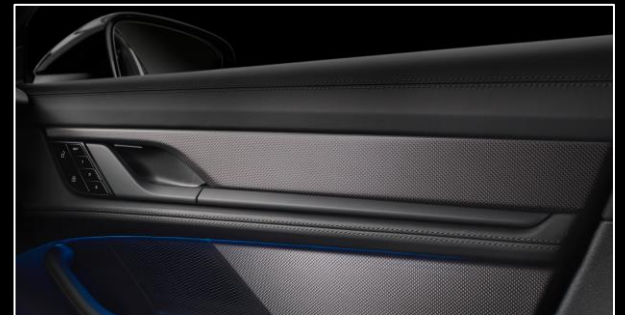
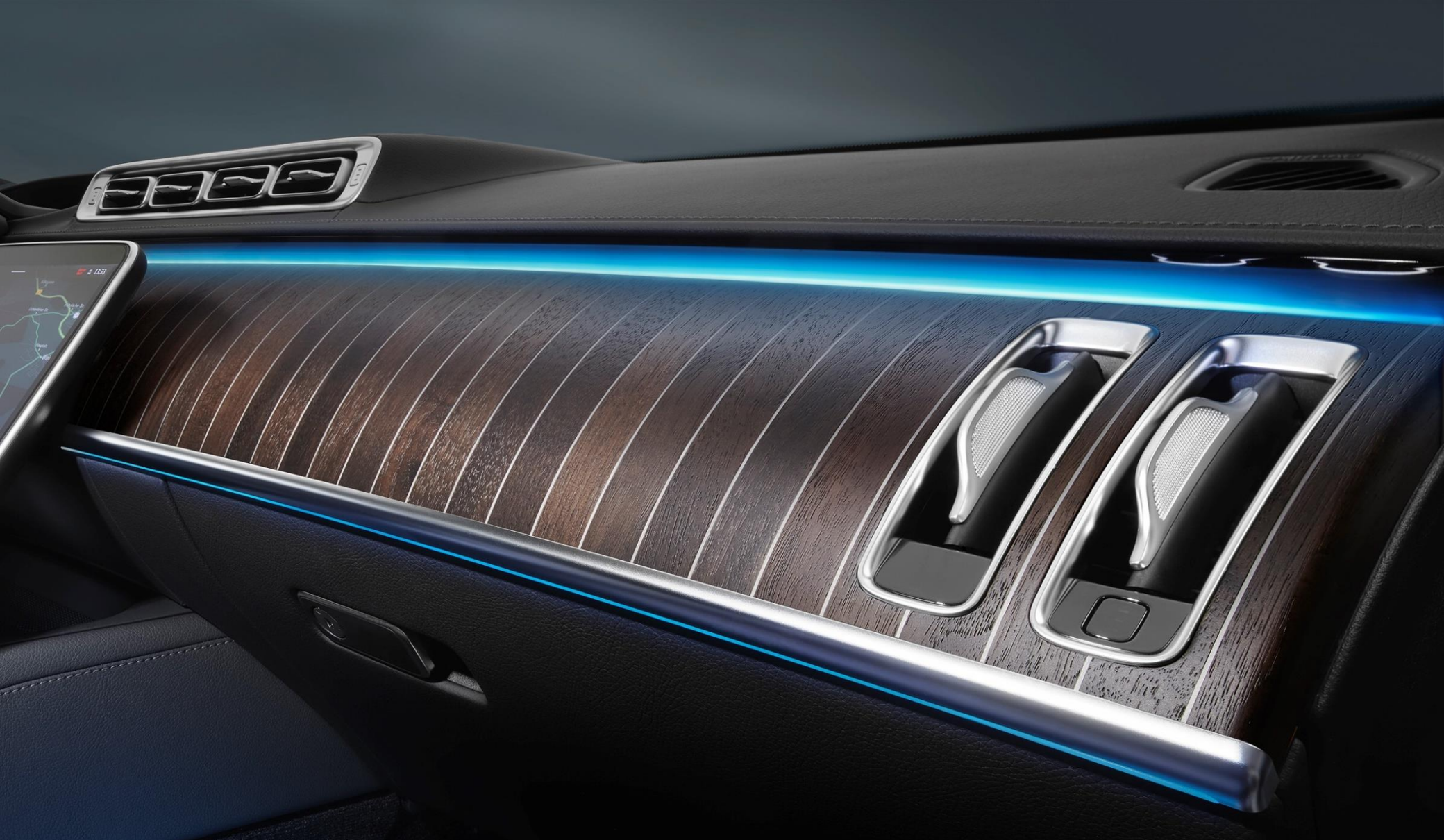




