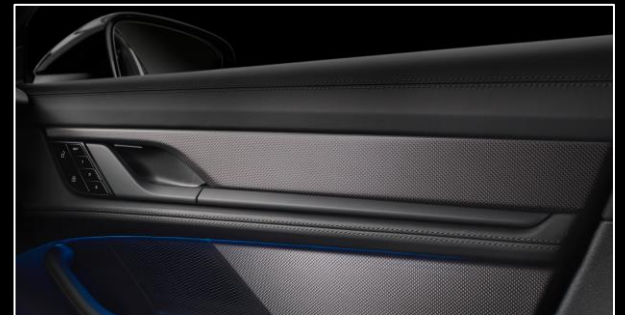
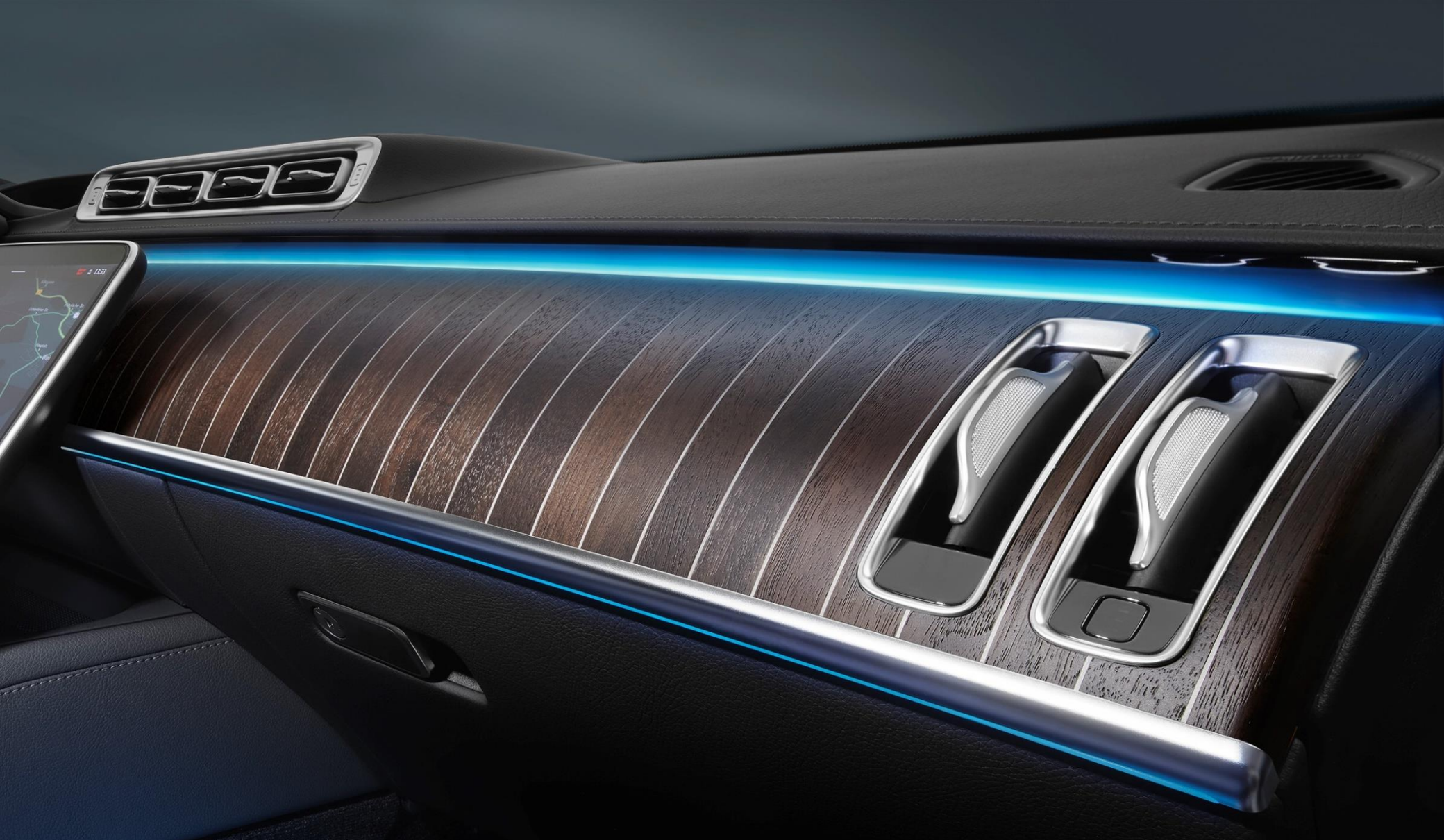




