Quarterly statement

Q1 | 2018

- Increase in consolidated sales to more than € 1.3 billion driven by strong organic growth
- Earnings before interest and taxes up 13 percent to € 63.0 million
- Wiring Systems Division recorded consistently dynamic order intake
- Wire & Cable Solutions Division presents its LEONiQ key technology
- Forecast for fiscal 2018 reaffirmed

The Quality Connection

LEONI

Group key figures

€ million	1. quarter 2018	2017[2]	Change
Sales	1,327.4	1,221.8	8.6 %
Earnings before interest, taxes and depreciation/amortisation (EBITDA)	100.5	93.1	7.9 %
Earnings before interest and taxes (EBIT)	63.0	55.9	12.7 %
Adjusted earnings before interest and taxes (adjusted EBIT)[1]	64.5	54.7	17.9 %
Consolidated net income	43.6	36.6	19.1 %
Earnings per share (€)	1.34	1.11	20.7 %
Free cash flow	(111.0)	(71.0)	(56.3) %
Capital expenditure	56.9	46.5	22.4 %
Equity ratio (%)	32.8	31.3	—
Employees as at 31/03/ (number)	87,128	82,010	6.2 %

[1] Earnings adjusted for the impact of revaluation as part of allocating the prices of the major acquisitions, restructuring, capital gains on the disposal of businesses and income from business combinations including related derivatives as well as the insurance compensation related to the fraud case

[2] Previous year's figures adjusted (excepting capital expenditures and the number of employees); see page 18 for further explanations

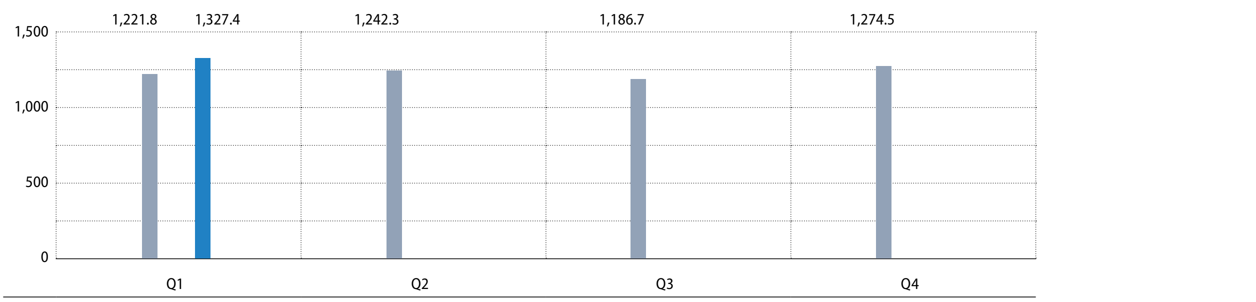
LEONI – The Quality Connection.

LEONI is a global provider of products, solutions and services for energy and data management in the automotive sector and other industries. The group of companies market-listed in the German MDAX index employs about 87,000 people at more than 90 locations. LEONI's largest customer group comprises the global car, commercial vehicle and component supply industry. The Company furthermore supplies products and services to these markets: data communication & connectivity, healthcare, process industry, transport, energy & infrastructure, factory automation, machinery & sensor technology as well as maritime engineering. LEONI pursues the aim of becoming a leading provider of intelligent systems for the mega-trends of energy transmission and data management. To achieve this, the product range will in the future also include intelligent cables, cable systems and components.

