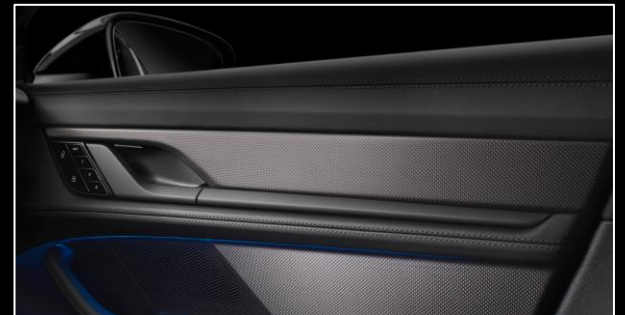
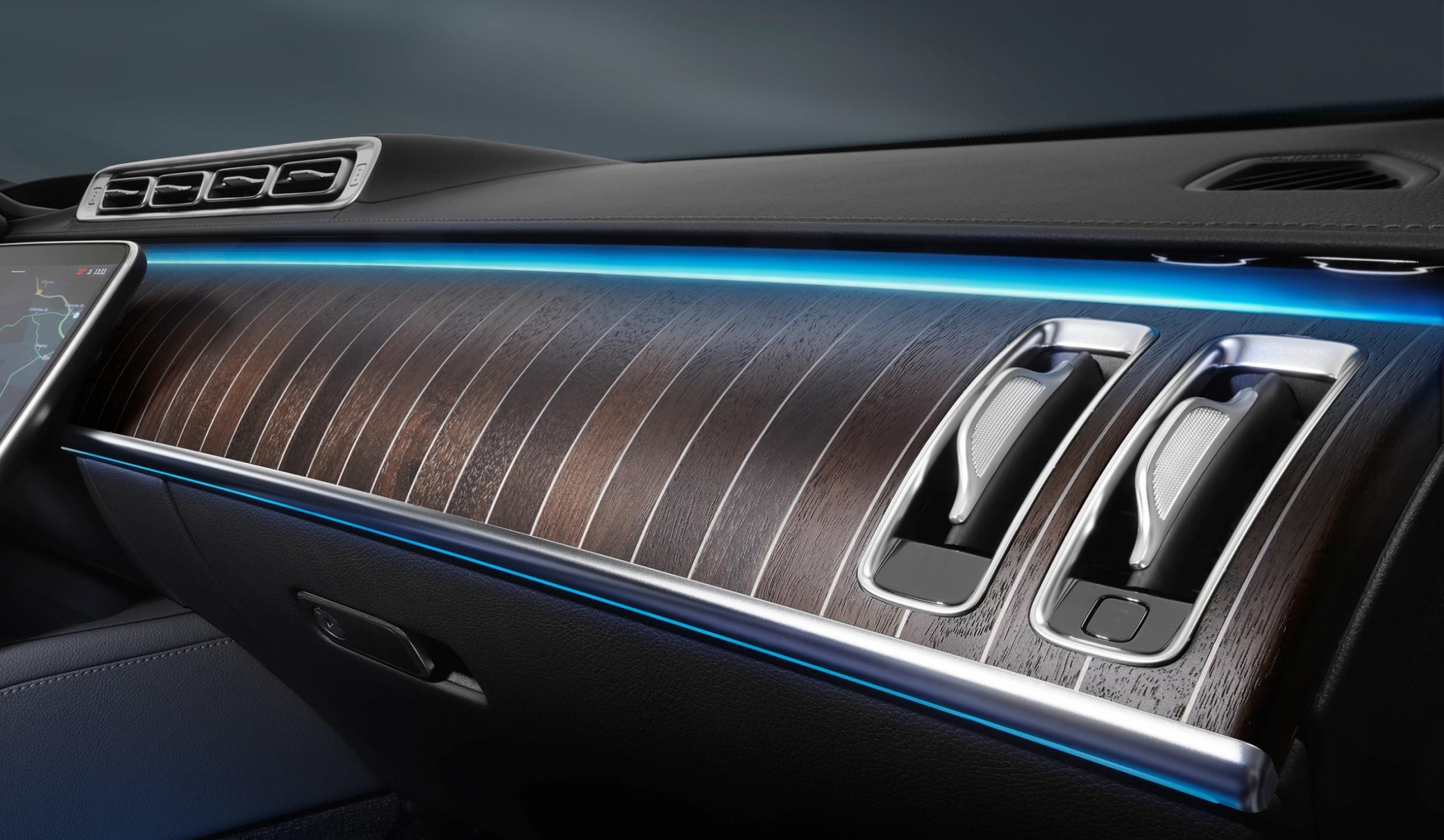




