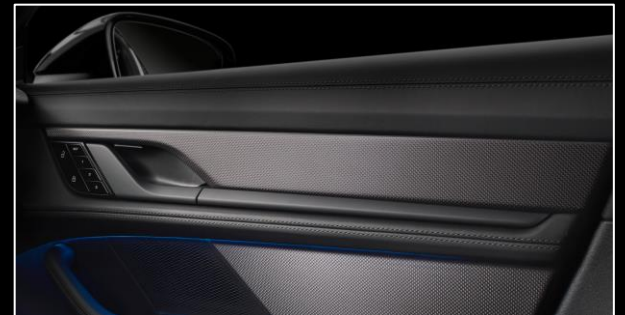
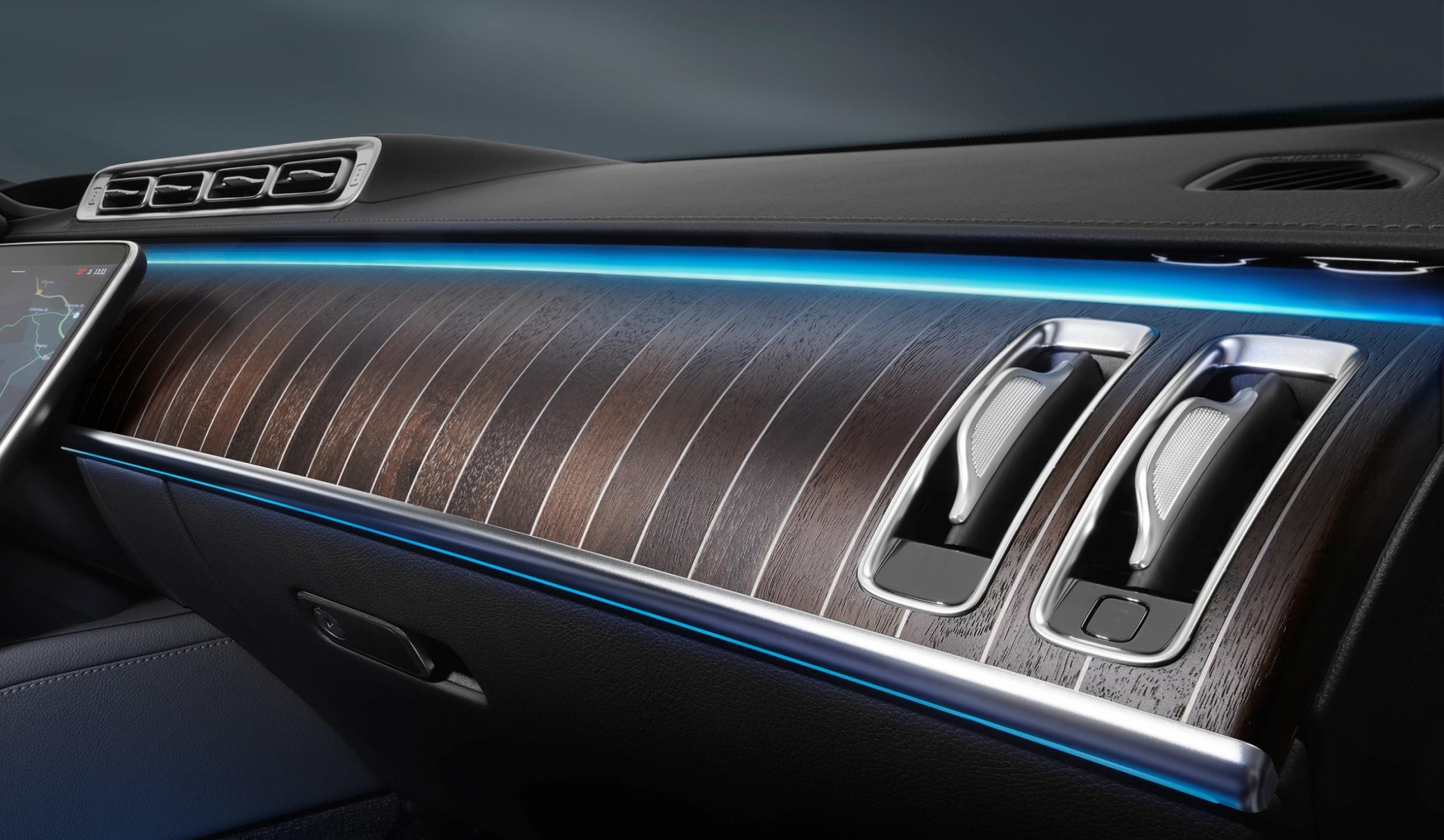




14 November 2024

# HY 2024/25 Results





# 1 OVERVIEW







## Q2 2024/25 key events

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- In Q2 2024/25, Novem generated total revenue of €139.4m (-18.9% y/y) in a persistently weak trading environment
- Like in the preceding quarters, the market conditions remained challenging across all regions, especially in Europe and Asia
- Top line was adversely hit by extension of customer plant holidays in China, partly due to technical actions at a major OEM
- Hurricane *Helene* led to production downtime for several customers in the USA and resulted in further sales setbacks
- Lower turnover clearly left its mark on the Adj. EBIT of €12.0m, translating into a profit margin of 8.6%
- Continued cost management, footprint optimisation and customer compensation to protect bottom line
- Among others, particularly notable is the award of the Mercedes V-class, which marks the entry into the luxury MPV segment