01 June 2023

# FY 2022/23 Preliminary Results





# 1 OVERVIEW







## Q4 2022/23 key events

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- Backed by strong revenue in Q4, Novem could again break the €700m mark in 2022/23 (+14.0% y/y)
- Adjusted for favourable foreign exchange effects, organic growth would have recorded at +8.9%
- Robust margin development throughout the whole year with Adj. EBIT of €81.7m (11.7% of revenue)
- Adverse impact from higher input costs on material, energy and transport prevailed in Q4 2022/23
- Instability of some suppliers in Europe created additional temporary pressure on the purchasing side
- Outstanding free cash flow in the last quarter put the full-year number up to €84.5m (PY: €65.0m)
- Cash reserves reached a record level of €165.5m demonstrating the Group's funding capability
- Net leverage ratio of 1.1x came down to the lowest level since refinancing the business in July 2021

**Strong top line growth with a stable margin development**

## Q4 2022/23 financial highlights

	Q4 2021/22		Q4 2022/23
Revenue (€m)	159.3		174.1
Adj. EBIT (€m)	22.3		21.2
Adj. EBIT margin (%)	14.0%		12.2%
Free cash flow (€m)	45.2		39.6
Net leverage (x Adj. EBITDA)	1.5x		1.1x

# FY 2022/23 financial highlights

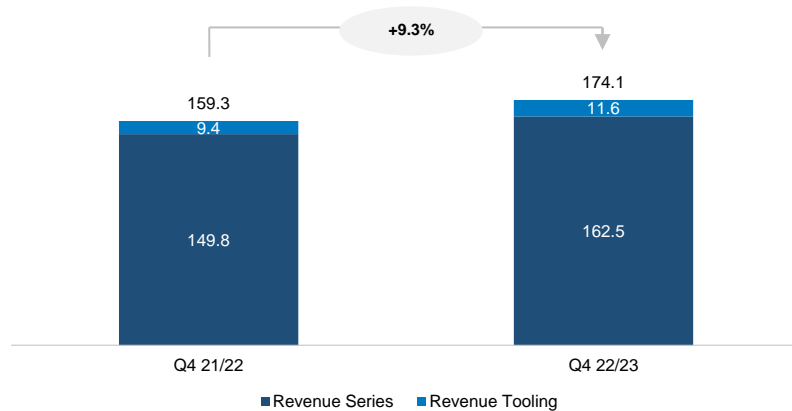
	FY 2021/22		FY 2022/23
Revenue (€m)	614.5		700.3
Adj. EBIT (€m)	80.9		81.7
Adj. EBIT margin (%)	13.2%		11.7%
Free cash flow (€m)	65.0		84.5
Net leverage (x Adj. EBITDA)	1.5x		1.1x