29 May 2024

FY 2023/24 Preliminary Results





1 OVERVIEW







Q4 2023/24 key events

- Novem generated full-year revenue of €635.5m (-9.3% y/y) with continued weak market demand in the last quarter of the year
- Lower turnover clearly left its mark on the Adj. EBIT of €69.1m, still translating into a solid profit margin of 10.9%
- In order to further adjust the cost structure to the reduced revenue, Novem laid off c.60 employees in the operation in Vorbach
- Besides the closure of the Bergamo plant, this was the second key restructuring initiative to streamline the footprint in Europe
- In the financial year 2023/24, Novem booked an order intake of >€150m supporting the mid-term growth outlook
- Among others, winning a major US premium EV carmaker is most noticeable, making it one of Novem's future top 5 account
- Strategically, the acquisition of the first exterior component marked the entry into the high-end exterior trim market for Novem







Short-term market conditions remain challenging but good prospects in the medium-term

FY 2023/24 financial highlights



	Q4 2022/23		Q4 2023/24
Revenue (€m)	174.1		149.7
Adj. EBIT (€m)	21.2		14.4
Adj. EBIT margin (%)	12.2%		9.6%
Free cash flow (€m)	39.6		24.2
Net leverage (x Adj. EBITDA)	1.1x		1.6x

FY 2023/24 financial highlights

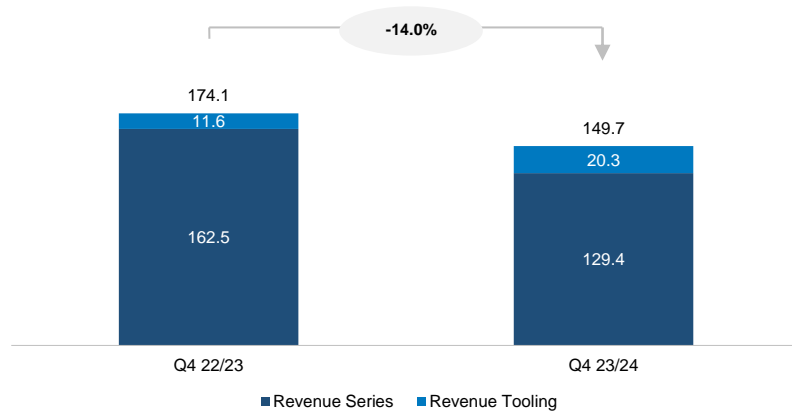
	FY 2022/23		FY 2023/24
Revenue (€m)	700.3		635.5
Adj. EBIT (€m)	81.7		69.1
Adj. EBIT margin (%)	11.7%		10.9%
Free cash flow (€m)	84.5		53.8
Net leverage (x Adj. EBITDA)	1.1x		1.6x



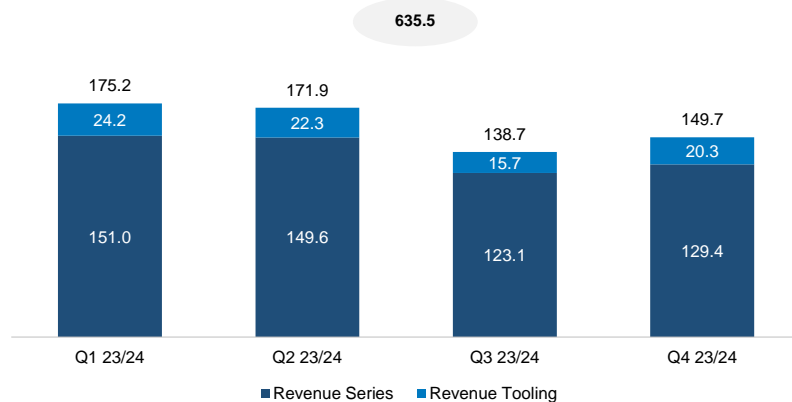
2 GROUP RESULTS

Revenue

Revenue (€m)



LTM revenue (€m)

