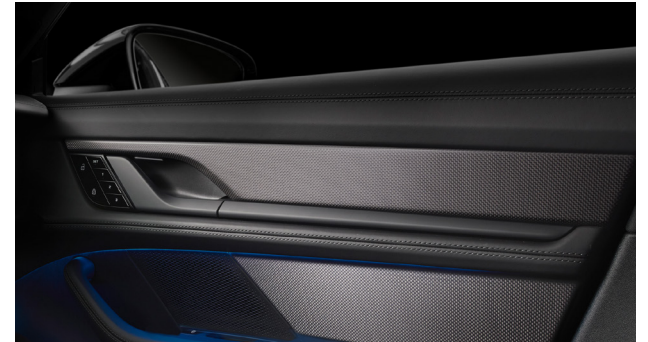
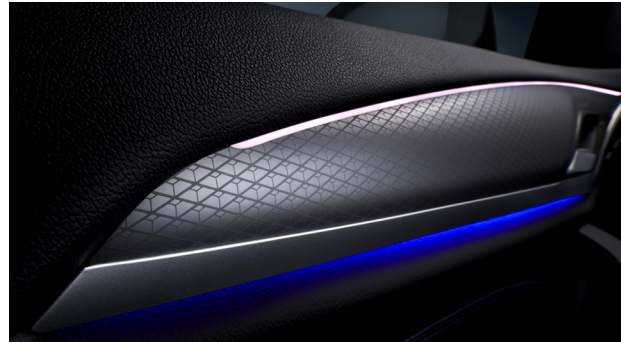




16 February 2023

# Q3 2022/23 Interim Statement



# GROUP OVERVIEW

## Alternative Performance Measures (APMs) for the first nine months of financial year 2022/23

In accordance with the European Securities and Markets Authority (ESMA) guidelines on Alternative Performance Measures, the Group provides a definition, the rationale for use and a reconciliation of APMs used. The Group uses the APMs shown in the following table. The definitions and required disclosures of all APMs are provided in the [glossary](#) of this Interim Report.

All mentioned APMs are used to track the Group's operating performance. It is neither required by nor presented in accordance with IFRS. It is also not a measure of financial performance under IFRS and should not be considered as an alternative to other indicators of operating performance, cash flow or any other measure of performance derived in accordance with IFRS.

## Key results

in € million	Q3 2021/22	Q3 2022/23	YTD 2021/22	YTD 2022/23
<b>Income statement</b>				
Revenue	159.9	166.9	455.2 <sup>1</sup>	526.2
Adj. EBIT	20.4	19.0	58.6	60.5
Adj. EBIT margin (%)	12.8%	11.4%	12.9%	11.5%
Adj. EBITDA	28.2	27.2	81.6	84.7
Adj. EBITDA margin (%)	17.6%	16.3%	17.9%	16.1%
<b>Cash flow</b>				
Capital expenditure	4.5	4.7	10.2	12.2
Capital expenditure as % of revenue	2.8%	2.8%	2.2%	2.3%
Free cash flow	8.9	24.6	19.9	44.9

<sup>1</sup> Including revenue-related adjustments

in € million	31 Mar 22	31 Dec 22
<b>Balance sheet</b>		
Trade working capital	41.0	60.6
Total working capital	127.3	137.1
Net financial debt	165.6	150.0
Net leverage (x Adj. EBITDA)	1.5	1.3

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## Q3 2022/23 highlights

### Solid revenue growth despite persistent challenges

Revenue for the first nine months of financial year 2022/23 amounted to €526.2 million. In comparison to last year's €455.2 million for the same period, this marked robust growth of 15.6%. Year-on-year, revenue Series grew by 9.8%, while revenue Tooling showed a significant increase of 75.3%, driven by major project completions. In view of the adverse circumstances with Covid-19 restrictions in China and extended customer plant holidays in December 2022, revenue growth of 4.4% in Q3 2022/23 again demonstrated the resilience of Novem's business model. The Adj. EBIT for the first nine months of the financial year 2022/23 amounted to €60.5 million, which marked a moderate increase of 3.3% over last year's €58.6 million. The Adj. EBIT margin remained stable at 11.5% (PY: 12.9%), taking the higher top line and continued challenging trading conditions like inflation and volatile customer call-offs into account.

After generating €24.6 million in Q3 2022/23, free cash flow rose to €44.9 million for the first nine months of the financial year 2022/23. With a gain of €25.0 million, this is more than double the previous year's figure of €19.9 million.

### Reinforcement of commitment to sustainability

As a further step towards achieving the corporate goal of being CO<sub>2</sub>-neutral in Germany by 2025, Novem participated in a second afforestation project near its headquarters in Vorbach. In this context, 4,500 trees were planted, corresponding to a forest area of more than 10,000 square metres.