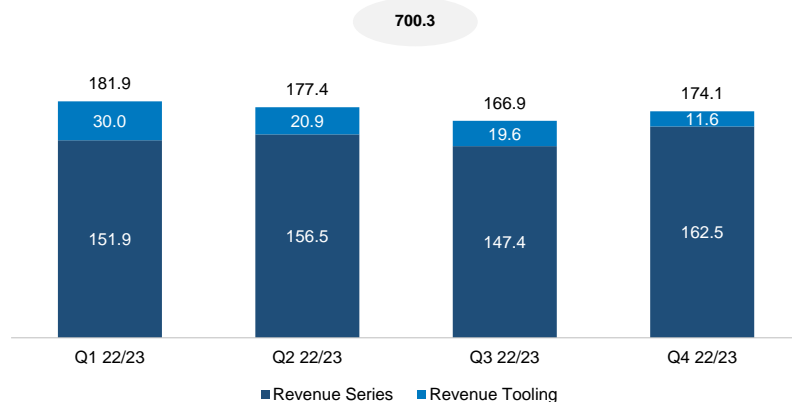
## 2 GROUP RESULTS

# Revenue

## Revenue (€m)



## LTM revenue (€m)

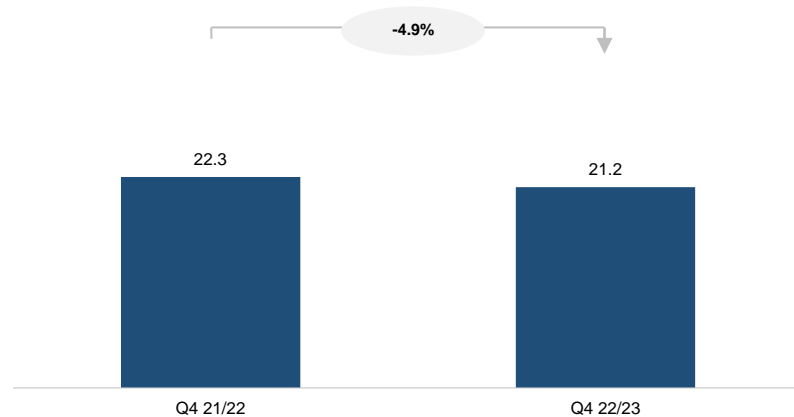


## Highlights

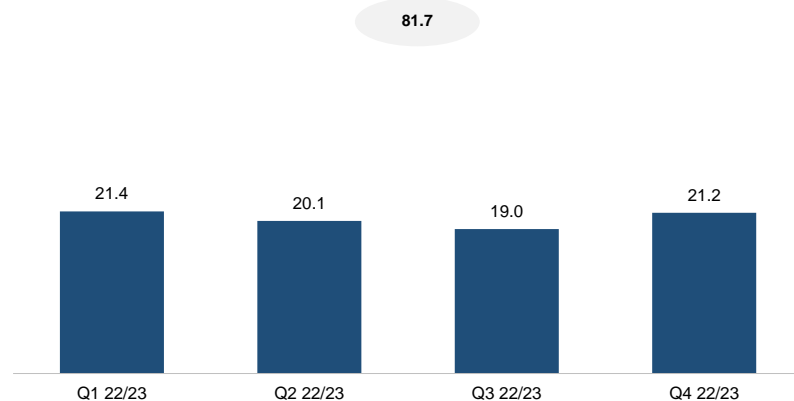
- In the last quarter of 2022/23, total revenue came in at €174.1m and outperformed PY by +9.3%
- Top line growth was again supported by positive FX effects; total revenue would have been lower by -1.7% at constant FX rates
- With revenue Series of €162.5m and robust growth of +8.4% y/y, Q4 was the strongest quarter in the financial year 2022/23
- LMC market data showed a noticeable increase in light vehicle production from 20.0m to 21.3m units (+6.8% y/y)
- Revenue Tooling of €11.6m ahead of last year (+23.4%) due to the closure of several projects (e.g. Lotus Lambda, Polestar 3)
- On a full-year basis, total revenue of €700.3m almost returned to the pre-pandemic record level of €711.1m in 2018/19

# Adj. EBIT

## Adj. EBIT (€m)



## LTM Adj. EBIT (€m)



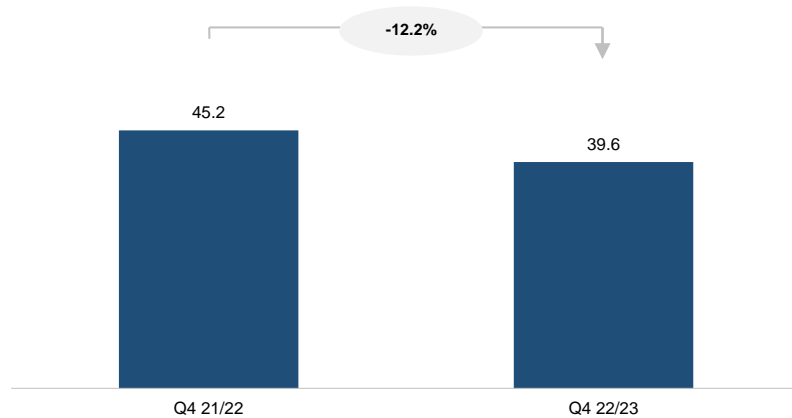
## Highlights

- Adj. EBIT in Q4 2022/23 of €21.2m recorded on a similar level in comparison to last year
- Profit margin of 12.2% improved sequentially but could not reach prior-year level at 14.0% (-1.8pp)
- Bottom line was again affected by higher material prices, to some extent driven by distressed suppliers, energy and freight costs
- However, further customer compensation payments could partly offset the negative impact of inflation
- Compared to last year, the higher share of Tooling in the overall revenue had a dilutive impact on the Adj. EBIT margin
- Full-year Adj. EBIT of €81.7m resulted in a profit margin of 11.7% for the financial year 2022/23