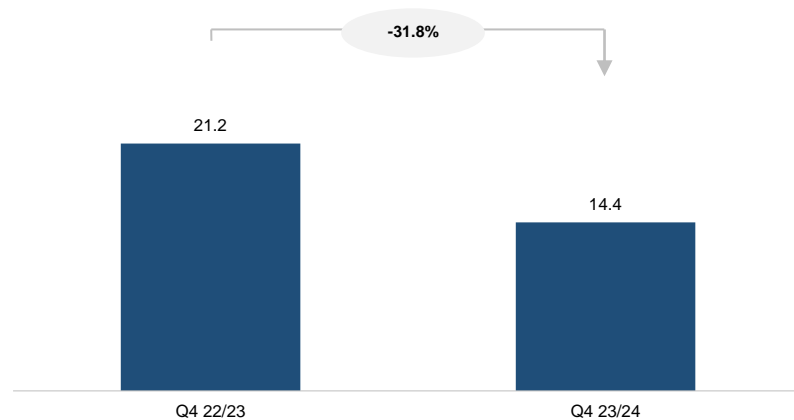


Highlights

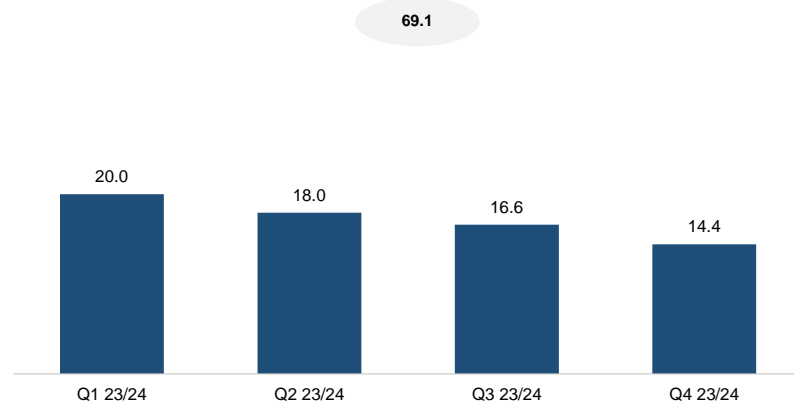
- Total revenue of €149.7m in the last quarter of 2023/24 fell behind previous year by €-24.4m or -14.0%
- Top line was again impacted by negative FX effects; total revenue would have been higher by €+1.0m or +0.7% at constant FX rates
- Revenue Series of €129.4m was well below prior year by €-33.1m or -20.4% and contributed 86.4% to total revenue
- Top line was again hampered by a persistently soft market, above all in Europe and Asia
- In contrast to the past, LMC reported a flat development in global LVP of 21.5m units (0.0% y/y)
- Revenue Tooling of €20.3m increased well by €+8.7m because of a different project phasing
- On a full-year basis, total revenue of €635.5 remained noticeably below last year by €-64.8m or -9.3%

Adj. EBIT

Adj. EBIT (€m)



LTM Adj. EBIT (€m)