### Technology partnership with TactoTek®

Novem has entered into a technology partnership with a Finnish in-mould electronics company, paving the way for a further trustful cooperation. The so-called IMSE® technology (In-Mould Structural Electronics) opens up new possibilities for applications in the production of decorative and functional elements. Utilising this technology makes it possible to integrate lighting and function into surfaces made of wood, fabrics or premium synthetics, thereby making them interactive.

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# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in € million	Q3 2021/22	Q3 2022/23	YTD 2021/22	YTD 2022/23
Revenue	159.9	166.9	455.3	526.2
Increase or decrease in finished goods and work in process	4.4	-0.8	16.5	-6.1
<b>Total operating performance</b>	<b>164.3</b>	<b>166.2</b>	<b>471.9</b>	<b>520.1</b>
Other operating income	2.1	4.9	11.7	14.4
Cost of materials	-82.9	-82.2	-236.0	-266.3
Personnel expenses	-39.1	-41.1	-118.3	-123.4
Depreciation, amortisation and impairment	-7.7	-8.1	-23.0	-24.2
Other operating expenses	-19.8	-21.1	-54.4	-61.2
<b>Operating result (EBIT)</b>	<b>16.8</b>	<b>18.5</b>	<b>51.9</b>	<b>59.5</b>
Finance income	0.6	9.9	2.4	2.4
Finance costs	-2.5	-2.9	-24.7	-13.5
<b>Financial result</b>	<b>-1.9</b>	<b>7.1</b>	<b>-22.3</b>	<b>-11.0</b>
Income taxes	-4.9	-6.0	-14.4	-13.8
Deferred taxes	-0.5	1.5	0.2	1.1
<b>Income tax result</b>	<b>-5.4</b>	<b>-4.6</b>	<b>-14.2</b>	<b>-12.7</b>
<b>Profit for the period attributable to the shareholders</b>	<b>9.6</b>	<b>21.0</b>	<b>15.4</b>	<b>35.8</b>
Differences from currency translation	4.2	-13.8	5.9	3.7
<b>Items that may subsequently be reclassified to consolidated profit or loss</b>	<b>4.2</b>	<b>-13.8</b>	<b>5.9</b>	<b>3.7</b>
Actuarial gains and losses from pensions and similar obligations (before taxes)			-0.0	
Taxes on actuarial gains and losses from pensions and similar obligations				
<b>Items that will not subsequently be reclassified to consolidated profit or loss</b>			<b>-0.0</b>	
<b>Other comprehensive income/loss, net of tax</b>	<b>4.2</b>	<b>-13.8</b>	<b>5.9</b>	<b>3.7</b>
<b>Total comprehensive income/loss for the period attributable to the shareholders</b>	<b>13.8</b>	<b>7.2</b>	<b>21.2</b>	<b>39.5</b>
<b>Earnings per share attributable to the equity holders of the parent (in €)</b>				
basic	0.22	0.49	0.37 <sup>1</sup>	0.83
diluted	0.22	0.49	0.37 <sup>1</sup>	0.83

1 Adjusted according to IAS 8.42

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## Revenue

Total revenue of €526.2 million in the first nine months (period from April to December 2022) of the financial year 2022/23 increased by €70.8 million or 15.6% compared to the same reporting period last year (YTD 2021/22: €455.3 million). Based on prior year (constant) exchange rates, revenue would have been lower by -5.3% or €-28.0 million. This currency impact was primarily influenced by the strong US Dollar and Chinese Renminbi. On a segmental basis, revenue in the first nine months of 2022/23 was primarily generated in Europe (€255.6 million), followed by Americas (€195.3 million) and Asia (€75.3 million).

### Revenue development

in € million	YTD 2021/22	YTD 2022/23	% change
Revenue Series	415.2	455.8	9.8%
Revenue Tooling	40.2	70.4	75.3%
<b>Revenue</b>	<b>455.3</b>	<b>526.2</b>	<b>15.6%</b>

### Revenue Series

In the first nine months of the financial year 2022/23, revenue Series developed favourably and recorded at €455.8 million, up by 9.8% compared to the same reporting period last year (YTD 2021/22: €415.2 million). Revenue Series accounted for 86.6% of total revenue and remained the key pillar of the business.

## Revenue Tooling

Revenue Tooling contributed €70.4 million to total revenue from April to December 2022 (YTD 2021/22: €40.2 million). This marked an increase of 75.3% or €30.3 million compared to the same reporting period last year and merely resulted from a different project phasing.

### Change in finished goods and work in process

Change of finished goods and work in process decreased by €-22.6 million (<-100%) from €16.5 million in the first nine months of the financial year 2021/22 to €-6.1 million in the current financial year, driven by lower tooling inventories (€-23.4 million) and profit in stock elimination (€-0.2 million); conversely, higher stock of finished goods (€+0.8 million) as well as work in process (€+0.2 million).

