Quarterly statement

Q1-3 | 2019

- A challenging market environment, lower volumes, operational performance issues in WSD, salary inflation, as well as planned ramp-up costs impact LEONI's consolidated sales and operating result in the third quarter.

- VALUE 21 performance and strategy programme on track to deliver gross cost savings of € 500 million per year from 2022; 35 percent of initiatives already implemented.

- VALUE 21 costs in the third quarter of around € 53 million. The majority of the costs incurred in the third quarter are connected to the announced headcount reduction of more than 500 jobs in high-wage countries. This resulted in a negative EBIT of € 15 million before exceptional items as well as before VALUE 21 costs.

- Free cash flow improved during the year particularly due to improvements in working capital and is, with a negative amount of about € 12 million in the third quarter, well above the previous year (Q3/2018: negative € 141 million) and the second quarter (Q2/2019: negative € 72 million).

The Quality Connection

LEONI

Group key figures

€ million

	Q3			Q1-3		
	2019	2018	Change	2019	2018	Change
Sales	1,155	1,205	(4.2)%	3,664	3,859	(5.1)%
Earnings before interest, taxes and depreciation/amortisation (EBITDA)	(17)	79	> (100%)	(72)	279	> (100)%
Earnings before interest and taxes (EBIT)	(67)	38	> (100)%	(222)	163	> (100)%
Earnings before interest and taxes (EBIT) and before exceptional items[1] as well as before VALUE 21 costs[2] [3]	(15)	38	> (100)%	(50)	163	> (100)%
Consolidated net loss / income	(88)	23	> (100)%	(264)	108	> (100)%
Earnings per share (€)	(2.69)	0.71	> (100)%	(8.07)	3.35	> (100)%
Free cash flow	(12)	(141)	91.6%	(397)	(281)	(41.5)%
Capital expenditure	79	80	(0.7)%	259	206	25.5%
Equity ratio (%)	21	32	-----	21	32	-----
Number of employees on 30 September	92,868	90,147	3.0%	92,868	90,147	3.0%

[1] Exceptional items in 2019 comprise significant 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 legal fees; apart from the costs that are attributed to interest expenses) as well as other expenses incurred as a result of strategic decisions.

[2] Costs for the VALUE 21 programme comprise all the related restructuring and severance costs as well as external consultant fees.

[3] The figure represents the adjustment of EBIT for extraordinary one-off effects in order to improve comparability between periods and the interpretation of operating performance. It replaces the previously published key figure "Adjusted earnings before interest and taxes (adjusted EBIT)".

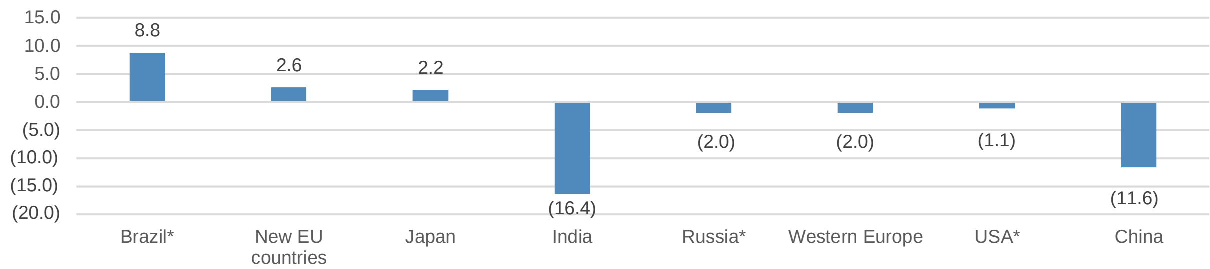
LEONI – The Quality Connection

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.

Business by sector

The increasingly uncertain macroeconomic environment is also reflected in weakening demand in the global automotive market. The German Association of the Automotive Industry (VDA) reported that fewer vehicles were sold in each of the world's three most significant regions in the first nine months of 2019 than in the same period of the previous year. According to the VDA, new vehicle registrations were down by 11.6 percent in China and by 2 percent in Western Europe. In the United States 1.1 percent fewer vehicles were sold than in the same period of 2018.

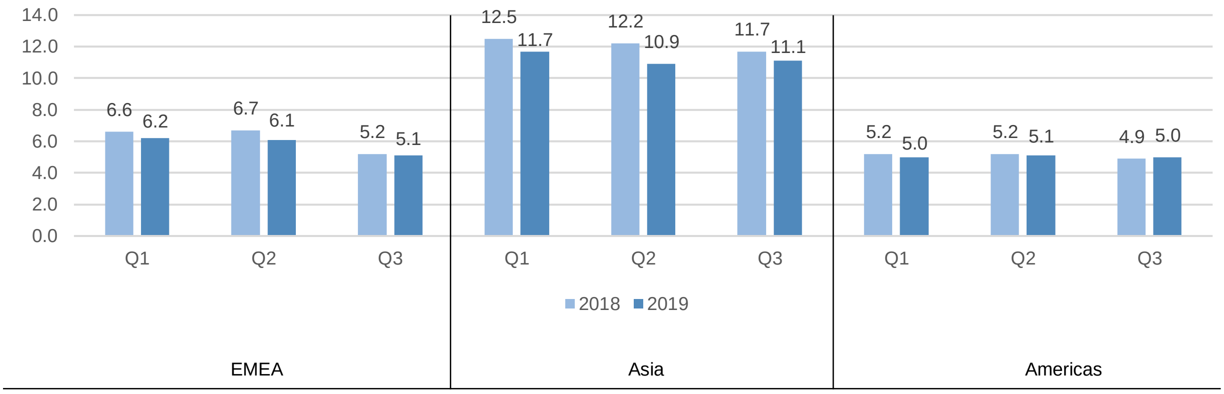
Trend of car sales in the key countries January to September 2019/2018, %



*Light vehicles (cars and light commercial vehicles) Source: VDA

The production of passenger cars and light commercial vehicles presents a similar picture. From January to September, production in the three major regions of EMEA, Asia and the Americas was down by 6 percent to a total of about 66 million units.