17 August 2023

Q1 2023/24 Results











1 OVERVIEW

Q1 2023/24 key events

- In the first quarter of 2023/24, total revenue of €175.2m was down versus the same period last year by -3.7%
- Trading conditions in Europe remained challenging with continued volatile call-offs from OEMs
- Amongst others, Stellantis platforms (Alfa Romeo, Maserati) recorded around one-third lower than prior year
- Robust Adj. EBIT margin of 11.4% of revenue was partly supported by customer compensation payments
- Utilisation of manufacturing footprint to be further optimised as part of a regular review process
- Novem secured a fully electric luxury vehicle called E12 from Avatr – a Huawei backed Chinese joint venture
- This marks the next key milestone in strengthening the Group's position in the Chinese market
- Local Tech Centre in Langfang proved to be pivotal to the acquisition of this new Chinese premium customer

Solid margin development in a challenging market environment

Q1 2023/24 financial highlights

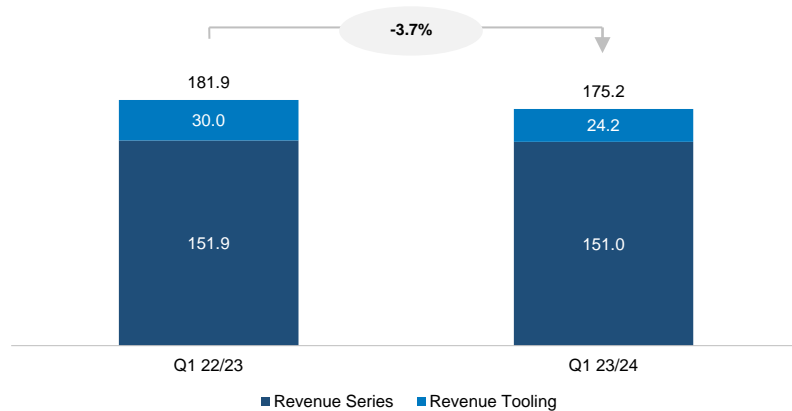
| | Q1 2022/23 |  | Q1 2023/24 |
|------------------------------|------------|---|------------|
| Revenue (€m) | 181.9 |  | 175.2 |
| Adj. EBIT (€m) | 21.4 |  | 20.0 |
| Adj. EBIT margin (%) | 11.8% |  | 11.4% |
| Free cash flow (€m) | -2.5 |  | 11.2 |
| Net leverage (x Adj. EBITDA) | 1.6x |  | 1.0x |



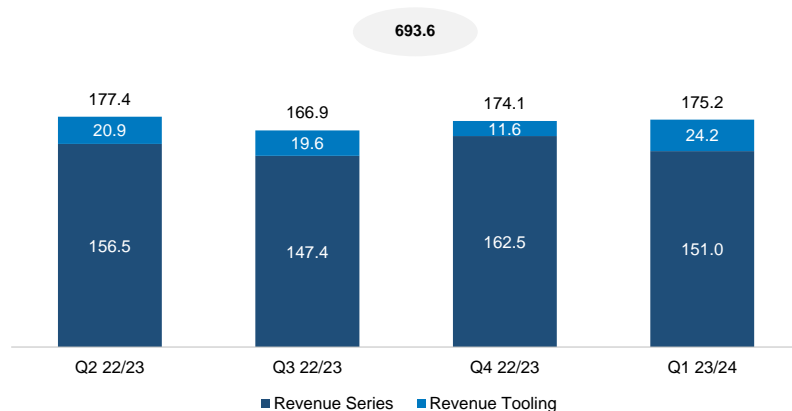
2 GROUP RESULTS

Revenue

Revenue (€m)



LTM revenue (€m)