LEONI Group

Quarterly sales above € 1.3 billion for the first time

Consolidated sales € million



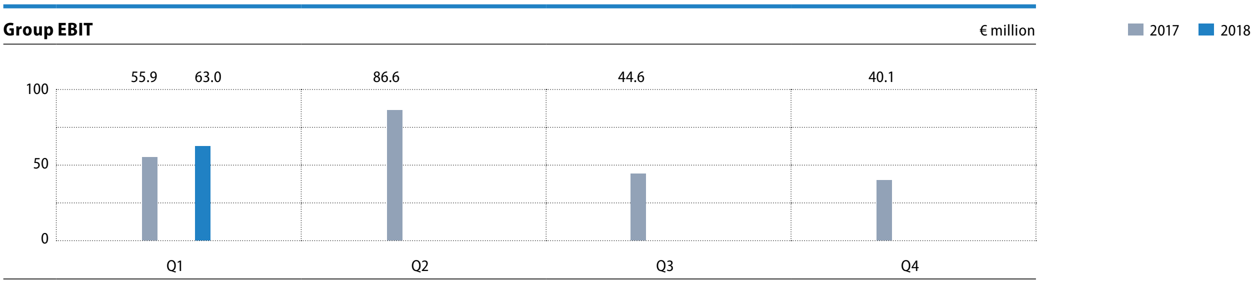
Group sales performance

	1. quarter	
	€ million	**%**
Sales previous year[1]	**1,221.8**	
Organic growth	164.5	13.5
Effects of changes in the scope of consolidation	(34.6)	(2.8)
Currency translation effects	(47.5)	(3.9)
Copper price effects	23.2	1.9
Sales current year	**1,327.4**	

[1] *Previous year's figure adjusted; see page 18 for further explanations*

LEONI started successfully into 2018. Based on the unabatedly heavy demand from the global motor vehicle industry, consolidated sales rose by 9 percent, or € 105.6 million, to € 1,327.4 million. This includes € 20.6 million (previous year: € 16.3 million) from earlier revenue recognition due to the IFRS 15 accounting standard. Organically, the Company grew by 14 percent or € 164.5 million. Currency translation involving particularly the US dollar and the renminbi exerted an opposing effect. The Wire & Cable Solutions Division's domestic and electrical appliance cables business sold in May 2017 provided income of € 34.6 million in the first quarter of the previous year. The higher average copper price of € 5.73 per kg as opposed to € 5.56 per kg in the comparison period exerted a positive effect of € 23.2 million.

EBIT up 13 percent to € 63.0 million



Adjusted Group EBIT[1]

€ million	1. quarter 2018	2017[2]
EBIT	**63.0**	**55.9**
EBIT margin %	4.7	4.6
Effect of purchase price allocation (PPA)	1.5	3.7
Restructuring expenses / income	0.0	0.1
Insurance compensation	0.0	(5.0)
Adjusted EBIT	**64.5**	**54.7**
Adjusted EBIT margin %	4.9	4.5

[1] *Earnings adjusted for the impact of revaluation as part of allocating the prices of the major acquisitions, restructuring, capital gains on the disposal of businesses and income from business combinations including related derivatives as well as the insurance compensation related to the fraud case*

[2] *Previous year's figure adjusted; see page 18 for further explanations*

EBIT increased by 13 percent from € 55.9 million in the previous year to € 63.0 million from January to March 2018. EBIT includes € 4.1 million (previous year: € 3.0 million) from earlier revenue recognition due to application of IFRS 15. The adjusted EBIT margin improved significantly from 4.5 percent to 4.9 percent.

Spending on research & development increased by 16 percent to € 37.0 million due primarily to extensive preliminary work on new customer projects. Other operating income was down from € 8.9 million to € 6.3 million. The previous year's figure included insurance compensation of € 5.0 million related to the fraud case. There was a year-on-year reduction in exchange losses recognised in other operating expenses. Income from associated companies and joint ventures rose from € 4.8 million to € 6.2 million due principally to the increased business volume of the joint venture in Langfang.

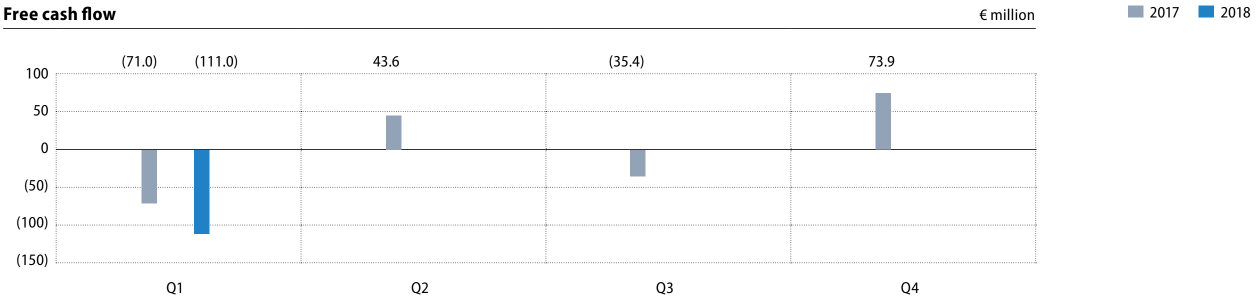
Consolidated net income up 19 percent

Income taxes totalled € 13.9 million (previous year: € 14.1 million). Influenced by the proportionately greater income in countries that charge less tax, the tax rate dropped from 27.8 percent in the previous year to 24.1 percent in the first quarter of 2018.