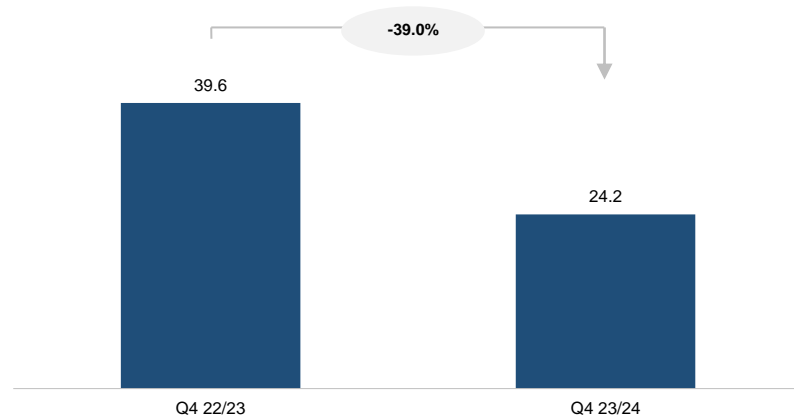


Highlights

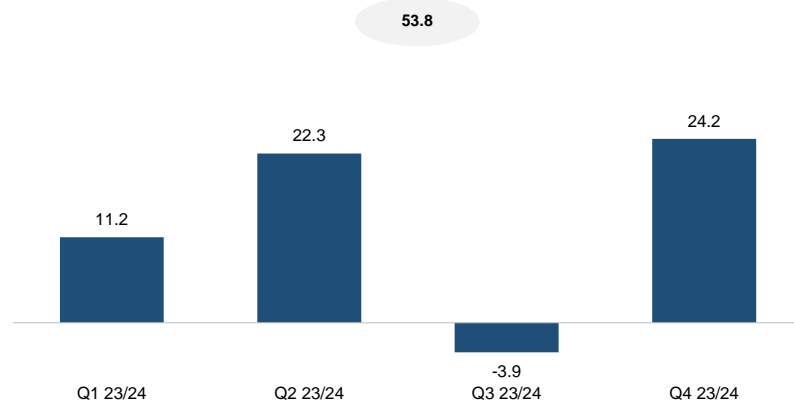
- In Q4 2023/24, Adj. EBIT of €14.4m recorded considerably behind last year by €-6.7m or -31.8%
- Once again, bottom line was badly affected by the lacklustre sales development and thus a weak cost coverage
- Novem responded to the further reduction in call-offs with rigorous cost control and streamlined its operation in Vorbach
- Restructuring activities in 2023/24 (Bergamo and Vorbach) should help lift the utilisation of the plants in Europe
- In addition, the operating result was diluted by the negative effects from product mix and model changes
- Relatively high personnel expenses partly driven by wage inflation compensation payments in Germany
- On the other hand, the Adj. EBIT was supported by lower material expenses and customer settlement claims

Free cash flow

Free cash flow (€m)



LTM free cash flow (€m)

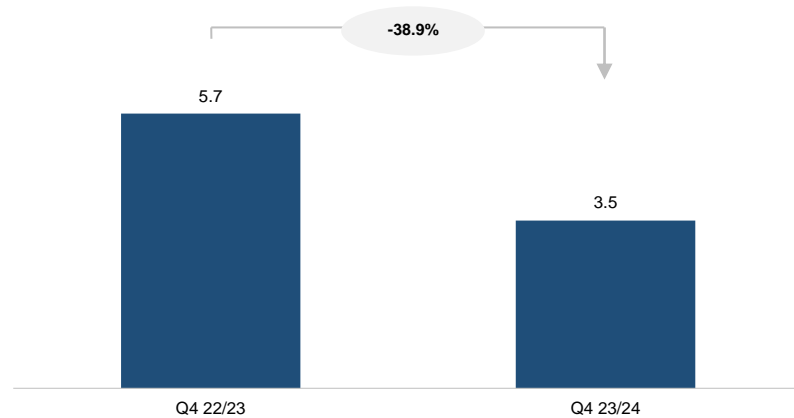


Highlights

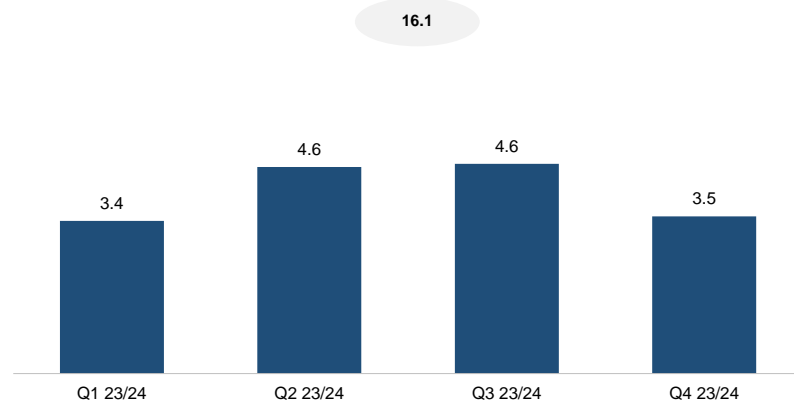
- Excellent free cash flow of €24.2m in Q4 2023/24 but still down by €-15.5m or -39.0% y/y
- Cash flow from operating activities of €25.9m was well behind last year by €-18.5m due to the following reasons:
 - Income taxes (€-12.0m), profit (€-10.8m) and provisions (€-10.1m) as well as Others (€-5.6m); conversely, other non-cash expenses (€+8.0m), reduced other receivables (€+6.5m) and stock (€+5.5m)
- High tax payments came from the assessment of previous periods (deferred due to Covid-19) and prepayments in Germany
- Decrease in provisions was primarily driven by the out-flow for the restructuring measures in Q4 2023/24
- Cash flow from investing activities of €-1.8m was around a third of prior year's figure of €-4.8m only

Capital expenditure

Capital expenditure (€m)



LTM capital expenditure (€m)