Production of cars and light commercial vehicles By region in million units



Source: IHS Automotive

LEONI Group

Important progress made with VALUE 21

LEONI made important progress in implementing its VALUE 21 performance and strategy programme during the reported period and remains on target. Around 35 percent of the measures were already implemented during the first nine months of 2019. The initiatives already implemented will deliver gross cost savings of more than € 150 million per year, most of which will already take effect next year. The company expects that the implementation of all planned VALUE 21 measures, before offsetting effects, will achieve annual gross cost savings of € 500 million as of 2022.

In the third quarter, the implementation of VALUE 21 resulted in costs of around € 53 million. In the period from January to September 2019, VALUE 21 costs totalled € 72 million.

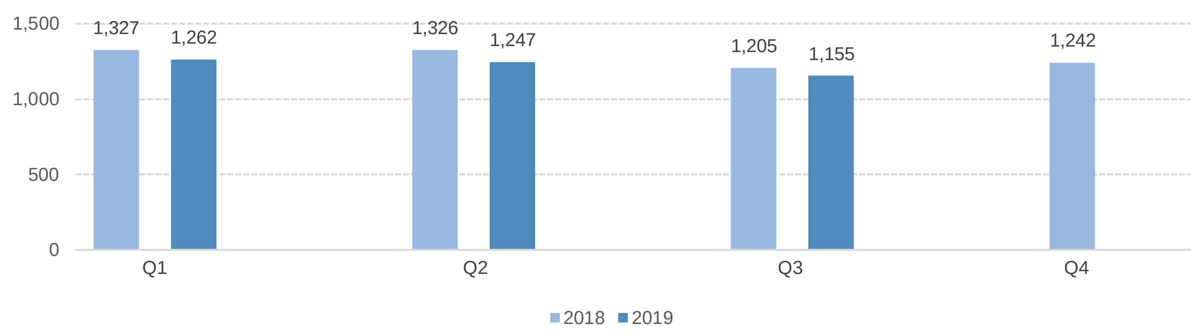
The planned headcount reduction of more than 500 jobs in high-wage countries has begun. Especially in Germany, compulsory redundancies were largely avoided.

Sales and earnings

Sales down by 4 percent to € 1,155 million

LEONI's consolidated sales in the third quarter of 2019 decreased by approximately 4 percent year on year to € 1,155 million. The reasons were both the weaker trend in the global automotive market and the declining demand from industrial customers. Sales of both wiring systems as well as cable systems in the Wiring Systems Division and of automotive cables as well as special cables and cable systems in the WCS Division decreased considerably.

Consolidated sales € million



Group sales performance € million

	Q3		Q1-3	
		in %		in %
Sales, previous year	**1,205**		**3,859**	
Organic change	(56)	(4.7)	(198)	(5.1)
Effects of changes in the scope of consolidation	(4)	(0.4)	(10)	(0.3)
Currency translation effects	16	1.3	41	1.0
Copper price effects	(5)	(0.4)	(28)	(0.7)
Sales, current year	**1,155**	(4.2)	**3,664**	(5.1)

In the first nine months of 2019, consolidated sales were down by approximately 5 percent year on year to € 3,664 million with sales also declining organically by approximately 5 percent or € 198 million. This organic decrease reflects the adverse overall economic and sector-specific trend.

EBIT affected by lower volumes, operational performance issues in WSD, and salary inflation, as well as planned ramp-up costs

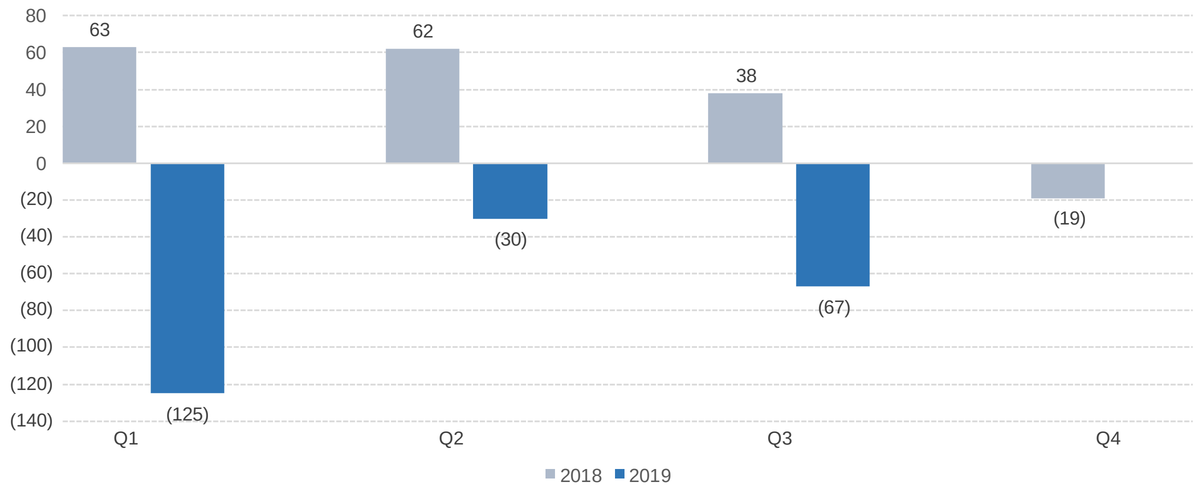
Lower volumes from both divisions, operational performance issues in WSD, salary inflation, especially in Eastern Europe, and planned ramp-up costs weighed on earnings before interest and taxes (EBIT) in the third quarter.

Overall, this resulted in a negative EBIT of € 67 million (previous year: earnings of € 38 million). Before exceptional items as well as before VALUE 21 costs, the figure was a negative € 15 million in the third quarter.

With its VALUE 21 performance and strategy programme, LEONI has already launched comprehensive measures to improve performance, as well as to optimise operations and save costs. The measures implemented by the end of the 3rd quarter of 2019 are expected to deliver gross cost savings of more than € 150 million per year, most of which will already take effect next year. Once all the planned VALUE 21 measures have been implemented, the Company expects to achieve annual gross cost savings of € 500 million, before offsetting effects, as of 2022.

