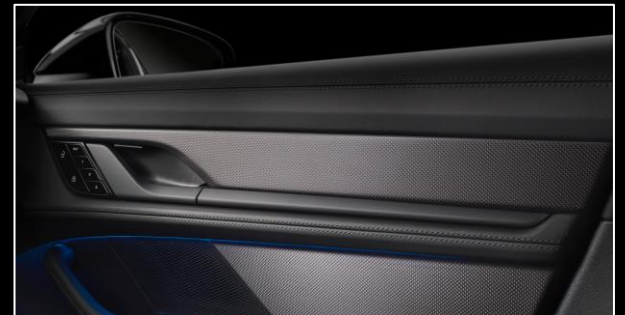
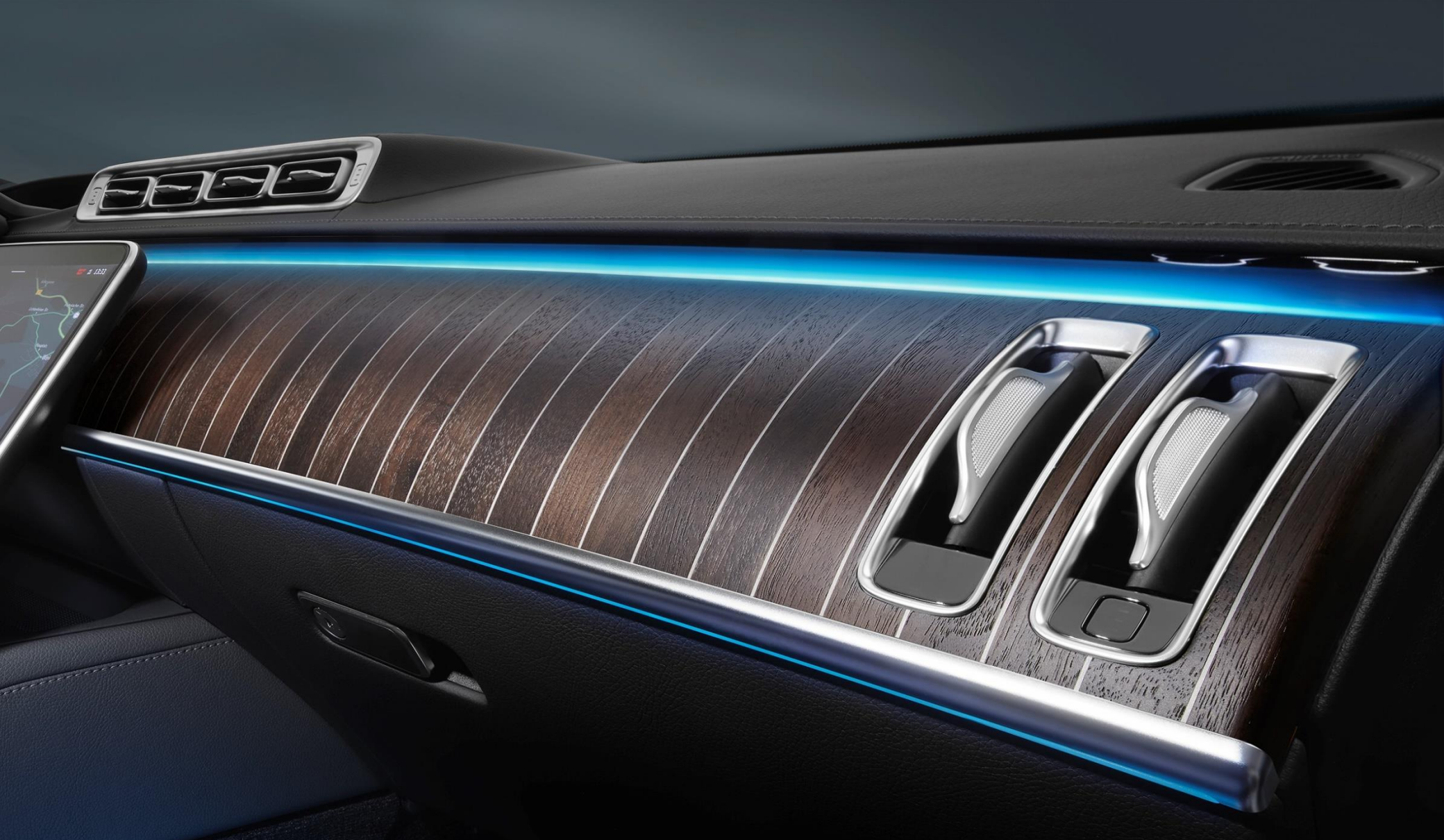




