



26 August 2021

# Q1 2021/22 Statement



# GROUP OVERVIEW

## Q1 2021/22 highlights

### Strong revenue growth post Covid-19 crisis

Against the background of the outbreak of the corona pandemic last year, revenue rose by 81.7% to €156.1m in the first three months of 2021/22. During the same reporting period last year Novem was hit hardest by Covid-19, but then recovered quickly thereafter to pre-crisis trading levels. Despite the ongoing restrictions as well as health and safety measures imposed by most countries, Novem was able to generate significant growth and record a re-strengthened Adj. EBIT margin of 16.5% compared to the same quarter last year. The main reason for this was the improved sales situation, in particular in the premium automotive sector. However, the continued high cost discipline of Novem also contributed to this outcome.

At the same time, the demand for innovative solutions is unprecedented and provides Novem with further opportunities to demonstrate its excellent engineering and design capabilities. Customers look for new avenues of differentiation in a car's interior, in combination with tech-integration and sustainability. Novem is well positioned to cater to such market requests and help its customers to make a difference.

### Trading environment will remain challenging

In view of the continued supply shortages of and inflationary pressures on certain raw materials and components, the trading conditions will remain difficult for the coming months. Recently observed volatility in call-offs validates the current situation, which is likely to prevail longer than initially expected.

Novem will undertake all efforts to mitigate the impact of the lower production volumes on its operational and financial performance for Q2 2021/22. However, as of now, there is no need to change the midterm guidance given in the context of the initial public offering in July 2021. The Company will steadily monitor the situation closely and update the capital markets, if needed.

## Key results

€m	Q1 2020/21	Q1 2021/22
<b>Income statement</b>		
Revenue	85.9	156.1
Adj. EBIT	-1.1	25.8
Adj. EBIT margin (%)	-1.2%	16.5%
Adj. EBITDA	6.6	33.4
Adj. EBITDA margin (%)	7.7%	21.4%
<b>Cash flow</b>		
Capital expenditure	4.6	2.1
Capital expenditure as % of revenue	5.4%	1.3%
Free cash flow	-13.5	10.1
Cash conversion (%)	29.9%	93.9%

	31 Mar 2021	30 Jun 2021
<b>Balance sheet</b>		
Trade working capital	50.1	52.7
Total working capital	125.0	140.9
Net financial debt	222.6	220.1
Net leverage (x Adj. EBITDA)	1.9x	1.5x

The definitions and detailed information of the defined Alternative Performance Measures (APMs) are provided in the corresponding results presentation.

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€m	Q1 2020/21	Q2 2021/22
Revenue	85.9	156.1
Increase or decrease in finished goods and work in process	3.4	9.0
<b>Total operating performance</b>	<b>89.3</b>	<b>165.0</b>
Other operating income	0.6	2.8
Cost of materials	44.1	78.8
Personnel expenses	29.6	40.0
Depreciation, amortization and impairment	7.6	7.6
Other operating expenses	9.8	16.2
<b>Operating result (EBIT)</b>	<b>-1.2</b>	<b>25.2</b>
Finance income	2.0	2.9
Finance costs	12.6	12.7
<b>Financial result</b>	<b>-10.6</b>	<b>-9.8</b>
Income taxes	7.0	6.3
Deferred taxes	0.7	1.0
<b>Income tax result</b>	<b>7.6</b>	<b>7.3</b>
<b>Profit for the period</b>	<b>-19.5</b>	<b>8.2</b>
Differences from currency translation	-3.1	-0.8
<b>Items that may subsequently be reclassified to consolidated profit or loss</b>	<b>-3.1</b>	<b>-0.8</b>
Actuarial gains and losses from pensions and similar obligations (before taxes)		
Taxes on actuarial gains and losses from pensions and similar obligations		
<b>Items that will not subsequently be reclassified to consolidated profit or loss</b>		
<b>Other comprehensive income/loss, net of tax</b>	<b>-3.1</b>	<b>-0.8</b>
<b>Total comprehensive income/loss for the period</b>	<b>-22.6</b>	<b>7.4</b>

# NOTES TO STATEMENT OF COMPREHENSIVE INCOME

## Revenue

Total revenue of €156.1 million in the first quarter (period from April to June 2021) of the financial year 2021/22 increased by €70.2 million or 81.7% compared to the same reporting period last year. Based on prior year (constant) exchange rates, revenue would have been higher by 1.4%. This currency impact was particularly influenced by the weak Mexican peso. On a segmental basis, the increase in revenue in the first quarter of 2021/22 primarily occurred in Europe (€79.8million), followed by Americas (€54.3 million) and Asia (€21.9 million).

