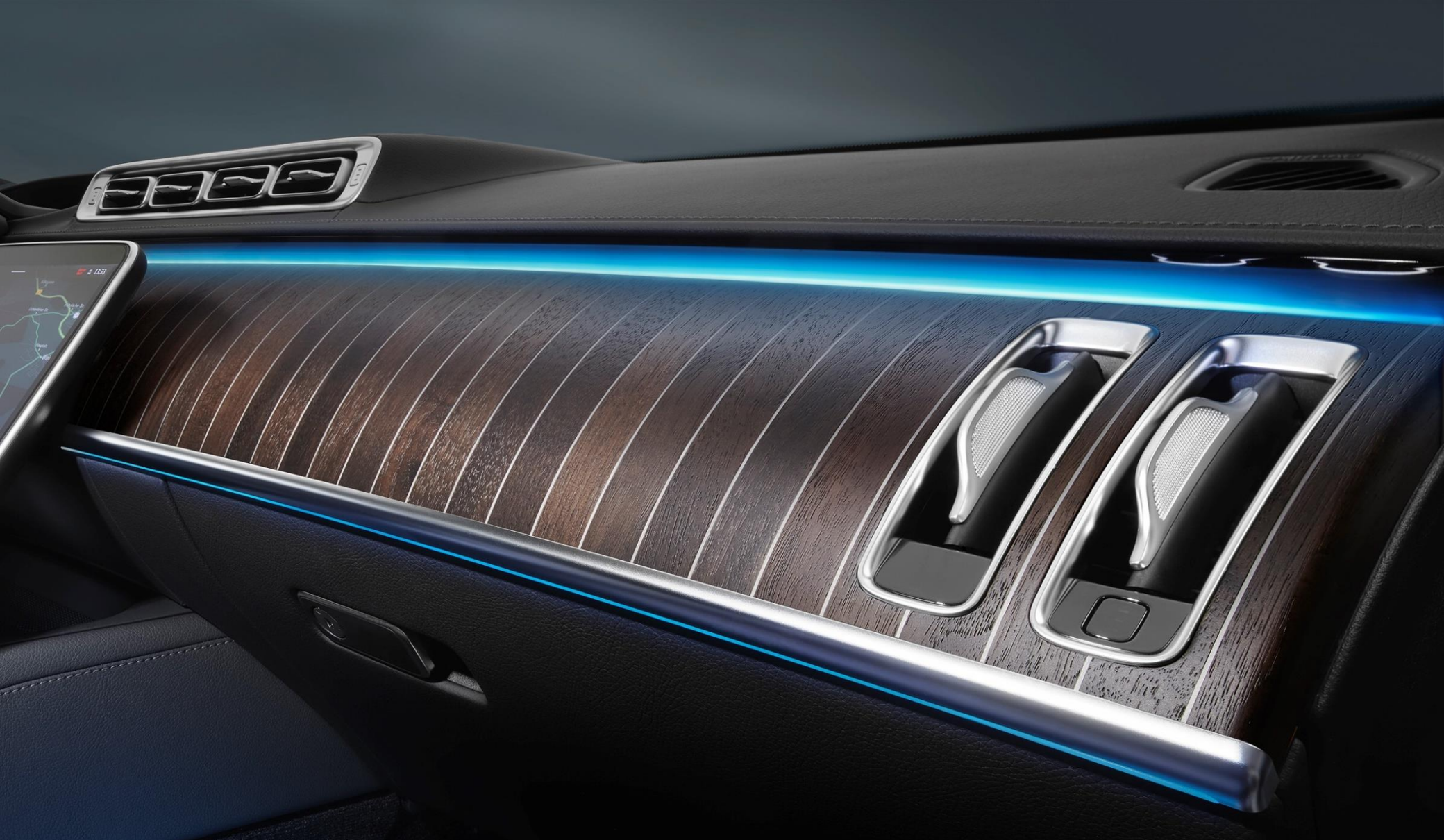




02 June 2022

# FY 2021/22 Preliminary Results





# 1 OVERVIEW








## Q4 2021/22 key events

---








- Due to its strong resilience Novem coped well with the continued difficult trading conditions in Q4 and FY 2021/22
- Russia's invasion of Ukraine has increased the geopolitical and economic uncertainty, particularly in Europe
- Military escalation has fuelled the surge in energy prices and amplified inflationary pressures worldwide
- Novem is not directly exposed to the war but affected by the indirect consequences of the supply chain disruptions
- Covid-19 lockdown in Shanghai and other provincial-level cities forced customers to stop or lower their production
- Novem further intensified negotiations with OEMs about price increases to compensate for rising input costs
- Despite these adverse conditions full year revenue of €614.5m equalled organic growth of +1.9% versus PY
- Full year Adj. EBIT of €80.9m translated into a solid profit margin of 13.2% compared to prior year's level of 14.3%