In the period from January to September 2019, EBIT was negative € 222 million (previous year: earnings of € 163 million). EBIT before exceptional items as well as before VALUE 21 costs was negative € 50 million. Among other factors, this negative result was based on the first quarter, which, in addition to the impact from the project ramp-up in Merida, included exceptional items of negative € 102 million in the Wiring Systems Division. The reason was a re-assessment of the order book as well as market prospects against the backdrop of the weaker sector setting and strategic realignment under the VALUE 21 programme.

Group, EBIT € million



Group EBIT before exceptional items as well as before VALUE 21 costs € million

	Q3		Q1-3	
	2019	**2018**	**2019**	**2018**
EBIT before exceptional items as well as before VALUE 21 costs	**(15)**	**38**	**(50)**	**163**
Exceptional items	(1)	0	101	0
VALUE 21 costs	53	0	72	0
EBIT	**(67)**	**38**	**(222)**	**163**

The result before taxes came to a loss of € 75 million in the third quarter (previous year: earnings of € 32 million). After taxes, the Company reported a consolidated net loss of € 88 million (previous year: net income of € 23 million), which equates to a per-share loss of € 2.69 (previous year: earnings of € 0.71).

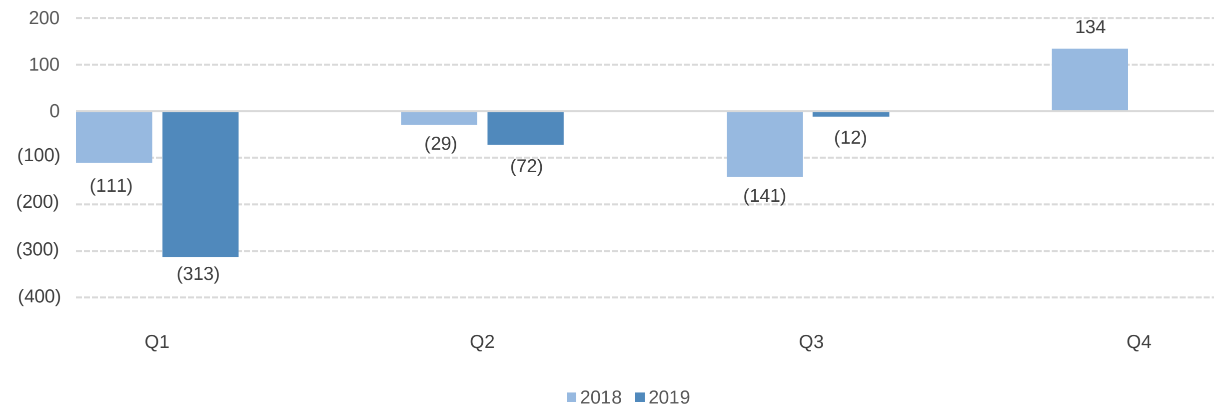
Assets and financial position

Free cash flow improved significantly to negative € 12 million in the third quarter (previous year: negative € 141 million)

The LEONI Group's cash flow from operating activities came to negative € 45 million in the period from July to September 2019, up from negative € 64 million in the same period of the previous year. The Company invested € 57 million (previous year: € 76 million). Free cash flow amounted to negative € 12 million at the end of the third quarter (previous year: negative € 141 million). This positive trend was due primarily to significantly improved net working capital.

Free cash flow improved significantly during 2019 – from negative € 313 million in the first quarter to negative € 72 million in the second quarter and to an almost neutral figure in the third quarter. This is in line with the Company's objective of a largely neutral free cash flow development in the second half of the year and reflects the Company's sharper focus on cash flow.

Free Cash flow € million



Calculation of free cash flow € million

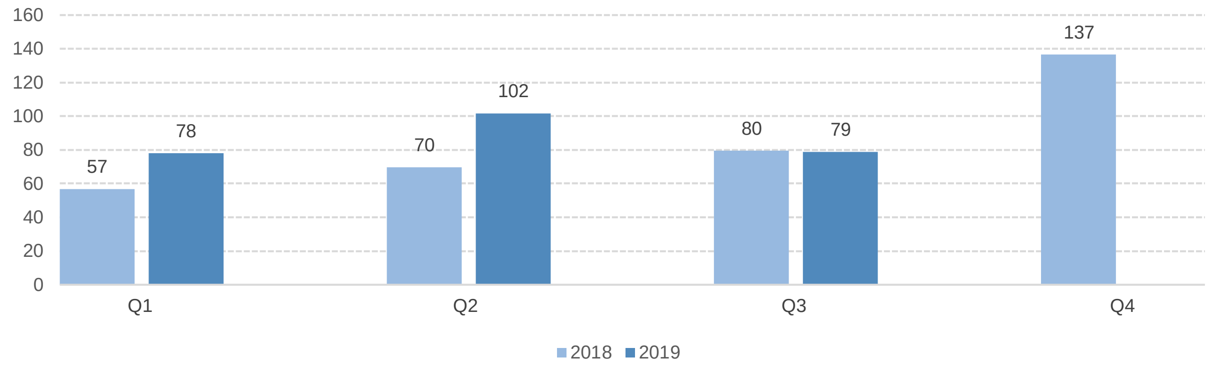
	Q3		Q1-3	
	2019	**2018**	**2019**	**2018**
Cash flows from operating activities	45	(64)	(185)	(66)
Cash flows from capital investment activities	(57)	(76)	(212)	(214)
Free cash flow	**(12)**	**(141)**	**(397)**	**(281)**

Investment in new customer projects and future technologies

Group-wide, LEONI invested € 79 million in property plant and equipment as well as intangible assets in the third quarter of 2019 (previous year: € 80 million). Capital investment in the Wiring Systems Division decreased to € 45 million (previous year: € 52 million). The Wire & Cable Solutions Division invested € 33 million (previous year: € 24 million). Of the total investments, new leases accounted for € 11 million (first-time application of IFRS 16, Leases; see page 19 for further explanation).