29 November 2023

HY 2023/24 Results











1 OVERVIEW

Q2 2023/24 key events







- In Q2 2023/24, Novem generated revenue of €171.9m equalling a modest decline over previous year (-3.1% y/y)
- Like in the preceding quarter, the trading conditions remained challenging across all regions, especially in Europe
- Adj. EBIT of €18.0m resulted in a margin of 10.4% and was mainly affected by production inefficiencies
- Free cash flow of €22.3m underpinned the Group's ability of achieving a strong cash conversion
- Closure of production in Bergamo announced and transfer of platforms to other locations in preparation
- Further consolidation of capacities will improve cost structure and utilisation of the current manufacturing footprint
- Floods in Slovenia also hit the plant based in Žalec and caused some disruption of the operation
- Novem has been nominated as supplier for the Tesla Model Y facelift (aluminium décor) and the Jaguar Panthera

Difficult market environment making 2023/24 a year of transition

Q2 2023/24 financial highlights

	Q2 2022/23		Q2 2023/24
Revenue (€m)	177.4		171.9
Adj. EBIT (€m)	20.1		18.0
Adj. EBIT margin (%)	11.3%		10.4%
Free cash flow (€m)	22.8		22.3
Net leverage (x Adj. EBITDA)	1.5x		1.4x

HY 2023/24 financial highlights

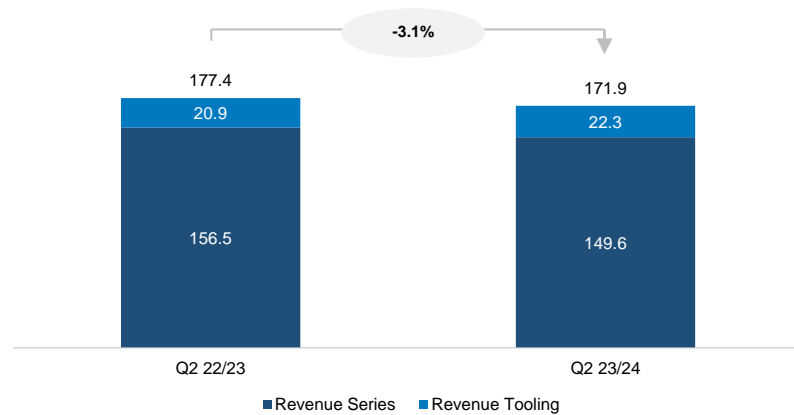
	HY 2022/23		HY 2023/24
Revenue (€m)	359.3		347.1
Adj. EBIT (€m)	41.5		38.0
Adj. EBIT margin (%)	11.5%		10.9%
Free cash flow (€m)	20.4		33.5
Net leverage (x Adj. EBITDA)	1.5x		1.4x



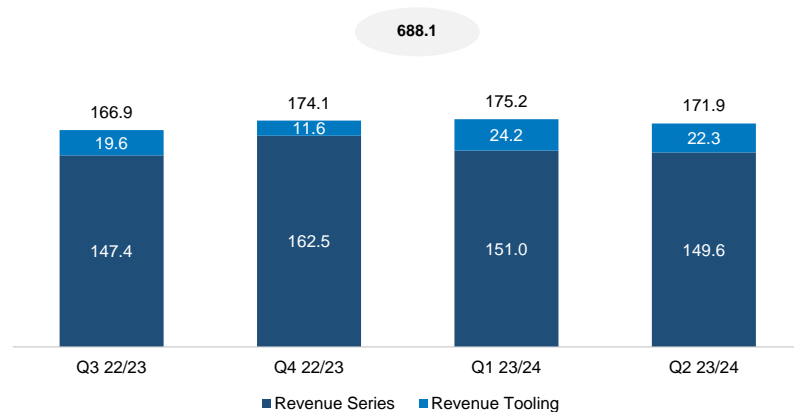
2 GROUP RESULTS

Revenue

Revenue (€m)



LTM revenue (€m)