## Revenue development

€m	Q1 2020/21	Q1 2021/22	% change
Revenue Series	85.3	143.5	68.2%
Revenue Tooling	0.6	12.5	>100%
<b>Revenue</b>	<b>85.9</b>	<b>156.1</b>	<b>81.7%</b>

## Revenue Series

Revenue Series developed positively in the first quarter of 2021/22 and laid the foundations for the re-strengthened Adj. EBIT. Revenue Series recorded at €143.5 million in the first quarter of 2020/21, up 68.2% compared to the same period last year. Revenue Series generated 92.0% of total revenue and remained the key pillar of the business.

## Revenue Tooling

Revenue Tooling contributed €12.5 million to total revenue in the period April to June 2021. The year-on-year increase from €0.6 million to €12.5 million was mainly driven by the restart of the project business after the Covid-19 lockdown last year. During Q1 2020/21 the project work with the customers came almost to a standstill.

## Increase in finished goods and work in process

Change of finished goods and work in process rose by €5.6 million (>100%) from €3.4 million to €9.0 million in the first quarter of 2021/22 primarily because of higher stock of finished goods (€6.8 million), work in process (€1.6 million), conversely lower tooling inventories (€-4.1 million).

## Other operating income

Other income increased from €0.6 million in the first quarter of 2020/21 by €2.2 million to €2.8 million in the first quarter 2021/22. The position other operating income primarily included the gains from currency translation and the income from cost recharges to third parties. The deviation was composed of higher income from the release of accruals of €0.7 million, currency translation gains of €0.6 million and other income of €0.9 million.

## Cost of materials

Cost of materials surged from €44.1 million in the first quarter of 2020/21 to €78.8 million in first quarter of 2021/22, which equaled a year-on-year change of 78.7%. The swift recovery of the production volumes subsequent to the global shutdown was the main reason for this development. As the increase in the cost of materials was lower than the revenue increase, Novem was again able to improve its cost of materials to output (total operating performance) ratio by 1.7 percentage points and limit the negative influence from rising commodity prices in the first quarter of 2021/22 .

## Personnel expenses

Personnel expenses amounted to €40.0 million in the first quarter of 2021/22, up by €10.4 million or 35.3% compared to last year. As a percentage of total operating performance, personnel expenses decreased by 8.9 percentage points year-on-year to 24.2% (Q1 2020/21: 33.1%). The decline was largely attributable to the rigorous savings measures last year including hiring and salary freeze across the entire group.

## Depreciation, amortization and impairment

Novem recognized depreciation and amortization of €7.6 million in the first quarter of 2021/22, a minor decrease of -0.7% or €-0.1 million compared to last year. The decrease was mainly driven by depreciation on machinery.

## Other operating expenses

Other operating expenses rose from €9.8 million in the first quarter of 2020/21 by €6.4 million to €16.2 million in the same reporting period last year. This increase mainly related to higher business activities resulting in higher order-related expenses, legal and advisory fees as well as foreign currency translation losses.

## Finance income and costs

The financial result amounted to €-9.8 million for the first quarter in 2021/22, up by 7.6% compared to last year (€-10.6 million).

Finance income increased from €2.0 million in the first quarter of 2020/21 by €0.9 million to €2.9 million in the first quarter of 2021/22. The increase was mainly attributable to currency translation as a result of favorable exchange rate effects.

Finance costs primarily related interest expenses in the first quarter of 2021/22 in the amount of €12.7 million (Q1 2020/21: €12.6 million) for both shareholder loans of €6.4 million and floating rate notes of €5.3 million respectively.