**Strong resilience helps Novem in the current market environment**

## Q4 2021/22 financial highlights

	Q4 2020/21		Q4 2021/22
Revenue (€m)	183.4		159.3
Adj. EBIT (€m)	34.6		22.3
Adj. EBIT margin (%)	18.9%		14.0%
Free cash flow (€m)	25.6		45.2
Cash conversion (%)	86.8%		72.3%
Net leverage (x Adj. EBITDA)	2.2x		1.5x

# FY 2021/22 financial highlights

	FY 2020/21		FY 2021/22
Revenue (€m)	602.8		614.5
Adj. EBIT (€m)	86.4		80.9
Adj. EBIT margin (%)	14.3%		13.2%
Free cash flow (€m)	89.7		65.0
Cash conversion (%)	86.5%		83.4%
Net leverage (x Adj. EBITDA)	2.2x		1.5x

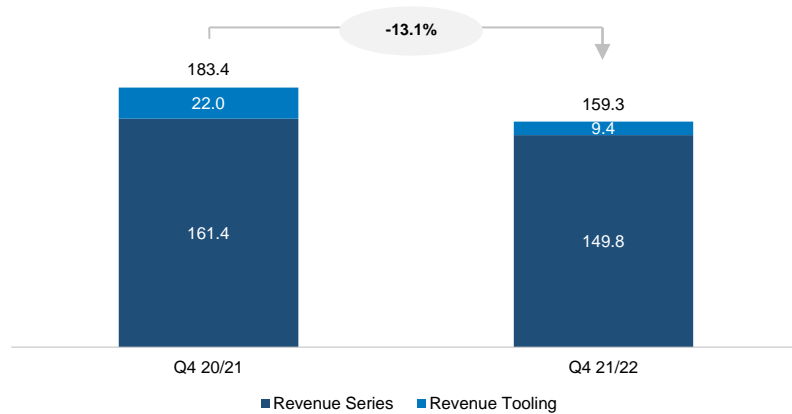




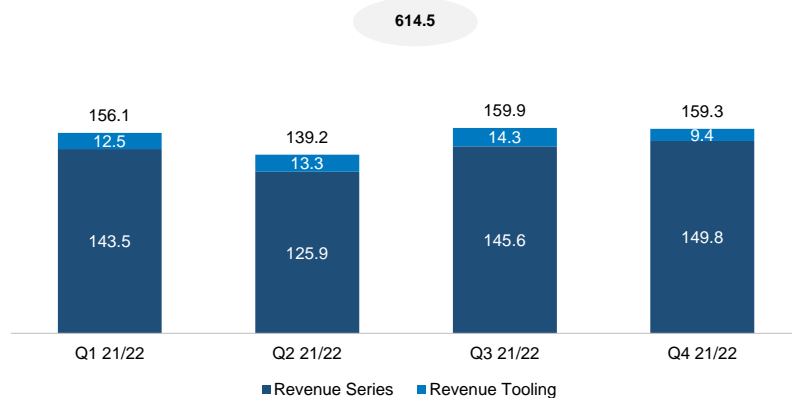
## 2 GROUP RESULTS

# Revenue

## Revenue (€m)



## LTM revenue (€m)

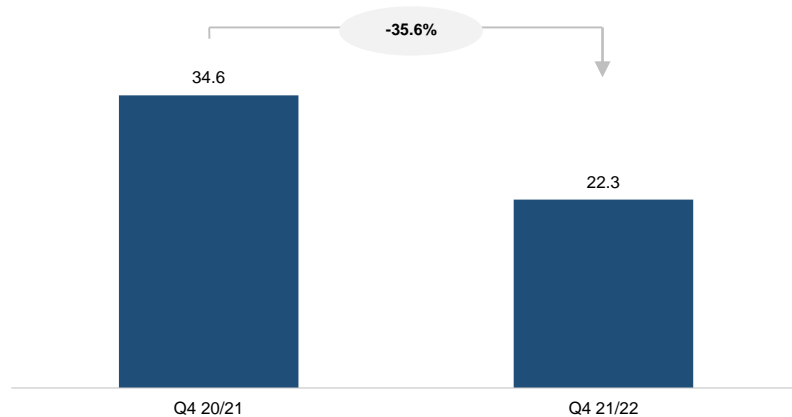


## Highlights

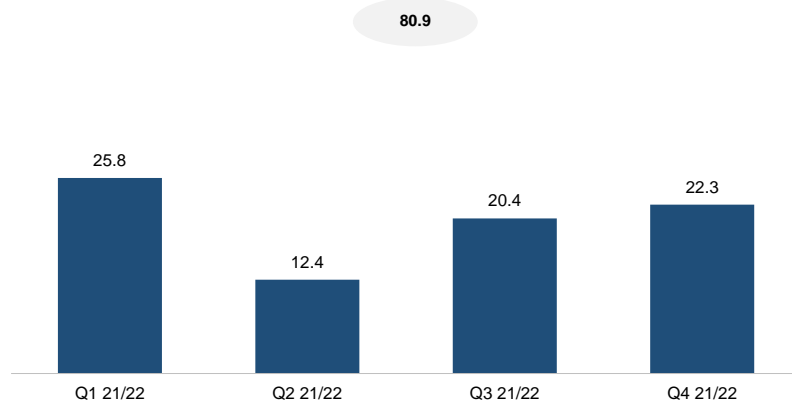
- Q4 2021/22 almost equalled previous quarter with total revenue of €159.3m (-13.1% y/y)
- Revenue Series fell short of PY by -7.2% to €149.8m due to the weaker customer call-offs
- Lower production volumes of OEMs mainly attributable to the war in Ukraine and the Covid-19 lockdown in China
- Based on LMC market data, Novem could again beat global LVP contracting by -9.6% y/y