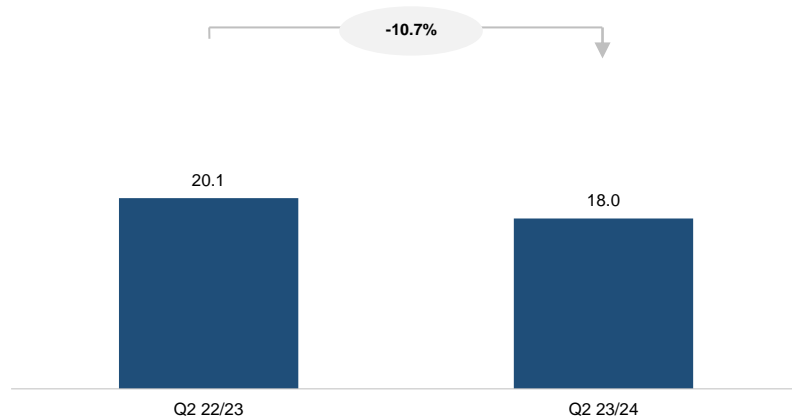


Highlights

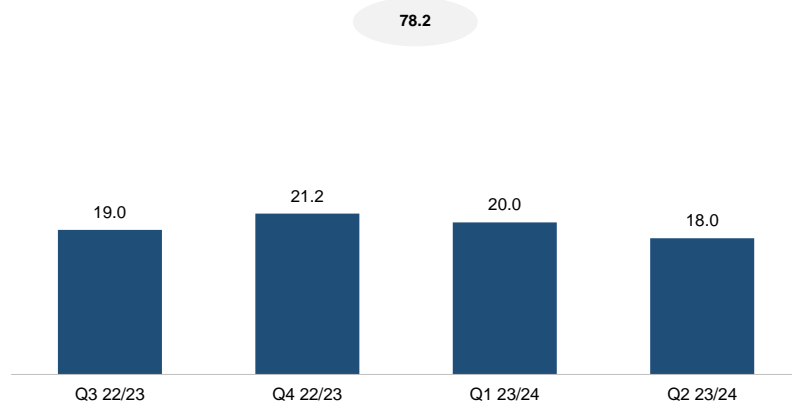
- Total revenue of €171.9m in Q2 2023/24 fell short of prior year by €-5.5m or -3.1%
- Top line was unfavourably impacted by FX effects; revenue would have been higher by €+6.5m or +3.8% at constant FX rates
- Revenue Series contributed 87.0% to total revenue and shrank by €-6.9m or -4.4% y/y
- Decline in Series business was driven by weak customer call-offs and model changes in Europe and Asia
- According to the latest LMC report, global LVP rose by +5.6% y/y from 21.4m to 22.6m units
- Revenue Tooling of €22.3m increased considerably by €+1.4m or +6.7% versus last year
- In the last twelve months, total revenue of €688.1m decreased by €-5.5m or -0.8% compared to previous quarter

Adj. EBIT

Adj. EBIT (€m)



LTM Adj. EBIT (€m)