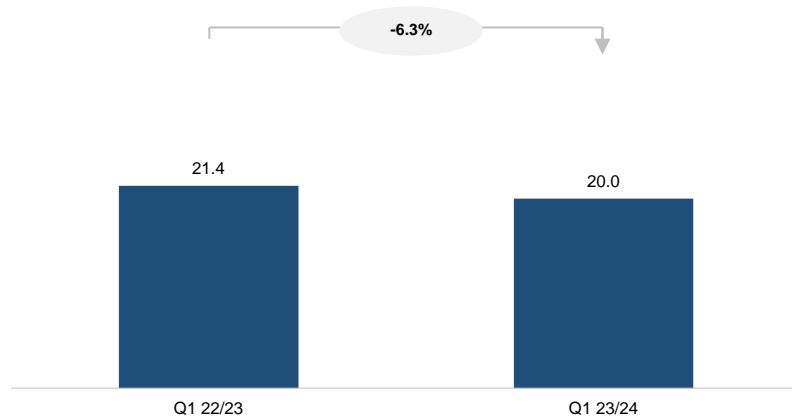


Highlights

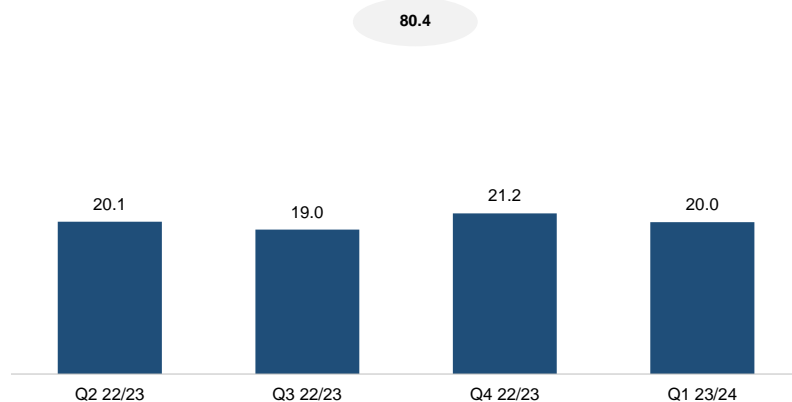
- In Q1 2023/24, total revenue of €175.2m fell behind previous year by €-6.7m or -3.7%
- Measured at constant foreign exchange rates, Q1 revenue would have been higher by €+2.2m or +1.3%
- The remaining decline was primarily attributable to Tooling, whilst Series recorded almost on PY level
- LMC reported y/y growth of +16.8% in LVP from 19.0m to 22.2m units for the respective quarter
- Revenue Series of €151.0m developed sideways only as a result of the weak demand for several platforms in Europe
- Revenue Tooling of €24.2m fell well behind PY because of timing reasons and contributed the most to the overall sales decline
- LTM Revenue recorded at €693.6m, down by -1.0% compared to the preceding quarter

Adj. EBIT

Adj. EBIT (€m)



LTM Adj. EBIT (€m)

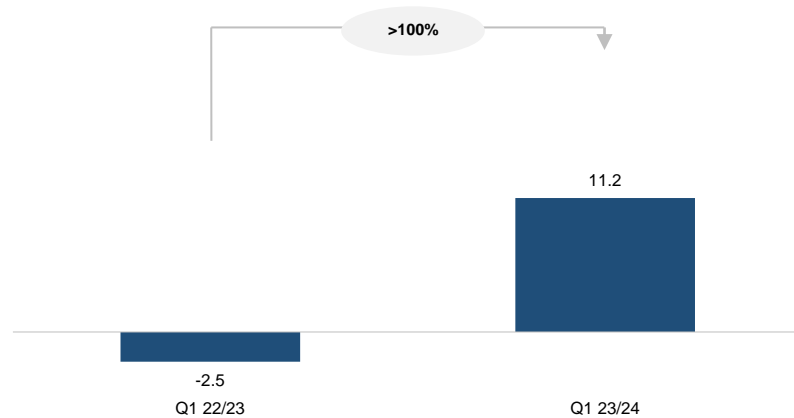


Highlights

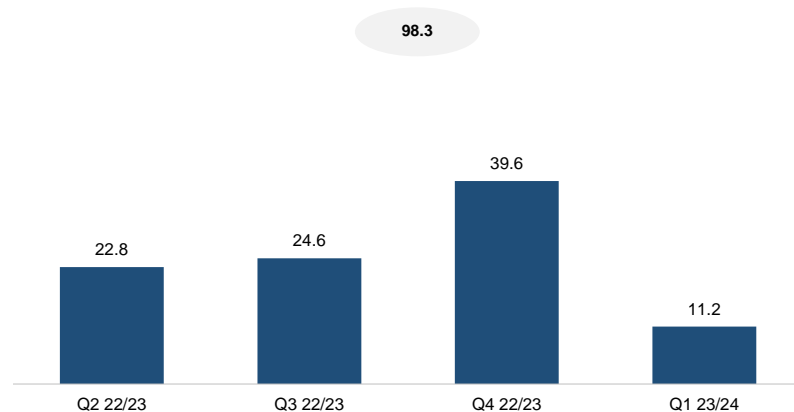
- Adj. EBIT in Q1 2023/24 was below prior year by €-1.4m resulting in a solid margin of 11.4% for the period under review
- Weak and unsteady call-offs led to inefficiencies in several plants, especially in Bergamo, Pilsen and Žalec
- Demand fluctuations had to be absorbed by increased personnel capacities (including overtime and leased workers)
- Furthermore, the operating performance suffered from a negative product mix and model changes (SOP/EOP)
- On the other hand, material prices and freight expenses declined in comparison to previous year
- In addition, bottom line was supported by customer compensation payments, primarily in Europe
- As a result of the nearly unchanged profitability, LTM Adj. EBIT in the amount of €80.4m declined only marginally by -1.7%

