100)%	(88)	(8)	>(100)%
Earnings per share continuing operations (€)	(3.11)	(1.51)	>(100)%	(3.68)	(2.23)	(65.0)%
Free cash flow from continuing operations ⁽³⁾	(63)	(85)	25.9%	(2)	(182)	>100%
Capital expenditure of continuing operations	55	44	25.0%	116	121	(4.1)%
Equity ratio [%]	5.4	7.2	--	5.4	7.2	--
Employees as of 30 Sept [number]	95,905	102,262	(6.2)%	95,905	102,262	(6.2)%

(1) The continuing operations principally comprise the wiring systems business of the Wiring Systems Division. Business Group Automotive Cable Solutions (BG AM), the sale of which was agreed in May 2022, has been presented in the Group's reporting as a discontinued operation since the 2022 half-year financial report; the previous year's figures were adjusted accordingly

(2) 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 are classified as exceptional items.

(3) Prior-year figure appropriately adjusted due to reclassification of bank accounts pledged to factoring partners in the amount of € 3,007 k (Q3) and € 3,780 k (Q1-3)

About the Leoni Group

Leoni is a global provider of products, solutions and services for energy and data management in the automotive industry. 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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