## Income tax result

Income tax result decreased slightly by -5.0% from €7.6 million last year to €7.3 million in the first quarter of 2021/22. While income taxes declined by €-0.7m, deferred taxes rose by €0.3m in the period under review.

# NOTES TO STATEMENT OF COMPREHENSIVE INCOME

## Adjustments

### Adj. EBIT

Adj. EBIT represents the operating result adjusted for exceptional non-recurring items. As such, Novem adjusts certain one-off effects to better show the underlying operating performance of the company. The adjustments made follow a pre-defined and transparent approach and form part of the regular monthly closing and reporting routines.

### Adjustments

Adjustments in the first quarter of 2020/21 included €0.1 million of severance costs and €0.1 million for fees in connection with the bond.

In the first quarter of 2021/22, adjustments comprised €0.2 million Covid-19 related costs, €0.2 million consulting expenses in conjunction with the IPO as well as €0.1 million bond fees. Covid-19 costs contained expenses incurred for health and safety measures such as the purchase of masks and hygienic materials.

The Adj. EBIT margin of 16.5% for the first three months ended 30 June 2021 exceeded the adjusted prior-year-figure of -1.2% by 17.8 percentage points due to the significant revenue growth. This development is fully reflected in the Adj. EBITDA margin of 21.4%, as depreciation and amortization remained basically unchanged to the previous year.

## Reconciliation of EBIT/ EBITDA to Adj. EBIT/ EBITDA

€m	Q1 2020/21	Q1 2021/22
<b>Revenue</b>	<b>85.9</b>	<b>156.1</b>
<b>EBIT</b>	<b>-1.2</b>	<b>25.2</b>
EBIT margin	-1.4%	16.2%
Restructuring		
Exceptional ramp-up costs		
Single impairments		
Covid-19 costs		0.2
Others	0.2	0.3
Exceptional items	0.2	0.6
Discontinued operations	0.0	0.0
<b>Adjustments</b>	<b>0.2</b>	<b>0.6</b>
<b>Adj. EBIT</b>	<b>-1.1</b>	<b>25.8</b>
Adj. EBIT margin	-1.2%	16.5%
Depreciation and amortization	7.6	7.6
<b>Adj. EBITDA</b>	<b>6.6</b>	<b>33.4</b>
Adj. EBITDA margin	7.7%	21.4%

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€m	31 Mar 2021	30 Jun 2021
Intangible assets	3.6	3.5
Property, plant and equipment	186.8	182.0
Trade receivables	49.6	48.5
Other non-current assets	14.5	14.6
Deferred tax assets	9.0	8.0
<b>Total non-current assets</b>	<b>263.5</b>	<b>256.7</b>
Inventories	95.5	107.2
Trade receivables	53.0	42.0
Other receivables	27.2	28.8
Other current assets	14.2	17.4
Cash and cash equivalents	175.3	177.8
Assets held for sale	1.2	1.2
<b>Total current assets</b>	<b>366.4</b>	<b>374.6</b>
<b>Total assets</b>	<b>629.9</b>	<b>631.2</b>

Share capital	0.1	0.4
Capital reserves	21.9	21.6
Retained earnings	-528.3	-520.1
Currency translation reserve	1.2	0.5
<b>Total equity</b>	<b>-505.1</b>	<b>-497.7</b>
Pensions and similar obligations	34.6	34.9
Tax liabilities		
Other provisions	5.2	5.2
Financial liabilities	856.4	863.2
Other liabilities	34.1	32.3
Deferred tax liabilities	3.7	3.7
<b>Total non-current liabilities</b>	<b>933.9</b>	<b>939.3</b>
Tax liabilities	14.9	18.8
Other provisions	53.9	54.5
Financial liabilities	3.4	3.0
Trade payables	61.8	50.6
Other liabilities	67.1	62.8
<b>Total current liabilities</b>	<b>201.1</b>	<b>189.6</b>
<b>Equity and liabilities</b>	<b>629.9</b>	<b>631.2</b>

# NOTES TO STATEMENT OF FINANCIAL POSITION

## Total assets

Total assets amounted to €631.2 million as of 30 June 2021, a quarter-to-quarter increase of 0.2% compared to the end of the last financial year 2020/21 (31 March 2021: €629.9 million).

