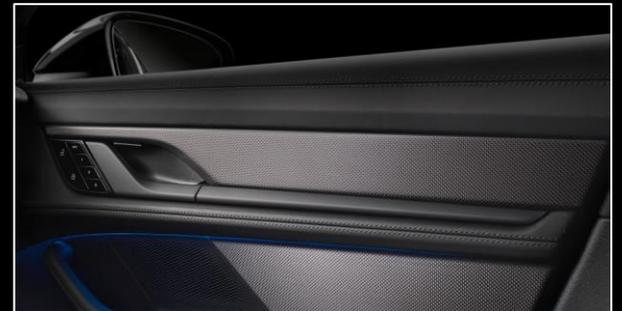
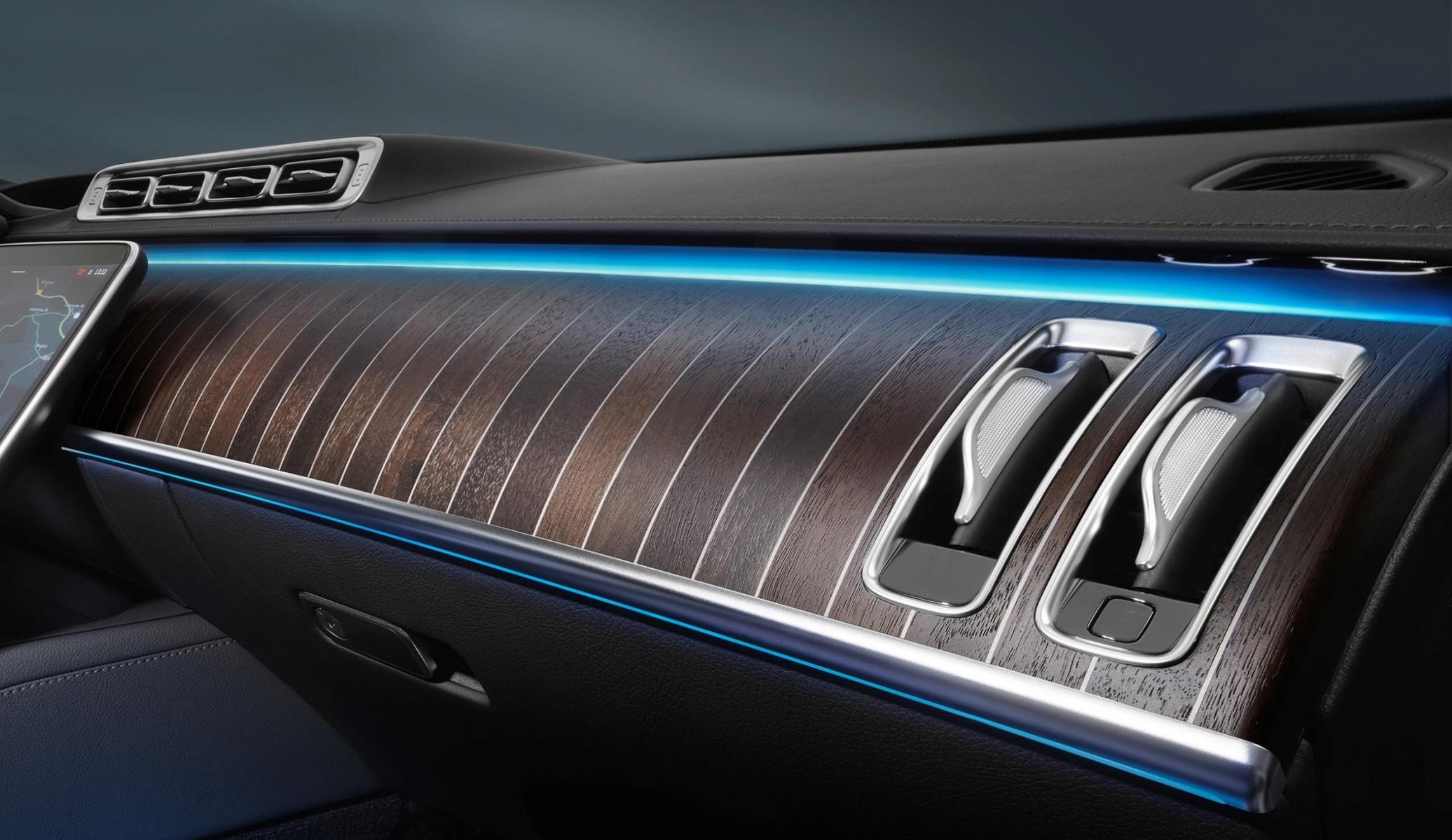