- Tooling revenue in the amount of €9.4m reached less than half of last year's level which was exceptionally strong
- On a full year basis, total revenue of €614.5m was up +1.9% y/y underpinning the resilience of Novem's business model
- If FX rates had remained constant at PY level, reported LTM revenue would have been lower by -1.1%

# Adj. EBIT

## Adj. EBIT (€m)



## LTM Adj. EBIT (€m)



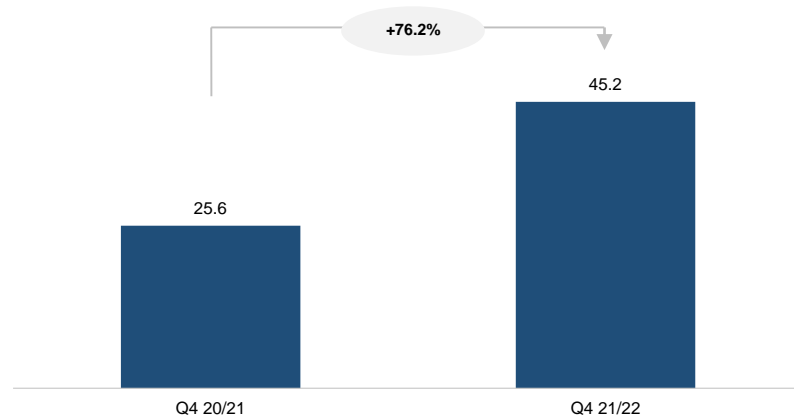
## Highlights

- Adj. EBIT in Q4 2021/22 recorded at a similar level as previous quarter but fell short of last year by €-12.3m or -35.6%
- Profit margin (Adj. EBIT / revenue) of 14.0% further improved q/q but remained well behind last year (18.9% PY)
- Shortfall compared to prior year came mainly from lower revenue and higher expenses
- Operational performance badly affected by stop-and-go approach of OEMs resulting in unproductivity
- Soaring logistics expenses continued to negatively impact bottom line, especially in Americas
- Certain commodity prices, such as for aluminium and granulates, as well as energy costs weighed on Q4 results
- Full year Adj. EBIT of €80.9m translated into a solid profit margin of 13.2% for the financial year 2021/22