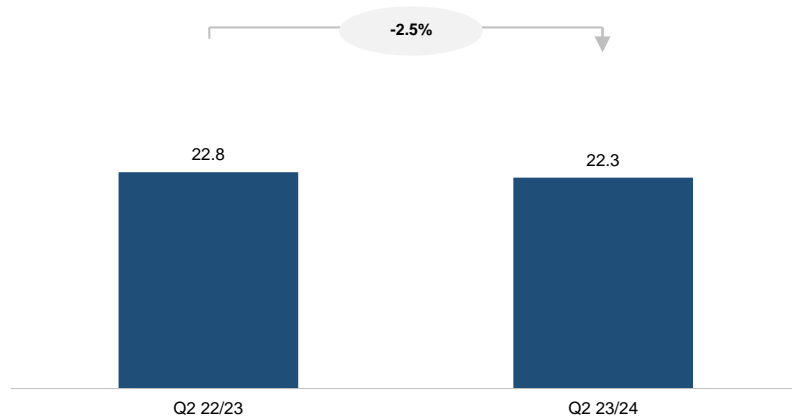


Highlights

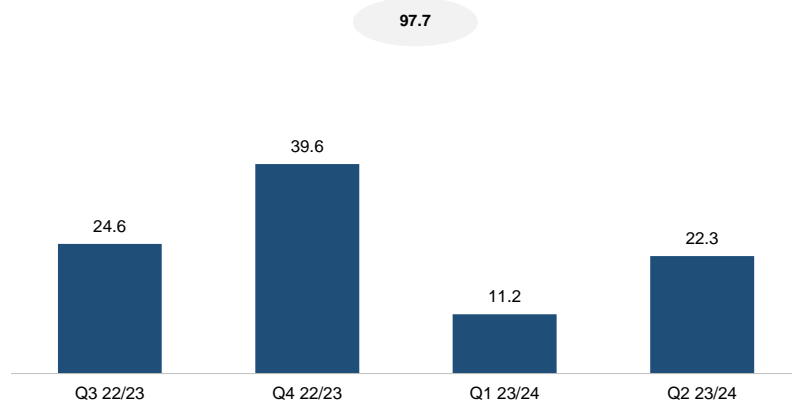
- In Q2 2023/24, Adj. EBIT decreased by €-2.1m, translating into a solid margin of 10.4% for the period under review
- Operating result was influenced by weak revenue, particularly in Europe and Asia
- As a consequence, Novem suffered from mediocre utilisation of several plants (Bergamo, Pilsen, Žalec)
- Savings measures underway, including the closure of the plant in Bergamo and personnel adjustments
- Furthermore, disadvantageous development of the product mix through certain model changes
- On the other hand, operating result was supported by continued lower input costs and freight expenses
- Additionally, bottom line benefited from customer compensation payments

Free cash flow

Free cash flow (€m)



LTM free cash flow (€m)

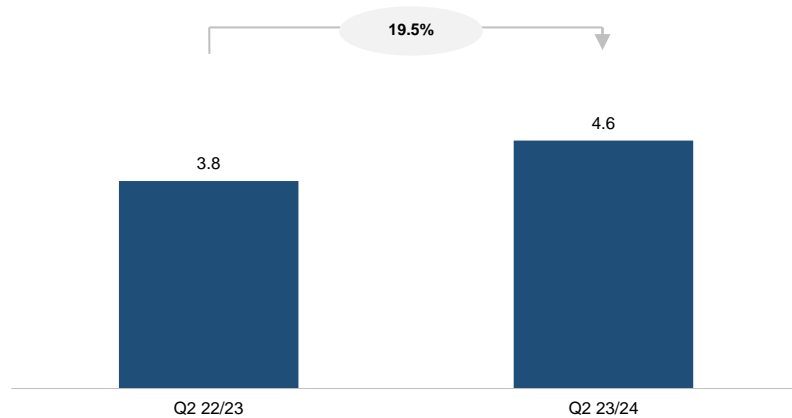


Highlights

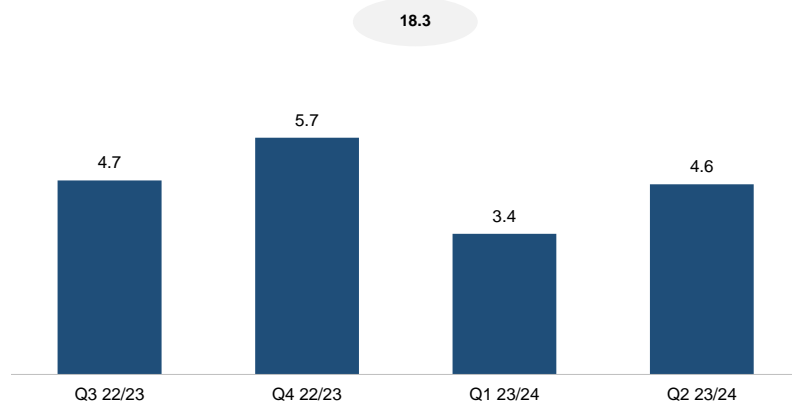
- In Q2 2023/24, Novem posted a strong free cash flow of €22.3m, which was similar to last year's level of €22.8m
- Cash flow from operating activities (€24.7m) recorded marginally below prior year by €-1.1m due to the following reasons:
 - Decreased other liabilities (€-4.6m) and trade payables (€-4.1m), higher tax payments (€-2.2m) and Others (€-3.1m); conversely, lower trade receivables (€+8.2m) as well as inventories (€+4.7m)
- Substantial reduction of other liabilities was largely attributable to increased advanced tooling payments
- Cash flow from investing activities of €-2.4m fell short of previous year (€-3.0m PY)
- On a last-twelve-month calculation, free cash flow of €97.7m was well above PY by €+23.2m or +31.2%

Capital expenditure

Capital expenditure (€m)



LTM capital expenditure (€m)