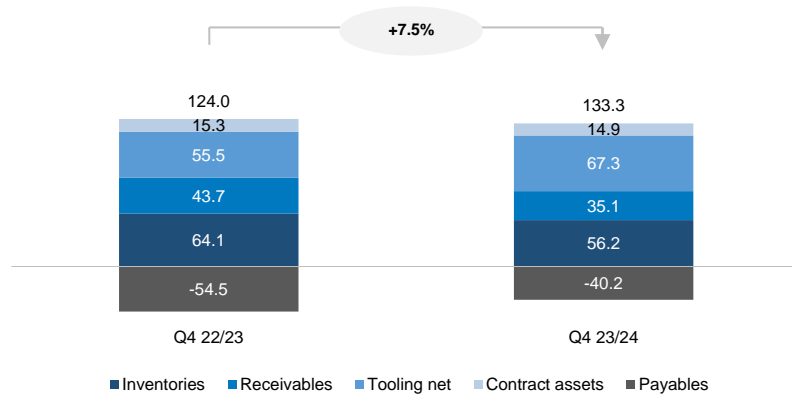


Highlights

- Capital expenditure reached €3.5m in the last quarter of 2023/24, which was €-2.2m lower versus previous year
- Based on total revenue of €149.7m, the underlying capex ratio of 2.3% came in below last year's figure of 3.3%
- On a full-year basis, Novem made overall investments of €16.1m, which led to a capex ratio of 2.5%
- More than half of the capital expenditure in the financial year was undertaken in Langfang (€-6.1m) and Querétaro (€-4.0m)
- Majority of capital expenditure was growth-related and necessary for the ramp-up of new projects
- Looking ahead, the newly acquired platform of a US premium EV carmaker will require additional capex over the coming months

Total working capital

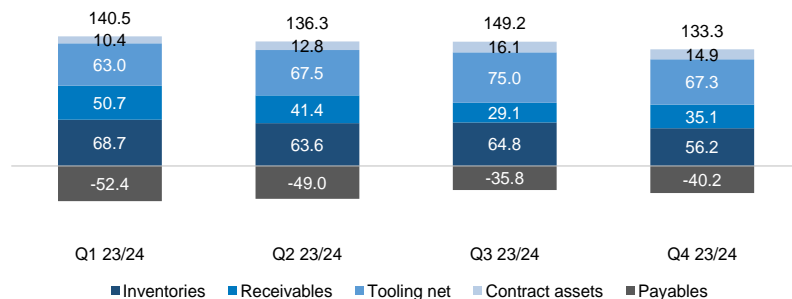
Total working capital (€m)



Highlights

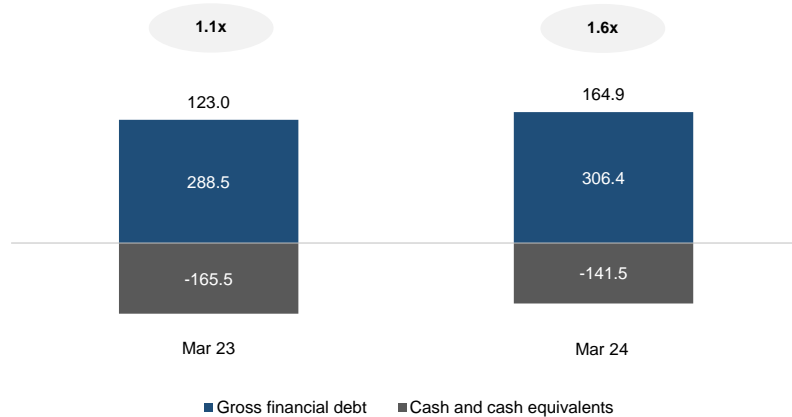
- As of 31 March 2024, total working capital stood at €133.3m and was +7.5% higher than last year (€124.0m)
- Variance of €-9.3m y/y came from lower payables (€-14.4m) and higher tooling net (€-11.8m); conversely, lower trade receivables (€+8.6m), inventories (€+7.9m) and contract assets (€+0.4m)
- Decline in trade payables mainly related to the shrinking volume; conversely, lower trade receivables due to reduced top-line
- As percentage of LTM revenue, total working capital recorded at 21.0% as of 31 March 2024 (17.7% PY)
- Trade working capital (excluding tooling net and contract assets) developed favourably from €53.3m to €51.1m
- If measured in days outstanding, DIO of 39 (36 PY) and DSO of 35 (33 PY) as well as DPO of 47 (50 PY) worsened

LTM total working capital (€m)

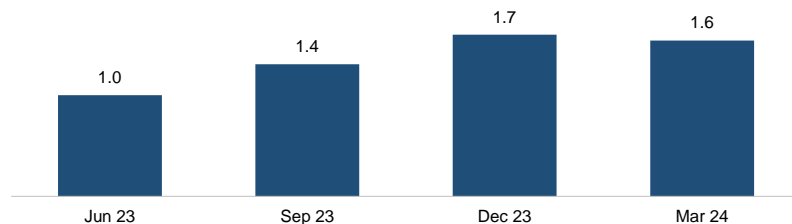


Capital structure

Net financial debt (€m)