### Other operating income

Other income rose by €2.8 million from €11.7 million in the first nine months of the financial year 2021/22 to €14.4 million in the period under review of financial year 2022/23. This increase was primarily due to higher income from release of accruals (€+3.0 million) and currency translation gains (€+1.8 million), negatively affected by lower other income (€-1.8 million) as well as income from other periods (€-0.2 million).

## Cost of materials

Cost of materials increased from €-236.0 million in the period from April to December of the financial year 2021/22 to €-266.3 million in the first nine months of the financial year 2022/23, resulting in a year-on-year change of 12.8%. The cost of materials to output (total operating performance) ratio rose by -1.2 percentage points to -51.2% (YTD 2021/22: -50.0%). The negative impact of higher raw material prices as well as soaring energy and logistics expenses continued to increase material costs.

### Personnel expenses

Novem reported personnel expenses of €-123.4 million in the period from April to December 2022, up by €-5.1 million or 4.3% compared to the same reporting period last financial year (YTD 2021/22: €-118.3 million). Unsteady customer call-offs from carmakers again led to inefficiencies in managing personnel expenses. As a percentage of total operating performance, personnel expenses decreased by 1.3 percentage points year-on-year to -23.7%, primarily driven by increased revenue (YTD 2021/22: -25.1%).

### Depreciation, amortisation and impairment

Depreciation and amortisation amounted to €-24.2 million in the first nine months of the financial year 2022/23, an increase of 5.2% or €-1.2 million compared to previous financial year (YTD 2021/22: €-23.0 million). The increase was attributable to depreciation on build-ings (€-0.8 million), other equipment (€-0.4 million) and

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intangible assets (€-0.1 million), partly compensated by lower depreciation on machinery and lower accelerated depreciation.

## Other operating expenses

In the first nine months of the financial year 2022/23, other operating expenses rose by €-6.8 million to €-61.2 million (YTD 2021/22: €-54.4 million). The deviation was composed of higher outgoing freights and lower release of accruals for other debtors as well as foreign currency translation losses.

## Finance income and costs

The financial result increased from €-22.3 million in the first nine months of the financial year 2021/22 by €11.2 million to €-11.0 million for the period from April to December 2022.

Finance income amounted to €2.4 million in the first nine months of the financial year 2022/23 and recorded at the same level as in the respective period last year.

Novem reported finance costs of €-13.5 million in the period from April to December of the financial year 2022/23 (YTD 2021/22: €-24.7 million), a decrease of -45.5% or €11.2 million. The change in the post-IPO refinancing structure led to lower interest expenses and thus lower finance costs despite the higher European prime interest rate. On a year-to-date basis, higher losses from currency translation due to cash pooling and hedging (Euro to the US Dollar) partly mitigated the positive effect. However, the Euro appreciation to US Dollar led to a positive financial result in the third quarter of 2022/23.

## Income tax result

Income tax result decreased by -10.8% from €-14.2 million in the first nine months of the financial year 2021/22 to €-12.7 million in the period from April to December of the financial year 2022/23. The comparison of the periods under review showed a positive deviation for both income taxes and deferred taxes.

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## Adjustments

### Adj. EBIT

Adj. EBIT represents the operating result adjusted for exceptional non-recurring items. As such, Novem adjusts certain one-off effects to better show the underlying operating performance of the Group. The adjustments made follow a pre-defined and transparent approach and form part of the regular monthly closing and reporting routines.

### Adjustments

Adjustments in the third quarter of 2021/22 included €3.0 million single provision for expected future inefficiencies related to a specific platform in Vorbach and €0.7 million Covid-19 related costs. These costs mainly resulted from a corona bonus paid in Germany.

In the third quarter of 2022/23, adjustments comprised €0.2 million severance payments and €0.1 million Covid-19 costs as well as €0.3 million Others.

The Adj. EBIT margin of 11.4% for the third quarter ended on 31 December 2022 declined by 1.4 percentage points compared to the adjusted prior year's figure of 12.8% as a result of higher input costs. Therefore, the Adj. EBITDA margin of 16.3% also recorded below prior year's margin of 17.6%.