Investment in the period from January to September 2019 totalled € 259 million, of which € 181 million was used for the WSD and € 72 million for WCS.

Capital expenditure € million



Equity ratio at around 21 percent; net financial liabilities increased

LEONI Group's balance sheet as at 30 September 2019 was enlarged by more than 7 percent versus the end of 2018 to € 3,721 million.

Due to the quarterly loss, equity declined by about 27 percent to € 788 million. This equates to an equity ratio of around 21 percent compared to 31 percent at the end of 2018.

Net financial liabilities rose to € 1,237 million in the third quarter (end of previous year: € 613 million). Gearing (net financial liabilities as a percentage of equity) increased from 57 percent at the end of 2018 to 157 percent. On 30 September 2019, the Group had available liquidity of € 583 million[4] (end of previous year: € 1,001 million), of which cash accounted for approximately € 126 million.

We are furthermore preparing for the refinancing due in the first quarter of 2020 of some of our non-current liabilities, for which we are considering various options.

Part of the balance sheet enlargement (Q3/2019: € 184 million) and therefore also the decline in the equity ratio as well as increase in net financial liabilities was due to the first-time application of IFRS 16, Leases (see. page 19 for further explanation).

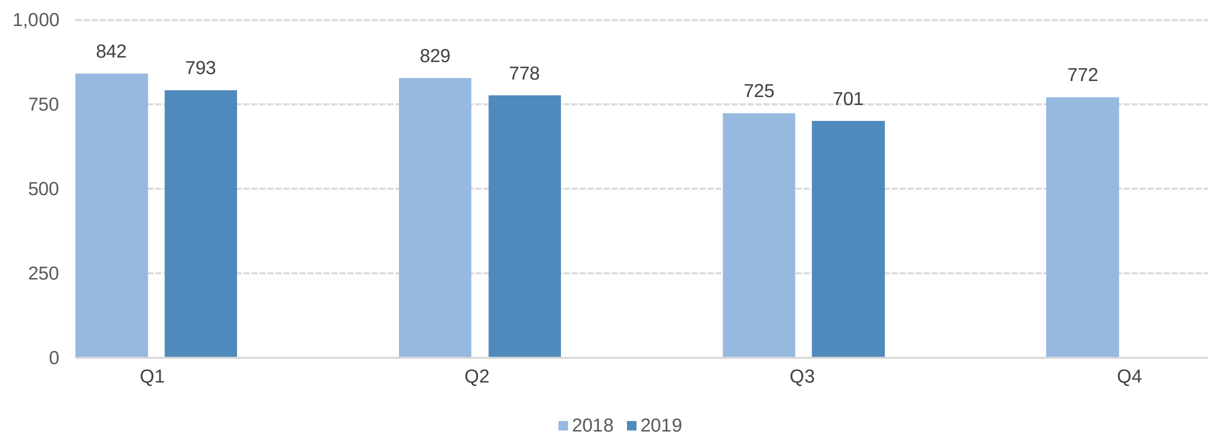
[4] Including bank guarantees of € 75 million in Q3/2019 (end of previous year: € 89 million)

Wiring Systems Division

Sales down in the first nine months of the year

Year on year, the sales of the Wiring Systems Division in the third quarter of 2019 were down by approximately 3 percent to € 701 million. In the nine-month-comparison, sales decreased by approximately 5 percent to € 2,272 million. The reason was mainly the generally weaker automotive market, resulting in declining orders from manufacturers.

Wiring Systems, external sales € million



Wiring Systems Division, sales performance € million

	Q3		Q1-3	
		in %		in %
Sales, previous year	**725**		**2,396**	
Organic change	(26)	(3.6)	(127)	(5.3)
Effects of changes in the scope of consolidation	(4)	(0.6)	(10)	(0.4)
Currency translation effects	7	1.0	18	0.7
Copper price effects	(1)	(0.1)	(4)	(0.2)
Sales, current year	**701**	(3.3)	**2,272**	(5.2)

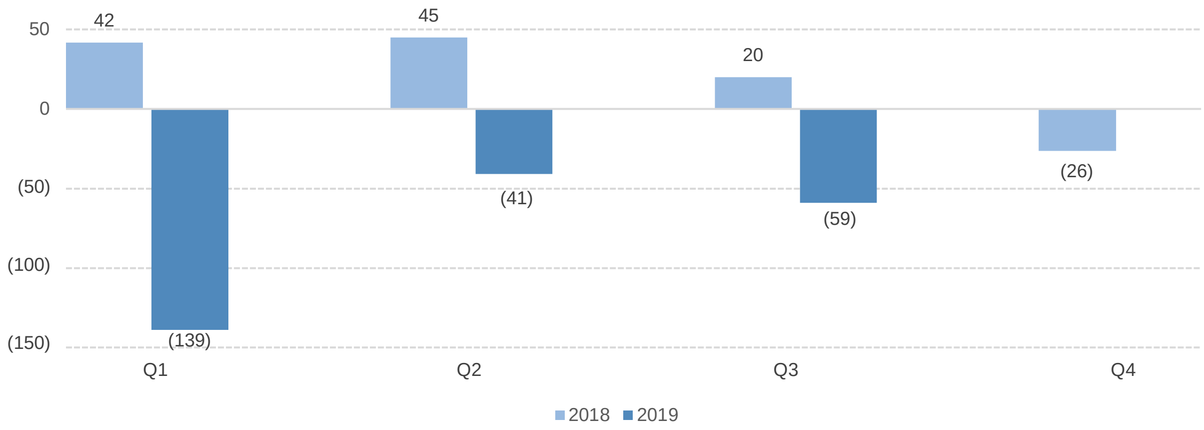
Quarterly loss of € 59 million

The Wiring Systems Division's EBIT declined from earnings of € 20 million to a loss of € 59 million in the third quarter of 2019. Among other factors, this significant decline is attributable to the challenging market environment, salary inflation, planned ramp-up costs and operational performance issues, which LEONI is addressing with its VALUE 21 performance and strategy programme. Implementation of VALUE 21 initiatives incurred costs totalling € 34 million in the third quarter of 2019.