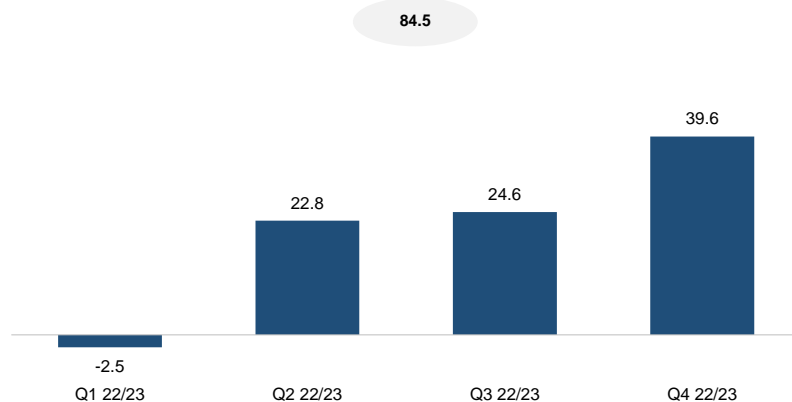


# Free cash flow

## Free cash flow (€m)



## LTM free cash flow (€m)

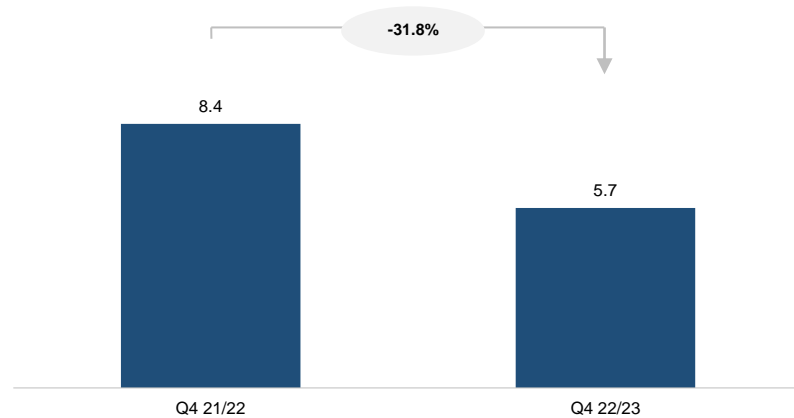


## Highlights

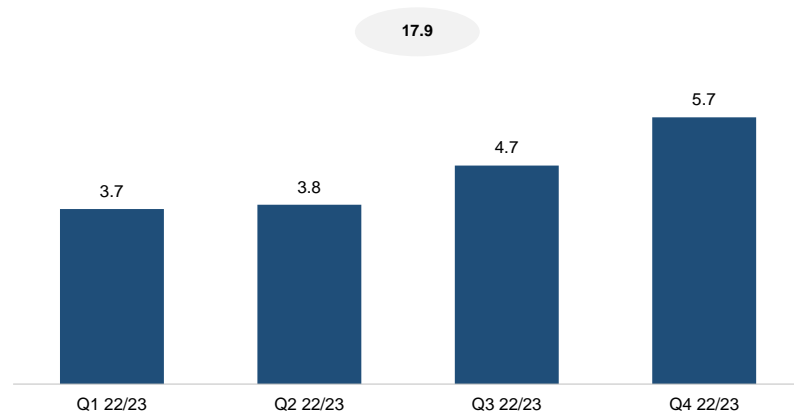
- Though not at the same level as previous year, Novem generated a strong free cash flow of €39.6m in Q4 2022/23
- Cash flow from operating activities (€44.4m) recorded at PY level (no deviation) with the following movements:
  - Lower inventories (€+21.9m), largely relating to Tooling, deferred taxes (€+16.1m) and provisions (€+10.2m); conversely, reduced trade payables (€-17.0m), decreased trade receivables (€-16.6m) and lower profit (€-14.4m) as well as Others (€-0.2m)
- Cash flow from investing activities of €-4.8m above PY of €0.8m, which was influenced by a currency translation adjustment
- For the financial year 2022/23, free cash flow recorded at €84.5m and exceeded PY by almost one third
- Despite difficult trading conditions, Novem reported a strong cash conversion of 74.0% (Adj. EBITDA / FCF)