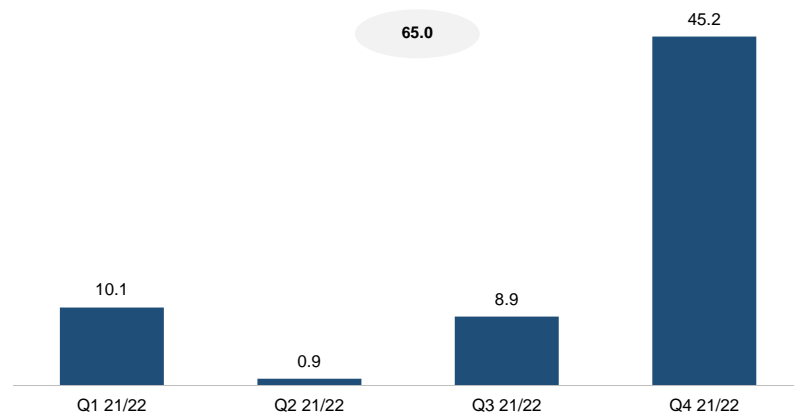


# Free cash flow

## Free cash flow (€m)



## LTM free cash flow (€m)

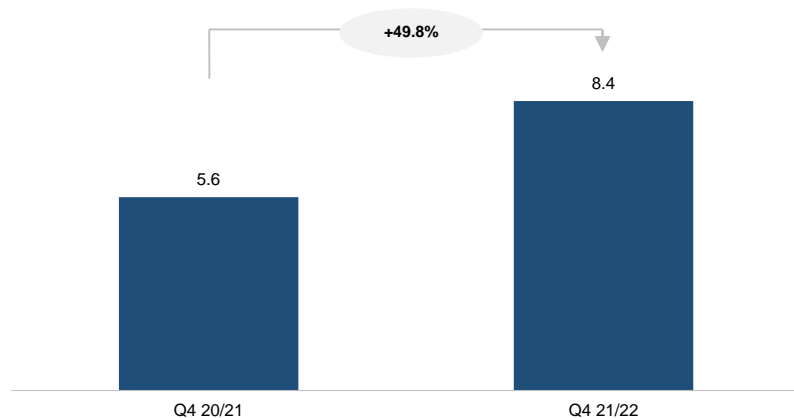


## Highlights

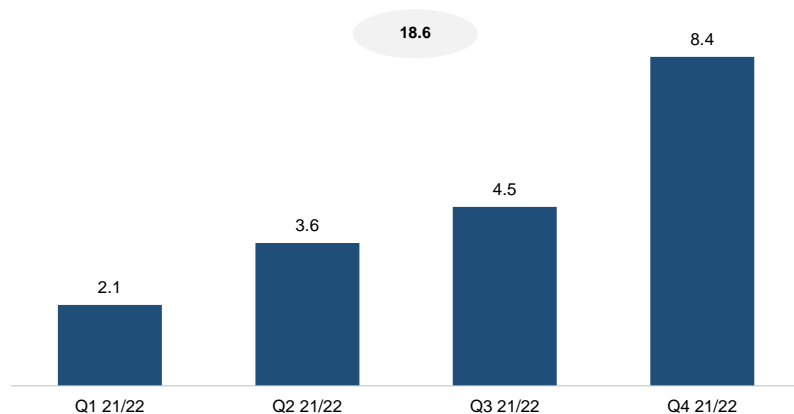
- Novem generated a substantial free cash flow in Q4 2021/22 of €45.2m and outperformed last year by €+19.5m or +76.2%
- Cash flow from operating activities of €44.4m was €+9.2m higher than previous year due to the following reasons:
  - Lower trade receivables (€+27.0m) mainly driven by tooling cash in-flow, higher trade payables (€+11.9m) through effective vendor management, profit (€+9.4m) and lower other liabilities (€+16.5m); conversely, increased inventories (€-29.2m) largely attributable to tooling, lower non-cash income (€-25.7m) and Others (€-0.7m)
- Cash out-flow for investing activities recorded at €+0.8m including a one-time currency translation adjustment of €+9.2m
- Annual free cash flow amounted to €65.0m and showed a strong back-end phasing based on the Q4 performance

# Capital expenditure

## Capital expenditure (€m)



## LTM capital expenditure (€m)

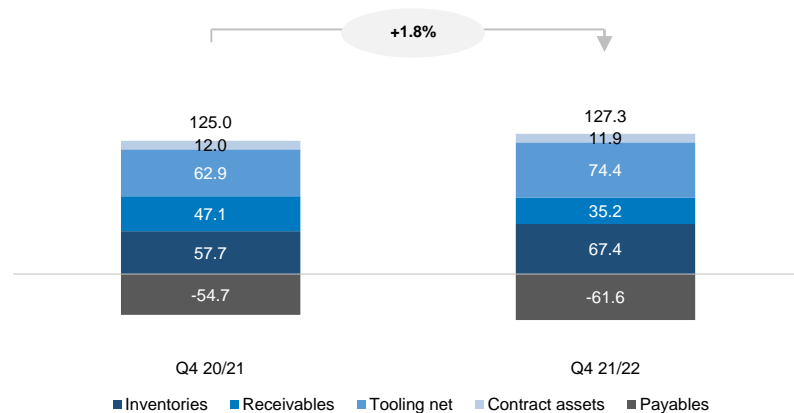


## Highlights

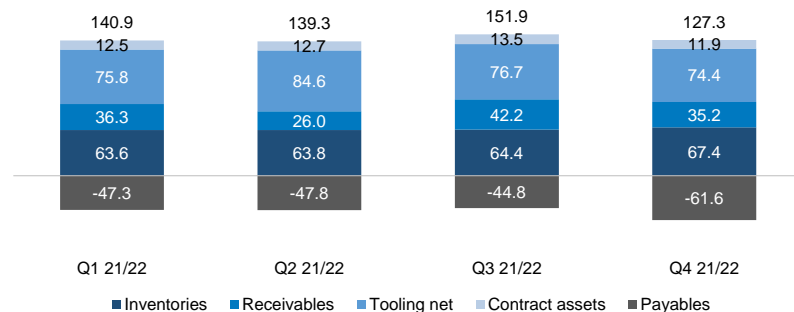
- In Q4 2021/22 capital expenditure was almost 50% higher than previous year
- Due to the lower revenue and higher investments the capex ratio in Q4 2021/22 rose from 3.0% to 5.2% (+2.2pp y/y)
- LTM capital expenditure of €18.6m led to a capital expenditure ratio of 3.0% for the financial year 2021/22
- Investments in Q4 2021/22 included c.€3.0m for the takeover of the Faurecia business
- Amongst others, such equipment comprised milling and injection moulding machines as well as other fixtures
- It should be noted that, in this presentation, capital expenditure excludes any currency translation effects