Free cash flow

Free cash flow (€m)



LTM free cash flow (€m)

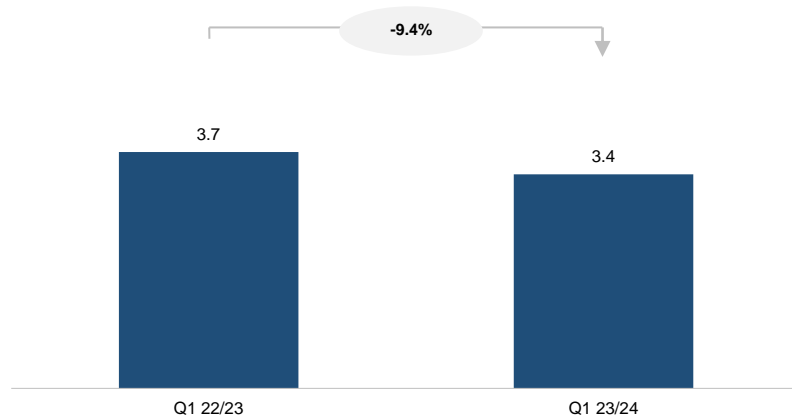


Highlights

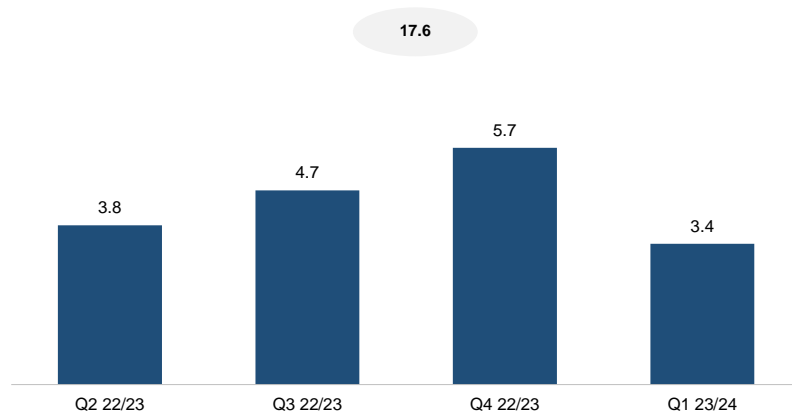
- Novem generated a free cash flow of €11.2m in Q1 2023/24 and outperformed last year by €+13.7m
- Cash flow from operating activities (€+13.5m) was ahead of prior year by €+13.8m due to the following reasons:
 - Lower other receivables (€+7.4m) and trade receivables (€+5.2m) as well as higher profit (€+4.7m); conversely, higher tax payments (€-1.5m), other non-cash income (€-1.3m) and Others (€-0.7m)
- Cash flow from investing activities of €-2.2m stood basically at the same level as last year
- On a last twelve-month basis, free cash flow of €98.3m exceeded the previous record of €90.1m in Q3 2022/23
- Cash conversion for the relevant reporting period remained below the run rate but was well ahead of prior year

Capital expenditure

Capital expenditure (€m)



LTM capital expenditure (€m)