After deducting income taxes, consolidated net income came to € 43.6 million (previous year: € 36.6 million), which equates to per-share earnings of € 1.34 (previous year: € 1.11).

Free cash flow affected by greater investment

Free cash flow € million



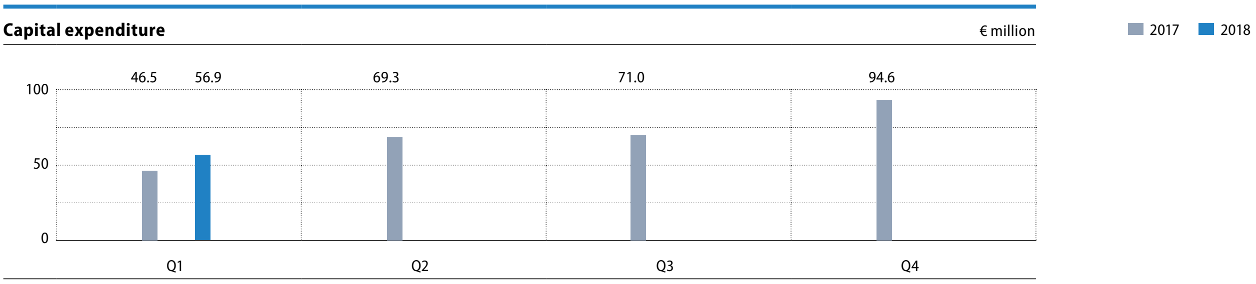
Calculation of free cash flow

€ million	1. quarter 2018	2017[1]
Cash flows from operating activities	(39.6)	(11.5)
Cash flows from capital investment activities	(71.3)	(59.5)
Free cash flow	**(111.0)**	**(71.0)**

[1] Previous year's figure adjusted; see page 18 for further explanations

LEONI Group's cash flow from operating activities came to negative € 39.6 million in the first quarter of 2018, as opposed to negative € 11.5 million in the same period of the previous year. This was due mainly to the larger amount of working capital because of the increase in business during the quarter. The Company invested € 71.3 million during the period under report (previous year: € 59.5 million). The increase is attributable to spending ahead of future growth as well as investment in the Group's strategic alignment, which involved expanding facilities as well as setting up new plants. This resulted in a negative free cash flow of € 111.0 million in the first quarter (previous year: negative € 71.0 million).

Capital expenditure increased by 22 percent



The LEONI Group spent € 56.9 million on property, plant and equipment as well as intangible assets in the first quarter of 2018 (previous year: € 46.5 million).

The Wiring Systems Division invested € 36.3 million (previous year: € 30.1 million). The focus was still on expanding facilities as well as setting up new plants, especially so in Mexico, Serbia and Morocco.

The Wire & Cable Solutions Division accounted for investment of € 17.6 million during the reporting period (previous year: € 13.6 million), which was primarily devoted to special cables production for the automotive industry in Eastern Europe as well as the Factory of the Future in Roth/Germany.

Equity ratio at 32.8 percent

The balance sheet was enlarged by about 5 percent versus the end of 2017, i.e. to € 3,303.2 million.

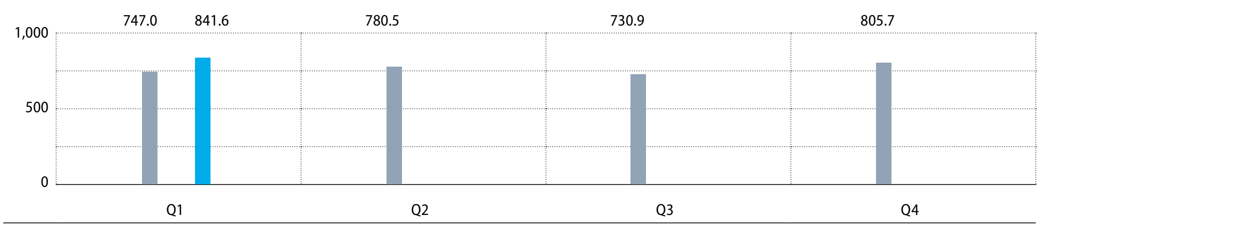
Net income contributed to the increase in equity by nearly 5 percent to € 1,083.6 million, equating to an equity ratio of 32.8 percent (31 December 2017: 33.1 percent).