14 August 2024

Q1 2024/25 Results





1 OVERVIEW

Q1 2024/25 key events

- In Q1 2024/25, Novem reported total revenue of €140.1m (-20.0% vs. PY) in a protracted weak market environment
- Basically, all regions affected by lacklustre demand in the automotive sector, but mainly Europe
- Sales decline driven by uncertain economic climate and low consumer sentiment in a still inflationary context
- Despite the poor top line, Novem achieved a solid profit margin of 10.1% in the first quarter of the new financial year
- Continued cost management, footprint optimisation and customer compensation to protect bottom line
- Impairment of outstanding receivables against insolvent tier-1 client recognised and adjusted in this reporting period
- Novem secured the Mercedes-Benz GLE SUV flagship, besides the US also being built in China in the future

Challenging market conditions not expected to improve in the short-term

Q1 2024/25 financial highlights

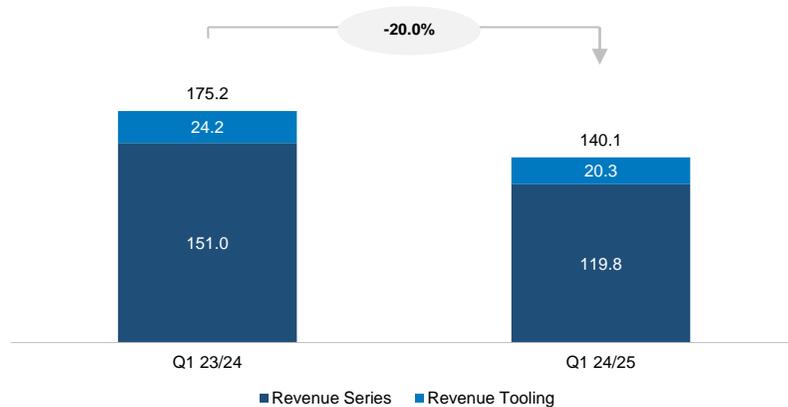
	Q1 2023/24		Q1 2024/25
Revenue (€m)	175.2		140.1
Adj. EBIT (€m)	20.0		14.2
Adj. EBIT margin (%)	11.4%		10.1%
Free cash flow (€m)	11.2		-3.0
Net leverage (x Adj. EBITDA)	1.0x		1.8x



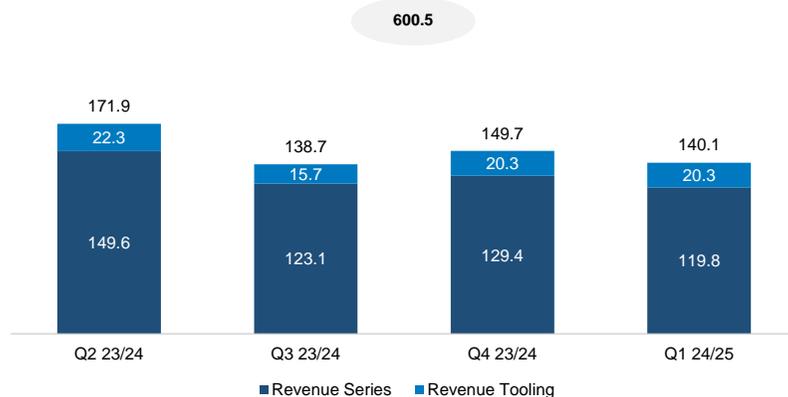
2 GROUP RESULTS

Revenue

Revenue (€m)



LTM revenue (€m)

