

Novem Group S.A.



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Novem Group S.A.: Q3 2021/22 figures show signs of recovery versus previous quarter

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Novem Group S.A.: Q3 2021/22 figures show signs of recovery versus previous quarter

YTD 2021/22 revenue of €455.2 million, +8.6% above YTD 2020/21

Adj. EBIT of €58.6 million, +13.0% above YTD 2020/21

Tight situation on the supply market adversely affects results

Market remains difficult, in part due to spread of the Omicron variant

Luxembourg, 24 February 2022 - Novem Group S.A. today published its figures for the third quarter of its financial year 2021/22. In the first nine months of the financial year 2021/22, the company demonstrated noticeable improvement and performance remained robust, with an Adj. EBIT margin of 12.9%. The company generated revenue of €455.2 million, an increase of 8.6% or €36.0 million compared to the same period last year. Looking forward, the supply market is expected to stay challenging.

Novem continues to grow ahead of the market

In Q3 weaker production volumes of OEMs led to a decrease in revenue Series by -5.6%, compared to Q3 2020/21. But despite these unfavourable conditions, Novem was again able to outperform the global market for light vehicle production, which declined by -12.5% compared to Q3 last year. Revenue Tooling contributed €40.2 million to the total revenue and marked an improvement of 12.2% (€35.8 million PY), driven by several project completions in Q3 2021/22. On a year-to-date basis, revenue Series was up by 8.2% to €415.2 million, following a strong pandemic-related decline in the previous year.

Revenue growth in Europe (+9.4% year-on-year) and Americas (+15.3% year-on-year) was fueled by the post-Covid-19 recovery. As these catch-up effects emerged earlier in Asia, revenue declined by -10.6% in this region in the period under review.

In the period from April to December 2021, Adj. EBIT totalled €58.6 million (€51.8 million PY). Novem was able to maintain the Adj. EBIT margin of 12.9% (12.4% PY) compared to the first half of 2021/22. The robust trend was supported by the modest margin recovery in Q3 2021/22. Nonetheless, inefficiencies resulting from volatile customer call-offs, increased material prices as well as higher transportation costs weighed on first nine months' results.

In the third quarter of the financial year 2021/22, Adj. EBIT came in at €20.4 million (€28.9 million PY) and suffered a decline of -29.3% against previous year for the same reasons as mentioned above.

Ongoing reflection of market environment in working capital

As of 31 December 2021, working capital was 20.4% or €26.3 million above last year and stood at €151.9 million. Higher tooling net (€-14.8 million), inventories (€-5.7 million) as well as higher trade receivables (€-2.1 million) led to this development. This could be partly offset by lower trade payables (€-4.6 million) and contract assets (€+0.9 million). To ensure operational readiness, higher stock levels were kept across all regions to flexibly adhere to the volatile customer call-offs.

Transfer of Faurecia business well prepared

Capital expenditure of €4.5 million doubled in Q3 2021/22 compared to Q3 last year, reflecting the acquired Faurecia business (€0.6 million), among other things. In the course of the current financial year, Novem expects further Faurecia-related investments of approximately €4.0 million. The transfer of aluminium interior trim business will contribute around €18.0 million to revenue, starting from the second half of the year 2022.

Successful resource protection project

As part of a cooperation with the local forestry, Novem initiated a joint reforestation project and enabled the plantation of around 3,500 trees in the region, where Novem's head office is located. This project represents an important first step towards sustainable climate protection, which will be built upon in the coming years.

The quarterly statement for the first nine months of financial year 2021/22 can be found on the Investor Relations website under Reports & Presentations.

About Novem

German-headquartered Novem is a globally leading supplier of decorative interior trim parts for the premium automotive industry. Across the range of key materials such as genuine wood, aluminium, carbon and premium synthetics, the Company offers unrivalled quality, technology and innovation to a growing customer base of 18 automotive OEMs. Founded in Vorbach, Germany, back in 1947, the Company has continuously expanded its global footprint in Germany, Italy, Czech Republic, Slovenia, China, USA, Honduras and Mexico. Novem employs about 5,700 people at 12 locations and achieved revenues of more than €600 million in FY 2020/21.

For more information, please visit www.novem.com.

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