## Non-current assets

Non-current assets decreased from €263.5 million as of 31 March 2021 by -2.6% to €256.7 million as of 30 June 2021. This movement resulted to a large extent from a decline in property, plant and equipment by €-4.8 million or -2.5% due to lower investments in the reporting period under review.

## Current assets

Current assets increased to €374.6 million compared to the previous balance sheet date (€366.4 million), plus €8.2m or 2.2%. This change was mainly driven by higher inventories (plus €11.8 million) and other current assets (plus €3.2m). Lower trade receivables had the largest counterbalancing impact (minus €-11.0 million). Through non-recourse factoring Novem sold €48.5 trade receivables as of 30 June 2021, exceeding the volume of €40.1 million as of 31 March 2021 by €8.4 million.

## Working capital

€m	31 Mar 2021	30 Jun 2021	% change
Inventories	57.7	63.6	10.3%
Trade receivables	47.1	36.3	-22.9%
Trade payables	-54.7	-47.3	-13.6%
<b>Trade working capital</b>	<b>50.1</b>	<b>52.7</b>	<b>5.1%</b>
Tooling net	62.9	75.8	20.4%
Contract assets	12.0	12.5	4.1%
<b>Total working capital</b>	<b>125.0</b>	<b>140.9</b>	<b>12.7%</b>

Total working capital amounted to €140.9 million as of 30 June 2021 and therefore higher than as of 31 March 2021 by 12.7%. This was largely driven by higher safety stock and tooling net. The most significant change in tooling net was attributable to a rise in tooling inventories of €5.2 million. As a consequence, total working capital in % of revenue increased by 2 percentage points to 20.9% compared to the end of 2020/21.

## Equity

As of 30 June 2021, the equity position of €-497.7 million improved from €-505.1 million at the end the last quarter because of the profit generated in Q1 2021/22. Currency translation differences to Euro decreased by -61.8% to €0.5 million.

## Non-current liabilities

Non-current liabilities increased slightly from €933.9 million as of 31 March 2021 by 0.6% or €5.3 million to €939.3 million as of 30 June 2021. The rise of financial liabilities in the magnitude of €6.8 million to €863.2 million was primarily caused by higher accrued interests of shareholder loans. This increase was narrowed down by a decrease of €-1.7 million or -5.1% of other liabilities which was exclusively attributable to finance lease liabilities.

## Net financial debt

€m	31 Mar 2021	30 Jun 2021	% change
Liabilities from bond	397.4	397.9	0.1%
Liabilities to banks	0.4	0.0	-92.7%
<b>Gross financial debt</b>	<b>397.9</b>	<b>397.9</b>	<b>0.0%</b>
Cash and cash equivalents	-175.3	-177.8	1.4%
<b>Net financial debt</b>	<b>222.6</b>	<b>220.1</b>	<b>-1.1%</b>

Gross financial debt both as of 30 March 2021 and 30 June 2021 included liabilities from bond prior to the refinancing and redemption of the Senior Secured Notes on 26 July 2021. Liabilities to banks of €0.4 million as of 30 March 2021 resulted from hedging liabilities, which had not to be recorded as of 30 June 2021 as the market value of the existing foreign exchange forward contracts was positive.

## Net leverage

€m	30 Mar 2021	30 Jun 2021
Net financial debt	222.6	220.1
LTM Adj. EBITDA	117.3	144.1
<b>Net leverage</b>	<b>1.9x</b>	<b>1.5x</b>

The net leverage ratio is defined as net financial debt divided by Adj. EBITDA for the last twelve months. The ratio significantly improved from 1.9x Adj. EBITDA at the end of the last quarter to 1.5x Adj. EBITDA as of 30 June 2021. This movement was enabled through the recovery of the trading conditions after the Covid-19 lockdown last year and the increase in LTM Adj. EBITDA by 22.8%.

## Current liabilities

Current liabilities amounted to €189.6 million on the reporting date of the current quarter, a decrease of -5.7% or €-11.5 million compared to the end of last quarter (31 March 2021: €201.1 million). The decrease was mainly attributable to lower trade payables of €-11.3 million or -18.2% followed by lower other liabilities €-4.3 million and lower financial liabilities €-0.4 million. The development was offset by higher tax liabilities by +26.0% due to the utilization of tax reliefs in respect of the Covid-19 pandemic.