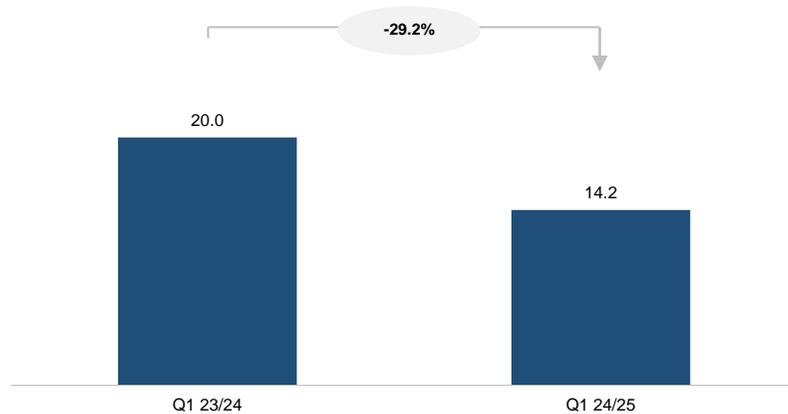


Highlights

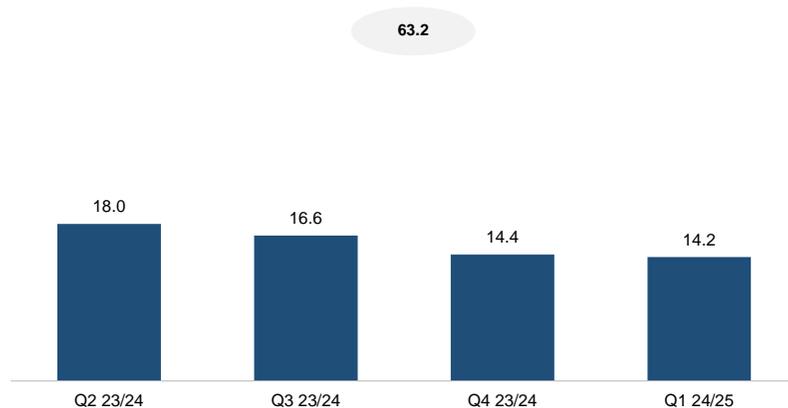
- In Q1 2024/25, total revenue of €140.1m fell behind prior year by €-35.1m or -20.0%
- Measured at constant foreign exchange rates, Q1 revenue would have been lower by €-1.3m or -0.9%
- Revenue Series diminished by €-31.2m or -20.6% versus PY and contributed 85.5% to the aggregate turnover
- Sharp decline occurred mainly in Europe and was again linked to the weak and still volatile customer call-offs
- Latest publicly available market data revealed a decrease in LVP of -0.5% y/y for the period under review
- Tooling added €20.3m to total revenue, which was slightly below previous year by €-3.9m or -16.1%
- LTM revenue of €600.5m came down noticeably by -5.5% versus the fourth quarter of PY

Adj. EBIT

Adj. EBIT (€m)



LTM Adj. EBIT (€m)

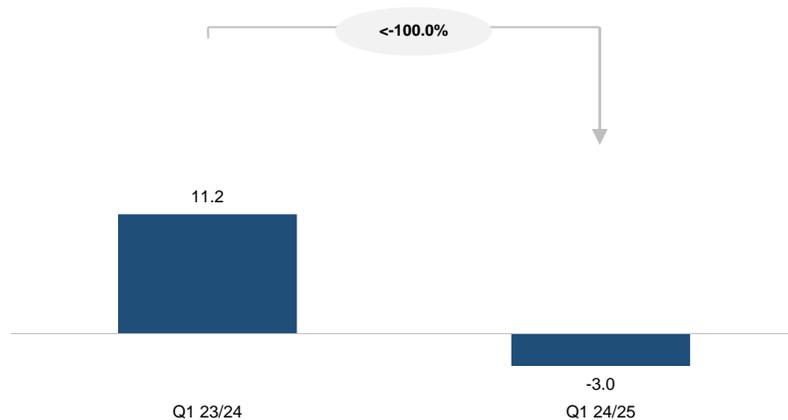


Highlights

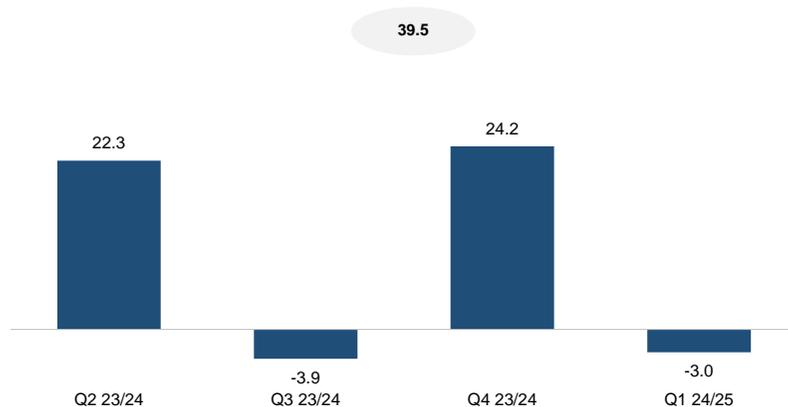
- Adj. EBIT in Q1 2024/25 was at a similar level as previous quarter but fell short of last year by €-5.9m or -29.2%
- Novem achieved a double-digit profit margin of 10.1% (11.4% PY) despite the sequentially lower turnover
- Personnel costs could not be adjusted proportionately to the lower revenue, which is why the profit margin was adversely affected
- Furthermore, disadvantageous product mix through certain model changes had a negative impact on the margin quality
- However, restructuring efforts in relation to Bergamo and Vorbach and reinforced cost savings helped to mitigate these effects
- Customer compensation payments also supported the bottom line to some extent (low single-digit amount)
- As with turnover, last-twelve-month Adj. EBIT of €63.2m shrank by -8.5% against the preceding quarter