# Total working capital

## Total working capital (€m)



## LTM total working capital (€m)

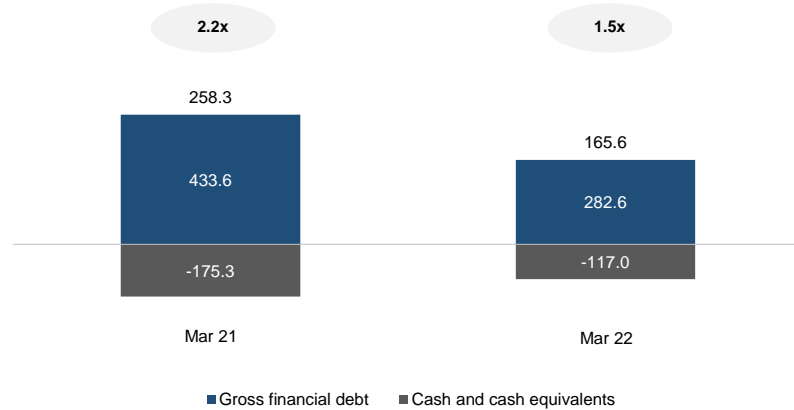


## Highlights

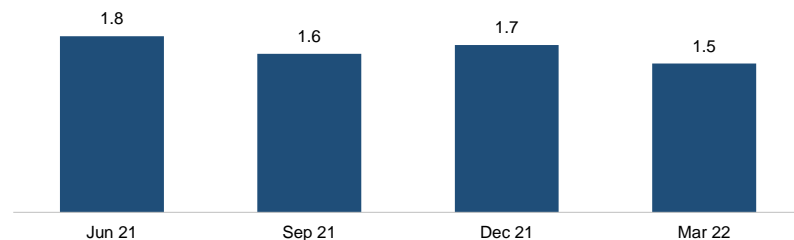
- As of 31 March 2022, total working capital recorded at €127.3m and therefore slightly above last year by +1.8% y/y
- Deviation of €-2.3m y/y resulted from lower trade receivables (€+11.9m) and higher trade payables (€+6.9m) and lower contract assets (€+0.1m); conversely, higher tooling net (€-11.5m) as well as higher inventories (€-9.7m)
- As a percentage of LTM revenue, total working capital stood at 20.0%, as of 31 March 2022
- Trade working capital (excluding tooling net and contract assets) decreased by -18.1% from €50.1m to €41.0m
- DIO increased to 41 days (32 PY) because of higher safety stocks across all regions
- Measured in days outstanding, DSO of 28 days (33 PY) and DPO of 62 days (54 PY) developed favourably

# Capital structure

## Net financial debt (€m)



## LTM net leverage ratio



## Highlights

- As of 31 March 2022, gross financial debt of €282.6m recorded significantly below last year (€433.6m PY)
- Lease liabilities, by definition included in the gross financial debt, stood at €34.9m (€36.1m PY)
- Principal sources of funds consisted of €117.0m cash (€175.3m PY) and €47.8m non-recourse factoring (€40.1m PY)
- As a result, net debt of €165.6m improved considerably compared to previous year (€258.3m)
- Solid net leverage ratio of 1.5x as of 31 March 2022 reached the lowest level in the last twelve months
- Novem could successfully deleverage its balance sheet despite the challenging trading conditions