Short-term adversities remain, while solid order intake in current year supports mid-term guidance

## Q2 2024/25 financial highlights

	Q2 2023/24		Q2 2024/25
Revenue (€m)	171.9		139.4
Adj. EBIT (€m)	18.0		12.0
Adj. EBIT margin (%)	10.4%		8.6%
Free cash flow (€m)	22.3		3.6
Net leverage (x Adj. EBITDA)	1.4x		1.9x

# HY 2024/25 financial highlights

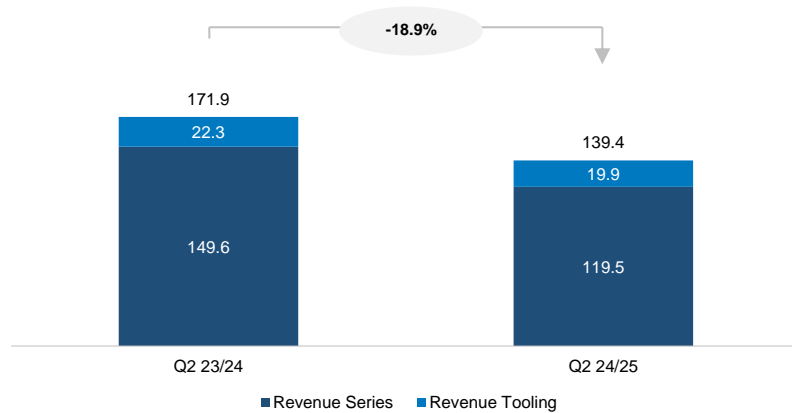
	HY 2023/24		HY 2024/25
Revenue (€m)	347.1		279.5
Adj. EBIT (€m)	38.0		26.2
Adj. EBIT margin (%)	10.9%		9.4%
Free cash flow (€m)	33.5		0.6
Net leverage (x Adj. EBITDA)	1.4x		1.9x