Net financial liabilities rose to € 517.0 million (31 December 2017: € 406.2 million) because of the negative cash flow. Gearing increased from 39 percent at the end of 2017 to 48 percent on 31 March 2018.

Wiring Systems Division

Sales increase of 13 percent to € 841.6 million

Wiring Systems external sales € million



Wiring Systems sales performance

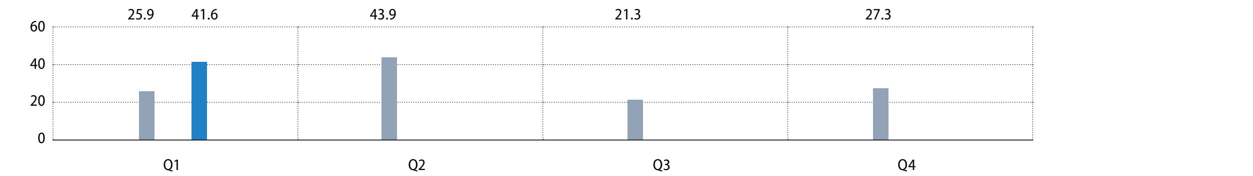
	1. quarter	
	€ million	%
Sales previous year [1]	**747.0**	
Organic growth	113.5	15.2
Currency translation effects	(24.3)	(3.2)
Copper price effects	5.3	0.7
Sales current year	**841.6**	

[1] *Previous year's figure adjusted; see page 18 for further explanations*

The Wiring Systems Division increased its sales by about 13 percent year on year to € 841.6 million in the first quarter of 2018, generating this growth from its own resources. Business particularly with European manufacturers as well as in the commercial vehicle segment boosted sales. Organic growth also includes sales of € 20.6 million (previous year: € 16.3 million) recognised earlier due to IFRS 15. Foreign exchange involving primarily the US dollar and the renminbi exerted a negative effect on sales growth.

Segment earnings improved significantly to € 41.6 million

Wiring Systems EBIT € million



Adjusted Wiring Systems EBIT[1]

€ million	1. quarter 2018	2017[2]
EBIT	**41.6**	**25.9**
EBIT margin %	4.9	3.5
Effect of purchase price allocation (PPA)	1.3	3.4
Restructuring expenses / income	0.0	0.2
Adjusted EBIT	**42.9**	**29.5**
Adjusted EBIT margin %	5.1	3.9

[1] *Earnings adjusted for the impact of revaluation as part of allocating the prices of the major acquisitions, restructuring, capital gains on business disposals and income from business combinations including related derivatives*
[2] *Previous year's figure adjusted; see page 18 for further explanations*

The Wiring Systems Division's EBIT improved significantly from € 25.9 million to € 41.6 million in the first three months of 2018. This performance is attributable mainly to additional profit contributions from the rise in sales. The increase from € 4.8 million to € 6.2 million in income from associated companies and joint ventures, which includes the pro-rata income of our joint venture in Langfang, China, also exerted a beneficial effect. EBIT includes € 4.1 million (previous year: € 3.0 million) due to earlier revenue recognition as a result of applying IFRS 15.

Order backlog enlarged to € 22 billion

LEONI booked several new and follow-on orders for wiring systems and cable harnesses from the motor vehicle and component supply industries in the first quarter of 2018. Order intake in the period from January to March 2018 totalled € 1.1 billion. Orders for wiring systems and cable harnesses for electrically powered vehicles (high-voltage and low-voltage) accounted for about 12 percent or € 134 million of that total.

The division's order backlog covering the entire term of the projects increased from € 21.6 billion at the end of 2017 to € 22.0 billion at the end of March 2018, of which electrically powered vehicles (high-voltage and low-voltage) accounted for € 4.5 billion (31 December 2017: € 4.4 billion).

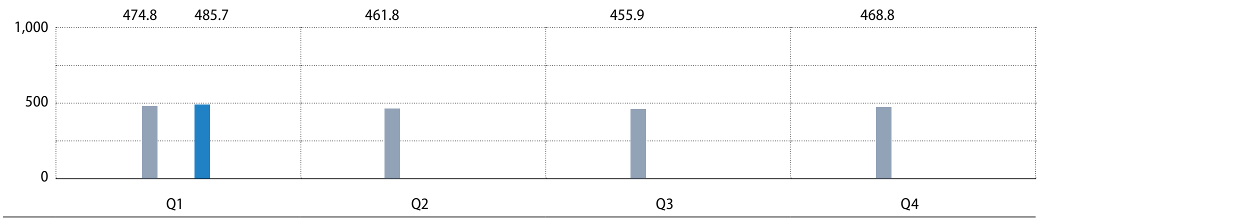
Wiring Systems Division continued to invest heavily in future growth

The division again invested substantially in facility expansion and setting up new plants in the first quarter of 2018. Against the backdrop of the large order backlog, the division is planning six new facilities in Mexico as well as various eastern European countries and North Africa.