# Capital expenditure

## Capital expenditure (€m)



## LTM capital expenditure (€m)

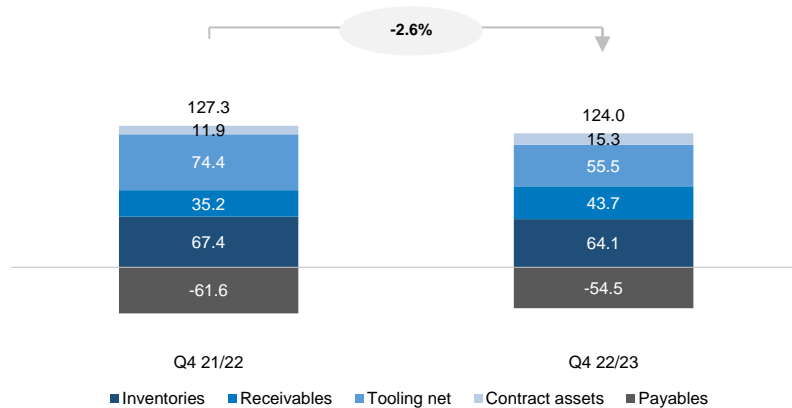


## Highlights

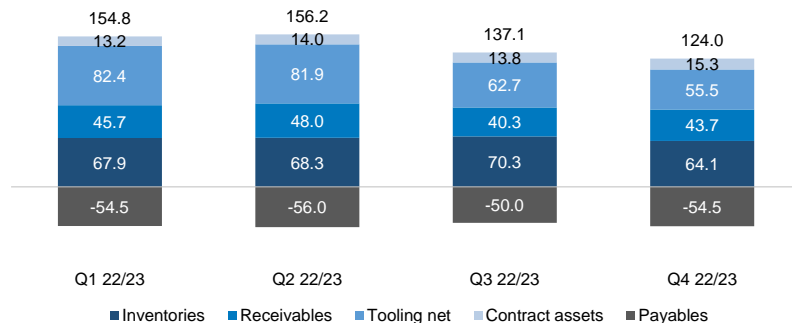
- In the last quarter of 2022/23, capital expenditure of €5.7m came in well below previous year of €8.4m
- Due to the lower investments, the underlying capex ratio of 3.3% of revenue also fell behind last year's level (5.2%)
- Above-average spending in prior year was predominantly driven by the additional capex relating to Faurecia
- For the whole financial year, Novem made overall investments of €17.9m almost evenly distributed across all quarters
- Majority of capital expenditure was allocated to China (€5.5m) in view of new product launches
- Capex ratio for the last twelve months recorded at 2.6% based on the annual revenue of €700.3m

# Total working capital

## Total working capital (€m)



## LTM total working capital (€m)

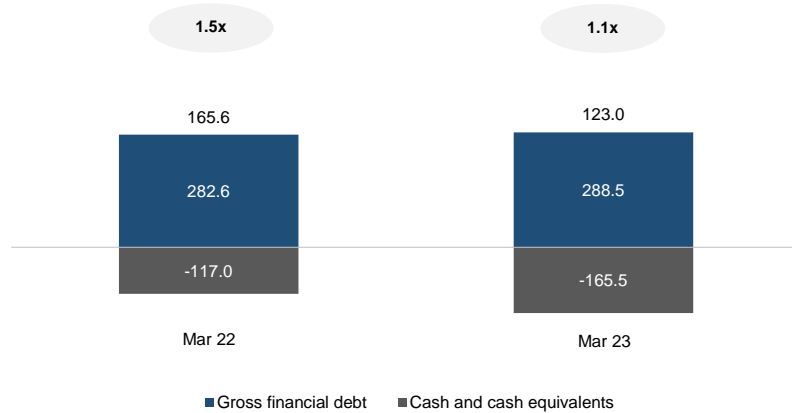


## Highlights

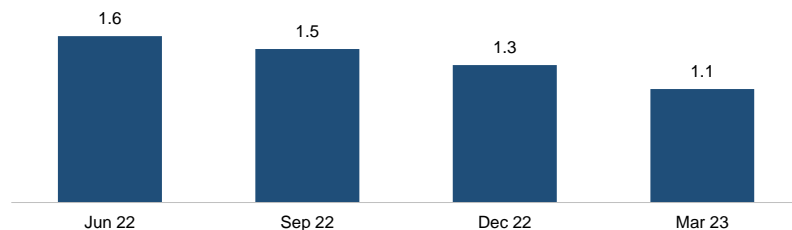
- As of 31 March 2023, total working capital stood at €124.0m and was therefore below last year by -2.6%
- Positive deviation of €+3.3m vs. PY attributable to lower tooling net (€+18.9m) and lower inventories (€+3.3m); on the other hand, higher trade receivables (€-8.5m), lower trade payables (€-7.1m) and higher contract assets (€-3.4m)
- Decline in tooling net was driven by material customer payments; conversely, trade receivables, trade payables and contract assets saw a negative impact from the higher revenue
- As percentage of LTM revenue, total working capital recorded at 17.7% as of 31 March 2023 (20.7% PY)
- However, trade working capital, by definition excluding tooling net and contract assets, rose to 7.6% of LTM revenue (6.4% PY)
- DIO further improved to 36 days (41 PY), while DPO of 50 days (62 PY) and DSO of 33 days (28 PY) developed unfavourably