Free cash flow

Free cash flow (€m)



LTM free cash flow (€m)

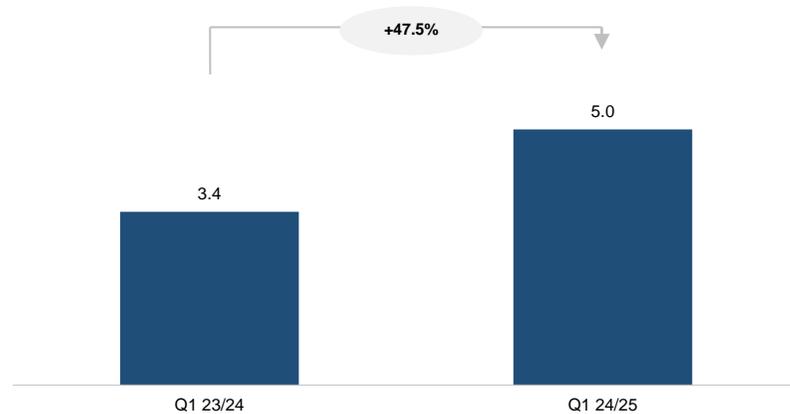


Highlights

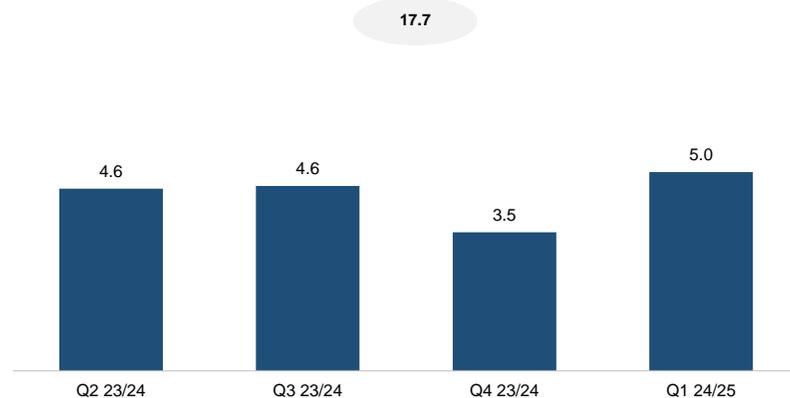
- In the first quarter of 2024/25, free cash flow of €-3.0m was below last year by €-14.2m
- Deviation to a large extent attributable to cash flow from operating activities of €0.6m falling short of previous year by €-12.8m due to the following reasons:
 - Profit for the period (€-11.1m), higher stock (€-9.1m) and reduced provisions (€-5.2m); conversely, lower trade receivables (€+8.7m) and higher trade payables (€+3.0m) as well as Others (€+0.9m)
 - Change in inventories of €-9.1m was linked to higher stock levels, mainly in Americas because of extended customer plant holidays at the end of the reporting period, and Tooling
- Higher cash out-flow for investing activities of €-1.4m y/y primarily due to increased investments (€-1.6m)
- As a result, LTM Free cash flow of €39.5m came down by -26.5% versus last quarter (€58.8m)

Capital expenditure

Capital expenditure (€m)



LTM capital expenditure (€m)

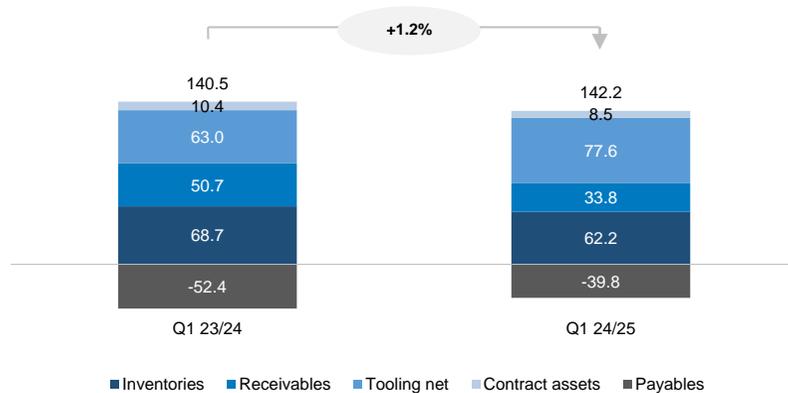


Highlights

- In Q1 2024/25, capital expenditure of €5.0m exceeded prior year by almost 50%
- Higher investments in combination with lower revenue translated into a capex ratio of 3.6% versus 1.9% PY
- Majority of capex of €3.8m was realised at Novem's largest plant in Querétaro
- Investments aimed at increasing capacities and lifting the degree of industrialisation for new platforms to come
- On the other hand, new business will provide improved utilisation of operations in general
- On a last-twelve-month basis, capital expenditure rose to €17.7m with a capex ratio of 2.9% of total revenue