LTM net leverage ratio



Highlights

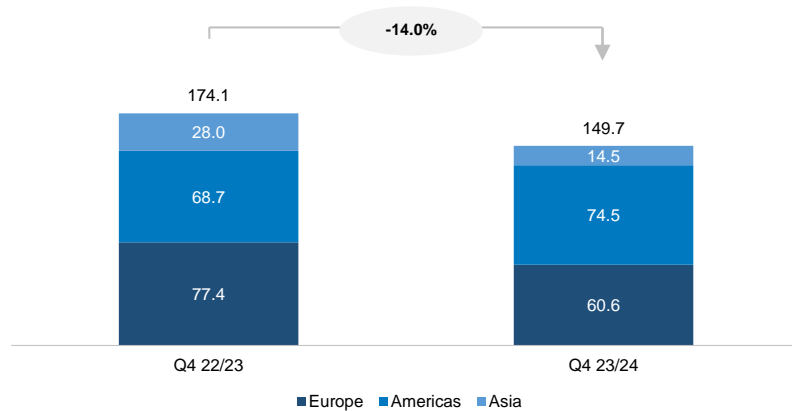
- As of 31 March 2024, gross financial debt of €306.4m stood well above last year's figure of €288.5m (€+17.9m)
- As previously reported, the increase was largely attributable to a steep rise in lease liabilities of €+17.4m y/y
- Principal sources of funds included €141.5m cash (€165.5m PY) and €44.3m from non-recourse factoring (€54.0m PY)
- In summary, net financial debt was at €164.9m, which marked a deterioration against prior year (€123.0m)
- Net leverage ratio of 1.6x remained at a clearly higher level than previous year (1.1x Adj. EBITDA)
- However, the ratio showed a sequential improvement compared to the preceding quarter (1.7x Adj. EBITDA)



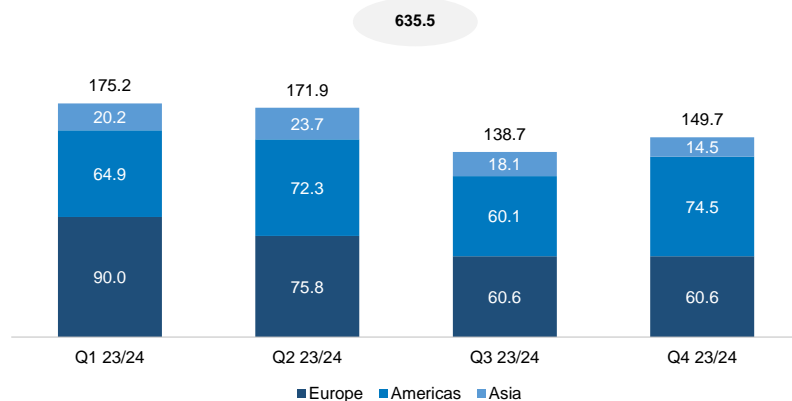
3 RESULTS BY OPERATING SEGMENTS

Revenue by operating segments

Revenue by region (€m)



LTM revenue by region (€m)