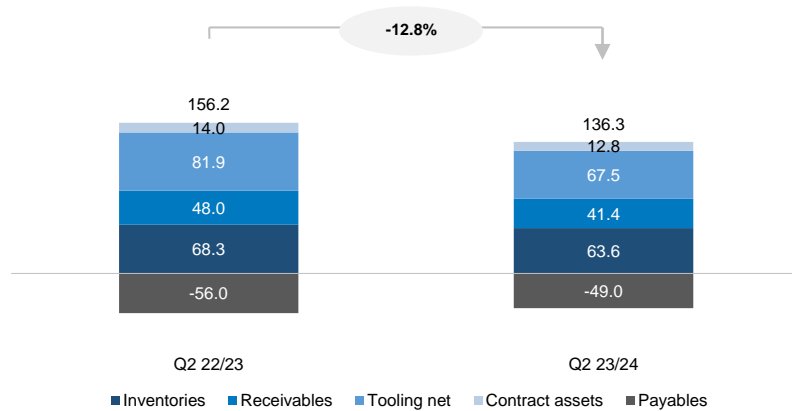


Highlights

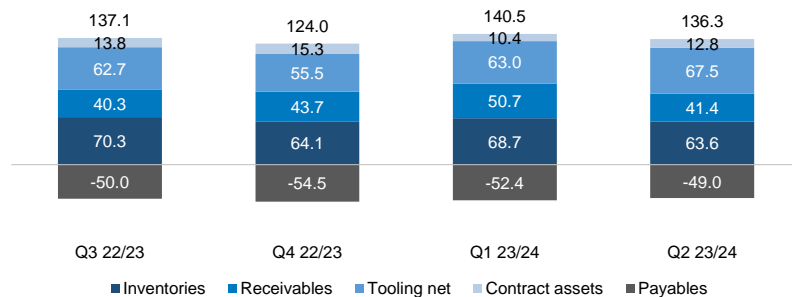
- In Q2 2023/24, capital expenditure of €4.6m exceeded last year's level by €+0.7m or +19.5%
- Due to the increased investments, the underlying capex ratio also increased to 2.7% of revenue (2.2% PY)
- Majority of capital expenditure was invested in Querétaro (€1.4m), Langfang (€0.9m) and Žalec (€0.8m) for new projects
- LTM capital expenditure of €18.3m led to a capex ratio of 2.7% of revenue
- Plant closure in Bergamo is not expected to trigger investments in other locations
- Consolidated footprint in Europe will enhance the utilisation of the available production capacities

Total working capital

Total working capital (€m)



LTM total working capital (€m)

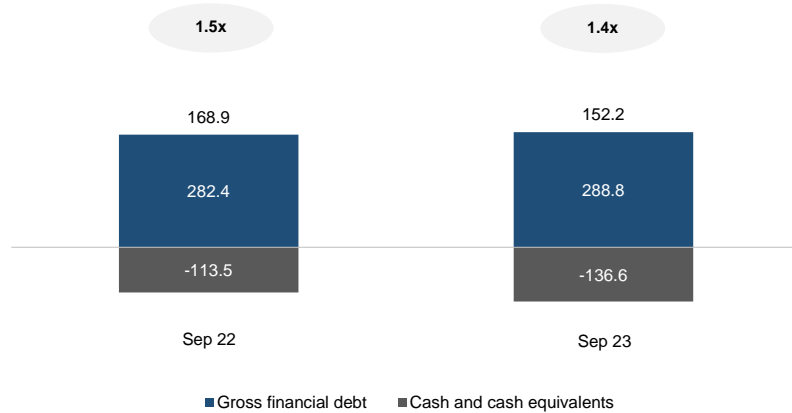


Highlights

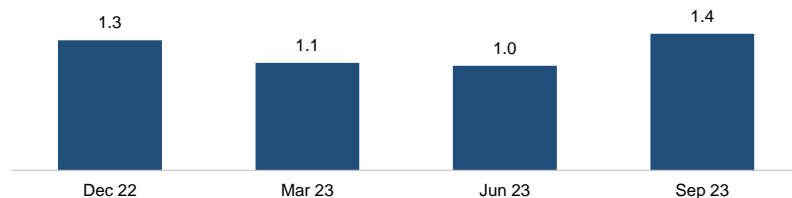
- As of 30 September 2023, total working capital recorded notably below last year at €136.3m (-12.8%)
- Favourable deviation of €+20.0m resulted from lower tooling net (€+14.4m), trade receivables (€+6.6m) and inventories (€+4.7m) as well as contract assets (€+1.2m); on the other hand, negative impact from lower trade payables (€-6.9m)
- Lower tooling net achieved by deferred cash out-flow for several projects; conversely, lower trade payables due to volume
- In % of LTM revenue, total working capital fell short of last year's level of 23.0% at 19.8% only
- Trade working capital, excluding tooling net and contract assets, also developed positively from €60.3m to €56.0m
- Reported in days outstanding, DIO of 38 (39 PY) and DSO of 33 (36 PY) improved, while DPO of 49 (53 PY) deteriorated