in € million	Q3 2021/22	Q3 2022/23	YTD 2021/22	YTD 2022/23
<b>Revenue</b>	<b>159.9</b>	<b>166.9</b>	<b>455.2<sup>1</sup></b>	<b>526.2</b>
<b>EBIT</b>	<b>16.8</b>	<b>18.5</b>	<b>51.9</b>	<b>59.5</b>
EBIT margin	10.5%	11.1%	11.4%	11.3%
Restructuring				
Material quality claims			-0.1	
Single impairments	3.0		3.0	
Covid-19 costs	0.7	0.1	1.1	0.3
Transaction costs			2.4	
Others	-0.1	0.4	0.3	0.7
Exceptional items	3.6	0.6	6.8	1.1
Discontinued operations				
<b>Adjustments</b>	<b>3.6</b>	<b>0.6</b>	<b>6.8</b>	<b>1.1</b>
<b>Adj. EBIT</b>	<b>20.4</b>	<b>19.0</b>	<b>58.6</b>	<b>60.5</b>
Adj. EBIT margin	12.8%	11.4%	12.9%	11.5%
Depreciation, amortisation and impairment	7.7	8.1	23.0	24.2
<b>Adj. EBITDA</b>	<b>28.2</b>	<b>27.2</b>	<b>81.6</b>	<b>84.7</b>
Adj. EBITDA margin	17.6%	16.3%	17.9%	16.1%

1 Including revenue-related adjustments

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# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## Assets

in € million	31 Mar 22	31 Dec 22
Intangible assets	3.1	2.4
Property, plant and equipment	184.9	179.6
Trade receivables	47.5	50.8
Other non-current assets	12.6	11.8
Deferred tax assets	18.8	20.3
<b>Total non-current assets</b>	<b>267.0</b>	<b>264.9</b>
Inventories	129.4	122.3
Trade receivables	37.7	43.3
Other receivables	28.6	33.7
Other current assets	13.7	15.2
Cash and cash equivalents	117.0	132.4
Assets held for sale	0.8	0.0
<b>Total current assets</b>	<b>327.0</b>	<b>346.9</b>
<b>Total assets</b>	<b>594.0</b>	<b>611.8</b>

## Equity and liabilities

in € million	31 Mar 22	31 Dec 22
Share capital	0.4	0.4
Capital reserves	539.6	539.6
Retained earnings/accumulated losses	-482.8	-464.3
Currency translation reserve	10.4	14.1
<b>Total equity</b>	<b>67.7</b>	<b>89.9</b>
Pensions and similar obligations	34.9	35.4
Other provisions	3.2	3.2
Financial liabilities	247.7	248.1
Other liabilities	29.8	28.0
Deferred tax liabilities	3.6	4.0
<b>Total non-current liabilities</b>	<b>319.1</b>	<b>318.7</b>
Tax liabilities	13.8	19.8
Other provisions	48.0	48.3
Financial liabilities	1.4	1.4
Trade payables	70.4	52.1
Other liabilities	73.7	81.5
<b>Total current liabilities</b>	<b>207.3</b>	<b>203.2</b>
<b>Equity and liabilities</b>	<b>594.0</b>	<b>611.8</b>

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## Total assets

Total assets amounted to €611.8 million as of 31 December 2022, an increase of 3.0% compared to the end of the last financial year 2021/22 (31 March 2022: €594.0 million).

## Non-current assets

Non-current assets decreased from €267.0 million as of 31 March 2022 by -0.8% to €264.9 million as of 31 December 2022. This movement resulted primarily from a decline in property, plant and equipment of €-5.3 million or -2.9% attributable to depreciation, which was offset by an increase in trade receivables of €3.2 million.

## Current assets

Current assets increased to €346.9 million compared to the previous balance sheet date (€327.0 million), up €19.9 million or 6.1%. This change was mainly driven by a higher cash position (€+15.5 million), an increase in other receivables (€+5.1 million) and higher trade receivables (€+5.6 million), attributable to a lower factoring level and unplanned overdue balances. Lower inventories with €-7.1 million or -5.5% had the largest counterbalancing impact.

## Working capital

in € million	31 Mar 22	31 Dec 22	% change
Inventories	67.4	70.3	4.3%
Trade receivables	35.2	40.3	14.4%
Trade payables	-61.6	-50.0	-18.9%
<b>Trade working capital</b>	<b>41.0</b>	<b>60.6</b>	<b>47.8%</b>
Tooling net	74.4	62.7	-15.7%
Contract assets	11.9	13.8	15.9%
<b>Total working capital</b>	<b>127.3</b>	<b>137.1</b>	<b>7.7%</b>

Total working capital amounted to €137.1 million as of 31 December 2022, up 7.7% compared to 31 March 2022. This was largely driven by higher trade receivables and lower trade payables, with an offsetting effect in the tooling net position. The most significant change in tooling net was attributable to a decrease in tooling inventories of €-10.1 million. Total working capital in % of revenue thus increased to 20.5% (31 March 2022: 20.0%).

## Equity

As of 31 December 2022, the equity position of €89.9 million improved from €67.7 million at the end of the last financial year 2021/22 due to the profit generated in YTD 2022/23 and despite an offsetting effect from the dividend payment of €17.2 million in August 2022. Currency translation differences to Euro increased by €3.7 million (+35.8%).