Before exceptional items as well as before VALUE 21 costs, EBIT came to a negative € 30 million in the third quarter.

Year on year, nine-month EBIT decreased from earnings of € 107 million in 2018 to a loss of € 239 million in 2019. The strategic realignment as part of VALUE 21 which was detailed in March 2019, resulted in first-quarter write-downs mainly on assets as well as provisions for expected losses on contractual obligations. EBIT before exceptional items as well as before VALUE 21 costs came to negative € 95 million in the first nine months of the current financial year.

Wiring Systems, EBIT € million



Wiring Systems Division EBIT before exceptional items as well as before VALUE 21 costs € million

	Q3		Q1-3	
	2019	**2018**	**2019**	**2018**
EBIT before exceptional items as well as before VALUE 21 costs	**(30)**	**20**	**(95)**	**107**
Exceptional items	(4)	0	97	0
VALUE 21 costs	34	0	46	0
EBIT	**(59)**	**20**	**(239)**	**107**

Stable order backlog – selective on new projects

The Wiring Systems Division booked new orders worth € 0.1 billion in the third quarter of 2019 (previous year: € 0.9 billion). Its order backlog covering the entire term of the projects amounted to € 23.1 billion at the end of the quarter (end of previous year: € 24.4 billion), of which vehicles with electric or hybrid drives (high-voltage and low-voltage) accounted for € 6.1 billion versus € 5.5 billion at 31 December 2018.

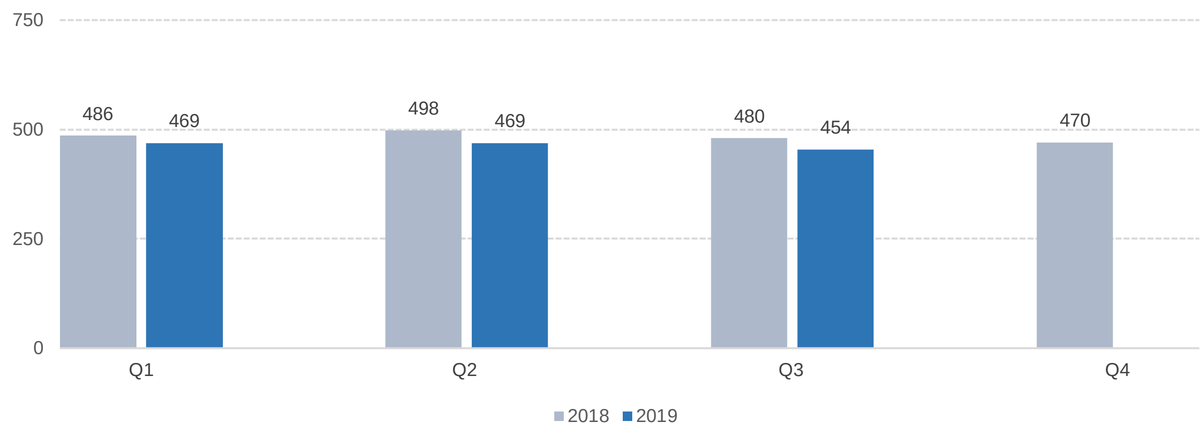
In line with the revised strategy under VALUE 21, LEONI focused more strictly on a project's cash flow and profitability and is limiting organic growth in the Wiring Systems Division to that of the market. The Company is focusing on the utilisation of its available capacity and on strategic customer relationships.

Wire & Cable Solutions Division

Quarterly sales down approximately 5 percent

In the Wire & Cable Solutions Division, sales declined by approximately 5 percent year on year to € 454 million in the period from July to September 2019. Over the nine-month period to September 2019, sales decreased by approximately 5 percent year on year to € 1,392 million. This drop, which was attributable to a subdued market trend, was spread across all regions. The declining international automotive industry development, which led to weaker demand for automotive cables, was particularly noticeable. Sales of special cables and cable systems for industry customers were also down.

Wire & Cable Solutions Division, external sales € million



Wire & Cable Solutions Division, sales performance € million

	Q3		Q1-3	
		in %		in %
Sales, previous year	**480**		**1,463**	
Organic change	(31)	(6.4)	(71)	(4.9)
Currency translation effects	9	1.8	23	1.6
Copper price effects	(4)	(0.9)	(24)	(1.6)
Sales, current year	**454**	(5.5)	**1,392**	(4.9)

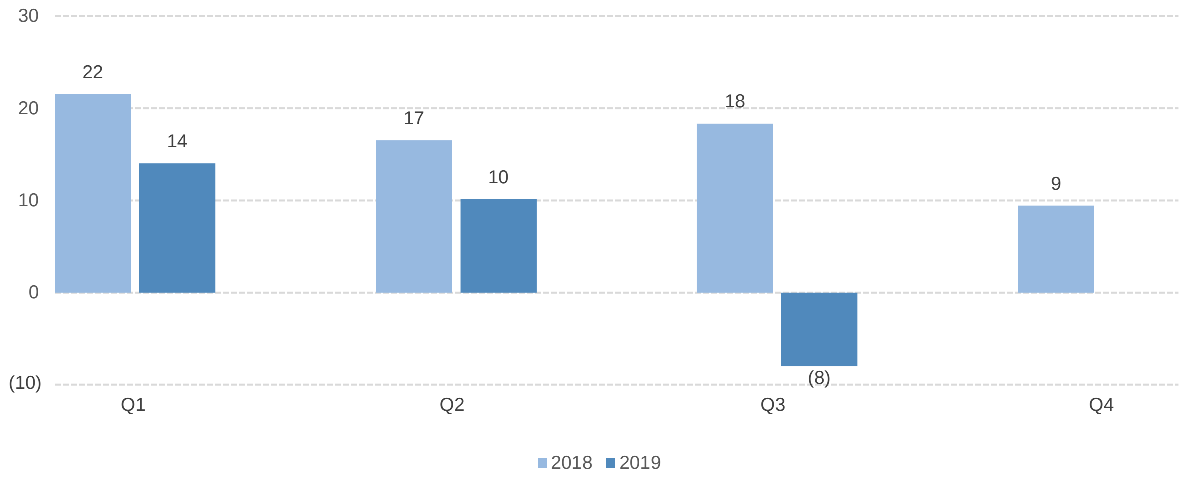
EBIT below previous year's level

EBIT before exceptional items as well as before VALUE 21 costs amounted to € 15 million. Among other things, this was affected by lower sales. EBIT in the WCS Division dropped to negative € 8 million in the third quarter of 2019. As a result of the good progress made with VALUE 21, costs totalling € 20 million was already incurred in the third quarter of 2019.