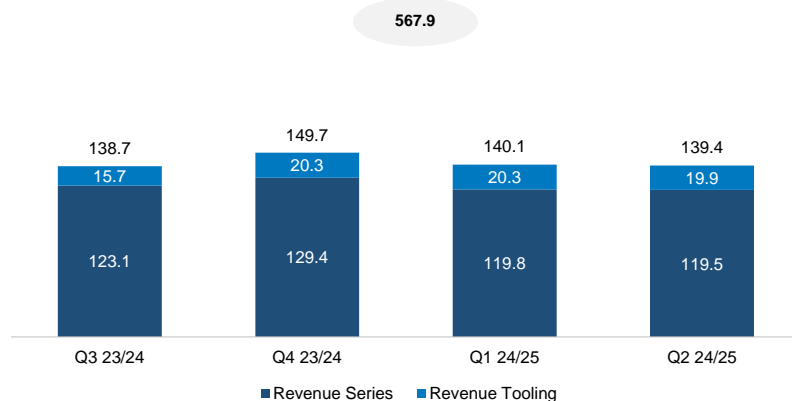
## 2 GROUP RESULTS

# Revenue

## Revenue (€m)



## LTM revenue (€m)

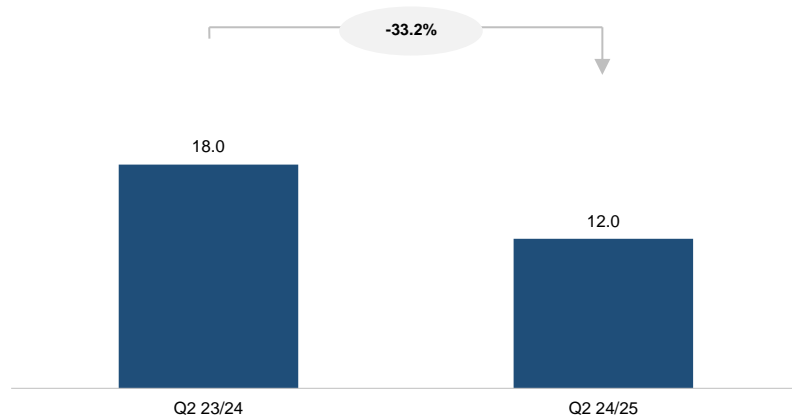


## Highlights

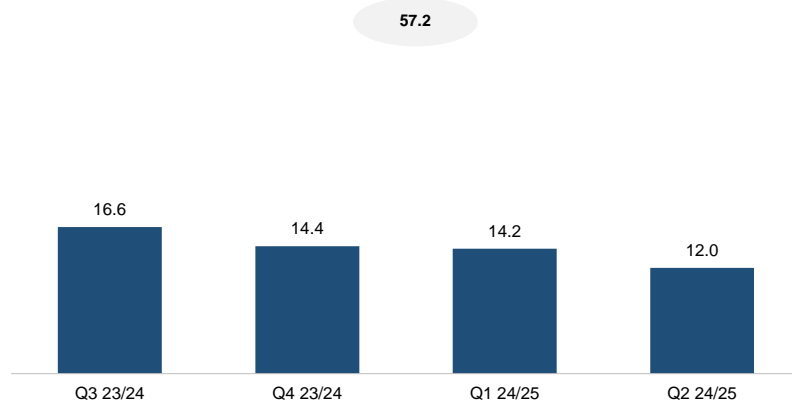
- Total revenue of €139.4m in Q2 2024/25 came down by €-32.5m or -18.9% in comparison to last year
- Top line was negatively affected by FX effects; revenue in Q2 would have been higher by €+2.5m or +1.8% at constant FX rates
- Revenue Series of €119.5m was well below prior year by €-30.1m or -20.1% and added 85.7% to total revenue
- Drop in Series business was mainly related to ongoing weak customer call-offs, above all in Europe and Asia
- Most recent publicly available LVP market data showed a year-on-year drop of -4.6% for the period under review
- Revenue Tooling of €19.9m declined by €-2.4m or -10.9% against prior year, mainly driven by a different project phasing
- On a twelve-month basis, total revenue recorded at €567.9m and decreased by -5.4% compared to last quarter

# Adj. EBIT

## Adj. EBIT (€m)



## LTM Adj. EBIT (€m)



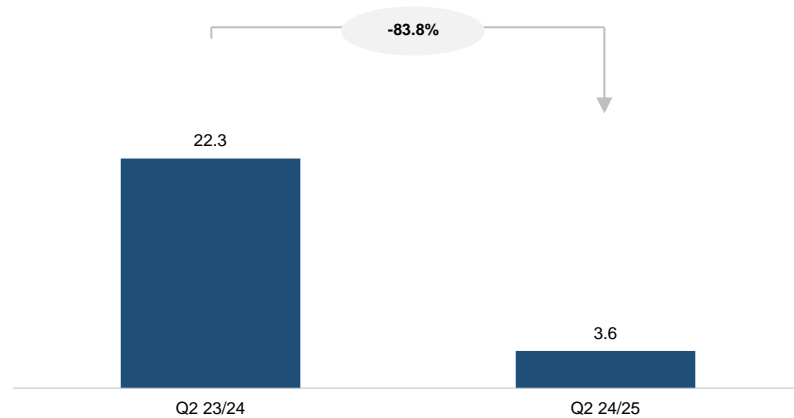
## Highlights

- In Q2 2024/25, Adj. EBIT of €12.0m recorded behind prior year by €-6.0m, resulting in a margin of 8.6% for the reporting period
- Operational result was again negatively hit by poor top line, predominantly in Europe and Asia
- Cost reduction well underway but nonetheless to a lower extent than the revenue decline, which burned the Adj. EBIT and also diluted the margin
- In addition, Adj. EBIT was once again negatively impacted by an unfavourable product mix as well as model changes
- Strict cost management and restructuring measures helped to protect the bottom line
- On the other hand, operational result benefitted from customer compensations and continuously improved input costs
- Last-twelve-month Adj. EBIT of €57.2m stood at its lowest level since the IPO in July 2021