## Non-current liabilities

Non-current liabilities remained stable at €318.7 million compared to the end of the last financial year 2021/22 (31 March 2022: €319.1 million), down by €-0.4 million or -0.1%.

## Net financial debt

in € million	31 Mar 22	31 Dec 22	% change
Liabilities to banks	249.1	249.5	0.2%
Liabilities from derivatives (-)	1.3	1.3	-3.8%
Lease liabilities	34.9	34.2	-1.8%
<b>Gross financial debt</b>	<b>282.6</b>	<b>282.4</b>	<b>-0.1%</b>
Cash and cash equivalents	-117.0	-132.4	13.2%
<b>Net financial debt</b>	<b>165.6</b>	<b>150.0</b>	<b>-9.5%</b>

As of 31 December 2022, gross financial debt recorded at the same level as at the end of the last financial year 2021/22, while cash rose considerably by €15.5 million and thus mainly accountable for the decrease of the net financial debt position in the amount of €-15.7 million.

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## Net leverage

in € million	31 Mar 22	31 Dec 22
Net financial debt	165.6	150.0
LTM Adj. EBITDA	111.7	114.9
<b>Net leverage</b>	<b>1.5</b>	<b>1.3</b>

The net leverage ratio is defined as net financial debt divided by Adj. EBITDA for the last 12 months. The ratio significantly improved from 1.5x Adj. EBITDA at the end of the financial year 2021/22 to 1.3x Adj. EBITDA as of 31 December 2022 and fell to the lowest level since the post-IPO refinancing.

## Current liabilities

Current liabilities amounted to €203.2 million on the reporting date of 31 December 2022, a decrease of -2.0% or €-4.1 million compared to the end of the last financial year 2021/22. The decrease was attributable to lower trade payables of €-18.3 million or -26.0%. This development was partly offset by higher tax liabilities of €6.0 million and higher other liabilities of €7.8 million due to received advanced payments for unfinished tools.

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# CONSOLIDATED STATEMENT OF CASH FLOWS

in € million	Q3 2021/22	Q3 2022/23
Profit for the period	9.6	21.0
Income tax expense (+)/income (-)	4.9	6.0
Financial result (+)/(-) net	0.9	2.1
Depreciation, amortisation and impairment	7.7	8.1
Other non-cash expenses (+)/income (-)	9.3	-7.1
Increase (-)/decrease (+) in inventories	9.2	-3.4
Increase (-)/decrease (+) in trade receivables	-18.3	8.6
Increase (-)/decrease (+) in other assets	4.4	0.5
Increase (-)/decrease (+) in deferred taxes	0.3	-1.5
Increase (-)/decrease (+) in prepaid expenses/deferred income	0.1	1.0
Increase (+)/decrease (-) in provisions	1.3	2.2
Increase (+)/decrease (-) in trade payables	-3.4	-14.5
Increase (+)/decrease (-) in other liabilities	-1.8	8.9
Gain (-)/loss (+) on disposals of non-current assets	-0.0	0.0
Cash received from (+)/cash paid for (-) income taxes	-6.5	-3.5
<b>Cash flow from operating activities</b>	<b>17.8</b>	<b>28.5</b>
Cash received (+) from disposals of property, plant and equipment	0.9	0.0
Cash paid (-) for investments in intangible assets	0.1	-0.0
Cash paid (-) for investments in property, plant and equipment	-10.3	-4.7
Interest received (+)	0.6	0.8
Dividends received (+)		
<b>Cash flow from investing activities</b>	<b>-8.9</b>	<b>-3.9</b>

in € million	Q3 2021/22	Q3 2022/23
Cash repayments of loans	-3.3	
Cash received from loans		
Cash in-flow (+)/out-flow (-) from shareholders of the parent company	0.2	
Cash repayments (-) of bond/cash received from (+) issuance of bond		
Cash paid for (-) subsidies/grants		
Cash paid for (-) finance leases	-2.1	-2.5
Interest paid (-)	-1.2	-2.3
Dividends paid (-)		
<b>Cash flow from financing activities</b>	<b>-6.4</b>	<b>-4.8</b>
<b>Net increase (+)/decrease (-) in cash and cash equivalents</b>	<b>2.5</b>	<b>19.8</b>
Effect of exchange rate fluctuations on cash and cash equivalents		-0.8
Cash and cash equivalents at the beginning of the reporting period	71.4	113.5
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>73.9</b>	<b>132.4</b>