Wire & Cable Solutions Division

Sales up 2 percent to € 485.7 million

Wire & Cable Solutions external sales € million



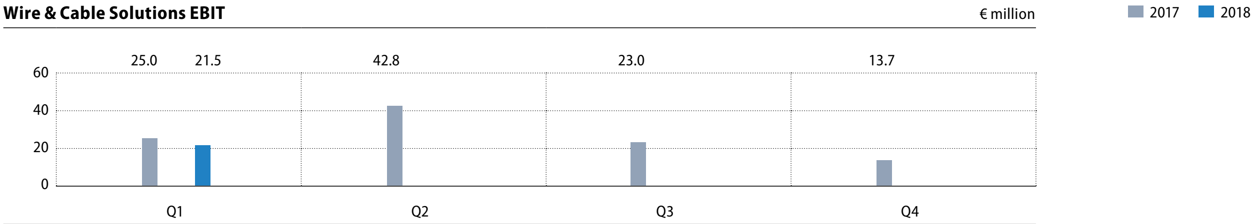
Wire & Cable Solutions sales performance

	1. quarter	
	€ million	%
Sales pervious year	**474.8**	
Organic growth	50.9	10.7
Effects of changes in the scope of consolidation	(34.6)	(7.3)
Currency translation effects	(23.3)	(4.9)
Copper price effects	17.9	3.8
Sales current year	**485.7**	

Sales of the Wire & Cable Solutions Division rose to € 485.7 million in the first quarter of 2018. The double-digit rate of organic growth more than offset the sales lost by having sold Business Group Electrical Appliance Assemblies in May 2017. Changes in foreign exchange rates, principally involving the US dollar, the Swiss franc and the renminbi, had a negative impact of € 23.3 million.

EBIT of € 21.5 million in the first quarter

Wire & Cable Solutions EBIT € million



Adjusted Wire & Cable Solutions EBIT [1]

€ million	1. quarter 2018	2017
EBIT	**21.5**	**25.0**
EBIT margin %	4.4	5.3
Effect of purchase price allocation (PPA)	0.2	0.3
Restructuring expenses / income	0.0	(0.1)
Adjusted EBIT	**21.7**	**25.2**
Adjusted EBIT margin %	4.5	5.3

[1] *Earnings adjusted for the impact of revaluation as part of allocating the prices of the major acquisitions, restructuring, capital gains on business disposals and income from business combinations including related derivatives*

The Wire & Cable Solutions Division generated EBIT of € 21.5 million in the period from January to March 2018, following € 25.0 million in the corresponding period of the previous year. Effects relating to lower copper prices on the reporting date as well as foreign exchange had an adverse impact.

Order intake increased to € 497.8 million

Order intake amounted to € 497.8 million in the period from January to March 2018 (previous year: € 489.7 million), meaning the book-to-bill ratio was again above 1.

LEONiQ key technology enables intelligent cable solutions

LEONI has developed an intelligent cable technology that makes energy and data flows more efficient, secure and available. LEONiQ can record and evaluate such differing parameters as temperature and mechanical stress along any given cable system. This key technology facilitates drawing conclusions concerning the condition of the overall cable system as well as controlling it. For the first time, therefore, it is not just the connected becoming intelligent, but also connectivity itself.

Wire & Cable Solutions awarded new infrastructure project

The strategic direction, which aims to resolutely develop the Wire & Cable Solutions Division further from a wire and cable manufacturer to a solutions provider, is being driven forward continually and successfully. Business Group Industrial Solutions will function as general contractor for the cabling of the new Ceneri Base Tunnel, the third-largest tunnel construction project in Switzerland. LEONI will provide consulting and planning services as well as execute the whole cable system.

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 has not materially changed since the end of 2017. There are still no risks that would threaten the Company's continued existence. All existing risks and opportunities as well as the structure and set-up of our risk and opportunity management are comprehensively presented in our Annual Report 2017.

