

Novem Group S.A.



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FY 2021/22 revenue of €614.5 million, +1.9% above FY 2020/21

FY 2021/22 Adj. EBIT of €80.9 million, -6.4% below FY 2020/21

Solid full year profit margin of 13.2% despite continued headwinds

Luxembourg, 2 June 2022 – Novem Group S.A. today published its preliminary results for its financial year 2021/22, including the figures for the fourth quarter. In the past 12 months, the Company performed well with an Adj. EBIT margin of 13.2%, despite continued difficult trading conditions. Underpinning the strong resilience of Novem's business model, the Company generated revenue of €614.5 million in FY 2021/22, an organic growth of +1.9% compared to last year.

#### Resilience despite challenging market environment

Although the war in Ukraine and the Covid-19 lockdown in China led to lower production volumes of OEMs, revenue in Q4 2021/22 almost equalled the previous quarter with €159.3 million (-13.1% year-on-year). Affected by weaker customer call-offs, revenue Series fell short by -7.2% compared to the previous year to €149.8 million. Tooling revenue of €9.4 million was less than half of last year's level due to a different project phasing. However, based on LMC market data, Novem again bet the global LVP contracting by -9.6% year-on-year.

On a regional basis, revenue declined in Europe (€-4.8 million quarter-on-quarter) and in Asia (€-3.3 million quarter-on-quarter), whereas Novem increased its revenue in Americas by €+7.5 million compared to the third quarter of 2021/22. While the lower revenue in Europe resulted from tooling and reduced customer call-offs driven by production interruptions in connection with the war in Ukraine, the drop in Asia was directly linked to several customer plant shutdowns due to the zero-Covid policy in China.

While Novem's Q4 2021/22 Adj. EBIT of €22.3 million recorded at a similar level as the previous quarter translating into a further quarter-on-quarter improved profit margin of 14.0%, both Adj. EBIT (-35.6% year-on-year) and profit margin (PY: 18.9%) remained behind compared to last year. This was caused by lower revenue and higher expenses. Operational performance was affected by the stop-and-go approach of OEMs leading to inefficiencies. In addition, increasing logistics expenses, especially in Americas, and prices for certain commodities, such as aluminium and granulates, as well as energy costs weighed on the results for Q4 2021/22.

#### Strong cash flow development

In the fourth quarter of the financial year 2021/22, Novem generated a substantial free cash flow of €45.2 million, outperforming last year with an increase of €+19.5 million or respectively +76.2%. Cash flow from operating activities grew by €+9.2 million compared to the previous year, mainly attributable to lower trade receivables. Conversely, Novem posted further increased inventories largely due to tooling and. Cash out-flow for investing activities recorded at €0.8 million, including a one-time currency translation adjustment of €+9.2 million.

#### Significantly higher capex reflects acquired Faurecia business

Capital expenditure in Q4 2021/22 increased considerably by +49.8% year-on-year to €8.4 million. As a result of the lower revenue, the underlying capex ratio increased from 3.0% last

year to 5.2% (+2.2pp year-on-year). Investments in Q4 2021/22 included approximately €3.0 million for the takeover of the Faurecia business.

#### Further improved capital structure

Gross financial debt as of 31 March 2022 amounted to €282.6 million (PY: €433.6 million) and thus posted a significant decrease of €-151.0 million. Compared to the previous year, this sharp decline is mainly attributable to the redemption of the €400 million bond, which was partly offset by the drawdown of a new loan of € 250 million in July 2021. Cash and cash equivalents decreased by €-58.3 million compared to the financial year 2020/21. Despite the challenging trading conditions, Novem was able to successfully deleverage its balance sheet and demonstrate a robust financing structure with a solid net leverage ratio of 1.5x. Principal sources of funds were €117.0 million cash (31 March 2021: €175.3 million) and €47.8 million non-recourse factoring (31 March 2021: €40.1 million).

An accompanying presentation on the preliminary FY 2021/22 results can be found on the Investor Relations website under [Reports & Presentations](#). This press release contains unaudited financial information, which may be subject to change. The final figures and the Annual Report for the financial year 2021/22 will be published on 30 June 2022 on our Investor Relations website.

#### 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 including all major premium carmakers worldwide. Founded in Vöhrbach, 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 revenue of more than €600 million in FY 2020/21.

For more information, please visit [www.novem.com](http://www.novem.com).

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