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in € million	YTD 2021/22	YTD 2022/23
Profit for the period	15.4	35.8
Income tax expense (+)/income (-)	14.4	13.8
Financial result (+)/(-) net	20.7	4.2
Depreciation, amortisation and impairment	23.0	24.2
Other non-cash expenses (+)/income (-)	0.5	-6.9
Increase (-)/decrease (+) in inventories	-14.9	7.1
Increase (-)/decrease (+) in trade receivables	3.3	-9.5
Increase (-)/decrease (+) in other assets	1.7	-1.6
Increase (-)/decrease (+) in deferred taxes	-0.3	-1.1
Increase (-)/decrease (+) in prepaid expenses/deferred income	-1.0	0.9
Increase (+)/decrease (-) in provisions	6.0	6.5
Increase (+)/decrease (-) in trade payables	-13.4	-14.6
Increase (+)/decrease (-) in other liabilities	-6.0	2.9
Gain (-)/loss (+) on disposals of non-current assets	-0.0	0.1
Cash received from (+)/cash paid for (-) income taxes	-13.2	-7.8
<b>Cash flow from operating activities</b>	<b>36.1</b>	<b>53.9</b>
Cash received (+) from disposals of property, plant and equipment	0.8	0.8
Cash paid (-) for investments in intangible assets	-0.2	-0.1
Cash paid (-) for investments in property, plant and equipment	-19.2	-12.2
Interest received (+)	2.4	2.4
Dividends received (+)		
<b>Cash flow from investing activities</b>	<b>-16.3</b>	<b>-9.0</b>

in € million	YTD 2021/22	YTD 2022/23
Cash repayments of loans		
Cash received from loans	247.4	
Cash in-flow (+)/out-flow (-) from shareholders of the parent company	49.4	
Cash repayments (-) of bond/cash received from (+) issuance of bond	-400.0	
Cash paid for (-) subsidies/grants	-0.0	-0.0
Cash paid for (-) finance leases	-6.1	-6.9
Interest paid (-)	-12.1	-5.2
Dividends paid (-)		-17.2
<b>Cash flow from financing activities</b>	<b>-121.3</b>	<b>-29.4</b>
<b>Net increase (+)/decrease (-) in cash and cash equivalents</b>	<b>-101.4</b>	<b>15.6</b>
Effect of exchange rate fluctuations on cash and cash equivalents		-0.1
Cash and cash equivalents at the beginning of the reporting period	175.3	117.0
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>73.9</b>	<b>132.4</b>

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## Cash flow from operating activities

Cash flow from operating activities developed positively from €36.1 million by €17.8 million to €53.9 million in the first nine months of the financial year 2022/23. The development can be explained by the considerable increase of profit by €20.4 million and lower stock levels (€22.0 million) compared to the same reporting period last year. The change of trade receivables by €-12.8 million to €-9.5 million as well as the reduced financial result by €-16.5 million in YTD 2022/23 had offsetting effects.

## Cash flow from investing activities

Cash out-flow for investing activities reached €-9.0 million in the first nine months (YTD 2021/22: €-16.3 million), resulting in a change of €7.3 million mainly attributable to a currency translation effect of €9.1 million included in the previous year. Considering this, investments in property, plant and equipment were actually slightly higher than last year.

## Cash flow from financing activities

Cash out-flow for financing activities showed the largest deviation. Following a total of €-121.3 million in the first nine months of the previous year, cash flow from financing activities decreased by €91.9 million to €-29.4 million in YTD 2022/23. This change was largely driven by the new financing structure and thus lower interest paid of €6.8 million due to the improved interest rate structure with an offsetting effect from the dividend distribution of €-17.2 million.

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# SEGMENT REPORTING

in € million	Europe		Americas		Asia		Total segments		Other/consolidation		Group	
	Q3 2021/22	Q3 2022/23	Q3 2021/22	Q3 2022/23	Q3 2021/22	Q3 2022/23	Q3 2021/22	Q3 2022/23	Q3 2021/22	Q3 2022/23	Q3 2021/22	Q3 2022/23
External revenue	87.6	83.9	51.5	61.9	20.8	21.1	159.9	166.9			159.9	166.9
Revenue between segments	10.8	14.8	12.7	12.7	6.2	5.4	29.7	32.8	-29.7	-32.8		
<b>Total revenue</b>	<b>98.4</b>	<b>98.7</b>	<b>64.2</b>	<b>74.6</b>	<b>27.0</b>	<b>26.5</b>	<b>189.6</b>	<b>199.7</b>	<b>-29.7</b>	<b>-32.8</b>	<b>159.9</b>	<b>166.9</b>
<b>Adj. EBITDA</b>	<b>15.2</b>	<b>14.1</b>	<b>8.3</b>	<b>10.0</b>	<b>4.7</b>	<b>3.0</b>	<b>28.2</b>	<b>27.2</b>			<b>28.2</b>	<b>27.2</b>
Adj. EBITDA margin	15.4%	14.3%	12.9%	13.4%	17.4%	11.4%	14.9%	13.6%			17.6%	16.3%
Depreciation, amortisation and impairment	3.6	3.9	2.8	2.9	1.3	1.3	7.7	8.1			7.7	8.1
<b>Adj. EBIT</b>	<b>11.6</b>	<b>10.2</b>	<b>5.5</b>	<b>7.1</b>	<b>3.4</b>	<b>1.8</b>	<b>20.4</b>	<b>19.0</b>			<b>20.4</b>	<b>19.0</b>
Adj. EBIT margin	11.8%	10.3%	8.5%	9.5%	12.6%	6.7%	10.8%	9.5%			12.8%	11.4%
Adjustments	3.6	0.3	0.0	0.1		0.1	3.6	0.6			3.6	0.6
<b>Operating Result (EBIT)</b>	<b>8.0</b>	<b>9.9</b>	<b>5.4</b>	<b>7.0</b>	<b>3.4</b>	<b>1.6</b>	<b>16.8</b>	<b>18.5</b>			<b>16.8</b>	<b>18.5</b>