These costs are primarily related to first provisions for the restructuring of the oil and gas business.

The Wire & Cable Solutions Division generated EBIT of € 16 million in the first nine months of 2019 versus € 56 million in the corresponding period of the previous year.

Wire & Cable Solutions Division, EBIT € million



Wire & Cable Solutions Division, EBIT before exceptional items as well as before VALUE 21 costs € million

	Q3		Q1-3	
	2019	**2018**	**2019**	**2018**
EBIT before exceptional items as well as before VALUE 21 costs	**15**	**18**	**45**	**56**
Exceptional items	3	0	4	0
VALUE 21 costs	20	0	26	0
EBIT	**(8)**	**18**	**16**	**56**

New orders of € 442 million

The Wire & Cable Solutions Division booked new orders worth € 442 million in the third quarter of 2019 (previous year: € 499 million), which works out to a book-to-bill ratio of around 1 and is slightly below the previous year's level.

WCS carve-out progressing

LEONI continues to progress with carving out its cables division. The Company expects to carry out the announced separation of its WCS Division in the 2020 financial year.

Move into Factory of the Future has begun

LEONI's Factory of the Future at the location of the Wire & Cable Solutions Division in Roth, Germany celebrated its topping-out ceremony in June 2018. Relocation to the new plant in Roth outside of Nuremberg began in August of this year; most of the workforce will be moving into the new facility throughout the fourth quarter. Parts of production have already been successfully ramped up. LEONI intends for the plant to take even better advantage of the opportunities presented by digitalisation in the future and has, to this end, extended its portfolio to include intelligent cables, systems and services. In addition to the development and production of state-of-the-art data cables for autonomous driving, solutions for even safer, more efficient and more reliable power distribution in electric vehicles will also be developed at the site.

Supplementary report

No events of special significance and with material impact on the LEONI Group's earnings, financial and asset situation occurred after close of this reporting period and until this statement was released.

Risk and opportunity report

The risk and opportunity situation for the LEONI Group as well as the structure and set-up of its risk and opportunity management are comprehensively presented in the Company's Annual Report 2018. Compared to the end of 2018, the LEONI Group's financial position has tightened due to the cash flow trend. This has also raised the risk of financing on poorer terms. The Board of Directors has taken measures to improve cash flow and is giving maximum priority to monitoring progress.

Forecast

The Company reiterates the outlook for the full fiscal year 2019 and, in line with the market environment, expects sales for the fiscal year 2019 to be moderately lower than the previous year. Group EBIT in 2019 before exceptional items as well as before VALUE 21 costs will be up to a negative mid double-digit million-euro figure. Given the expectation of a balanced free cash flow development in the second half of 2019, LEONI's full-year free cash flow will be in the range of plus or minus a low double-digit EUR million compared to the level reported in the first half of 2019.

Key financial information

Consolidated income statement

€ '000, except information on shares

	Q3		Q1-3	
	2019	**2018**	**2019**	**2018**
Sales	1,154,824	1,205,000	3,663,840	3,858,808
Cost of sales	(1,022,799)	(1,007,738)	(3,314,457)	(3,199,460)
Gross profit on sales	**132,025**	**197,262**	**349,383**	**659,348**
Selling expenses	(71,100)	(59,892)	(216,107)	(194,148)
General and administration expenses	(97,332)	(68,338)	(255,080)	(210,488)
Research and development expenses	(39,533)	(37,629)	(121,386)	(110,729)
Other operating income	9,962	6,809	22,381	15,517
Other operating expenses	(7,574)	(6,000)	(23,768)	(15,794)
Result from associated companies and joint ventures	6,488	5,908	22,437	19,492
EBIT	**(67,064)**	**38,120**	**(222,140)**	**163,198**
Finance revenue	87	350	714	811
Finance costs	(8,175)	(6,955)	(25,082)	(18,664)
Other income / expenses relating to equity investments	0	0	93	168
Income before taxes	**(75,152)**	**31,515**	**(246,415)**	**145,513**
Income taxes	(12,809)	(8,380)	(17,445)	(37,929)
Consolidated net loss / income	**(87,961)**	**23,135**	**(263,860)**	**107,584**
due to: holders of equity in the parent company	(88,012)	23,352	(263,699)	109,299
non-controlling interests	51	(217)	(161)	(1,715)
Earnings per share in € (basic and diluted)	(2.69)	0.71	(8.07)	3.35
Weighted average no. of shares outstanding (basic and diluted)	32,669,000	32,669,000	32,669,000	32,669,000

Consolidated statement of comprehensive income

€'000

	Q3 2019	Q3 2018	Q1-3 2019	Q1-3 2018
Consolidated net loss / income	**(87,961)**	**23,135**	**(263,860)**	**107,584**
Other comprehensive income				
Items that cannot be reclassified to the income statement:				
Actuarial gains or losses on defined benefit plans	(16,706)	2,908	(43,676)	20,983
Income taxes applying to items of other comprehensive income that are not reclassified	3,826	(256)	9,865	(3,858)
Items that can be reclassified to the income statement:				
Cumulative translation adjustments				
Gains / losses arising during the period	1,348	(7,921)	10,880	(1,380)
Less reclassification adjustments included in the income statement	0	0	247	0
Total cumulative translation adjustments	1,348	(7,921)	11,127	(1,380)
Cash flow hedges				
Gains / losses arising during the period	(404)	6,836	3,264	7,225
Less reclassification adjustments included in the income statement	(1,793)	249	(6,505)	(1,306)
Total cash flow hedges	(2,197)	7,085	(3,241)	5,919
Share of other comprehensive income of associates and joint ventures	352	(486)	275	(253)
Income taxes applying to items of other comprehensive income that are reclassified	424	(1,349)	(94)	(355)
Other comprehensive income (after taxes)	**(12,953)**	**(20)**	**(25,744)**	**21,056**
Total comprehensive income	**(100,914)**	**23,115**	**(289,604)**	**128,640**
due to: holders of equity in the parent company	(101,002)	23,459	(289,661)	130,400
non-controlling interests	88	(344)	57	(1,760)