# CONSOLIDATED STATEMENT OF CASH FLOWS

€m	Q1 2020/21	Q1 2021/22
Profit for the period	-19.5	8.2
Income tax expense (+)/income (-)	7.0	6.3
Financial result (+)/(-) net	12.0	12.0
Depreciation, amortization and impairment	7.6	7.6
Other non-cash expenses (+)/income (-)	-10.3	-6.7
Increase (-)/decrease (+) in inventories	-0.0	-16.0
Increase (-)/decrease (+) in trade receivables	16.2	12.1
Increase (-)/decrease (+) in other assets	-7.3	-1.4
Increase (-)/decrease (+) in deferred taxes	0.8	1.0
Increase (-)/decrease (+) in prepaid expenses/deferred income	-1.5	-3.3
Increase (+)/decrease (-) in provisions	7.4	6.6
Increase (+)/decrease (-) in trade payables	-21.6	-11.3
Increase (+)/decrease (-) in other liabilities	1.2	0.4
Gain (-)/loss (+) on disposals of non-current assets	0.0	-0.0
Cash received from (+)/cash paid for (-) for income taxes	-2.5	-2.4
<b>Cash flow from operating activities</b>	<b>-10.4</b>	<b>12.9</b>
Cash received (+) from disposals of intangible assets		
Cash received (+) from disposals of property, plant and equipment	-0.0	0.0
Cash paid (-) for investments in intangible assets	-0.0	-0.1
Cash paid (-) for investments in property, plant and equipment	-3.6	-3.4
Interest received (+)	0.6	0.7
Dividends received (+)		
<b>Cash flow from/(used in) investing activities</b>	<b>-3.1</b>	<b>-2.8</b>
Cash repayments of loans	-1.8	-0.0
Cash received from loans		
Cash repayments (-) to shareholders of the parent company	-0.0	-0.0
Cash repayments (-) of shareholders loans	0.0	0.0
Cash received from (+) issuance of bonds	0.6	0.4
Cash paid for (-) subsidies/grants	-0.0	-0.0
Cash paid for (-) finance leases	-1.6	-2.4
Interest paid (-)	-5.6	-5.6
Dividends paid (-)		
<b>Cash flow from financing activities</b>	<b>-8.5</b>	<b>-7.6</b>
<b>Net increase (+)/ decrease (-) in cash and cash equivalents</b>	<b>-21.9</b>	<b>2.5</b>
Effect of exchange rate fluctuations on cash and cash equivalents		
Cash and cash equivalents at the beginning of the reporting period	196.2	175.3
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>174.2</b>	<b>177.8</b>



# NOTES TO STATEMENT OF CASH FLOWS

## Cash flow from operating activities

Cash flow from operating activities strongly improved from €-10.4 million in the first quarter of last year by €23.4 million to €12.9 million in the first quarter of 2021/22. The marked increase resulted from the higher profit of €27.6 million as the business returned to pre-corona trading levels. The considerable increase of inventories by €16.0 million compared to the same reporting period last year had a counterbalancing impact, amongst others.

## Cash flow from/(used in) investing activities

Cash flow from/(used in) investing activities reached €-2.8 million in the current quarter Q1 2021/22 and improved by €0.3 million or 9.0%. This was mainly attributable to lower investments in property, plant and equipment reflecting the company's solid and fully invested asset base as well as the savings measures initiated during the global lockdown period.

## Cash flow from/(used in) financing activities

Cash flow used in financing activities scaled back to €-7.6 million by €0.8 million in the first quarter of 2021/22 (Q1 2020/21: €-8.5 million). This change was largely driven by €1.8 million lower cash repayments of loans but also higher cash paid for finance leases by €-0.8 million. Cash repayments of loans in Q1 2020/21 referred to certain overpayments of customers included in the non-recourse factoring program.