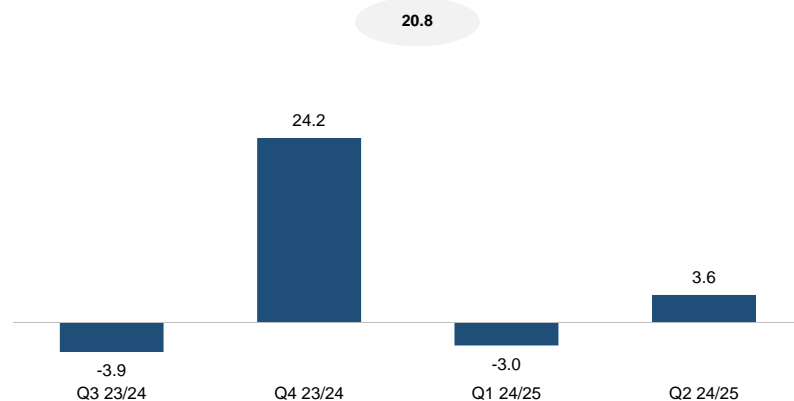


# Free cash flow

## Free cash flow (€m)



## LTM free cash flow (€m)

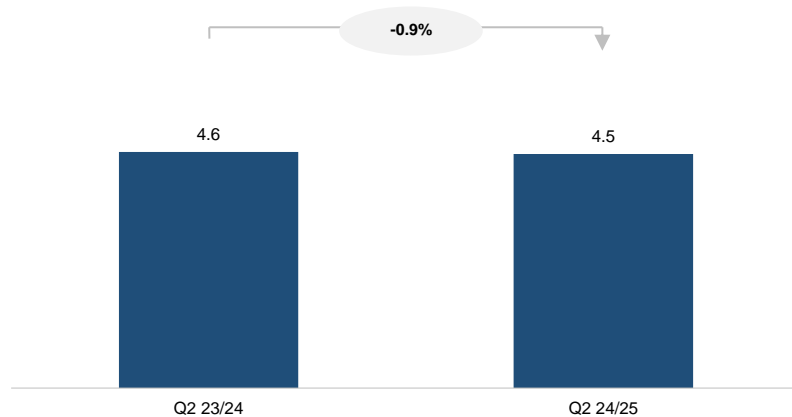


## Highlights

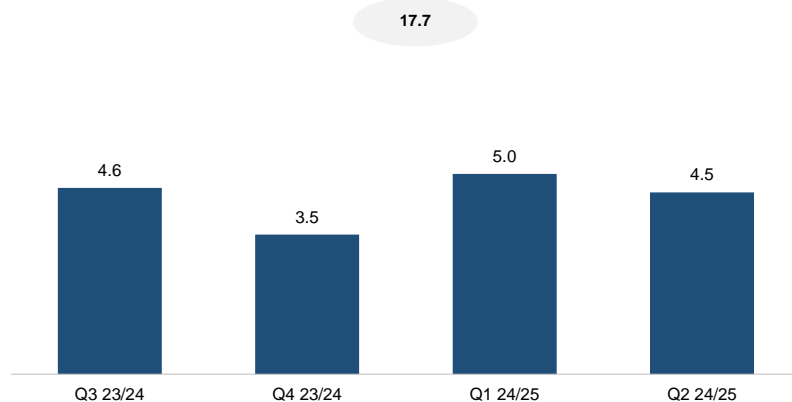
- Despite the improvement against last quarter, free cash flow of €3.6m in Q2 2024/25 fell short of last year by €-18.6m or -83.8%
- Cash flow from operating activities (€6.9m) recorded considerably below prior year by €-17.8m due to the following reasons:
  - Reduced provisions (€-8.3m), increased inventories (€-8.1m) and lower trade payables (€-6.8m) as well as Others (€-1.5m); partly offset by other non-cash expenses (€+6.9m)
- Decrease in provisions mainly related to prior year's restructuring costs in Bergamo as well as tax payments in Germany
- Cash out-flow from investing activities of €-3.3m stood above prior year's figure of €-2.4m due to lower interest received
- Free cash flow for the last twelve months of €20.8m came down by -47.2% compared to previous quarter (€39.5m)

# Capital expenditure

## Capital expenditure (€m)



## LTM capital expenditure (€m)

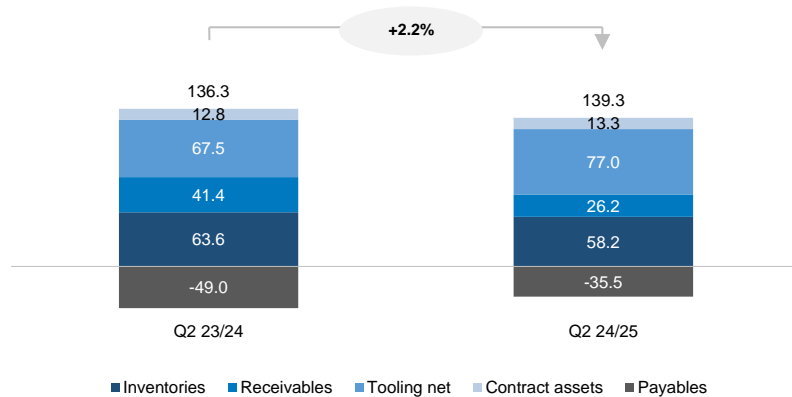


## Highlights

- In Q2 2024/25, capital expenditure of €4.5m recorded on a similar level as previous year
- Based on weaker top line, the underlying capex ratio rose from 2.7% last year to 3.3% of revenue
- As previous quarter, most of capital expenditure was invested in the operations in Querétaro (€2.9m)
- Investments in Q2 2024/25 included around €3.0m for the ramp-up of the acquired business with a major US EV manufacturer
- LTM capital expenditure of €17.7m was almost unchanged to the first quarter of 2024/25 (€17.7m)
- Capex ratio for the last twelve months showed a slight increase from 2.9% to 3.1% compared to previous quarter

# Total working capital

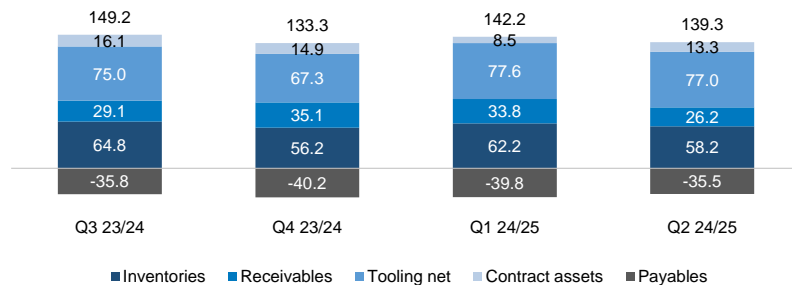
## Total working capital (€m)