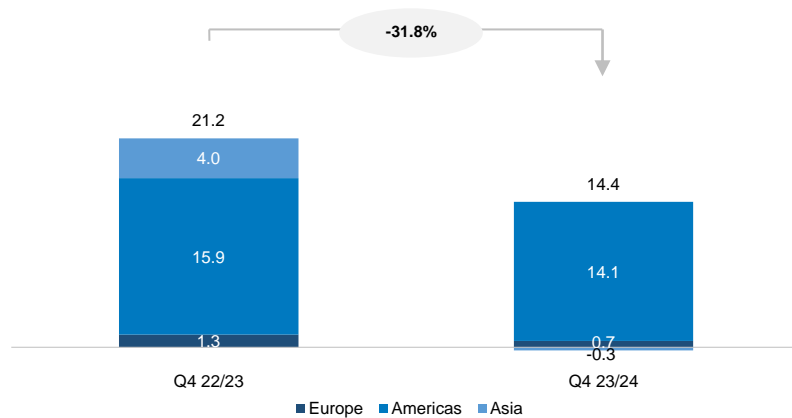


Highlights

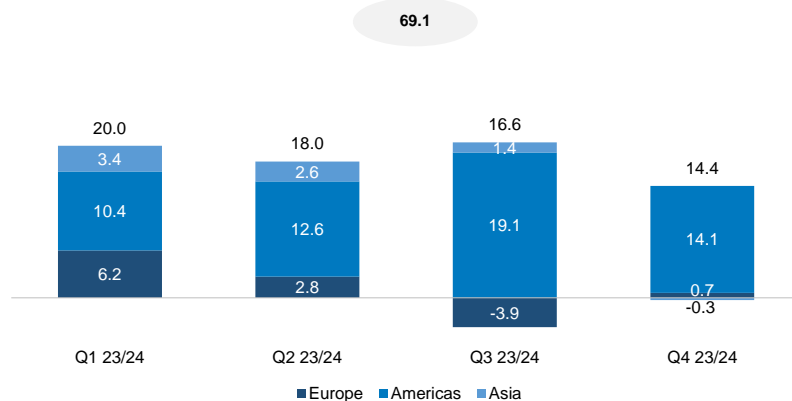
- From a geographic perspective, revenue declined both in Europe and Asia, while Americas developed favourably
- Poor top line in Europe (€-16.7m y/y) was attributable to revenue Series, which could not be offset by higher revenue Tooling
- At platform level, MB E-class, BMW 5-series (EOP) and MB GLC led the ranking of underperformers (in absolute terms); moreover, the structural low demand for EVs continued
- Growth in Americas (€+5.8m y/y) was driven by Tooling business, while Series revenue moved sideways, mainly due to a four-week strike over wages at the Audi plant in Puebla (Mexico)
- Lower revenue in Asia (€-13.4m y/y) was caused by both Tooling and Series with several model changes and a continued weak launch of the new Chinese programs (Avatr, FAW Hongqi, Lotus)
- LTM revenue showed the following distribution across all regions: 45.2% Europe, 42.8% Americas and 12.0% Asia

Adj. EBIT by operating segments

Adj. EBIT by region (€m)



LTM Adj. EBIT by region (€m)



Highlights

- On a segmental basis, Adj. EBIT remained stable both in Europe and Americas, while Asia fell distinctly short of prior year
- In Europe, Adj. EBIT decreased to €0.7m (€1.3m PY) because of lower volume, inefficiencies leading to a weak cost coverage and a continued unfavourable product mix
- While material expenses (including freights, leased workers) and customer payments developed positively, labour costs showed a negative variance (wage inflation adjustment in Germany)
- Adj. EBIT of €14.1m (€15.9m PY) in Americas was influenced by reduced income from others, while volume as well as input costs continued to be favourable
- In Asia, Adj. EBIT of €-0.3m (€4.0m PY) was negatively impacted by lower revenue for both Series and Tooling
- Overall Adj. EBIT in 2023/24 amounted to €69.1m and stood well below PY by €-12.7m or -15.5%



4 QUESTIONS & ANSWERS



5 APPENDIX

Profit and loss statement

Profit and loss statement (€m)				
	Q4 2022/23	Q4 2023/24	FY 2022/23	FY 2023/24
Revenue	174.1	149.7	700.3	635.5
Increase or decrease in finished goods and work in process	-1.4	-6.2	-7.5	-15.2
Total operating performance	172.7	143.5	692.8	620.4
Other operating income	11.4	5.2	25.8	18.3
Cost of materials	-88.4	-71.6	-354.7	-303.2
Personnel expenses	-44.6	-40.1	-167.7	-166.0
Depreciation, amortisation and impairment	-8.3	-8.3	-32.5	-33.0
Other operating expenses	-21.6	-14.3	-82.0	-67.4
Adj. EBIT	21.2	14.4	81.7	69.1
Adjustments	-0.2	-3.7	-1.3	-9.7
Operating result (EBIT)	21.0	10.8	80.5	59.3
Finance income	5.3	1.5	3.6	7.4
Finance costs	-3.9	-7.5	-13.1	-19.9
Financial result	1.5	-5.9	-9.5	-12.6
Income taxes	-1.9	-4.7	-15.7	-13.1
Deferred taxes	-6.3	3.3	-5.2	1.1
Income tax result	-8.3	-1.4	-20.9	-12.0
Profit for the period	14.2	3.4	50.0	34.8

Balance sheet

Balance sheet (€m)