# Capital structure

## Net financial debt (€m)



## LTM net leverage ratio



## Highlights

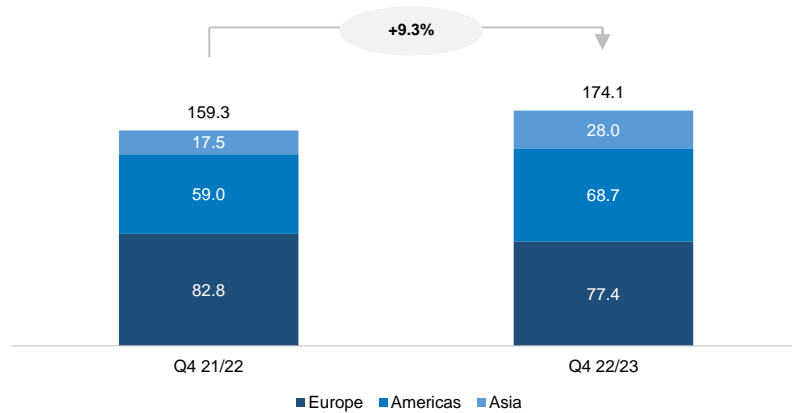
- As of 31 March 2023, gross financial debt of €288.5m remained at prior year's level, while cash balances increased considerably
- Lease liabilities, by definition forming part of gross financial debt, amounted to €39.1m (€34.9m PY)
- Principal sources of funds included €165.5m cash (€117.0m PY) and €54.0m non-recourse factoring (€47.8 PY)
- Net financial debt as of 31 March 2023 recorded at €123.0m and strengthened sequentially over last year (€165.6m PY)
- Net leverage ratio of 1.1x stood at the lowest level since the new financing was put in place after the IPO in July 2021
- Again, Novem proved to be able to deleverage its balance sheet even in difficult trading conditions



### 3 RESULTS BY OPERATING SEGMENTS

# Revenue by operating segments

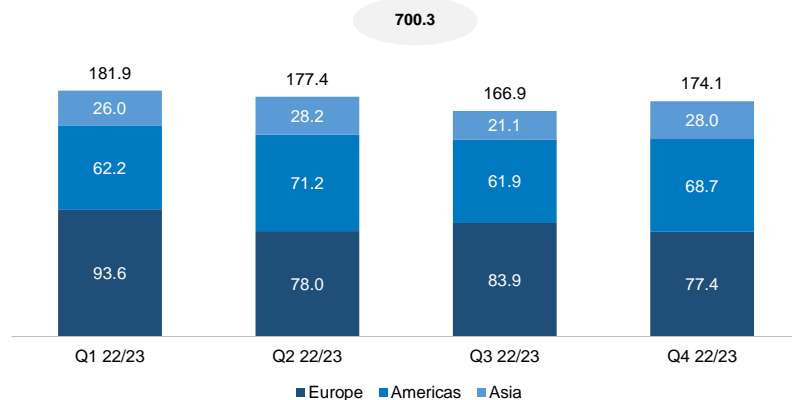
## Revenue by region (€m)



## Highlights

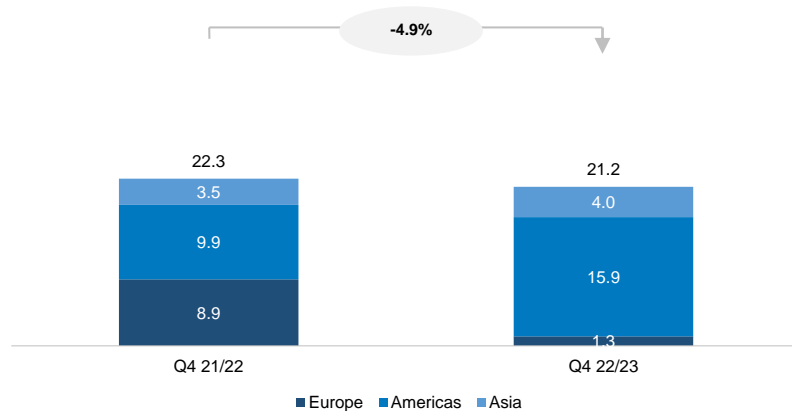
- Buoyant revenue growth in Q4 2022/23 was driven by both Asia and Americas, while Europe developed unfavourably
- Asia and Americas contributed top line growth of €+10.5m and €+9.7m respectively, while Europe declined by €-5.4m y/y
- Lower revenue in Europe due to Tooling, poor customer call-offs and the phase-out of certain platforms (MB GLC, BMW 5-series)
- Growth in Americas was supported by a positive FX impact from the USD and continued strong demand for SUVs
- Sharp rise in Asia resulted from increased revenue Tooling and the ramp-up of new programs (e.g. BMW X5, Lotus Lambda)
- Regionally, total revenue in 2022/23 was distributed as follows: 47.5% Europe, 37.7% Americas and 14.7% Asia

## LTM revenue by region (€m)



# Adj. EBIT by operating segments

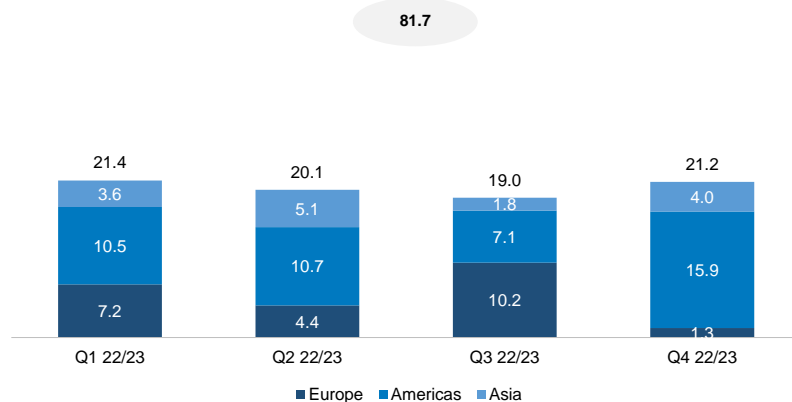
## Adj. EBIT by region (€m)