## Highlights

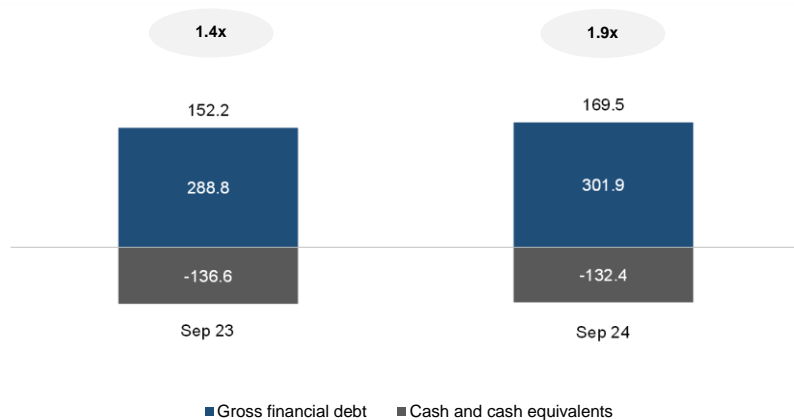
- As of 30 September 2024, total working capital recorded slightly above last year at €139.3m (€136.3m PY)
- Deviation of €-3.0m resulted from lower trade payables (€-13.6m), higher tooling net (€-9.5m) and contract assets (€-0.5m); on the other hand, lower trade receivables (€+15.2m) and stock (€+5.4m)
- Decline in trade payables mainly attributable to lower volume; conversely, lower trade receivables mainly due to reduced top line
- As percentage of LTM revenue, total working capital recorded at 24.5% as of 30 September 2024 (19.8% PY)
- Trade working capital (w/o both tooling net and contract assets) developed positively from €56.0m to €49.0m y/y
- Reported in days outstanding, DIO of 44 (38 PY) and DPO of 46 (49 PY) worsened, while DSO of 30 (33 PY) developed favourably

## LTM total working capital (€m)

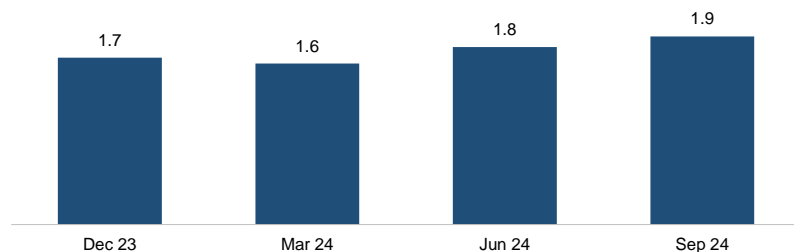


# Capital structure

## Net financial debt (€m)



## LTM net leverage ratio



## Highlights

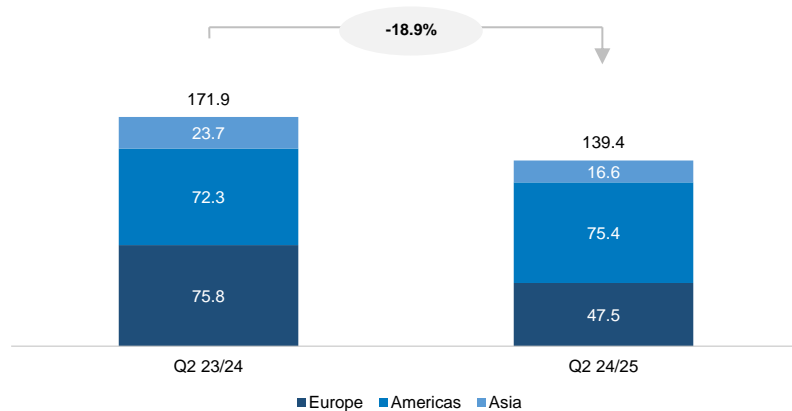
- As of 30 September 2024, gross financial debt of €301.9m rose by €+13.2m in comparison to the same reporting date last year
- As previously reported, the increase was again driven by a significant rise in lease liabilities to €51.9m (€+12.7m y/y)
- Principal sources of funds included €132.4m cash (€136.6m PY) and €40.3m from non-recourse factoring (€43.1m PY)
- As of 30 September 2024, net financial debt stood at €169.5m and showed a steep increase compared to prior year (€152.2m)
- Net leverage ratio of 1.9x Adj. EBITDA remained at a higher level than previous year (1.4x)