# SEGMENT REPORTING

€m	Europe		Americas		Asia	
	Q1 2020/21	Q1 2021/22	Q1 2020/21	Q1 2021/22	Q1 2020/21	Q1 2021/22
External revenue	38.7	79.8	23.6	54.3	23.7	21.9
Revenue between segments	7.5	9.8	7.9	9.8	3.0	5.5
<b>Total revenue</b>	<b>46.1</b>	<b>89.6</b>	<b>31.5</b>	<b>64.1</b>	<b>26.7</b>	<b>27.5</b>
<b>Adj. EBITDA</b>	<b>0.3</b>	<b>16.3</b>	<b>-1.1</b>	<b>9.5</b>	<b>7.4</b>	<b>7.6</b>
Adj. EBITDA margin	0.6%	18.2%	-3.5%	14.8%	27.8%	27.7%
Depreciation, amortization and impairment	3.7	3.6	2.7	2.7	1.2	1.3
<b>Adj. EBIT</b>	<b>-3.4</b>	<b>12.7</b>	<b>-3.8</b>	<b>6.7</b>	<b>6.2</b>	<b>6.3</b>
Adj. EBIT margin	-8.8%	15.9%	-16.1%	12.4%	26.1%	28.9%
Adjustments	0.2	0.5		0.1		
<b>Operating Result (EBIT)</b>	<b>-3.6</b>	<b>12.2</b>	<b>-3.8</b>	<b>6.6</b>	<b>6.2</b>	<b>6.3</b>

€m	Total segments		Other/consolidation		Group	
	Q1 2020/21	Q1 2021/22	Q1 2020/21	Q1 2021/22	Q1 2020/21	Q1 2021/22
External revenue	85.9	156.1			85.9	156.1
Revenue between segments	18.4	25.1	-18.4	-25.1		
<b>Total revenue</b>	<b>104.3</b>	<b>181.2</b>	<b>-18.4</b>	<b>-25.1</b>	<b>85.9</b>	<b>156.1</b>
<b>Adj. EBITDA</b>	<b>6.6</b>	<b>33.4</b>	<b>0.0</b>	<b>0.0</b>	<b>6.6</b>	<b>33.4</b>
Adj. EBITDA margin	6.3%	18.4%	-0.0%	-0.0%	7.7%	21.4%
Depreciation, amortization and impairment	7.6	7.6			7.6	7.6
<b>Adj. EBIT</b>	<b>-1.1</b>	<b>25.8</b>	<b>0.0</b>	<b>0.0</b>	<b>-1.1</b>	<b>25.8</b>
Adj. EBIT margin	-1.0%	14.2%	-0.0%	-0.0%	-1.2%	16.5%
Adjustments	0.2	0.6			0.2	0.6
<b>Operating Result (EBIT)</b>	<b>-1.2</b>	<b>25.2</b>	<b>0.0</b>	<b>0.0</b>	<b>-1.2</b>	<b>25.2</b>

# NOTES SEGMENT REPORTING

## Europe

External revenue in Europe in the first quarter of 2021/22 amounted to €79.8 million, in excess of >100% in comparison to last year (Q1 2020/21: €38.7 million).

Europe accounted for 51.1% of total revenue in the first three months of 2021/22 (Q1 2020/21: 45.0%).

Adj. EBIT generated in Europe amounted to €12.7 million in the first quarter of 2021/22 and was thus >100% higher than in the same reporting period last year (Q1 2020/21: €-3.4 million). Adj. EBIT margin increased to 15.9% compared to -8.8% last year.

The sharp improvement in the operating performance of the region was attributable to the swift market recovery after the lockdown in Q1 2020/21 in Europe.

## Europe

€m	Q1 2020/21	Q1 2021/22	% change
External revenue	38.7	79.8	>100%
Revenue between segments	7.5	9.8	31.6%
<b>Total revenue</b>	<b>46.1</b>	<b>89.6</b>	<b>94.2%</b>
Adj. EBIT	-3.4	12.7	>100%
Adj. EBIT margin	-8.8%	15.9%	>100%

## Americas

External revenue in Americas more than doubled from €23.6 million in the first quarter of 2020/21 to €54.3 million in the first quarter of 2021/22 (plus >100% or €30.7 million). The currency translation impact amounted to €-3.8 million and resulted predominantly from the strengthening of the US dollar.