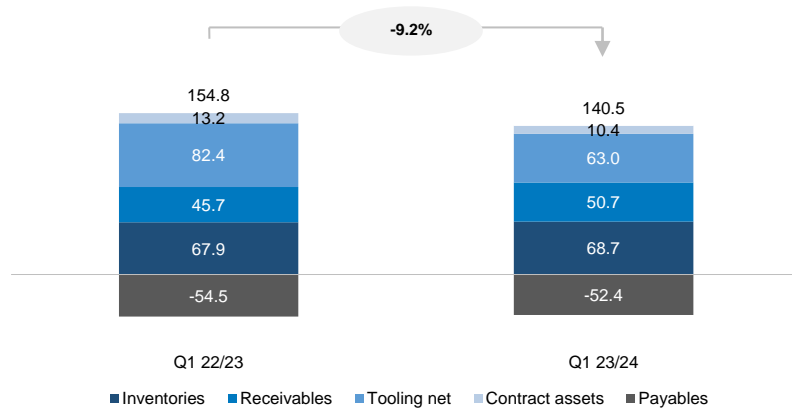


Highlights

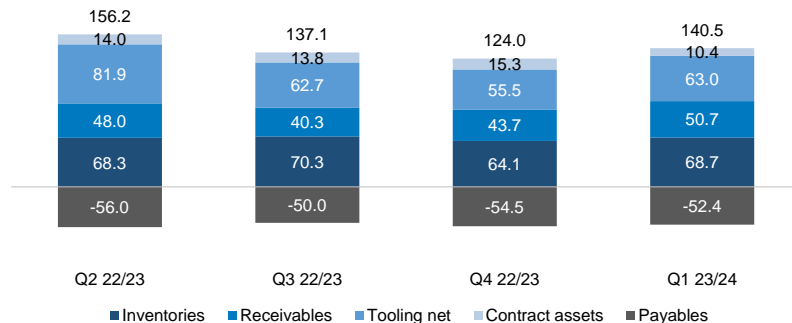
- In Q1 2023/24, capital expenditure of €3.4m recorded on a similar level as previous year
- Based on total revenue of €175.2m, the underlying capex ratio of 1.9% equalled last year's number of 2.1%
- Majority of capital expenditure was invested in Langfang (€1.3m), Pilsen (€0.7m) and Querétaro (€0.7m)
- Over the last twelve months, cumulative capex of €17.6m implied a ratio of 2.5% of revenue (€693.6m)
- Stable asset base that does not require significant investments in the current production footprint

Total working capital

Total working capital (€m)



LTM total working capital (€m)

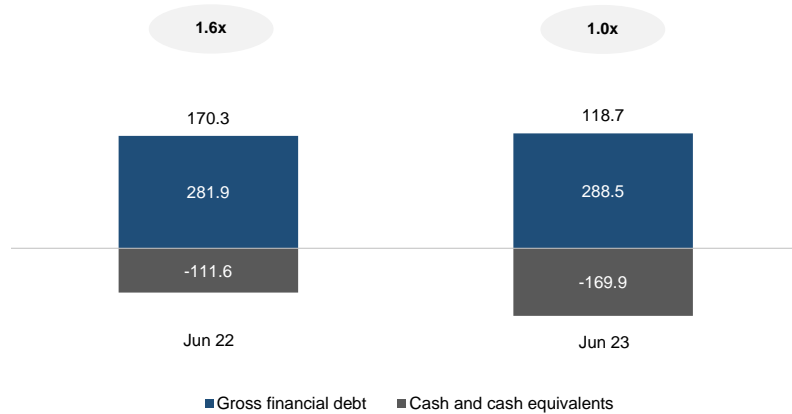


Highlights

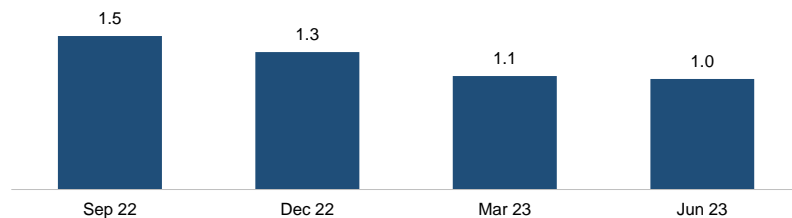
- As of 30 June 2023, total working capital stood at €140.5m, down by -9.2% versus last year
- Positive deviation of €+14.2m came to a large extent from tooling net (€+19.4m) and contract assets (€+2.8m); favourable variance was diminished by higher trade receivables (€-5.1m), lower trade payables (€-2.1m) and higher inventories (€-0.8m)
- Lower tooling net was mainly driven by deferred cash out-flow for several projects; conversely, trade receivables rose due to higher overdue balances
- As of 30 June 2023, total working capital in % of LTM revenue stood at 20.3% compared to 24.2% last year
- However, trade working capital, by definition excluding tooling net and contract assets, increased from €59.1m to €67.1m
- If measured in days outstanding, DIO of 41 days (40 PY), DSO of 36 days (35 PY) and DPO of 55 days (55 PY) remained stable

