

Leoni AG releases preliminary, unaudited figures for 2022 and forecast for 2023

CEO Aldo Kamper: “We must continue to resolutely do our homework”

Nuremberg, 10 February 2023 – Based on preliminary, unaudited figures, Leoni AG generated sales of approx. € 5.1 billion in 2022 (2021: € 5.12 billion). EBIT before exceptional items¹ came to approx. € 11 million (2021: € 130 million), while free cash flow (FCF) stood at approx. € 126 million (2021: negative € 12 million).

The preliminary figures cover Leoni including Business Group Automotive Cable Solutions (BG AM). As announced on 13 December 2022, the buyer surprisingly refused to close the SPA on the sale of BG AM concluded in May 2022. The updated forecast for 2022 issued on 2 November 2022, which had no longer included BG AM as a discontinued operation, was (on a comparable basis) significantly exceeded in terms of EBIT before exceptional items¹ and FCF according to findings to date. Free cash flow includes the FCF-effect of € 278 million resulting from the sale of Business Group Industrial Solutions.

It is likely that the Company’s refinancing will trigger the need for significant impairments. The exact amount cannot be quantified at present; it cannot be ruled out that the impairments will amount to a low to mid three-digit million euro figure. The impairments weigh on reported EBIT for the 2022 financial year. As this is an exceptional item, it does not affect EBIT before exceptional items¹.

“We stabilised our operational business performance further in the past year,” Leoni’s CEO Aldo Kamper said. The Company faced a very challenging market environment in 2022 – from the war in Ukraine to an inflation-driven rise in prices and through to adversely affected supply chains. Kamper: “We made substantial progress despite this environment. This does not mean that we are satisfied with what we have achieved. We must continue to resolutely do our homework. Above all, there is the matter of reaching an agreement with our financial creditors on a new refinancing plan in order, at the same time as

progressing operational recovery, to return Leoni onto a robust footing financially.”

The call-off pattern of the customers and thus the operating business stabilised in the fourth quarter of 2022 compared with previous quarters. At the same time, the Company successfully completed numerous negotiations on compensation for increased raw material costs and volatile customer call-offs including resulting costs incurred during the preceding quarters. In addition to the compensations, this also led to contingent losses to be reversed because of improved projections through to project end.

More sales and balanced free cashflow expected for 2023


At the same time, Leoni AG's Executive Board today determined the key figures of the forecast for the 2023 financial year. It states that Leoni anticipates sales of approx. € 5.5 billion, EBIT before exceptional items¹ reaching a high double-digit million euro amount and neutral free cash flow. The sales forecast is based on a slight growth in global vehicle output and a continuing ramp-up of new model ranges as well as strong demands for special cables. With respect to EBIT before exceptional items¹, the Company expects inflation-driven cost increases to be largely offset, less volatile demands as well as progress in cost efficiency in both direct and indirect areas. The FCF forecast assumes operational improvement compared with the previous year due to working capital optimisation among other factors, whereby a clearly pronounced seasonality is expected to continue.

Cash flow after financing costs (which are not included in FCF) will again be strongly negative in 2023, especially given that interest charges and possible exceptional factors stemming from the pending refinancing plan are not yet foreseeable. The operating performance shown in 2022 will, despite the progress already made, not be enough to bear the interest and leasing costs.

The forecast and the preliminary figures depend on Leoni being successfully refinanced. Given the ongoing, constructive but also very challenging negotiations on refinancing and the need for a capital reduction in this connection, it is to be expected that preparation of the 2022 financial

statements and consolidated financial statements and thus also the date for the Annual General Meeting will be delayed beyond the present schedule.

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. Effects stemming from the Group's refinancing (incl. impairments), restructuring measures, M&A transactions as well as extraordinary costs related to the Ukraine war are classified as exceptional items. Explanations of key financial figures used can be found in Leoni AG's Annual Report 2021, particularly on pages 55, 59, and 62.

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

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.



Media contact

LEONI AG
Gregor le Claire
Corporate Press Officer
Phone: +49 911 2023-226
E-mail: gregor.leclaire@leoni.com

Investor contact

LEONI AG
Rolf Becker
Senior Manager Investor Relations
Phone: +49 911 2023-134
E-mail: rolf.becker@leoni.com