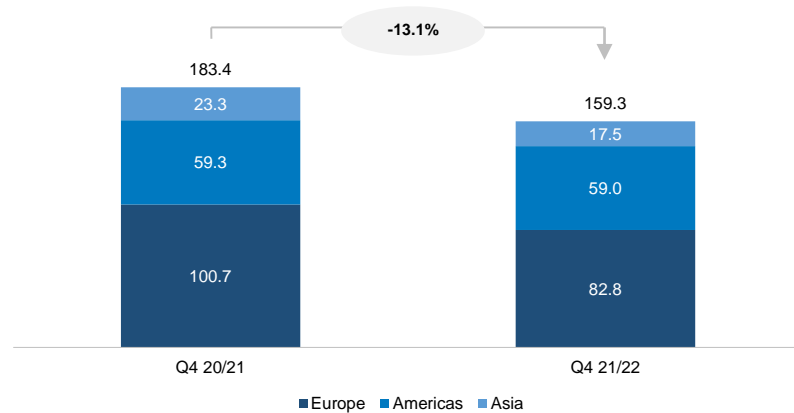


### 3 RESULTS BY OPERATING SEGMENTS

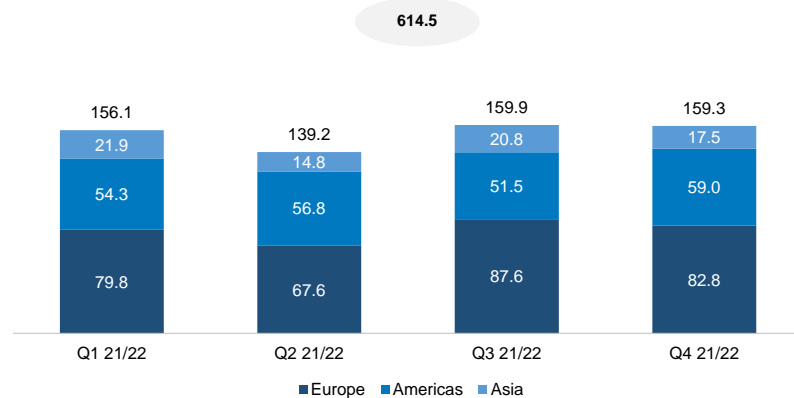


# Revenue by operating segments

## Revenue by region (€m)



## LTM revenue by region (€m)

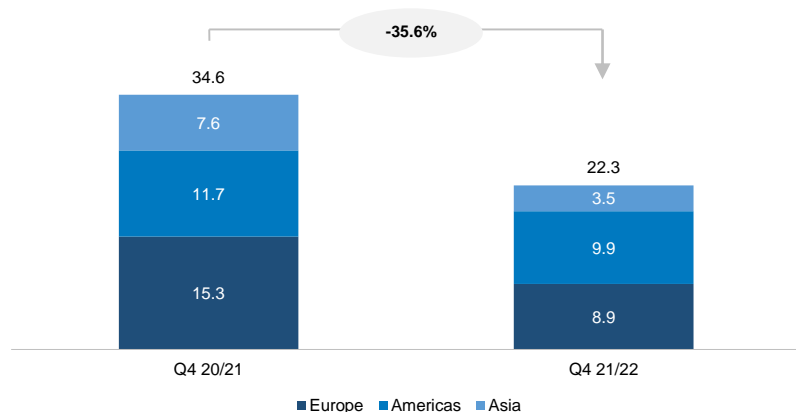


## Highlights

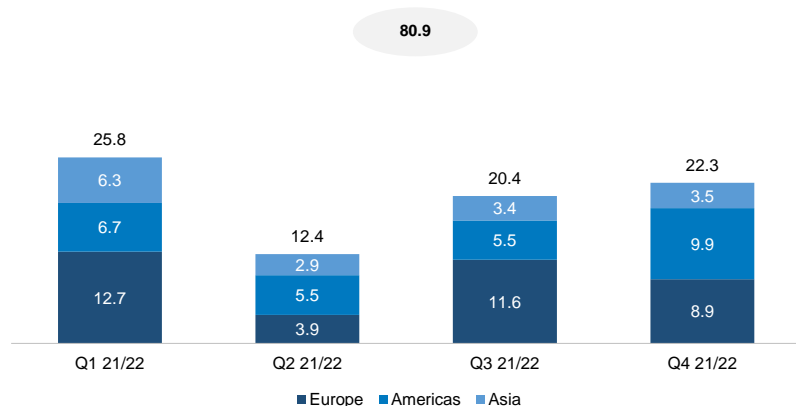
- On a segmental basis, revenue declined in all regions (in total by €-24.1m y/y), mainly in Europe (€-18.0m y/y)
- Lower revenue in Europe resulted from Tooling (€-8.8m y/y) and reduced customer call-offs driven by production interruptions in connection with the war in Ukraine
- Sharp drop in Asia was directly linked to several customer plant shutdowns due to the zero-Covid policy in China
- Compared to previous quarter, LTM revenue came down from €638.6m to €614.5m
- In summary, Novem demonstrated solid organic growth of +1.9% y/y under difficult circumstances
- FY 2021/22 revenue can be allocated to the regions as follows: 51.7% Europe, 36.1% Americas and 12.2% Asia

# Adj. EBIT by operating segments

## Adj. EBIT by region (€m)



## LTM Adj. EBIT by region (€m)



## Highlights

- In line with the revenue development by operating segments, also the Adj. EBIT decreased in all regions worldwide
- In Europe, the Adj. EBIT of €8.9m (€15.3m PY) was impacted by the ongoing inefficiencies (personnel costs and leased workers) and increased material as well as energy costs
- In Americas, the Adj. EBIT of €9.9m (€11.7m PY) was influenced by a negative FX impact and soaring freight expenses
- In Asia, the Adj. EBIT of €3.5m (€7.6m PY) was badly affected by the zero-Covid policy in China and the plant shutdowns of OEMs across the country
- Total Adj. EBIT for 2021/22 amounted to €80.9m and fell short by €-5.5m against last year (€86.4m PY)
- Novem achieved a solid profit margin of 13.2%, 1.1pp lower than prior year's level (14.3% PY)