Total working capital

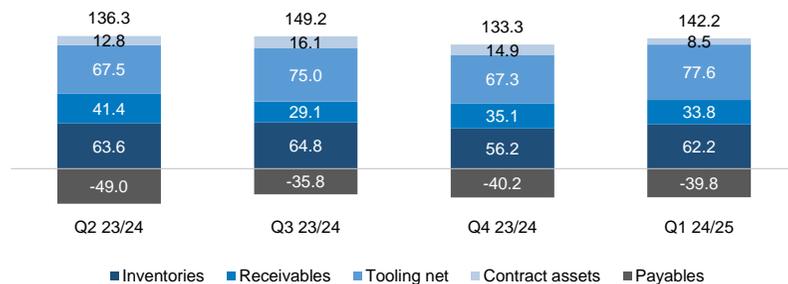
Total working capital (€m)



Highlights

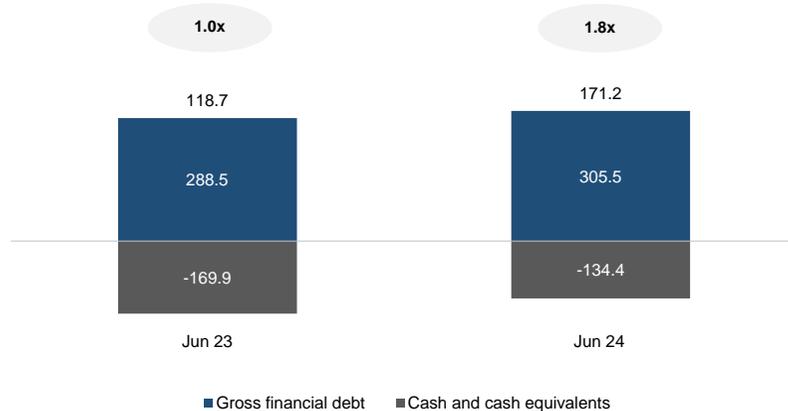
- As of 30 June 2024, total working capital of €142.2m stood +1.2% above previous year (€140.5m)
- Variance of €-1.7m y/y came from tooling net (€-14.5m) and lower trade payables (€-12.6m); but lower trade receivables (€+17.0m) and inventory levels (€+6.5m) as well as contract assets (€+1.9m)
- Higher tooling net resulted from increased tooling receivables and lower tooling-related deferred income (advance payments)
- As percentage of last-twelve-month revenue, total working capital recorded at 23.7% as of 30 June 2024 (20.3% PY)
- However, trade working capital (w/o both tooling net and contract assets) showed a positive trend from €67.1m to €56.1m y/y
- While DSO of 32 days (36 PY) developed favourably and DPO of 54 days (55 PY) remained stable, DIO rose to 47 days (41 PY)

LTM total working capital (€m)

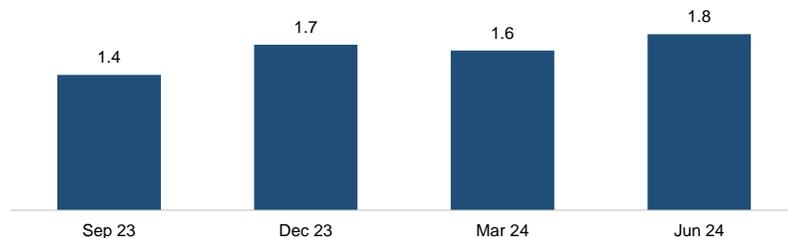


Capital structure

Net financial debt (€m)