Forecast

This successful performance in the first quarter underpins our forecast for fiscal 2018. From today's perspective, full-year consolidated sales will rise to at least € 5.0 billion. Consolidated EBIT will range between € 215 million and € 235 million in 2018 and thus exceed the 2017 result adjusted for non-recurring income of approximately € 30 million.

Our detailed forecast for 2018, which still applies, is contained in our Annual Report 2017.

LEONI Group forecast

	Actual 2017 figures	Forecast for 2018
Consolidated sales	€ 4.9 billion	at least € 5.0 billion
EBIT	€ 225.3 million [1]	€ 215 – 235 million
Capital expenditure	€ 281.4 million	5 % of sales [2]
Free cash flow	€ 11.1 million	positive

[1] Considering the previous year's adjustment related to IFRS 15, the figure is € 227.2 million

[2] Excl. investment in the Factory of the Future

Key financial information

Consolidated income statement

€ '000 (except information to shares)	1. quarter 2018	2017[1]
Sales	1,327,364	1,221,760
Cost of sales	(1,101,391)	(1,013,804)
Gross profit on sales	**225,973**	**207,956**
Selling expenses	(64,805)	(62,348)
General and administration expenses	(68,699)	(65,321)
Research and development expenses	(36,990)	(31,903)
Other operating income	6,333	8,942
Other operating expenses	(4,967)	(6,207)
Result from associated companies and joint ventures	6,156	4,774
EBIT	**63,001**	**55,893**
Finance revenue	244	573
Finance costs	(5,891)	(5,943)
Other income from share investments	168	183
Income before taxes	**57,522**	**50,706**
Income taxes	(13,890)	(14,117)
Net income	**43,632**	**36,589**
attributable to: Equity holders of the parent company	43,938	36,324
Non-controlling interests	(306)	265
Earnings per share (basic and diluted) in Euro	1.34	1.11
Weighted average shares outstanding (basic and diluted)	32,669,000	32,669,000

[1] *Previous year's figure adjusted; see page 18 for further explanations*

Consolidated statement of comprehensive income

	1. quarter			
€ '000		2018		2017[1]
Net income		**43,632**		**36,589**
Other comprehensive income				
Items that cannot be reclassified to the income statement:				
Actuarial gains or losses on defined benefit plans		(1,841)		2,792
Income taxes applying to items of other comprehensive income that are not reclassified		193		(720)
Items that can be reclassified to the income statement:				
Cumulative translation adjustments				
Losses arising during the period	816		2,801	
Total cumulative translation adjustments		816		2,801
Cash flow hedges				
Gains and losses arising during the period	6,634		6,109	
Less reclassification adjustments included in the income statement	(1,351)		4,918	
Total cash flow hedges		5,283		11,027
Parts of the items that can be reclassified to the income statement, which pertain to associates and joint ventures		194		(66)
Income taxes applying to items of other comprehensive income that are reclassified		(1,136)		(3,332)
Other comprehensive income (after taxes)		**3,509**		**12,502**
Total comprehensive income		**47,141**		**49,091**
attributable to: equity holders of the parent company		47,405		48,862
non-controlling interests		(264)		229

[1] *Previous year's figure adjusted; see page 18 for further explanations*

Consolidated statement of cash flows

€ '000	1. quarter 2018	2017[1]
Net income	43,632	36,589
Adjustments to reconcile cash provided by operating activities:		
Income taxes	13,890	14,117
Net interest	5,540	5,652
Dividend income	(168)	(183)
Depreciation and amortisation	37,521	37,180
Impairment of non-current assets	0	1,500
Non-cash result from associated companies and joint ventures	(6,156)	(4,774)
Result of asset disposals	(1,089)	74
Change in operating assets and liabilities		
Change in receivables and other financial assets	(85,999)	(70,778)
Change in inventories	(53,165)	(71,920)
Change in other assets	(44,681)	(51,845)
Change in restructuring provisions	(815)	(7,578)
Change in other provisions	(779)	620
Change in liabilities	62,143	104,911
Income taxes paid	(8,612)	(4,902)
Interest paid	(1,301)	(592)
Interest received	230	231
Dividends received	168	183
Cash flows from operating activities	**(39,641)**	**(11,515)**
Capital expenditures for intangible assets and property, plant and equipment	(76,363)	(58,854)
Acquisitions of subsidiaries less cash and cash equivalents acquired thereof: Purchase price 0 k (prev. year: 3.479 k) Cash and cash equivalents acquired 0 k (prev. year: 2.340 k)	0	(1,139)
Capital expenditures for other financial assets	0	(30)
Cash receipts from disposal of assets	5,036	545
Cash flows from capital investment activities	**(71,327)**	**(59,478)**
Cash receipts from acceptance of financial debts	62,962	43,851
Cash repayments of financial debts	(39,834)	(9,463)
Interest paid	(3,533)	(2,338)
Dividends paid to the non-controlling interest shareholders	0	(1,024)
Cash flows from financing activities	**19,595**	**31,026**
Change of cash and cash equivalents	(91,373)	(39,967)
Currency adjustments	197	590
Cash and cash equivalents at beginning of period	185,084	217,300
of which carried on the balance sheet under the item 'assets held for sale'	*0*	*8,387*
of which carried on the balance sheet under the item 'cash and cash equivalents'	*185,084*	*208,913*
Cash and cash equivalents at end of period	93,908	177,923
of which carried on the balance sheet under the item 'assets held for sale'	*0*	*6,940*
of which carried on the balance sheet under the item 'cash and cash equivalents'	*93,908*	*170,983*