in € million	Europe		Americas		Asia		Total segments		Other/consolidation		Group	
	YTD 2021/22	YTD 2022/23	YTD 2021/22	YTD 2022/23	YTD 2021/22	YTD 2022/23	YTD 2021/22	YTD 2022/23	YTD 2021/22	YTD 2022/23	YTD 2021/22	YTD 2022/23
External revenue	235.0 <sup>1</sup>	255.6	162.6	195.3	57.6	75.3	455.2	526.2			455.2	526.2
Revenue between segments	30.1	40.2	34.3	38.0	18.4	13.5	82.9	91.7	-82.9	-91.7		
<b>Total revenue</b>	<b>265.2</b>	<b>295.8</b>	<b>197.0</b>	<b>233.4</b>	<b>76.0</b>	<b>88.8</b>	<b>538.1</b>	<b>617.9</b>	<b>-82.9</b>	<b>-91.7</b>	<b>455.2</b>	<b>526.2</b>
<b>Adj. EBITDA</b>	<b>39.0</b>	<b>33.2</b>	<b>26.1</b>	<b>37.3</b>	<b>16.5</b>	<b>14.3</b>	<b>81.6</b>	<b>84.7</b>			<b>81.6</b>	<b>84.7</b>
Adj. EBITDA margin	14.7%	11.2%	13.2%	16.0%	21.8%	16.1%	15.2%	13.7%			17.9%	16.1%
Depreciation, amortisation and impairment	10.7	11.4	8.3	9.0	3.9	3.9	23.0	24.2			23.0	24.2
<b>Adj. EBIT</b>	<b>28.2</b>	<b>21.8</b>	<b>17.7</b>	<b>28.3</b>	<b>12.7</b>	<b>10.4</b>	<b>58.6</b>	<b>60.5</b>			<b>58.6</b>	<b>60.5</b>
Adj. EBIT margin	10.7%	7.4%	9.0%	12.1%	16.7%	11.7%	10.9%	9.8%			12.9%	11.5%
Adjustments	6.3	0.6	0.5	0.1		0.3	6.8	1.1			6.8	1.1
<b>Operating Result (EBIT)</b>	<b>22.0</b>	<b>21.2</b>	<b>17.2</b>	<b>28.2</b>	<b>12.7</b>	<b>10.1</b>	<b>51.9</b>	<b>59.5</b>			<b>51.9</b>	<b>59.5</b>

1 Including revenue-related adjustments

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## Europe

External revenue in Europe increased from €235.0 million in the first nine months of 2021/22 to €255.6 million in the corresponding period of 2022/23 and exceeded prior year by 8.7% or €20.5 million.

Europe contributed 48.6% of total revenue in the first nine months of 2022/23 (YTD 2021/22: 51.6%).

Adj. EBIT generated in Europe amounted to €21.8 million in the first nine months of 2022/23 and was thus -22.8% lower compared to the same reporting period last year (YTD 2021/22: €28.2 million). Adj. EBIT margin decreased to 7.4% from 10.7% last year.

The decrease in operating performance of the region was mainly attributable to ongoing inflationary material prices and energy costs as well as inefficiencies caused by volatile customer call-offs.

in € million	YTD 2021/22	YTD 2022/23	% change
External revenue	235.0 <sup>1</sup>	255.6	8.7%
Revenue between segments	30.1	40.2	33.4%
<b>Total revenue</b>	<b>265.2</b>	<b>295.8</b>	<b>11.5%</b>
Adj. EBIT	28.2	21.8	-22.8%
Adj. EBIT margin	10.7%	7.4%	-30.8%

1 Including revenue-related adjustments

## Americas

External revenue in Americas increased from €162.6 million in the first nine months of 2021/22 to €195.3 million in the same period of 2022/23 and exceeded prior year by 20.1% or €32.7 million. The currency translation impact amounted to €23.4 million.