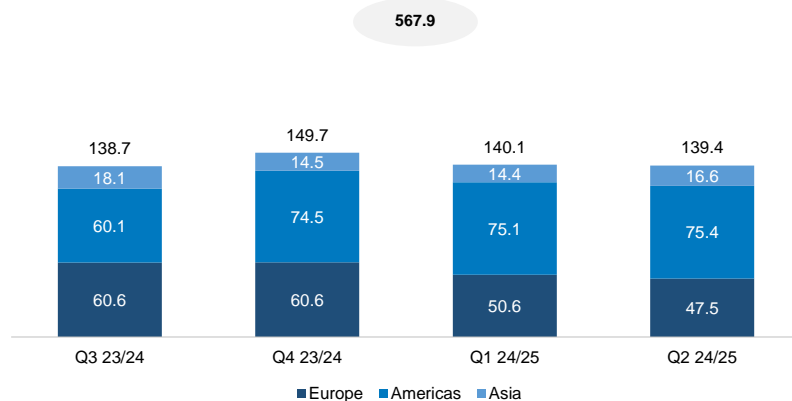
### 3 RESULTS BY OPERATING SEGMENTS

# Revenue by operating segments

## Revenue by region (€m)



## LTM revenue by region (€m)

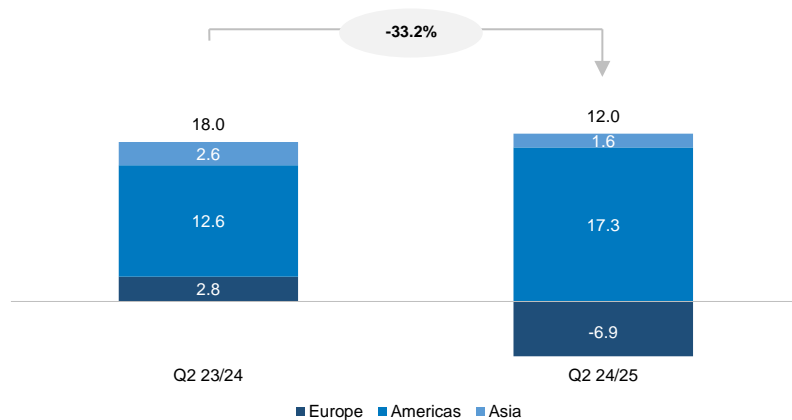


## Highlights

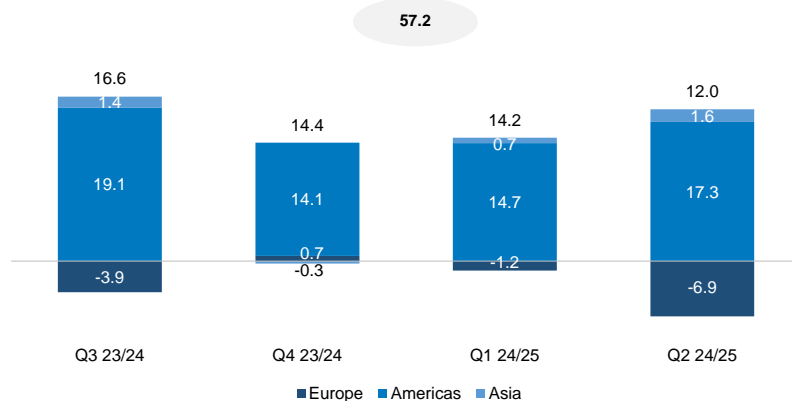
- On a segmental basis, revenue in Americas increased, while both Europe and Asia declined, similar to last quarter
- Poor top line in Europe (€-28.4m y/y) was primarily attributable to revenue Series due to the ongoing weak demand as well as the phase-out of larger programs
- In particular, deviation 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
- Growth in Americas (€+3.0m y/y) was mainly driven by Tooling business, while revenue Series showed a slight decrease, caused by downtimes for various OEMs due to Hurricane *Helene*
- Reduced revenue in Asia (€-7.2m y/y) predominantly resulted from the EOP of BMW 5-series and the model change of MB E-class
- LTM revenue showed the following allocation across the regions: 50.2% Americas, 38.6% Europe and 11.2% Asia