Capital structure

Net financial debt (€m)



LTM net leverage ratio



Highlights

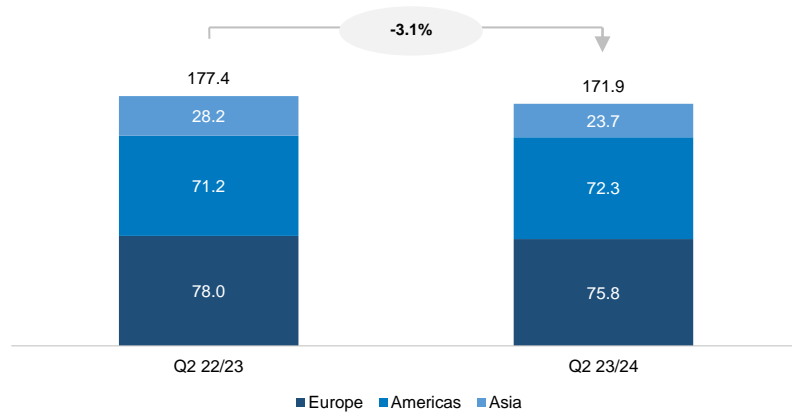
- Gross financial debt and cash balances rose in comparison to the same reporting date last year
- Lease liabilities, included in gross financial debt, stood at €39.3m (€34.4m PY)
- Principal sources of funds contained €136.6m cash (€113.5m PY) and €43.1m non-recourse factoring (€48.7m PY)
- Solid cash position of €136.6m despite an extraordinary dividend distribution of €49.5m in August 2023
- As of 30 September 2023, net financial debt recorded at €152.2m and showed a decrease versus previous year (€168.9m)
- Net leverage ratio of 1.4x stood almost on the same level as prior year (1.5x Adj. EBITDA)



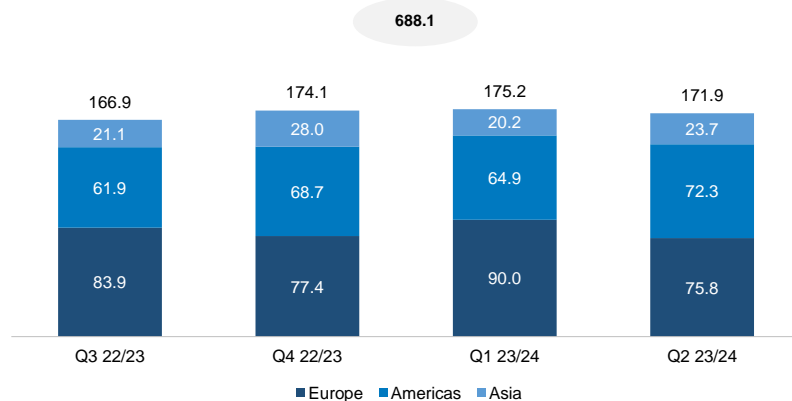
3 RESULTS BY OPERATING SEGMENTS

Revenue by operating segments

Revenue by region (€m)



LTM revenue by region (€m)