Consolidated statement of cash flows

€'000

	Q3		Q1-3	
	2019	2018	2019	2018
Consolidated net loss / income	(87,961)	23,135	(263,860)	107,584
Adjustments to reconcile cash provided by operating activities:				
Income taxes	12,809	8,380	17,445	37,929
Net interest	8,178	6,507	24,256	17,590
Dividend income	0	0	(93)	(168)
Depreciation and amortisation	50,376	40,381	149,750	116,241
Impairment of non-current assets	986	0	44,553	0
Non-cash result relating to associates and joint ventures	(6,488)	(5,908)	(22,437)	(19,492)
Result of asset disposals	(750)	274	(5,349)	(742)
Gain / loss on deconsolidation	0	(1,044)	349	(1,044)
Change in operating assets and liabilities				
Change in receivables and other financial assets	73,133	40,435	7,961	(54,639)
Change in inventories	12,879	(14,043)	(26,608)	(79,456)
Change in other assets	(7,698)	(25,123)	(30,231)	(91,215)
Change in restructuring provisions	38,142	(809)	38,503	(2,848)
Change in other provisions	(12,335)	(5,757)	12,792	(8,554)
Change in liabilities	(37,101)	(119,564)	(115,450)	(62,956)
Income taxes paid	(9,060)	(14,720)	(35,509)	(32,781)
Interest paid	(2,037)	(2,331)	(5,731)	(4,550)
Interest received	149	258	756	682
Dividends received	11,577	5,798	23,596	11,940
Cash flows from operating activities	**44,799**	**(64,131)**	**(185,307)**	**(66,479)**
Capital expenditure on intangible assets as well as property, plant and equipment	(61,067)	(77,232)	(225,709)	(220,693)
Acquisitions of associated companies and joint ventures	(525)	0	(600)	0
Capital expenditure on other financial assets	(1,875)	0	(1,875)	0
Cash receipts from disposal of assets	6,924	812	13,087	6,569
Income from the disposal of a business operation / subsidiaries less cash equivalents paid	0	0	3,302	0
of which: disposal proceeds € 4,181k (previous year: € 0)				
disposed cash and cash equivalents € 879k (previous year: € 0)				
Cash flows from capital investment activities	**(56,543)**	**(76,420)**	**(211,795)**	**(214,124)**
Cash receipts from borrowings	90,628	274,312	548,389	512,747
Cash repayments of financial debts	(57,676)	(120,523)	(167,406)	(234,985)
Proceeds from / payments to non-controlling interests	0	45	0	45
Interest paid	(5,558)	(4,211)	(12,365)	(11,326)
Dividends paid by LEONI AG	0	0	0	(45,737)
Cash flows from financing activities	**27,394**	**149,623**	**368,618**	**220,744**
Change in cash and cash equivalents	15,650	9,072	(28,484)	(59,859)
Currency adjustments	292	(2,231)	2,604	(1,749)
Cash and cash equivalents at beginning of period	109,932	116,635	151,754	185,084
Cash and cash equivalents at end of period	125,874	123,476	125,874	123,476

Consolidated statement of financial position

€'000

ASSETS	30/09/2019	31/12/2018	30/09/2018
Cash and cash equivalents	125,874	151,754	123,476
Trade receivables	610,244	625,275	646,268
Other financial assets	44,364	48,380	49,362
Other assets	188,540	170,326	197,014
Receivables from income taxes	21,429	19,084	11,630
Inventories	631,317	609,290	676,152
Contract assets	106,449	95,181	109,282
Assets held for sale	0	0	6,935
Total current assets	1,728,217	1,719,290	1,820,119
Property, plant and equipment	1,431,384	1,206,316	1,129,844
Intangible assets	68,003	75,871	61,939
Goodwill	139,192	140,221	147,065
Shares in associated companies and joint ventures	33,359	33,359	29,397
Contract assets	78,767	78,762	76,980
Other financial assets	7,549	6,452	6,845
Deferred taxes	85,647	56,136	47,493
Other assets	149,190	145,121	132,179
Total non-current assets	**1,993,091**	**1,742,238**	**1,631,742**
Total ASSETS	**3,721,308**	**3,461,528**	**3,451,861**

EQUITY AND LIABILITIES	30/09/2019	31/12/2018	30/09/2018
Current financial debts and current proportion of long-term financial debts	796,898	176,550	601,734
Trade payables	792,447	956,826	851,241
Other financial liabilities	109,773	127,517	66,341
Income taxes payable	25,863	22,218	24,333
Other current liabilities	224,285	190,169	196,085
Provisions	77,084	24,538	24,464
Total current liabilities	**2,026,350**	**1,497,818**	**1,764,198**
Long-term financial debts	566,050	587,880	264,224
Long-term financial liabilities	31,034	29,860	54,921
Other non-current liabilities	11,704	10,605	13,114
Pension provisions	202,878	158,904	150,049
Other provisions	36,483	35,509	33,383
Deferred taxes	59,094	59,514	52,606
Total non-current liabilities	**907,243**	**882,272**	**568,297**
Share capital	32,669	32,669	32,669
Additional paid-in	290,887	290,887	290,887
Retained earnings	543,043	806,742	840,415
Accumulated other comprehensive income	(80,759)	(54,797)	(51,138)
Holders of equity in the parent company	785,840	1,075,501	1,112,833
Non-controlling interests	1,875	5,937	6,533
Total equity	**787,715**	**1,081,438**	**1,119,366**
Total EQUITY and LIABILITIES	**3,721,308**	**3,461,528**	**3,451,861**

