

Quarterly statement Q1 I 2023

22 June 2023

LEONI: Sales and EBIT before exceptional items well up year on year in Q1 2023; free cash flow significantly down

Supported by the recovery of sales in Europe and North America, both, LEONI's sales and EBIT before exceptional items¹, were well up in Q1 2023 compared to the same period of the previous year. In the Wiring Systems Division, catch-up and one-off effects such as cost compensations for previous quarters contributed to the earnings performance in addition to volume recovery, whereas, in the Automotive Cables Division, increased raw material, logistics and energy as well as personnel costs, which could not be entirely passed on to customers yet, weighed on earnings. Free cash flow before financing costs was significantly below the previous year's level, which was positively impacted by proceeds from the sale of the Business Group Industrial Solutions (BG IN). LEONI maintains its forecast for the current financial year as issued on 10 February 2023. The forecast is contingent on the successful implementation of the Company's refinancing.

In early 2023, LEONI initiated a financial restructuring in accordance with the German Corporate Stabilisation and Restructuring Act (*Unternehmensstabilisierungs- und restrukturierungsgesetz – 'StaRUG'*). Among other things, this will inevitably result in a reduction of Leoni AG's share capital to zero euros, which will result in the exit of previous shareholders and delisting of Leoni AG's shares. With the implementation of other capital measures of the restructuring plan, LEONI AG will receive fresh liquidity amounting to 150 million euros from a capital increase and be relieved of financial liabilities totalling 708 million euros.

The restructuring plan was accepted with the required majorities during a dedicated meeting on 31 May 2023 and confirmed by the restructuring court on 21 June 2023. The plan is to be implemented immediately after it has taken legal effect and it has received merger control clearance and other customary conditions have been cleared. These steps were still pending at the time this quarterly statement was issued. Details of the financial restructuring are outlined in the 2022 Annual Report, which was released on LEONI's website on 16 June 2023.

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 (including impairments), restructuring measures, M&A transactions as well as extraordinary costs related to the Ukraine war are classified as exceptional items.

Disclaimer

This quarterly statement contains forward-looking statements that are based on management's current assumptions and estimates concerning future trends. Such statements are subject to risk and uncertainty that LEONI cannot control or precisely assess. Should imponderables occur or assumptions on which these statements are based prove to be incorrect, actual results could deviate considerably from those described in these statements. LEONI assumes no obligation to update forward-looking statements to adjust them to events following publication of this quarterly statement.

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