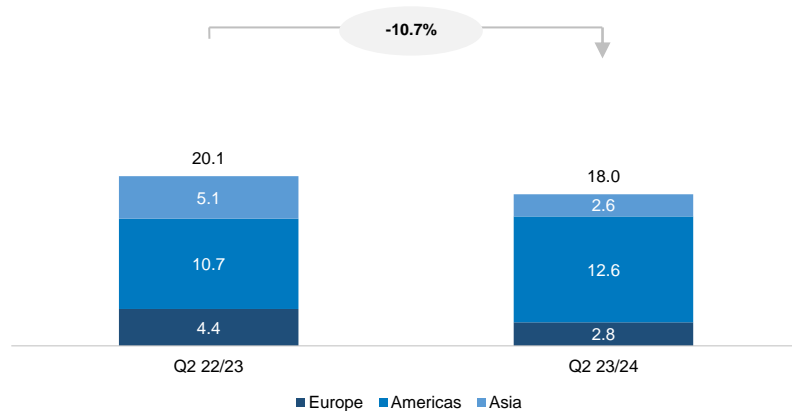


Highlights

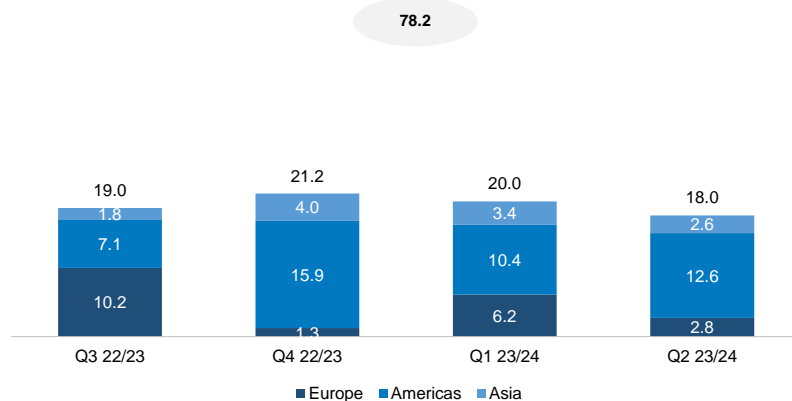
- As last quarter, revenue decreased both in Europe and Asia, while Americas developed favourably
- Revenue decline in Europe (€-2.2m y/y) was largely attributable to the fundamentally sluggish trading conditions and the scheduled phase-out of the BMW 5-series
- Growth in Americas (€+1.1m y/y) was driven by a continued strong momentum of SUVs; on the other hand, top line was diluted by a comparatively weaker US dollar
- Revenue in Asia (€-4.4m y/y) was also unfavourably influenced by currency effects (weaker Chinese Renminbi) and model changes (launch of Lotus Lambda and SOP/EOP of MB E-class)
- LTM revenue showed the following distribution across the regions: 47.6% Europe, 38.9% Americas and 13.5% Asia

Adj. EBIT by operating segments

Adj. EBIT by region (€m)



LTM Adj. EBIT by region (€m)



Highlights

- On a segmental basis, Adj. EBIT showed the same development as top line: the erosion both in Europe and Asia was partly offset by a strong profit contribution from Americas
- In Europe, Adj. EBIT of €2.8m (€4.4m PY) was again affected by structurally weaker call-offs from OEMs, production inefficiencies and product mix shifts
- Customer compensation payments as well as further decreased material costs mitigated the negative impact in the region
- Americas benefited from the buoyant top line and reduced input costs leading to a solid Adj. EBIT of €12.6m (€10.7m PY)
- In Asia, Adj. EBIT of €2.6m (€5.1m PY) was largely driven by the aforementioned model changes
- In comparison with the previous quarter, LTM Adj. EBIT declined by -2.7% from €80.4m to €78.2m



4 QUESTIONS & ANSWERS



5 APPENDIX

Profit and loss statement

Profit and loss statement (€m)				
	Q2 2022/23	Q2 2023/24	HY 2022/23	HY 2023/24
Revenue	177.4	171.9	359.3	347.1
Increase or decrease in finished goods and work in process	-4.0	-5.3	-5.3	-11.5
Total operating performance	173.4	166.7	354.0	335.5
Other operating income	5.0	3.3	9.6	4.9
Cost of materials	-90.6	-83.5	-184.1	-163.9
Personnel expenses	-40.7	-42.0	-82.1	-85.4
Depreciation, amortisation and impairment	-8.0	-8.2	-16.1	-16.5
Other operating expenses	-18.9	-18.3	-39.8	-36.7
Adj. EBIT	20.1	18.0	41.5	38.0
Adjustments	-0.3	-4.7	-0.5	-4.7
Operating result (EBIT)	19.8	13.3	41.0	33.3
Finance income	0.9	2.1	1.7	3.3
Finance costs	-11.4	-8.9	-19.8	-12.4
Financial result	-10.6	-6.8	-18.1	-9.1
Income taxes	-3.1	-3.2	-7.7	-6.3
Deferred taxes	0.1	1.5	-0.4	0.2
Income tax result	-3.0	-1.6	-8.1	-6.1
Profit for the period	6.3	4.9	14.7	18.1

Balance sheet

Balance sheet (€m)