# 4 QUESTIONS & ANSWERS





# 5 APPENDIX

# Profit and loss statement

<b>Profit and loss statement (€m)</b>					
	Q4 2020/21	Q4 2021/22	FY 2020/21	FY 2021/22	
Revenue	183.4	159.3	602.8	614.5	
Increase or decrease in finished goods and work in process	-6.1	13.0	-12.7	29.6	
<b>Total operating performance</b>	<b>177.3</b>	<b>172.3</b>	<b>590.1</b>	<b>644.1</b>	
Other operating income	10.9	8.4	17.8	20.0	
Cost of materials	86.7	92.0	284.0	328.0	
Personnel expenses	36.6	40.0	141.3	157.6	
Depreciation, amortisation and impairment	7.8	7.9	30.9	30.9	
Other operating expenses	22.6	18.6	65.2	66.8	
<b>Adj. EBIT</b>	<b>34.6</b>	<b>22.3</b>	<b>86.4</b>	<b>80.9</b>	
<b>Adjustments</b>	<b>8.2</b>	<b>1.3</b>	<b>14.2</b>	<b>8.0</b>	
<b>Operating result (EBIT)</b>	<b>26.4</b>	<b>21.0</b>	<b>72.3</b>	<b>72.9</b>	
Finance income	0.9	1.5	8.2	3.4	
Finance costs	14.1	1.6	51.3	25.8	
<b>Financial result</b>	<b>-13.2</b>	<b>-0.2</b>	<b>-43.1</b>	<b>-22.4</b>	
Income taxes	-3.4	1.7	21.1	16.1	
Deferred taxes	-2.6	-9.5	-1.6	-9.7	
<b>Income tax result</b>	<b>-5.9</b>	<b>-7.8</b>	<b>19.5</b>	<b>6.5</b>	
<b>Profit for the period</b>	<b>19.2</b>	<b>28.6</b>	<b>9.7</b>	<b>44.0</b>	



## Balance sheet

### Balance sheet (€m)

	31 Mar 2021	31 Mar 2022		31 Mar 2021	31 Mar 2022
			<b>Total equity</b>	<b>-505.1</b>	<b>67.7</b>
Intangible assets	3.6	3.1	Pensions and similar obligations	34.6	34.9
Property, plant and equipment	186.8	184.9	Tax liabilities		
Trade receivables	49.6	47.5	Other provisions	5.2	3.2
Other non-current assets	14.5	12.6	Financial liabilities	856.4	247.7
Deferred tax assets	9.0	18.8	Other liabilities	34.1	29.8
			Deferred tax liabilities	3.7	3.6
<b>Total non-current assets</b>	<b>263.5</b>	<b>267.0</b>	<b>Total non-current liabilities</b>	<b>933.9</b>	<b>319.1</b>
Inventories	95.5	129.4	Tax liabilities	14.9	13.8
Trade receivables	53.0	37.7	Other provisions	53.9	48.0
Other receivables	27.2	28.6	Financial liabilities	3.4	1.4
Other current assets	14.2	13.7	Trade payables	61.8	70.4
Cash and cash equivalents	175.3	117.0	Other liabilities	67.1	73.7
Asset held for sale	1.2	0.8			
<b>Total current assets</b>	<b>366.4</b>	<b>327.0</b>	<b>Total current liabilities</b>	<b>201.1</b>	<b>207.3</b>
<b>Assets</b>	<b>629.9</b>	<b>594.0</b>	<b>Equity and liabilities</b>	<b>629.9</b>	<b>594.0</b>

# Cash flow statement

## Cash flow statement (€m)

	Q4 2020/21	Q4 2021/22	FY 2020/21	FY 2021/22
Profit for the period	19.2	28.6	9.7	44.0
Income tax expense (+)/income (-)	-3.4	1.7	21.1	16.1
Financial result (+)/(-) net	11.7	0.9	48.1	21.7
Depreciation, amortisation and impairment	7.9	8.4	30.9	31.4
Other non-cash expenses (+)/income (-)	26.0	0.3	-4.0	0.9
Increase (-)/decrease (+) in inventories	13.4	-15.8	5.4	-30.7
Increase (-)/decrease (+) in trade receivables	-10.4	16.7	8.9	20.0
Increase (-)/decrease (+) in other assets	-4.1	1.2	-7.3	2.9
Increase (-)/decrease (+) in deferred taxes	-2.7	-9.8	-1.5	-10.1
Increase (-)/decrease (+) in prepaid expenses/deferred income	1.0	2.0	-0.0	1.0
Increase (+)/decrease (-) in provisions	-13.5	-14.1	14.3	-8.1
Increase (+)/decrease (-) in trade payables	9.6	21.5	4.0	8.2
Increase (+)/decrease (-) in other liabilities	-9.8	6.7	-4.5	0.7
Gain (-)/loss (+) on disposals of non-current assets	0.1	0.0	0.1	0.0
Cash received from (+)/cash paid for (-) for income taxes	-10.0	-4.1	-19.5	-17.3
<b>Cash flow from operating activities</b>	<b>35.2</b>	<b>44.4</b>	<b>105.5</b>	<b>80.5</b>