Consolidated statement of changes of in equity

€ '000

	Share capital	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income: Cumulative translation adjustments	Accumulated other comprehensive income: Cash flow hedges	Accumulated other comprehensive income: Actuarial gains and losses	Equity attributable to shareholders in the parent company	Non-controlling interests	Total
31 December 2017	**32,669**	**290,887**	**782,263**	**43,750**	**(3,375)**	**(112,614)**	**1,033,580**	**8,306**	**1,041,886**
Adjustment IFRS 9			(5,410)				(5,410)	(58)	(5,468)
1 January 2018	**32,669**	**290,887**	**776,853**	**43,750**	**(3,375)**	**(112,614)**	**1,028,170**	**8,248**	**1,036,418**
Net income / loss			109,299				109,299	(1,715)	107,584
Other comprehensive income				(1,588)	5,564	17,125	21,101	(45)	21,056
Total comprehensive income							130,400	(1,760)	128,640
Dividend payment			(45,737)				(45,737)	0	(45,737)
Proceeds from / payments to non-controlling interests								45	45
30 September 2018	**32,669**	**290,887**	**840,415**	**42,162**	**2,189**	**(95,489)**	**1,112,833**	**6,533**	**1,119,366**
1 January 2019	**32,669**	**290,887**	**806,742**	**42,852**	**2,869**	**(100,518)**	**1,075,501**	**5,937**	**1,081,438**
Net loss			(263,699)				(263,699)	(161)	(263,860)
Other comprehensive income				11,184	(3,335)	(33,811)	(25,962)	218	(25,744)
Total comprehensive income							(289,661)	57	(289,604)
Disposal of non-controlling interests								(4,119)	(4,119)
30 September 2019	**32,669**	**290,887**	**543,043**	**54,036**	**(466)**	**(134,329)**	**785,840**	**1,875**	**787,715**

Segment information

€ '000, employees excluded

	Q3 2019	Q3 2018	Q3 Change %	Q1-3 2019	Q1-3 2018	Q1-3 Change %
Wiring Systems						
Sales, gross	701,540	725,525	(3.3)%	2,273,446	2,396,870	(5.1)%
Less intersegment sales	358	346	3.5%	1.460	1,339	9.0%
External sales (sales to third parties)	701.182	725,179	(3.3)%	2.271.986	2,395,531	(5.2)%
EBIT	(59,196)	20,001	> (100.0)%	(238,579)	106,560	> (100.0)%
EBIT as a percentage of external sales	(8.4)%	2.8%	--	(10.5)%	4.4%	--
No. of employees 30 Sep	83,940	81,014	3.6%	83,940	81,014	3.6%
Wire & Cable Solutions						
Sales, gross	497,190	527,521	(5.7)%	1,535,758	1,624,472	(5.5)%
Less intersegment sales	43.549	47,700	(8.7)%	143.905	161,195	(10.7)%
External sales (sales to third parties)	453.641	479,821	(5.5)%	1.391.853	1,463,277	(4.9)%
EBIT	(7,896)	18,352	> (100.0)%	16,174	56,388	(71.3)%
EBIT as a percentage of external sales	(1.7)%	3.8%	--	1.2%	3.9%	--
No. of employees 30 Sep	8,616	8,775	(1.8)%	8,616	8,775	(1.8)%
Consolidation / LEONI AG						
Sales, gross	(43,906)	(48,046)	8.6%	(145,364)	(162,534)	10.6%
Less intersegment sales	43.906	48,046	(8.6)%	145.364	162,534	(10.6)%
External sales (sales to third parties)	--	--	---	--	--	---
EBIT	28	(231)	---	265	250	---
No. of employees 30 Sep	312	358	(12.8)%	312	358	(12.8)%
Group						
Sales, gross	1,154,824	1,205,000	(4.2)%	3,663,840	3,858,808	(5.1)%
Less intersegment sales	--	--	---	--	--	---
External sales (sales to third parties)	1.154.824	1,205,000	(4.2)%	3.663.840	3,858,808	(5.1)%
EBIT	(67,064)	38,121	> (100.0)%	(222,140)	163,198	> (100.0)%
EBIT as a percentage of external sales	(5.8)%	3.2%	---	(6.1)%	4.2%	---
No. of employees 30 Sep	92,868	90,147	3.0%	92,868	90,147	3.0%

Application of new standards

Adoption of IFRS 16, Leases

LEONI has applied the new IFRS 16 requirements for the first time in fiscal 2019 and has opted to use the modified, retrospective method. The comparatives for the 2018 reporting period were therefore not restated.

At the time of transition on 1 January 2019, LEONI recognised rights of use in the amount of the lease liabilities that were adjusted for lease payments made in advance. This enlarged the balance sheet by € 158 million.

We refer to the explanations in the notes to the 2019 half-year report for detailed description of the principal contents and effects of IFRS 16.

Application of IFRS 16 also affects the size of investment in property, plant and equipment. From 2019, this also includes additions from rights of use that stem from conclusion of new lease agreements.

The table below provides an overview of the affected balance-sheet items as well as development of rights of use and leasing liabilities as at 30 September 2019:

€ million

Assets	**30/ September 2019**
Property, plant and equipment	1,431
of which rights of use	187

Liabilities	**30 September 2019**
Current financial debts and current proportion of long-term financial debts	797
of which short-term lease liabilities	39
Long-term financial debts	566
of which long-term lease liabilities	145

Financial calendar

Balance sheet press, analyst and investor conference 2020	17 March 2020
Annual General Meeting 2020	7 May 2020
Quarterly statement, 1st quarter 2020	13 May 2020
Interim Report for the 1st half of 2020	12 August 2020
Quarterly statement, 1st to 3rd quarter 2020	11 November 2020

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This quarterly statement is published in German and English. The original is in German language. In case of doubt or conflict, the German language version will prevail.

Rounding differences may for arithmetical reasons occur in the tables, charts and references versus the mathematically precise figures (monetary units, percentages, etc.).

Financial publications are available on LEONI's website at www.leoni.com .

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