## Highlights

- On a regional basis, Adj. EBIT improved well in Americas, while Asia moved sideways and Europe fell short of previous year
- In Europe, Adj. EBIT of €1.3m (€8.9m PY) was badly affected by inflation, lower Tooling and volatile customer call-offs resulting in operational inefficiencies
- Material prices impacted by suppliers in insolvency proceedings; nonetheless, supply chain remained fully intact
- Americas delivered outstanding Adj. EBIT of €15.9m (€9.9m PY) supported by dynamic market demand, positive product mix and customer compensation payments
- In Asia, Adj. EBIT of €4.0m (€3.5m PY) benefited from increased revenue (Series, Tooling) but suffered from negative product mix
- Full-year Adj. EBIT of €81.7m increased by €+0.8m compared to last year and resulted in a solid profit margin of 11.7%

## LTM Adj. EBIT by region (€m)





4

## QUESTIONS & ANSWERS





# 5 APPENDIX

# Profit and loss statement

<b>Profit and loss statement (€m)</b>				
	Q4 2021/22	Q4 2022/23	FY 2021/22	FY 2022/23
Revenue	159.3	174.1	614.5	700.3
Increase or decrease in finished goods and work in process	13.0	-1.4	29.6	-7.5
<b>Total operating performance</b>	<b>172.3</b>	<b>172.7</b>	<b>644.1</b>	<b>692.8</b>
Other operating income	8.4	11.4	20.0	25.8
Cost of materials	-92.0	-88.4	-328.0	-354.7
Personnel expenses	-40.0	-44.6	-157.6	-167.7
Depreciation, amortisation and impairment	-7.9	-8.3	-30.9	-32.5
Other operating expenses	-18.6	-21.6	-66.8	-82.0
<b>Adj. EBIT</b>	<b>22.3</b>	<b>21.2</b>	<b>80.9</b>	<b>81.7</b>
<b>Adjustments</b>	<b>-1.3</b>	<b>-0.2</b>	<b>-8.0</b>	<b>-1.3</b>
<b>Operating result (EBIT)</b>	<b>21.0</b>	<b>21.0</b>	<b>72.9</b>	<b>80.5</b>
Finance income	1.5	5.3	3.4	3.6
Finance costs	-1.6	-3.9	-25.8	-13.1
<b>Financial result</b>	<b>-0.2</b>	<b>1.5</b>	<b>-22.4</b>	<b>-9.5</b>
Income taxes	-1.7	-1.9	-16.1	-15.7
Deferred taxes	9.5	-6.3	9.7	-5.2
<b>Income tax result</b>	<b>7.8</b>	<b>-8.3</b>	<b>-6.5</b>	<b>-20.9</b>
<b>Profit for the period</b>	<b>28.6</b>	<b>14.2</b>	<b>44.0</b>	<b>50.0</b>

## Balance sheet

### Balance sheet (€m)

	31 Mar 2022	31 Mar 2023		31 Mar 2022	31 Mar 2023
			<b>Total equity</b>	<b>67.7</b>	<b>107.3</b>
Intangible assets	3.1	2.4	Pensions and similar obligations	34.9	27.0
Property, plant and equipment	184.9	185.1	Tax liabilities		
Trade receivables	47.5	46.3	Other provisions	3.2	1.4
Other non-current assets	12.6	10.3	Financial liabilities	247.7	248.2
Deferred tax assets	18.8	8.3	Other liabilities	29.8	33.3
			Deferred tax liabilities	3.6	0.6
<b>Total non-current assets</b>	<b>267.0</b>	<b>252.5</b>	<b>Total non-current liabilities</b>	<b>319.1</b>	<b>310.6</b>
Inventories	129.4	116.3	Tax liabilities	13.8	19.1
Trade receivables	37.7	47.5	Other provisions	48.0	46.7
Other receivables	28.6	38.0	Financial liabilities	1.4	1.2
Other current assets	13.7	18.2	Trade payables	70.4	60.6
Cash and cash equivalents	117.0	165.5	Other liabilities	73.7	92.7
Assets held for sale	0.8				
<b>Total current assets</b>	<b>327.0</b>	<b>385.5</b>	<b>Total current liabilities</b>	<b>207.3</b>	<b>220.2</b>
<b>Assets</b>	<b>594.0</b>	<b>638.0</b>	<b>Equity and liabilities</b>	<b>594.0</b>	<b>638.0</b>