Americas accounted for 34.8% of total revenue in the first three months of 2021/22 (Q1 2020/21: 27.4%).

Adj. EBIT generated in Americas amounted to €6.7 million in the first quarter of 2021/22 and was thus >100% higher than in the same reporting period last year (Q1 2020/21: €-3.8 million). Adj. EBIT margin increased to 12.4% compared to -16.1% last year.

As in the case of Europe, the Americas region saw a similar swing back from the shutdown in Q1 2020/21 with trading conditions returning to pre-corona levels thereafter.

## Americas

€m	Q1 2020/21	Q1 2021/22	% change
External revenue	23.6	54.3	>100%
Revenue between segments	7.9	9.8	22.9%
<b>Total revenue</b>	<b>31.5</b>	<b>64.1</b>	<b>&gt;100%</b>
Adj. EBIT	-3.8	6.7	>100%
Adj. EBIT margin	-16.1%	12.4%	>100%

## Asia

External revenue in Asia suffered from a moderate decline from €23.7 million in the first quarter of 2020/21 to €21.9 million in the current year (change of -7.3% year-on-year). In Q1 2021/22, the currency translation impact of €0.2 million had a positive influence on revenue in Asia of 1.0%.

Asia accounted for 14.1% of total revenue in the first three months of 2021/22 (Q1 2020/21: 27.6%).

Adj. EBIT generated in Asia amounted to €6.3 million in the first quarter of 2021/22 and was thus 2.8% higher than in the same reporting period last year (Q1 2020/21: €6.2 million). Adj. EBIT margin increased to 28.9% compared to 26.1% last year.

In contrast to the other two regions, Asia was no longer affected by the pandemic in Q1 2020/21. Therefore the revenue line could not benefit from a similar swing back in Q1 2021/22. Nonetheless, the Chinese operation was successful in maintaining and even further improving the underlying profitability.

## Asia

€m	Q1 2020/21	Q1 2021/22	% change
External revenue	23.7	21.9	-7.3%
Revenue between segments	3.0	5.5	83.0%
<b>Total revenue</b>	<b>26.7</b>	<b>27.5</b>	<b>2.9%</b>
Adj. EBIT	6.2	6.3	2.8%
Adj. EBIT margin	26.1%	28.9%	10.9%

# FURTHER INFORMATION

## Subsequent events

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### Change of legal form

Novem Group S.A. was originally formed as a private limited liability company (société à responsabilité limitée) for an unlimited period of time under the laws of Luxembourg on 12 July 2011 pursuant to a deed of incorporation published in the Mémorial, Recueil des Sociétés et Associations C on 28 September 2011, number 2306. At that time, the Company's legal name was Car Interior Design (Luxembourg) S.à.r.l.

On 30 June 2021, the extraordinary General Shareholders' Meeting converted the Company's corporate form from a private limited liability company (société à responsabilité limitée) to a public company limited by shares (société anonyme). As a consequence, the shares (parts sociales) were also converted and became "actions" with no nominal value. The Company's corporate name was amended to Novem Group S.A.

### Development of share capital

During the same extraordinary General Shareholders' Meeting, the Company's share capital was increased from its then current amount of €62,500 to €400,000 by the creation and the issuance of 33,750,000 new shares with no nominal value each by way of the incorporation of the amount of €337,500 which was booked in the books of the Company under the available share premium account.

On 30 June 2021, the extraordinary General Shareholders' Meeting resolved to create and set the authorized capital of the Company (including, for the avoidance of doubt, the Company's issued share capital) at €520,000 divided into 52,000,000 shares with no nominal value.

The Management Board is authorized, with the consent of the Supervisory Board, up to the maximum amount of the authorized capital, to increase the issued share capital on one or several occasions, against payment in cash or in kind, by the incorporation of reserves, issue premiums or retained earnings, with or without the issue of new shares, or following the issue and the exercise of subordinated or non-subordinated bonds, convertible into or repayable by or exchangeable for shares (whether provided in the terms at issue or subsequently provided), or following the issue of bonds with warrants or other rights to subscribe for shares attached, or through the issue of stand-alone warrants or any other instrument carrying an entitlement to, or the right to subscribe for, shares.