LTM net leverage ratio



Highlights

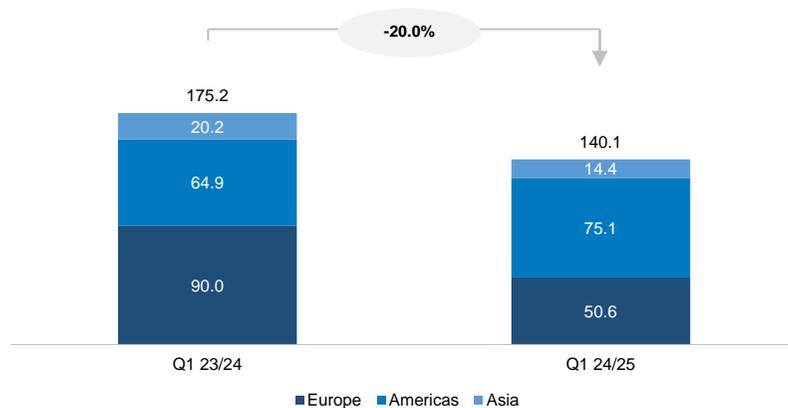
- As of 30 June 2024, gross financial debt of €305.5m stood clearly above prior year's figure (€+17.0m y/y)
- Deviation was caused by a steep rise in lease liabilities to €55.6m (€+16.4m y/y) due to the renewal of lease contracts
- Principal sources of funds contained €134.4m cash (€169.9m PY) and €39.1m from non-recourse factoring (€43.8m PY)
- Against the background of the lower volume, the utilisation of the factoring line dropped accordingly
- As of 30 June 2024, net financial debt amounted to €171.2m and showed a marked increase over prior year (€118.7m PY)
- Net leverage ratio of 1.8x Adj. EBITDA was at a noticeably higher level than previous year (1.0x)



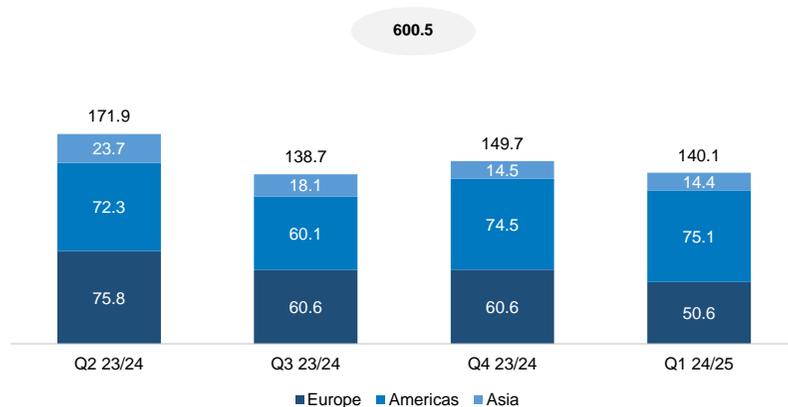
3 RESULTS BY OPERATING SEGMENTS

Revenue by operating segments

Revenue by region (€m)



LTM revenue by region (€m)

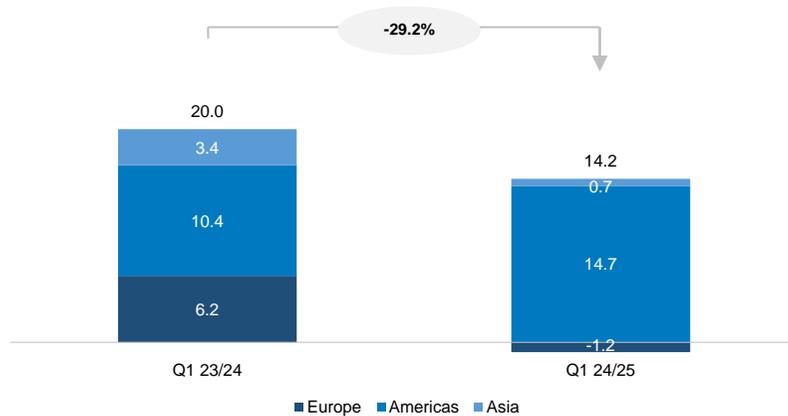


Highlights

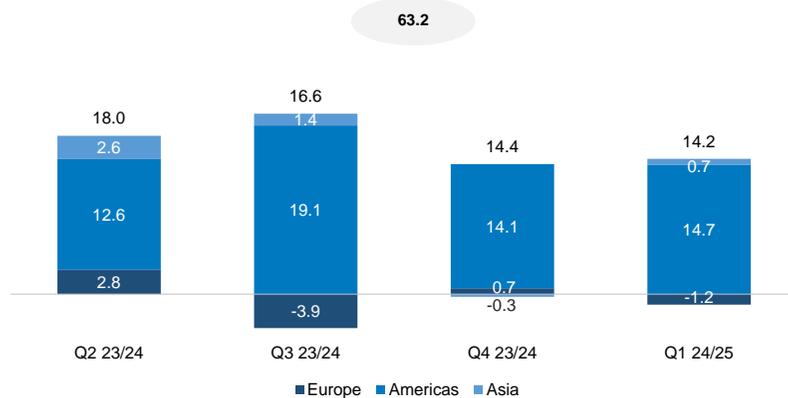
- Geographically, revenue increased again in the Americas region, while Europe and Asia developed unfavourably
- Sharp decline in Europe (€-39.4m y/y) was hit by revenue Series suffering from weak and still volatile customer call-offs as well as lower Tooling compared to last year
- In particular, deviation was caused by the EOP of BMW 5-series and Porsche Panamera as well as lower revenue of MB E-class and MB S-class
- Strong revenue in Americas (€+10.2m y/y) resulted from Tooling with the completion of some major projects in Q2 2024/25, while revenue Series basically remained on prior year's level
- Lower top line in Asia (€-5.8m y/y) was driven by revenue Series, which could not be offset by higher Tooling
- LTM revenue showed the following distribution across all regions: 47.0% Americas, 41.2% Europe and 11.8% Asia