# Adj. EBIT by operating segments

## Adj. EBIT by region (€m)



## LTM Adj. EBIT by region (€m)



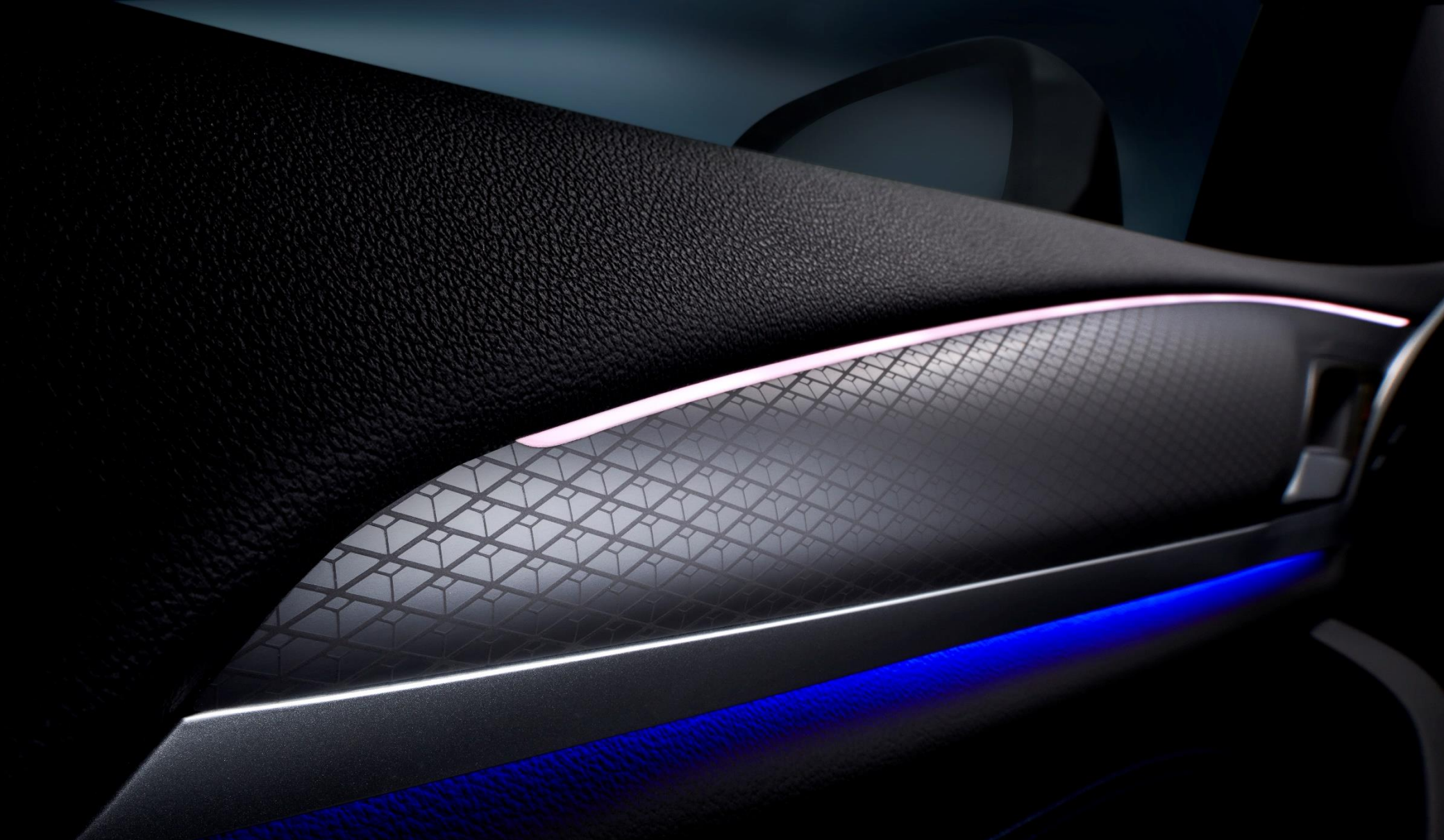
## Highlights

- Adj. EBIT showed the same development as top line: negative deviation in Europe and Asia was partly compensated by higher profit contribution in Americas compared to prior year
- In Europe, Adj. EBIT of €-6.9m (€2.8m PY) continues to make a loss resulting from significantly lower revenue and volume-related inefficiencies as well as a negative product mix
- As previously, cost savings and customer compensation payments helped to mitigate these negative effects partly
- Adj. EBIT of €17.3m (€12.6m PY) in Americas developed again favourably, benefitting from the release of accruals as well as ongoing lower input costs
- In Asia, Adj. EBIT of €1.6m (€2.6m PY) fell short of prior year in particular because of the lower top line in both Series and Tooling
- In Q2 2024/25, LTM Adj. EBIT declined by -9.4% from €63.2m to €57.2m compared to preceding quarter



# 4 QUESTIONS & ANSWERS





5 APPENDIX

# Profit and loss statement

## Profit and loss statement (€m)

	Q2 2023/24	Q2 2024/25	HY 2023/24	HY 2024/25
Revenue	171.9	139.4	347.1	279.5
Increase or decrease in finished goods and work in process	-5.3	0.5	-11.5	2.4
<b>Total operating performance</b>	<b>166.7</b>	<b>139.9</b>	<b>335.5</b>	<b>281.9</b>
Other operating income	3.3	3.9	4.9	5.3
Cost of materials	-83.5	-72.1	-163.9	-140.1
Personnel expenses	-42.0	-35.6	-85.4	-74.9
Depreciation, amortisation and impairment	-8.2	-8.0	-16.5	-16.1
Other operating expenses	-18.3	-16.1	-36.7	-30.0
<b>Adj. EBIT</b>	<b>18.0</b>	<b>12.0</b>	<b>38.0</b>	<b>26.2</b>
<b>Adjustments</b>	<b>-4.7</b>	<b>-0.1</b>	<b>-4.7</b>	<b>-2.9</b>
<b>Operating result (EBIT)</b>	<b>13.3</b>	<b>11.9</b>	<b>33.3</b>	<b>23.3</b>
Finance income	2.1	5.7	3.3	2.6
Finance costs	-8.9	-5.3	-12.4	-10.8
<b>Financial result</b>	<b>-6.8</b>	<b>0.4</b>	<b>-9.1</b>	<b>-8.2</b>
Income taxes	-3.2	-1.9	-6.3	-4.5
Deferred taxes	1.5	-1.2	0.2	0.7
<b>Income tax result</b>	<b>-1.6</b>	<b>-3.1</b>	<b>-6.1</b>	<b>-3.8</b>
<b>Profit for the period</b>	<b>4.9</b>	<b>9.2</b>	<b>18.1</b>	<b>11.2</b>