	30 Sep 2022	30 Sep 2023		30 Sep 2022	30 Sep 2023
			Total equity	82.7	78.8
Intangible assets	2.7	2.1	Pensions and similiar obligations	35.3	27.1
Property, plant and equipment	182.4	181.4	Tax liabilities	-	-
Trade receivables	51.6	52.3	Other provisions	3.2	1.5
Other non-current assets	11.8	17.3	Financial liabilities	247.9	248.5
Deferred tax assets	19.3	5.2	Other liabilities	29.9	35.8
			Deferred tax liabilities	4.2	-2.7
Total non-current assets	267.8	258.3	Total non-current liabilities	320.5	310.1
Inventories	121.7	106.3	Tax liabilities	17.0	17.0
Trade receivables	54.6	46.4	Other provisions	51.2	52.9
Other receivables	33.4	32.0	Financial liabilities	5.8	1.5
Other current assets	16.8	12.4	Trade payables	59.8	52.4
Cash and cash equivalents	113.5	136.6	Other liabilities	70.7	79.3
Total current assets	340.0	333.7	Total current liabilities	204.5	203.1
Assets	607.8	592.0	Equity and liabilities	607.8	592.0

Cash flow statement

Cash flow statement (€m)

	Q2 2022/23	Q2 2023/24	HY 2022/23	HY 2023/24
Profit for the period	6.3	4.9	14.7	18.1
Income tax expense (+)/income (-)	3.1	3.2	7.7	6.3
Financial result (+)/(-) net	1.2	2.8	2.1	6.0
Depreciation, amortisation and impairment (+)	8.0	8.2	16.1	16.5
Other non-cash expenses (+)/income (-)	-0.2	-0.8	0.3	-1.6
Increase (-)/decrease (+) in inventories	4.9	9.6	10.4	12.6
Increase (-)/decrease (+) in trade receivables	-3.2	5.0	-18.1	-4.7
Increase (-)/decrease (+) in other assets	-1.0	0.5	-2.1	6.8
Increase (-)/decrease (+) in deferred taxes	-0.1	-1.5	0.4	-0.2
Increase (-)/decrease (+) in prepaid expenses/deferred income	0.3	-0.9	-0.1	-1.6
Increase (+)/decrease (-) in provisions	3.1	1.2	4.3	3.8
Increase (+)/decrease (-) in trade payables	2.8	-1.3	-0.1	-4.8
Increase (+)/decrease (-) in other liabilities	2.8	-1.8	-6.0	-11.5
Gain (-)/loss (+) on disposals of non-current assets	-0.0	0.0	0.0	0.0
Cash received (+) from/cash paid (-) for income taxes	-2.2	-4.4	-4.3	-7.4
Cash flow from operating activities	25.8	24.7	25.5	38.2

Cash flow statement (cont'd)

Cash flow statement (€m)					
	Q2 2022/23	Q2 2023/24	HY 2022/23	HY 2023/24	
Cash received (+) from disposals of intangible assets	-	-	-	-	
Cash received (+) from disposals of property, plant and equipment	0.0	0.0	0.8	0.0	
Cash paid (-) for investments in intangible assets	-0.0	-0.0	-0.0	-0.1	
Cash paid (-) for investments in property, plant and equipment	-3.8	-4.6	-7.5	-7.9	
Interest received (+)	0.9	2.1	1.7	3.3	
Cash flow from investing activities	-3.0	-2.4	-5.1	-4.7	
Cash paid (-) for subsidies/grants	-0.0	-0.0	-0.0	-0.0	
Cash paid (-) for finance leases	-2.4	-2.5	-4.5	-5.0	
Interest paid (-)	-1.6	-4.2	-2.9	-8.1	
Dividends paid (-)	-17.2	-49.5	-17.2	-49.5	
Cash flow from financing activities	-21.3	-56.2	-24.6	-62.6	
Net increase (+)/decrease (-) in cash and cash equivalents	1.6	-34.0	-4.2	-29.1	
Effect of exchange rate fluctuations on cash and cash equivalents	0.4	0.7	0.8	0.2	
Cash and cash equivalents at the beginning of the reporting period	111.6	169.9	117.0	165.5	
Cash and cash equivalents at the end of the reporting period	113.5	136.6	113.5	136.6	

EBIT adjustments

EBIT adjustments (€m)					
	Q2 2022/23	Q2 2023/24	HY 2022/23	HY 2023/24	
Revenue	177.4	171.9	359.3	347.1	
EBIT	19.8	13.3	41.0	33.3	
EBIT margin	11.2%	7.7%	11.4%	9.6%	
Restructuring	-	4.5	-	4.5	
Covid-19 costs	0.0	-	0.2	-	
Others	0.2	0.2	0.3	0.2	
Exceptional items	0.3	0.2	0.5	0.2	
Discontinued operations	-	-	-	-	
Adjustments	0.3	4.7	0.5	4.7	
Adj. EBIT	20.1	18.0	41.5	38.0	
Adj. EBIT margin	11.3%	10.4%	11.5%	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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