Adj. EBIT by operating segments

Adj. EBIT by region (€m)



LTM Adj. EBIT by region (€m)



Highlights

- As with revenue, Adj. EBIT showed a similar development across the individual segments of the Group: Americas outperformed PY and partly compensated the downturn in Europe and Asia
- In Europe, Adj. EBIT of €-1.2m (€6.2m PY) remained loss-making because of the volume-related under-utilisation of its operations and a continued unfavourable product mix
- However, the benefits from restructuring measures and strict cost control as well as customer compensation payments could partly offset the adverse effects
- In contrast, Americas could build on revenue growth and a further improved cost base with an Adj. EBIT of €14.7m (€10.4m PY)
- In Asia, Adj. EBIT of €0.7m (€3.4m PY) was again badly affected by the decline in revenue Series and a negative product mix
- In comparison to previous quarter, LTM Adj. EBIT came down by -8.5% from €69.1m to €63.2m



4 QUESTIONS & ANSWERS



5 APPENDIX

Profit and loss statement

Profit and loss statement (€m)

	Q1 2023/24	Q1 2024/25
Revenue	175.2	140.1
Increase or decrease in finished goods and work in process	-6.3	1.9
Total operating performance	168.9	142.0
Other operating income	1.7	1.4
Cost of materials	-80.4	-68.0
Personnel expenses	-43.5	-39.3
Depreciation, amortisation and impairment	-8.2	-8.1
Other operating expenses	-18.4	-13.9
Adj. EBIT	20.0	14.2
Adjustments	-0.0	-2.8
Operating result (EBIT)	20.0	11.4
Finance income	2.0	1.3
Finance costs	-4.4	-9.9
Financial result	-2.4	-8.6
Income taxes	-3.1	-2.6
Deferred taxes	-1.4	1.9
Income tax result	-4.4	-0.7
Profit for the period	13.2	2.1

Balance sheet

Balance sheet (€m)

	30 Jun 2023	30 Jun 2024		30 Jun 2023	30 Jun 2024
			Total equity	119.0	92.1
Intangible assets	2.3	2.8	Pensions and similar obligations	27.1	28.7
Property, plant and equipment	181.9	188.8	Other provisions	1.4	2.1
Trade receivables	47.5	48.1	Financial liabilities	248.4	248.9
Other non-current assets	10.3	15.9	Trade payables	-	0.0
Deferred tax assets	7.5	12.5	Other liabilities	33.2	53.3
			Deferred tax liabilities	1.2	1.3
Total non-current assets	249.4	268.0	Total non-current liabilities	311.3	334.3
Inventories	114.1	105.5	Tax liabilities	18.8	4.4
Trade receivables	55.0	44.0	Other provisions	49.2	39.6
Other receivables	36.2	24.0	Financial liabilities	1.0	1.1
Other current assets	13.5	12.4	Trade payables	56.7	43.2
Cash and cash equivalents	169.9	134.4	Other liabilities	82.1	73.6
Total current assets	388.6	320.3	Total current liabilities	207.8	161.8
Assets	638.1	588.3	Equity and liabilities	638.1	588.3

Cash flow statement

Cash flow statement (€m)