# Cash flow statement

## Cash flow statement (€m)

	Q4 2021/22	Q4 2022/23	FY 2021/22	FY 2022/23
Profit for the period	28.6	14.2	44.0	50.0
Income tax expense (+)/income (-)	1.7	1.9	16.1	15.7
Financial result (+)/(-) net	0.9	2.9	21.7	7.1
Depreciation, amortisation and impairment (+)	8.4	8.3	31.4	32.5
Other non-cash expenses (+)/income (-)	0.3	-2.3	0.9	-9.1
Increase (-)/decrease (+) in inventories	-15.8	6.1	-30.7	13.2
Increase (-)/decrease (+) in trade receivables	16.7	0.0	20.0	-9.4
Increase (-)/decrease (+) in other assets	1.2	-1.5	2.9	-3.2
Increase (-)/decrease (+) in deferred taxes	-9.8	6.4	-10.1	5.2
Increase (-)/decrease (+) in prepaid expenses/deferred income	2.0	1.0	1.0	1.9
Increase (+)/decrease (-) in provisions	-14.1	-3.9	-8.1	2.7
Increase (+)/decrease (-) in trade payables	21.5	4.6	8.2	-10.0
Increase (+)/decrease (-) in other liabilities	6.7	7.5	0.7	10.4
Gain (-)/loss (+) on disposals of non-current assets	0.0	0.0	0.0	0.1
Cash received (+) from/cash paid (-) for income taxes	-4.1	-0.9	-17.3	-8.7
<b>Cash flow from operating activities</b>	<b>44.4</b>	<b>44.4</b>	<b>80.5</b>	<b>98.3</b>

## Cash flow statement (cont'd)

<b>Cash flow statement (€m)</b>				
	Q4 2021/22	Q4 2022/23	FY 2021/22	FY 2022/23
Cash received (+) from disposals of intangible assets	0.1		0.0	
Cash received (+) from disposals of property, plant and equipment	-0.8	0.0	0.0	0.8
Cash paid (-) for investments in intangible assets	-0.3	-0.2	-0.4	-0.3
Cash paid (-) for investments in property, plant and equipment	1.1	-5.5	-18.1	-17.6
Interest received (+)	0.7	0.9	3.1	3.4
<b>Cash flow from investing activities</b>	<b>0.8</b>	<b>-4.8</b>	<b>-15.5</b>	<b>-13.8</b>
Cash repayments (-) of loans/cash received (+) from loans	0.2		247.6	
Cash received (+) from shareholders of the parent company	-0.6		48.8	
Cash repayments (-) of bond/cash received (+) from issuance of bond			-400.0	
Cash paid (-) for subsidies/grants	-0.0	-0.0	-0.0	-0.0
Cash paid (-) for lease liabilities	-2.3	-2.9	-8.4	-9.8
Interest paid (-)	-0.9	-3.3	-13.0	-8.5
Dividends paid (-)				-17.2
<b>Cash flow from financing activities</b>	<b>-3.6</b>	<b>-6.2</b>	<b>-124.9</b>	<b>-35.5</b>
<b>Net increase (+)/decrease (-) in cash and cash equivalents</b>	<b>41.6</b>	<b>33.4</b>	<b>-59.8</b>	<b>49.0</b>
Effect of exchange rate fluctuations on cash and cash equivalents	1.5	-0.4	1.5	-0.5
Cash and cash equivalents at the beginning of the reporting period	73.9	132.4	175.3	117.0
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>117.0</b>	<b>165.5</b>	<b>117.0</b>	<b>165.5</b>

# EBIT adjustments

<b>EBIT adjustments (€m)</b>				
	Q4 2021/22	Q4 2022/23	FY 2021/22	FY 2022/23
Revenue	159.3	174.1	614.6	700.3
<b>EBIT</b>	<b>21.0</b>	<b>21.0</b>	<b>72.9</b>	<b>80.5</b>
EBIT margin	13.2%	12.1%	11.9%	11.5%
Revenue	159.3	174.1	614.5 <sup>1</sup>	700.3
<b>Restructuring</b>				
Material quality claims			-0.1	
Onerous contracts	0.1		3.1	
Covid-19 costs	0.3	0.0	1.4	0.3
Transaction costs	-0.3		2.1	
Others	1.2	0.2	1.5	0.9
Exceptional items	1.3	0.2	8.0	1.3
<b>Discontinued operations</b>				
Adjustments	1.3	0.2	8.0	1.3
<b>Adj. EBIT</b>	<b>22.3</b>	<b>21.2</b>	<b>80.9</b>	<b>81.7</b>
Adj. EBIT margin	14.0%	12.2%	13.2%	11.7%

1) Including revenue-related adjustments

## 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
- **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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## Date of publication

01 June 2023

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## Financial information

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