[1] Previous year's figure adjusted; see page 18 for further explanations

Consolidated statement of financial position

Assets € '000	31/03/2018	31/12/2017[1]	31/03/2017[1]
Cash and cash equivalents	93,908	185,084	170,983
Trade accounts receivable	687,566	609,761	604,828
Other financial assets	38,110	38,321	31,071
Other assets	144,212	119,273	140,322
Receivables from income taxes	7,500	11,171	15,967
Inventories	649,861	596,696	586,336
Contract assets	125,386	107,681	120,235
Assets held for sale	0	0	76,442
Total current assets	**1,746,543**	**1,667,987**	**1,746,184**
Property, plant and equipment	1,063,089	1,052,337	963,255
Intangible assets	63,000	64,486	70,463
Goodwill	146,349	146,682	149,692
Shares in associated companies and joint ventures	40,413	34,059	29,409
Contract assets	175,168	114,408	95,363
Other financial assets	6,664	7,349	7,911
Deferred taxes	55,801	50,220	60,302
Other assets	6,189	7,070	18,394
Total non-current assets	**1,556,673**	**1,476,611**	**1,394,789**
Total assets	**3,303,216**	**3,144,598**	**3,140,973**

Equity and liabilities € '000	31/03/2018	31/12/2017	31/03/2017
Current financial debts and current proportion of long-term financial debts	274,987	254,373	185,177
Trade accounts payable	952,716	909,414	871,318
Other current liabilities	107,151	65,470	46,063
Income taxes payable	25,928	25,541	31,512
Other current liabilities	197,710	188,592	187,276
Provisions	32,804	33,404	47,217
Liabilities held for sale	0	0	40,787
Total current liabilities	**1,591,296**	**1,476,794**	**1,409,350**
Long-term financial debts	335,879	336,947	464,557
Long-term financial liabilities	22,994	27,585	16,009
Other non-current liabilities	12,067	11,716	5,007
Pension provisions	173,054	170,792	180,413
Other provisions	32,805	33,298	33,331
Deferred taxes	51,562	45,580	49,366
Total non-current liabilities	**628,361**	**625,918**	**748,683**
Share capital	32,669	32,669	32,669
Additional paid-in capital	290,887	290,887	290,887
Retained earnings	820,791	782,263	688,315
Accumulated other comprehensive income	(68,772)	(72,239)	(38,867)
Equity holders of the parent company	1,075,575	1,033,580	973,004
Non-controlling interests	7,984	8,306	9,936
Total equity	**1,083,559**	**1,041,886**	**982,940**
Total equity and liabilities	**3,303,216**	**3,144,598**	**3,140,973**