## Cash flow statement (cont'd)

<b>Cash flow statement (€m)</b>				
	Q4 2020/21	Q4 2021/22	FY 2020/21	FY 2021/22
Cash received (+) from disposals of intangible assets		0.1		0.0
Cash received (+) from disposals of property, plant and equipment	0.3	-0.8	0.0	0.0
Cash paid (-) for investments in intangible assets	-0.5	-0.3	-0.9	-0.4
Cash paid (-) for investments in property, plant and equipment	-10.1	1.1	-18.1	-18.1
Interest received (+)	0.8	0.7	3.2	3.1
Dividends received (+)				0.0
<b>Cash flow from investing activities</b>	<b>-9.6</b>	<b>0.8</b>	<b>-15.8</b>	<b>-15.5</b>
Cash repayments (-) of loans/cash received from (+) loans	0.0	0.2	-77.2	247.6
Cash received from (+) shareholders of the parent company	-0.0	-0.6	-0.0	48.8
Cash repayments (-) of shareholders loans	-0.0	0.0	-0.0	0.0
Cash repayments (-) of bond/cash received from (+) issuance of bond	-1.3	0.0	0.0	-400.0
Cash paid for (-) subsidies/grants	-0.0	-0.0	-0.0	-0.0
Cash paid for (-) finance leases	-3.0	-2.3	-10.4	-8.4
Interest paid (-)	-5.3	-0.9	-23.1	-13.0
Dividends paid (-)		0.0		
<b>Cash flow from financing activities</b>	<b>-9.6</b>	<b>-3.6</b>	<b>-110.7</b>	<b>-124.9</b>
<b>Net increase (+)/decrease (-) in cash and cash equivalents</b>	<b>16.0</b>	<b>41.6</b>	<b>-21.0</b>	<b>-59.8</b>
Effect of exchange rate fluctuations on cash and cash equivalents	0.1	1.5	0.1	1.5
Cash and cash equivalents at the beginning of the reporting period	159.2	73.9	196.2	175.3
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>175.3</b>	<b>117.0</b>	<b>175.3</b>	<b>117.0</b>

# EBIT adjustments

<b>EBIT adjustments (€m)</b>				
	Q4 2020/21	Q4 2021/22	FY 2020/21	FY 2021/22
Revenue	183.4	159.3	602.7	614.6
<b>EBIT</b>	<b>26.4</b>	<b>21.0</b>	<b>72.3</b>	<b>72.9</b>
EBIT margin	14.4%	13.2%	12.0%	11.9%
Revenue <sup>1</sup>	183.4	159.3	602.8	614.5
Restructuring	0.4		6.0	
Exceptional ramp-up costs	2.6		2.6	
Material quality claims				-0.1
Single impairments	3.0	0.1	3.0	3.1
Covid-19 costs	1.0	0.3	1.0	1.4
Transaction costs		-0.3		2.1
Others	1.2	1.2	1.6	1.5
Exceptional items	7.8	1.3	8.1	8.0
Discontinued operations				
Adjustments	8.2	1.3	14.2	8.0
<b>Adj. EBIT</b>	<b>34.6</b>	<b>22.3</b>	<b>86.4</b>	<b>80.9</b>
Adj. EBIT margin	18.9%	14.0%	14.3%	13.2%

1) Including revenue-related adjustments

## 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. 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. EBIT margin** is defined as Adj. EBIT divided by revenue
- **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 rate** is defined as Adj. EBITDA less capital expenditure 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, depreciation and write-downs
- **Gross financial debt** is defined as the sum of liabilities to banks, hedging and lease liabilities
- **Net leverage ratio** is defined as the ratio of net financial debt to Adj. EBITDA
- **Net financial debt** is defined as gross financial debt less cash and cash equivalents
- **Free cash flow** is defined as the sum of cash flow from operating and investing activities
- **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
- **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



# Further information and disclaimer

---

## Date of publication

02 June 2022

## Contact

[investor.relations@novem.com](mailto: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/websites/novem/English/1/investor-relations.html>

## Editor

Novem Group S.A. | 19, rue Edmond Reuter | 5326 Contern | Luxembourg | [www.novem.com](http://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

E-Mail: [investor.relations@novem.com](mailto:investor.relations@novem.com)  
[www.novem.com](http://www.novem.com)