Revenue from Americas equalled 37.1% of total revenue in the first nine months of 2022/23 (YTD 2021/22: 35.7%).

In Americas, Adj. EBIT for the first nine months of 2022/23 reached €28.3 million, 59.7% higher compared to last year (YTD 2021/22: €17.7 million). As a consequence, the Adj. EBIT margin increased from 9.0% in the previous year to 12.1%.

Contrary to the other two regions, Americas could strengthen its operating performance compared to prior year, primarily due to higher revenue.

in € million	YTD 2021/22	YTD 2022/23	% change
External revenue	162.6	195.3	20.1%
Revenue between segments	34.3	38.0	10.8%
<b>Total revenue</b>	<b>197.0</b>	<b>233.4</b>	<b>18.5%</b>
Adj. EBIT	17.7	28.3	59.7%
Adj. EBIT margin	9.0%	12.1%	34.8%

## Asia

External revenue in Asia increased from €57.6 million to €75.3 million in the first nine months of 2022/23 and exceeded prior year by 30.8% or €17.7 million. The currency translation impact amounted to €4.6 million.

Asia accounted for 14.3% of total revenue in the first nine months of 2022/23 (YTD 2021/22: 12.6%).

Asia's Adj. EBIT came in at €10.4 million for the first nine months of 2022/23, representing a year-on-year decline of -17.7% (YTD 2021/22: €12.7 million). Adj. EBIT margin fell from 16.7% last year to 11.7%.

The decline in Asia was attributable to inefficiencies in connection with China's zero-Covid policy as well as a negative impact from an unfavourable product mix.

in € million	YTD 2021/22	YTD 2022/23	% change
External revenue	57.6	75.3	30.8%
Revenue between segments	18.4	13.5	-26.8%
<b>Total revenue</b>	<b>76.0</b>	<b>88.8</b>	<b>16.8%</b>
Adj. EBIT	12.7	10.4	-17.7%
Adj. EBIT margin	16.7%	11.7%	-29.5%

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# ADDITIONAL INFORMATION

## Subsequent events

There were no events or developments in the period from the balance sheet date as of 31 December 2022 to the publication date on 16 February 2023 that would have materially affected the recognition or measurement of Novem's assets and liabilities.

## Risks and opportunities

An assessment of risks and opportunities for Novem showed no significant changes to the risk-related disclosures as of and for the financial year ended 31 March 2022.

Herewith reference is being made to the Annual Financial Report 2021/22 on risks and opportunities, which can be accessed on the Investor Relations website of Novem in the section [Reports & Presentations](#).

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## Financial calendar

01 June 2023      FY 2022/23 Preliminary Results

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29 June 2023      FY 2022/23 Results

All information is constantly updated and available.  
Please visit the investor section on the Company  
website: <https://ir.novem.com>

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## Date of publication

16 February 2023

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## Glossary

**Adj. EBIT** is defined as EBIT as adjusted for certain adjustments which management considers to be non-recurring in nature, as Novem believes such items are not reflective of the ongoing performance of the business.

**Adj. EBIT margin** is defined as Adj. EBIT divided by revenue.

**Adj. EBITDA** is defined as profit for the year before income tax result, financial result and amortisation, depreciation and write-downs as adjusted for certain adjustments which management considers to be non-recurring in nature, as Novem believes such items are not reflective of the ongoing performance of the business.

**Adj. EBITDA margin** is defined as Adj. EBITDA divided by revenue.

**Capital expenditure** is defined as the sum of cash paid for investments in property, plant and equipment and cash paid for investments in intangible assets excluding currency translation effects.

**EBIT** is defined as profit for the year before income tax result and financial result.

**EBITDA** is defined as profit for the year before income tax result, financial result and amortisation and depreciation.

**Free cash flow** is defined as the sum of cash flow from operating and investing activities.

**Gross financial debt** is defined as the sum of liabilities to banks, hedging and lease liabilities.

**Net financial debt** is defined as gross financial debt less cash and cash equivalents.

**Net leverage ratio** is defined as the ratio of net financial debt to Adj. EBITDA.

**Total operating performance** is defined as the sum of revenue and increase or decrease in finished goods.

**Total working capital** is defined as the sum of inventories, trade receivables and contract assets excluding expected losses less trade payables, tooling received advance payments received and other provisions related to tooling.

**Trade working capital** is defined as the sum of inventories non-tooling and trade receivables related to non-tooling less trade payables related to non-tooling.

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## Disclaimer

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