On 30 June 2021, the extraordinary General Shareholders' Meeting resolved to authorize the Management Board to effect on one or several occasions repurchases and disposals of Company shares on the regulated market on which the Company's shares are admitted for trading, or by such other means resolved by the Management Board during a period of five (5) years from the date of the General Shareholders' Meeting, for a maximum number corresponding to 20% of the ordinary shares of the Company, within a price range from a price per share not lower than 10% below the shares' official price reported in the trading session on the day before carrying out each individual transaction; to a price per share no higher than 10% above the shares' official price reported in the trading session on the day before carrying out each individual transaction.

On 14 July 2021, 3,030,303 new ordinary shares in a dematerialized form with no nominal value have been issued from the Company's authorized share capital against contributions in cash by resolution of the Management Board of the Company on the same day. Net proceeds from the private placement of these shares amounted to €48.4 million based on the issuance of 3,030,303 New Shares at an Offer Price of €16.50 per share and related costs of the Private Placement and Listing attributable to the Company. As a result, the share capital of the Company amounts to €430,303.03 and is divided into 43,030,303 ordinary shares in a dematerialized form with no nominal value. Each share of the Company represents a par value of €0.01 in the Company's share capital. All shares are fully paid up.

On 14 July 2021, Automotive Investments (Luxembourg) S.à.r.l. contributed receivables of an aggregate amount of €469,280,246.55 it held against the Company resulting from shareholder loans to the freely distributable reserve account of the Company named "contribution to equity capital without issue of shares ("capital contribution")" pursuant to the Grand Ducal decree dated 12 September 2019 on the presentation and content of standard chart of accounts.

# FURTHER INFORMATION

## Subsequent events

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### Appointment of members of the Management Board

In conjunction with the conversion of the Company to a public company limited by shares, Günter Brenner was appointed as Chief Executive Officer, Dr. Johannes Burtscher was appointed as Chief Financial Officer and Christine Hollmann and Frank Schmitt were appointed as additional members of the Management Board of Novem Group S.A.

All members of the Management Board of Novem Group S.A. are appointed until the date the annual general meeting of Novem Group S.A. approving the annual accounts as of and for the period ended 31 March 2022.

### Refinancing

On 23 July 2021, the Company has drawn the €250.0 million under the term facility being part of the €310.0 million term and revolving facilities agreement the Company, its direct subsidiary Novem Group GmbH and certain other subsidiaries entered into with Bayerische Landesbank, Commerzbank, DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Landesbank Baden-Württemberg, Raiffeisen Bank International, UniCredit and J.P. Morgan as lead arrangers on 18 June 2021. The term facility initially bears interest at 1.50% per annum which may be increased or reduced to a margin range between 2.00% and 0.75% per annum subject to the total net leverage of the group.

On 26 July 2021, the drawdown under the term facility together with cash and the proceeds from the issuance of the new shares were used to refinance the Senior Secured Notes in an amount of €400.0 million. The Senior Secured Notes previously bore interest at a rate per annum equal to EURIBOR plus a margin of 5.25% per annum.

Following the completion of the listing on the Frankfurt Stock Exchange the leverage ratio of net financial debt to Adj. EBITDA as of 31 July 2021 was 1.4x with a net financial debt of €194.8 million and LTM Adj. EBITDA of €138.2 million.

## Opportunities and risks

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An assessment of opportunities and risks for Novem showed no significant changes to the risk-related disclosures as of and for the financial year ended 31 March 2021.

Herewith reference is being made to the Annual Financial Report 2020/21 on opportunities and risks which can be accessed on the Investor Relations website of Novem in the section of Reports & Presentations.

# FURTHER INFORMATION

## Financial calendar

16 December 2021	HY 2021/22 Results
24 February 2022	Q3 2021/22 Results
02 June 2022	FY 2021/22 Preliminary Results
30 June 2022	FY 2021/22 Results

## Contact

### Investor Relations

[investor.relations@novem.com](mailto:investor.relations@novem.com)

All information is constantly updated and available.

Please visit the investor section on the Company website:

<https://ir.novem.com/websites/novem/English/1/investor-relations.html>

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