Capital structure

Net financial debt (€m)



LTM net leverage ratio



Highlights

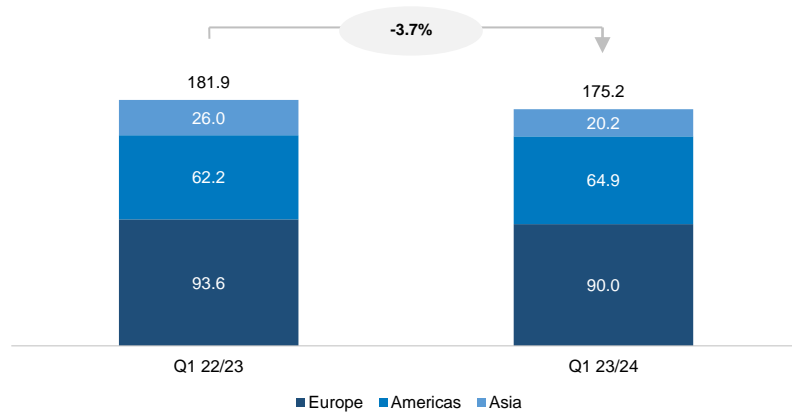
- As of 30 June 2023, gross financial debt of €288.5m recorded at prior year's level, while cash balances increased significantly
- Lease liabilities, by definition forming part of gross financial debt, stood at €39.2m (€34.0m PY)
- Principal sources of funds included €169.9m cash (€111.6m PY) and €43.8m non-recourse factoring (€40.6m PY)
- Net financial debt as of 30 June 2023 recorded at €118.7m and, therefore, further improved since last year (€170.3m PY)
- Once more, net leverage ratio enhanced to a new record low of 1.0x over the previous twelve months
- In view of the further deleveraged balance sheet and the strong free cash flow, a dividend of €1.15 per share is proposed to the Annual General Meeting on 24 August 2024



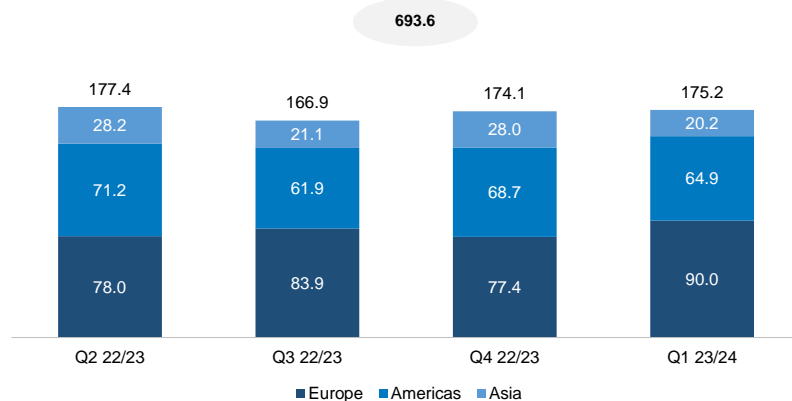
3 RESULTS BY OPERATING SEGMENTS

Revenue by operating segments

Revenue by region (€m)



LTM revenue by region (€m)