# Balance sheet

## Balance sheet (€m)

	30 Sep 2023	30 Sep 2024		30 Sep 2023	30 Sep 2024
			<b>Total equity</b>	<b>78.8</b>	<b>90.5</b>
Intangible assets	2.1	2.9	Pensions and similar obligations	27.1	28.7
Property, plant and equipment	181.4	180.3	Other provisions	1.5	2.1
Trade receivables	52.3	40.0	Financial liabilities	248.5	249.0
Other non-current assets	17.3	11.3	Trade payables	-	-
Deferred tax assets	5.2	11.1	Other liabilities	35.8	49.3
			Deferred tax liabilities	-2.7	1.3
<b>Total non-current assets</b>	<b>258.3</b>	<b>245.6</b>	<b>Total non-current liabilities</b>	<b>310.1</b>	<b>330.4</b>
Inventories	106.3	103.0	Tax liabilities	17.0	0.3
Trade receivables	46.4	43.0	Other provisions	52.9	35.7
Other receivables	32.0	21.2	Financial liabilities	1.5	1.0
Other current assets	12.4	19.9	Trade payables	52.4	40.5
Cash and cash equivalents	136.6	132.4	Other liabilities	79.3	66.8
<b>Total current assets</b>	<b>333.7</b>	<b>319.5</b>	<b>Total current liabilities</b>	<b>203.1</b>	<b>144.2</b>
<b>Assets</b>	<b>592.0</b>	<b>565.1</b>	<b>Equity and liabilities</b>	<b>592.0</b>	<b>565.1</b>

# Cash flow statement

## Cash flow statement (€m)

	Q2 2023/24	Q2 2024/25	HY 2023/24	HY 2024/25
Profit for the period	4.9	9.2	18.1	11.2
Income tax expense (+)/income (-)	3.2	1.9	6.3	4.5
Financial result (+)/(-) net	2.8	4.1	6.0	8.2
Depreciation, amortisation and impairment (+)	8.2	8.0	16.5	16.1
Other non-cash expenses (+)/income (-)	-0.8	6.1	-1.6	8.2
Increase (-)/decrease (+) in inventories	9.6	1.5	12.6	-4.7
Increase (-)/decrease (+) in trade receivables	5.0	4.8	-4.7	3.7
Increase (-)/decrease (+) in other assets	0.5	-6.1	6.8	2.2
Increase (-)/decrease (+) in deferred taxes	-1.5	1.2	-0.2	-0.7
Increase (-)/decrease (+) in prepaid expenses/deferred income	-0.9	3.3	-1.6	1.1
Increase (+)/decrease (-) in provisions	1.2	-7.1	3.8	-9.7
Increase (+)/decrease (-) in trade payables	-1.3	-8.1	-4.8	-8.6
Increase (+)/decrease (-) in other liabilities	-1.8	-5.9	-11.5	-13.0
Gain (-)/loss (+) on disposals of non-current assets	0.0	0.0	0.0	0.0
Cash received (+) from/cash paid (-) for income taxes	-4.4	-6.0	-7.4	-10.9
<b>Cash flow from operating activities</b>	<b>24.7</b>	<b>6.9</b>	<b>38.2</b>	<b>7.6</b>

## Cash flow statement (cont'd)

<b>Cash flow statement (€m)</b>				
	Q2 2023/24	Q2 2024/25	HY 2023/24	HY 2024/25
Cash received (+) from disposals of property, plant and equipment	0.0	-	0.0	-
Cash paid (-) for investments in intangible assets	-0.0	-0.2	-0.1	-0.4
Cash paid (-) for investments in property, plant and equipment	-4.6	-4.3	-7.9	-9.1
Interest received (+)	2.1	1.2	3.3	2.5
<b>Cash flow from investing activities</b>	<b>-2.4</b>	<b>-3.3</b>	<b>-4.7</b>	<b>-7.0</b>
Cash paid (-) for subsidies/grants	-0.0	-	-0.0	-
Cash paid (-) for lease liabilities	-2.5	-0.0	-5.0	1.0
Interest paid (-)	-4.2	-4.5	-8.1	-9.1
Dividends paid (-)	-49.5	-	-49.5	-
<b>Cash flow from financing activities</b>	<b>-56.2</b>	<b>-4.6</b>	<b>-62.6</b>	<b>-8.1</b>
<b>Net increase (+)/decrease (-) in cash and cash equivalents</b>	<b>-34.0</b>	<b>-0.9</b>	<b>-29.1</b>	<b>-7.6</b>
Effect of exchange rate fluctuations on cash and cash equivalents	0.7	-1.0	0.2	-1.5
Cash and cash equivalents at the beginning of the reporting period	169.9	134.4	165.5	141.5
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>136.6</b>	<b>132.4</b>	<b>136.6</b>	<b>132.4</b>

# EBIT adjustments

<b>EBIT adjustments (€m)</b>					
	Q2 2023/24	Q2 2024/25	HY 2023/24	HY 2024/25	
Revenue	171.9	139.4	347.1	279.5	
<b>EBIT</b>	<b>13.3</b>	<b>11.9</b>	<b>33.3</b>	<b>23.3</b>	
EBIT margin	7.7%	8.6%	9.6%	8.3%	
Restructuring	4.5	0.0	4.5	0.0	
Single impairments	-	-	-	2.6	
Others	0.2	0.0	0.2	0.3	
Exceptional items	0.2	0.0	0.2	2.9	
Discontinued operations	-	-	-	-	
Adjustments	4.7	0.1	4.7	2.9	
<b>Adj. EBIT</b>	<b>18.0</b>	<b>12.0</b>	<b>38.0</b>	<b>26.2</b>	
Adj. EBIT margin	10.4%	8.6%	10.9%	9.4%	

## Definitions and basis of preparation of the financial information

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- **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 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
- **Days sales outstanding (DSO)** is defined by dividing trade receivables (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
- **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

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## Date of publication

14 November 2024

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## Financial information

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

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