[1] *Previous year's figure adjusted; see page 18 for further explanations*

Consolidated statement of changes in equity

€ '000	Share capital	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income: Cumulative translation adjustments	Cash flow hedges	Actuarial gains and losses	Equity holders of the parent company	Non-controlling interests	Total
31 December 2016	**32,669**	**290,887**	**635,243**	**84,906**	**(14,914)**	**(121,352)**	**907,439**	**9,725**	**917,164**
Adjustments IFRS 15			16,748	(45)			16,703		16,703
1 January 2017 [1]	**32,669**	**290,887**	**651,991**	**84,861**	**(14,914)**	**(121,352)**	**924,142**	**9,725**	**933,867**
Net income			36,324				36,324	265	36,589
Other comprehensive income				2,771	7,695	2,072	12,538	(36)	12,502
Total comprehensive income							48,862	229	49,091
Dividend payment								(1,024)	(1,024)
Purchase of non controlling interests								1,133	1,133
Disposal of non controlling interests								(127)	(127)
31 March 2017 [1]	**32,669**	**290,887**	**688,315**	**87,632**	**(7,219)**	**(119,280)**	**973,004**	**9,936**	**982,940**
31 December 2017 [1]	**32,669**	**290,887**	**782,263**	**43,750**	**(3,375)**	**(112,614)**	**1,033,580**	**8,306**	**1,041,886**
Adjustments IFRS 15			(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			43,938				43,938	(306)	43,632
Other comprehensive income				968	4,147	(1,648)	3,467	42	3,509
Total comprehensive income							47,405	(264)	47,141
31 March 2018	**32,669**	**290,887**	**820,791**	**44,718**	**772**	**(114,262)**	**1,075,575**	**7,984**	**1,083,559**

[1] *Previous year's figure adjusted; see page 18 for further explanations*

Segment reporting

€ '000 (employees excluded)	1. quarter 2018	2017 [1]	Change
Wiring Systems			
Sales	842,090	747,024	12.7 %
Less intersegment sales	463	63	> 100.0 %
External sales (sales to third parties)	841,627	746,961	12.7 %
EBIT	41,554	25,916	60.3 %
EBIT as a percentage of external sales	4.9 %	3.5 %	—
Employees as at 31/03/ (number)	78,430	72,151	8.7 %
Wire & Cable Solutions			
Sales	544,944	524,997	3.8 %
Less intersegment sales	59,207	50,198	17.9 %
External sales (sales to third parties)	485,737	474,799	2.3 %
EBIT	21,527	25,030	(14.0) %
EBIT as a percentage of external sales	4.4 %	5.3 %	—
Employees as at 31/03/ (number)	8,375	9,564	(12.4) %
Consolidation / LEONI AG			
Sales	(59,670)	(50,261)	(18.7) %
Less intersegment sales	59,670	50,261	18.7 %
External sales (sales to third parties)	—	—	—
EBIT	(80)	4,947	—
Employees as at 31/03/ (number)	323	295	9.5 %
Group			
Sales	1,327,364	1,221,760	8.6 %
Less intersegment sales	—	—	—
External sales (sales to third parties)	1,327,364	1,221,760	8.6 %
EBIT	63,001	55,893	12.7 %
EBIT as a percentage of external sales	4.7 %	4.6 %	—
Employees as at 31/03/ (number)	87,128	82,010	6.2 %

[1] *Previous year's figure adjusted; see page 18 for further explanations*

Application of new standards and pre-year adjustments

Adoption of IFRS 15

LEONI has applied the new IFRS 15 requirements for the first time in fiscal 2018 and has opted to use the fully retrospective method. We refer to the explanations in the notes to the 2017 annual report for detailed description of the effects of adoption.

Effects on income stem principally from revenue recognition over time involving customer-specific products due to earlier recognition of sales and income.

The table below provides an overview of the effects in the relevant reporting periods:

	1. quarter		
€ million	2018	2017	Change
Sales	20.6	16.3	4.3
EBIT	4.1	3.0	1.0

Adoption of IFRS 9

Effective 1 January 2018, there was an impact from applying new impairment requirements following initial application of the new IFRS 9, Financial Instruments, standard. Trade receivables as well as contract assets were reduced by a total of € 7 million. The adjustment was made to the opening balance of retained earnings on 1 January 2018.

In line with the transition method we chose, there was no adjustment to prior periods.

LEONI ZhengAo Automotive Wire Harness Co. Ltd. purchase price allocation

The price to purchase LEONI ZhengAo Automotive Wire Harness Co. Ltd. (formerly: Wuhan Hengtong Automotive) in 2016 was retroactively allocated effective 30 September 2017. The figures as at 31 March 2017 are adjusted accordingly.

Presentation of interest paid

Since the 2017 financial statements, interest paid is presented as cash flow from financing activities.
The previous year's figures are adjusted accordingly.

Financial calendar

Quarterly statement, 1st quarter 2018	16 May 2018
Interim report, 2nd quarter and 1st half 2018	15 August 2018
Quarterly statement, 1st to 3rd quarter 2018	14 November 2018

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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.

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

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