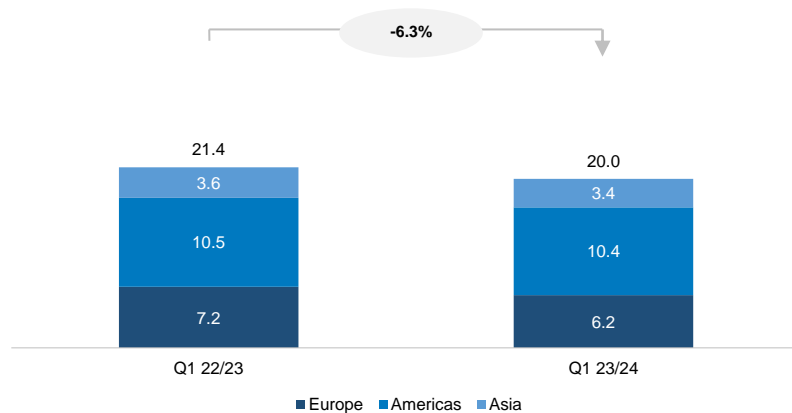


Highlights

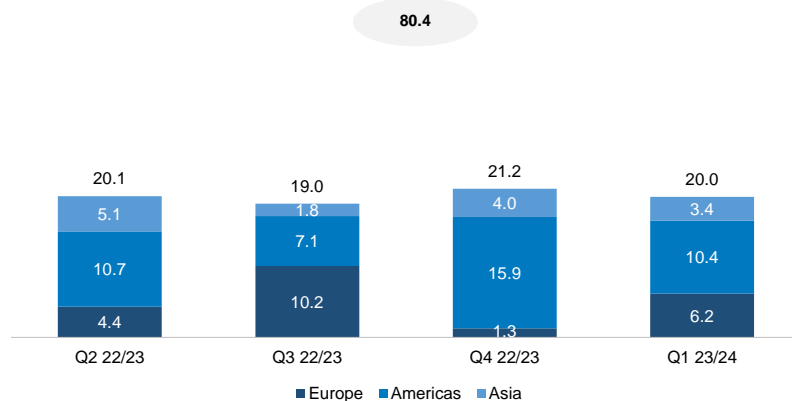
- From a geographic perspective, revenue declined both in Europe and Asia, while Americas could almost close the total variance of the Group against prior year
- Lower revenue in Europe (€-3.6m y/y) was mainly driven by weak demand for several platforms (e.g. Alfa Romeo, Maserati) and the phase-out of certain programs (MB GLC, BMW 5-series)
- Americas (€+2.7m y/y) outperformed prior year despite a negative FX impact and showed continued growth momentum in the region backed by the strong demand for SUVs
- Reduced revenue in Asia (€-5.8m y/y) was attributable to Tooling (€-7.7m y/y), whilst Series revenue (€+1.9m y/y) remained strong and was well supported by the delayed EOP of MB E-class
- LTM revenue showed the following distribution across the regions: 47.5% Europe, 38.5% Americas and 14.1% Asia

Adj. EBIT by operating segments

Adj. EBIT by region (€m)



LTM Adj. EBIT by region (€m)



Highlights

- On a segmental basis, Adj. EBIT in Americas and Asia developed sideways, while Europe fell short of prior year
- In Europe, Adj. EBIT of €6.2m (€7.2m PY) was largely affected by operational inefficiencies in several plants resulting from poor and volatile customer call-offs
- On the other hand, the result in the region Europe was favourably influenced by customer compensation payments, decreased input costs and lower freight expenses
- In Americas, the strong top line helped the region to accomplish a robust Adj. EBIT of €10.4m (€10.5m PY)
- In Asia, Adj. EBIT of €3.4m reached basically prior year's level of €3.6m and was driven by buoyant revenue Series and mix, which could almost completely offset the deviation from Tooling
- Compared to the preceding quarter, LTM Adj. EBIT in the amount of €80.4m shrank by €-1.4m



4 QUESTIONS & ANSWERS



5 APPENDIX

Profit and loss statement

| Profit and loss statement (€m) | | |
|--|--------------|--------------|
| | Q1 2022/23 | Q1 2023/24 |
| Revenue | 181.9 | 175.2 |
| Increase or decrease in finished goods and work in process | -1.3 | -6.3 |
| Total operating performance | 180.6 | 168.9 |
| Other operating income | 4.5 | 1.7 |
| Cost of materials | -93.4 | -80.4 |
| Personnel expenses | -41.4 | -43.5 |
| Depreciation, amortisation and impairment | -8.0 | -8.2 |
| Other operating expenses | -20.9 | -18.4 |
| Adj. EBIT | 21.4 | 20.0 |
| Adjustments | -0.3 | -0.0 |
| Operating result (EBIT) | 21.1 | 20.0 |
| Finance income | 0.8 | 2.0 |
| Finance costs | -8.4 | -4.4 |
| Financial result | -7.5 | -2.4 |
| Income taxes | -4.6 | -3.1 |
| Deferred taxes | -0.5 | -1.4 |
| Income tax result | -5.1 | -4.4 |
| Profit for the period | 8.5 | 13.2 |

Balance sheet

Balance sheet (€m)