	Q1 2023/24	Q1 2024/25
Profit for the period	13.2	2.1
Income tax expense (+)/income (-)	3.1	2.6
Financial result (+)/(-) net	3.2	4.1
Depreciation, amortisation and impairment (+)	8.2	8.1
Other non-cash expenses (+)/income (-)	-0.8	2.1
Increase (-)/decrease (+) in inventories	2.9	-6.2
Increase (-)/decrease (+) in trade receivables	-9.7	-1.0
Increase (-)/decrease (+) in other assets	6.3	8.3
Increase (-)/decrease (+) in deferred taxes	1.4	-1.9
Increase (-)/decrease (+) in prepaid expenses/deferred income	-0.7	-2.2
Increase (+)/decrease (-) in provisions	2.6	-2.6
Increase (+)/decrease (-) in trade payables	-3.6	-0.6
Increase (+)/decrease (-) in other liabilities	-9.7	-7.2
Gain (-)/loss (+) on disposals of non-current assets	0.0	-
Cash received (+) from/cash paid (-) for income taxes	-3.0	-5.0
Cash flow from operating activities	13.5	0.6

Cash flow statement (cont'd)

Cash flow statement (€m)

	Q1 2023/24	Q1 2024/25
Cash received (+) from disposals of property, plant and equipment	-	-
Cash paid (-) for investments in intangible assets	-0.0	-0.1
Cash paid (-) for investments in property, plant and equipment	-3.3	-4.8
Interest received (+)	1.2	1.3
Cash flow from investing activities	-2.2	-3.7
Cash paid (-) for subsidies/grants	-0.0	-
Cash paid (-) for lease liabilities	-2.5	1.0
Interest paid (-)	-3.8	-4.6
Dividends paid (-)	-	-
Cash flow from financing activities	-6.3	-3.6
Net increase (+)/decrease (-) in cash and cash equivalents	4.9	-6.6
Effect of exchange rate fluctuations on cash and cash equivalents	-0.5	-0.5
Cash and cash equivalents at the beginning of the reporting period	165.5	141.5
Cash and cash equivalents at the end of the reporting period	169.9	134.4

EBIT adjustments

EBIT adjustments (€m)		
	Q1 2023/24	Q1 2024/25
Revenue	175.2	140.1
EBIT	20.0	11.4
EBIT margin	11.4%	8.1%
Restructuring	-	0.0
Single impairments	-	2.6
Others	0.0	0.2
Exceptional items	0.0	2.8
Discontinued operations	-	-
Adjustments	0.0	2.8
Adj. EBIT	20.0	14.2
Adj. EBIT margin	11.4%	10.1%

Definitions and basis of preparation of the financial information

- **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
- **Cash conversion** is defined as free cash flow divided by Adj. EBITDA
- **Days inventory outstanding (DIO)** is defined by dividing inventories (as shown in the consolidated statement of financial position, but excluding tooling) by revenue generated from the sale of series trim elements in the last three months
- **Days sales outstanding (DSO)** is defined by dividing trade payables (as shown in the consolidated statement of financial position, but excluding tooling) by revenue generated from the sale of series trim elements in the last three months
- **Days payables outstanding (DPO)** is defined by dividing trade payables (as shown in the consolidated statement of financial position, but excluding tooling) by net costs series incurred in the three months
- **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 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

Further information and disclaimer

Date of publication

14 August 2024

Contact

investor.relations@novem.com | All information is constantly updated and available. Please visit the Investor Relations Portal on the Company website: <https://ir.novem.com>

Editor

Novem Group S.A. | 19, rue Edmond Reuter | 5326 Contern | Luxembourg | www.novem.com

Financial information

This presentation contains unaudited financial information for Novem, which may be subject to change.

Disclaimer

Novem Group S.A. (the “Company”, “Novem”) has prepared this presentation solely for your information. It should not be treated as giving investment advice. Neither the Company, nor any of its directors, officers, employees, direct or indirect shareholders and advisors nor any other person shall have any liability whatsoever for any direct or indirect losses arising from any use of this presentation. While the Company has taken all reasonable care to ensure that the facts stated in this presentation are accurate and that the opinions contained in it are fair and reasonable, this presentation is selective in nature. Any opinions expressed in this presentation are subject to change without notice and neither the Company nor any other person is under any obligation to update or keep current the information contained in this presentation. Where this presentation quotes any information or statistics from any external source, you should not interpret that the Company has adopted or endorsed such information or statistics as being accurate. This presentation contains forward-looking statements, which involve risks, uncertainties and assumptions that could cause actual results, performance or events to differ materially from those described in, or expressed or implied by, such statements. These statements reflect the Company’s current knowledge and its expectations and projections about future events and may be identified by the context of such statements or words such as “anticipate”, “believe”, “estimate”, “expect”, “intend”, “plan”, “project” and “target”. No obligation is assumed to update any such statement. Numbers were rounded to one decimal. Due to rounding, the numbers presented may not add up precisely to the totals provided.



Novem Group S.A.
19, rue Edmond Reuter | 5326 Contern | Luxembourg

Email: investor.relations@novem.com
www.novem.com