	31 Mar 2023	31 Mar 2024		31 Mar 2023	31 Mar 2024
			Total equity	107.3	89.9
Intangible assets	2.4	2.8	Pensions and similar obligations	27.0	28.7
Property, plant and equipment	185.1	193.9	Other provisions	1.4	2.3
Trade receivables	46.3	49.8	Financial liabilities	248.2	248.8
Other non-current assets	10.3	13.1	Trade payables	-	0.0
Deferred tax assets	8.3	10.6	Other liabilities	33.3	55.6
			Deferred tax liabilities	0.6	1.4
Total non-current assets	252.5	270.2	Total non-current liabilities	310.6	336.8
Inventories	116.3	99.4	Tax liabilities	19.1	7.6
Trade receivables	47.5	41.3	Other provisions	46.7	38.9
Other receivables	38.0	30.0	Financial liabilities	1.2	1.2
Other current assets	18.2	19.6	Trade payables	60.6	45.4
Cash and cash equivalents	165.5	141.5	Other liabilities	92.7	82.4
Total current assets	385.5	331.9	Total current liabilities	220.2	175.5
Assets	638.0	602.1	Equity and liabilities	638.0	602.1

Cash flow statement

Cash flow statement (€m)

	Q4 2022/23	Q4 2023/24	FY 2022/23	FY 2023/24
Profit for the period	14.2	3.4	50.0	34.8
Income tax expense (+)/income (-)	1.9	4.7	15.7	13.1
Financial result (+)/(-) net	2.9	3.9	7.1	14.0
Depreciation, amortisation and impairment (+)	8.3	8.5	32.5	33.7
Other non-cash expenses (+)/income (-)	-2.3	5.7	-9.1	5.1
Increase (-)/decrease (+) in inventories	6.1	11.7	13.2	18.5
Increase (-)/decrease (+) in trade receivables	0.0	3.4	-9.4	2.1
Increase (-)/decrease (+) in other assets	-1.5	5.0	-3.2	10.6
Increase (-)/decrease (+) in deferred taxes	6.4	-3.3	5.2	-1.1
Increase (-)/decrease (+) in prepaid expenses/deferred income	1.0	-0.7	1.9	-2.0
Increase (+)/decrease (-) in provisions	-3.9	-14.0	2.7	-18.4
Increase (+)/decrease (-) in trade payables	4.6	7.7	-10.0	-14.1
Increase (+)/decrease (-) in other liabilities	7.5	2.9	10.4	-8.0
Gain (-)/loss (+) on disposals of non-current assets	0.0	0.0	0.1	0.1
Cash received (+) from/cash paid (-) for income taxes	-0.9	-12.9	-8.7	-24.5
Cash flow from operating activities	44.4	25.9	98.3	63.8

Cash flow statement (cont'd)

Cash flow statement (€m)

	Q4 2022/23	Q4 2023/24	FY 2022/23	FY 2023/24
Cash received (+) from disposals of property, plant and equipment	0.0	0.2	0.8	0.2
Cash paid (-) for investments in intangible assets	-0.2	-1.0	-0.3	-1.2
Cash paid (-) for investments in property, plant and equipment	-5.5	-2.4	-17.6	-14.9
Interest received (+)	0.9	1.5	3.4	5.9
Cash flow from investing activities	-4.8	-1.8	-13.8	-10.0
Cash paid (-) for subsidies/grants	-0.0	-	-0.0	-0.0
Cash paid (-) for finance leases	-2.9	-3.7	-9.8	-11.4
Interest paid (-)	-3.3	-4.4	-8.5	-16.9
Dividends paid (-)	-	-	-17.2	-49.5
Cash flow from financing activities	-6.2	-8.1	-35.5	-77.8
Net increase (+)/decrease (-) in cash and cash equivalents	33.4	16.1	49.0	-24.0
Effect of exchange rate fluctuations on cash and cash equivalents	-0.4	0.4	-0.5	0.0
Cash and cash equivalents at the beginning of the reporting period	132.4	125.1	117.0	165.5
Cash and cash equivalents at the end of the reporting period	165.5	141.5	165.5	141.5

EBIT adjustments

EBIT adjustments (€m)				
	Q4 2022/23	Q4 2023/24	FY 2022/23	FY 2023/24
Revenue	174.1	149.7	700.3	635.5
EBIT	21.0	10.8	80.5	59.3
EBIT margin	12.1%	7.2%	11.5%	9.3%
Restructuring	-	3.7	-	8.9
Covid-19 costs	0.0	-	0.3	-
Others	0.2	0.0	0.9	0.8
Exceptional items	0.2	0.0	1.3	0.8
Discontinued operations	-	-	-	-
Adjustments	0.2	3.7	1.3	9.7
Adj. EBIT	21.2	14.4	81.7	69.1
Adj. EBIT margin	12.2%	9.6%	11.7%	10.9%

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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