| | 30 Jun 2022 | 30 Jun 2023 | | 30 Jun 2022 | 30 Jun 2023 |
|---------------------------------|--------------|--------------|--------------------------------------|--------------|--------------|
| | | | Total equity | 85.3 | 119.0 |
| Intangible assets | 2.9 | 2.3 | Pensions and similiar obligations | 35.1 | 27.1 |
| Property, plant and equipment | 182.6 | 181.9 | Tax liabilities | - | - |
| Trade receivables | 50.1 | 47.5 | Other provisions | 3.2 | 1.4 |
| Other non-current assets | 12.6 | 10.3 | Financial liabilities | 247.8 | 248.4 |
| Deferred tax assets | 18.9 | 7.5 | Other liabilities | 29.2 | 33.2 |
| | | | Deferred tax liabilities | 4.0 | 1.2 |
| Total non-current assets | 267.0 | 249.4 | Total non-current liabilities | 319.3 | 311.3 |
| Inventories | 125.1 | 114.1 | Tax liabilities | 16.4 | 18.8 |
| Trade receivables | 51.4 | 55.0 | Other provisions | 47.6 | 49.2 |
| Other receivables | 30.7 | 36.2 | Financial liabilities | 4.8 | 1.0 |
| Other current assets | 15.6 | 13.5 | Trade payables | 61.6 | 56.7 |
| Cash and cash equivalents | 111.6 | 169.9 | Other liabilities | 66.4 | 82.1 |
| Total current assets | 334.3 | 388.6 | Total current liabilities | 196.8 | 207.8 |
| Assets | 601.3 | 638.1 | Equity and liabilities | 601.3 | 638.1 |

Cash flow statement

Cash flow statement (€m)

| | Q1 2022/23 | Q1 2023/24 |
|---|-------------|-------------|
| Profit for the period | 8.5 | 13.2 |
| Income tax expense (+)/income (-) | 4.6 | 3.1 |
| Financial result (+)/(-) net | 0.9 | 3.2 |
| Depreciation, amortisation and impairment (+) | 8.0 | 8.2 |
| Other non-cash expenses (+)/income (-) | 0.5 | -0.8 |
| Increase (-)/decrease (+) in inventories | 5.5 | 2.9 |
| Increase (-)/decrease (+) in trade receivables | -14.9 | -9.7 |
| Increase (-)/decrease (+) in other assets | -1.1 | 6.3 |
| Increase (-)/decrease (+) in deferred taxes | 0.5 | 1.4 |
| Increase (-)/decrease (+) in prepaid expenses/deferred income | -0.4 | -0.7 |
| Increase (+)/decrease (-) in provisions | 1.2 | 2.6 |
| Increase (+)/decrease (-) in trade payables | -2.8 | -3.6 |
| Increase (+)/decrease (-) in other liabilities | -8.7 | -9.7 |
| Gain (-)/loss (+) on disposals of non-current assets | 0.0 | 0.0 |
| Cash received (+) from/cash paid (-) for income taxes | -2.1 | -3.0 |
| Cash flow from operating activities | -0.3 | 13.5 |

Cash flow statement (cont'd)

| Cash flow statement (€m) | Q1 2022/23 | Q1 2023/24 |
|---|--------------|--------------|
| Cash received (+) from disposals of intangible assets | - | - |
| Cash received (+) from disposals of property, plant and equipment | 0.8 | - |
| Cash paid (-) for investments in intangible assets | -0.0 | -0.0 |
| Cash paid (-) for investments in property, plant and equipment | -3.7 | -3.3 |
| Interest received (+) | 0.8 | 1.2 |
| Cash flow from investing activities | -2.2 | -2.2 |
| Cash paid (-) for subsidies/grants | - | -0.0 |
| Cash paid (-) for lease liabilities | -2.0 | -2.5 |
| Interest paid (-) | -1.3 | -3.8 |
| Dividends paid (-) | - | - |
| Cash flow from financing activities | -3.3 | -6.3 |
| Net increase (+)/decrease (-) in cash and cash equivalents | -5.8 | 4.9 |
| Effect of exchange rate fluctuations on cash and cash equivalents | 0.4 | -0.5 |
| Cash and cash equivalents at the beginning of the reporting period | 117.0 | 165.5 |
| Cash and cash equivalents at the end of the reporting period | 111.6 | 169.9 |

EBIT adjustments

| EBIT adjustments (€m) | | |
|-------------------------|-------------|-------------|
| | Q1 2022/23 | Q1 2023/24 |
| Revenue | 181.9 | 175.2 |
| EBIT | 21.1 | 20.0 |
| EBIT margin | 11.6% | 11.4% |
| Restructuring | - | - |
| Material quality claims | - | - |
| Onerous contracts | - | - |
| Covid-19 costs | 0.2 | - |
| Others | 0.1 | 0.0 |
| Exceptional items | 0.3 | 0.0 |
| Discontinued operations | - | - |
| Adjustments | 0.3 | 0.0 |
| Adj. EBIT | 21.4 | 20.0 |
| Adj. EBIT margin | 11.8% | 11.4% |

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, 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

Further information and disclaimer

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17 August 2023

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